

MARCH 13, 2023

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, MARCH 13, 2023, 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
Emilio Garcia, Health Director
Deborah Balli, Finance Director
Charlie Sosa, Purchasing Manager
Bill Donnell, Public Works Director
Susan Ivy, Parks Director
Kwabena Agyekum, Interim Director of Planning & Development Services/Senior Planner/HPO
Joseph Ramirez, Engineers Assistant
Mike Mora, Capital Improvements Manager
Ricardo Torres, Chief of Police
Diana Gonzales, Human Resources Director
Janine Reyes, Tourism Director
Belinda Tarver, Building Official

I. Preliminary Proceedings.

OPEN MEETING

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

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

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

MINUTES OF PREVIOUS MEETING(S)

Regular Meeting February 27, 2023

Motion made by Commissioner Lopez to approve the minutes of February 27, 2023, 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).¹

1. Public hearing for proposed rezone of KT&I Co., Block 17, Lot Pt 6, 8.71 acres, also known as 1420 Senator Carlos Truan Blvd., Kingsville, Texas 78363 from R1 (Single Family) to R3 (Multi-Family). Rick Deyoe, applicant. (Director of Planning & Development Services).

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

Ms. Alvarez commented that at a previous meeting, the Commission had approved a resolution for a senior living apartment complex, this is the rezone for this item. No feedback from the community, based on the letter that was mailed out and Planning & Zoning Commission approved the item unanimously.

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

There being no further comments Mayor Fugate closed this public hearing at 5:04 P.M.

2. Public hearing for proposed replat of Tranquitas 2, Block 2, Lots 5, 6, 7 & 8, also known as 168 West Ave. D, Kingsville, Texas 78363. Santiago Cantu Jr., owner/applicant. (Director of Planning & Development Services).

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

Mr. Kobby Agyekum, Interim Director of Planning & Development Services stated that the requestor had land that measures 150x140. He has a house on one side of the property and wants to split the property into two lots that are 75x140.

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

There being no further comments Mayor Fugate closed this public hearing at 5:04 P.M.

3. Public hearing for creation of nine (9) neighborhood districts proposed for district map needed for new master plan. (Director of Planning & Development Services).

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

Mr. Agyekum stated that the Planning and Development Services Department of the City of Kingsville, in the process of preparing a comprehensive plan for the city, is delineating the city into nine administrative neighborhoods/districts. Consequently, a request is made for a Public Hearing geared towards engaging members of the community and for the adoption of the districts. The Planning and Development Services Department of the City of Kingsville is currently preparing an updated comprehensive plan for the city of Kingsville. To facilitate this, the city is being divided into 9 neighborhoods or districts geared toward effective administration. These neighborhoods are known as 1) Downtown; 2) West Side; 3) East Side; 4) Northwest; 5) Northeast; 6) North Side; 7) District 7; 8) Southeast; 9) South Side. Mr. Agyekum further stated that a public hearing is part of the requirements needed to ensure members of the community are adequately briefed on the details of the plan. Subdividing the city into these districts enables effective community engagement during the plan preparation and, in the future, fosters more robust monitoring and review.

Mayor Fugate asked if this was the public hearing that is required. Ms. Alvarez responded yes. Mayor Fugate recommended a town hall meeting to publicize this and allow the community to look at the plans to allow them to have input into this plan, as he doesn't think too many citizens have seen this.

Ms. Alvarez commented that this is a preliminary step into the comprehensive master plan. Once they get into more of the details for each district then there will be more notice or engagement. The creation of the map is a way to get it started.

Mayor Fugate asked if the Commission would still need to approve the final plan. Ms. Alvarez responded yes; this is just creating a map so that staff has a planning tool so that it is easier to reach each of the districts.

Commissioner Alvarez commented that letters have been sent out regarding this already, as she has a copy of the letter letting people know about the hearing tonight.

Ms. Alvarez stated that staff had previously had a community forum about the master plan a few months ago.

Commissioner Lopez and Commissioner Torres stated that they had just heard about this now. Commissioner Lopez commented that she feels that the citizens need more information and time to understand what this is about, as there are a lot of questions being asked by the citizens.

Commissioner Hinojosa asked why there are so many districts.

Mr. Agyekum stated that the reason for the districts is to have a citizen or citizens represent their area and voice their concerns for their district.

Commissioner Lopez commented that more information needs to be given so that everyone understands what this is for.

Mayor Fugate suggested not taking any action on this during tonight's meeting.

Ms. Alvarez asked the Commission if they would like to see if anyone in attendance would like to comment on this, before recommending not to take any action.

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

Ms. Crystal Emery, 1620 South 11th Street, which would be District 7, commented that she likes the phrase "less is more" and feels that we already have the county's area, Precincts 1, 2, 3, and 4, and brush zones 1, 2, 3, and 4, which are different already. With now there being 24 polling places, there are already too many numbers that citizens will need to remember where they are located. The addition of 9 new districts will just add confusion to the average voter and average citizen. Ms. Emery further commented that she would like to see this more in line with what we currently have,

either by the city's brush zones or the county's precincts. She also agrees with the Commissioners that more notice needs to be given as this was only about 5 days out. As it is Spring Break for some schools this week so maybe some citizens are not able to attend the meeting tonight, maybe multiple sessions would be beneficial to the citizens to hear what these districts are for and could affect anything outside of the comprehensive plan or could it in the future. These are some of the questions she and some of the citizens have as well, about how this is going to affect administratively affect us in the future.

Mayor Fugate commented that this item will not be addressed during tonight's meeting.

There being no further comments Mayor Fugate closed this public hearing at 5:10 P.M

III. Reports from Commission & Staff.²

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

Mrs. Susan Ivy, Parks Director gave a brief update on activities occurring during Spring Break Week.

Ms. Courtney Alvarez, City Attorney reported that the next scheduled meeting will be on March 27, 2023, with an agenda item deadline of Friday, March 17th.

Commissioner Torres gave a brief update on the Executive Board for the Council of Governments. This board will be meeting often, and a calendar of their scheduled meetings will be forwarded to the City Secretary. Commissioner Torres further thanked Mrs. Ivy for organizing spring break activities.

IV. Public Comment on Agenda Items.³

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

No public comments were made.

V.

Consent Agenda

Notice to the Public

The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.

CONSENT MOTIONS, RESOLUTIONS, ORDINANCES, AND ORDINANCES FROM PREVIOUS MEETINGS:

(At this point the Commission will vote on all motions, resolutions, and ordinances not removed for individual consideration)

None.

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

1. Discussion regarding financing options for certain city equipment and/or projects. (ie, water meters). (Finance Director).

Mrs. Deborah Balli, Finance Director stated that the City Commission has approved a Water Meter Replacement project with \$1 million of ARP funding. The total cost of the project is estimated to be \$6.5 million and will need to be funded through an outside bond issue paid back over 1-15 years with increased revenues resulting from the new water meters. Information will be provided by the City's Financial Advisors and Bond Counsel at the City Commission meeting on the financing options, timetable of events, and other items related to the issuance of debt for this project.

Mr. Don Gonzales, Estrada Hinojosa Financial Advisors stated that there has been a lot of volatility in the interest rate market. Interest rates have moved up very quickly and today we have seen rates decrease quite a bit. This is primarily due to the Silicon Valley Bank that failed on Friday and Signature Bank in New York that failed over the weekend. This has caused a rush to the higher quality treasury on the United States Treasury side which brought interest rates down, and prices of those securities increasing. He further stated that we don't know if this will be here for a very long period. It could be something that can go back the other way within this week. The Fed has already come out and stated that they plan to create a bridge bank that will be shoring up the Silicon Valley Bank and other banks that may have issues financially. Mr. Gonzales commented that they think this will be short-lived. What they have seen in the past year and a half is interest rates coming up between 150 to 250 basis points, which is significant in terms of increases. Last year and at the beginning of this year, the Feds made comments that they are planning on increasing rates some more. With this pressure, one of the things they did, when this was brought to their attention was to move very quickly and see if it made sense to try and do a private placement with one financial institution that would be able to give us some good indication as to what the interest rates would be, knowing that they wouldn't be bringing to the Commission a deal that is done but one that has some indications in terms of interest rates and as to where they could come in. He further stated that they spoke to a few banks and among the two best banks they saw we would still be around 4%, between 4% and 4.25%, whereas others would be around 5% and higher. This would be for a 15-year to a 20-year type of financing. He further stated that with water meters if you do the installation properly they can last about 15 years on the low side and about 30-plus years on the high side. The city can finance this for more than 5 years. Mr. Gonzales did state that they asked the two banks that came in with the lower interest rates and see what a 7-year term, 10-year term, and 15-year term, in terms of interest rates look like. He further commented that because of the yield curve, the yield curve is higher on the short end and lower on the long end. What they are looking at is, on a 7-year term it will be about 4.25%, and going out 10 to 15 years you can see about a 4.10% to 4.15%. He commented that if the city wanted to move quickly it could do financing using certificates of obligation. The sooner the city can get the water meters ordered, installed, and operational, the sooner the revenue will be coming in from water meters that will be reading accurately. Mr. Gonzales stated that one of the recommendations they made to Mrs. Balli is to order the meters that are needed, keeping in mind future growth, order what may be needed within the next 7 years, and get it all in one purchase. The city can then reimburse itself with the reimbursement resolution. The city could spend the money today and get the order in and complete the financing. If the city decides to move forward today, public notice would need to be published for two consecutive weeks in the local newspaper then wait 45 days from the first publication before issuing the certificates of obligation. He further commented that the longer the delay for this purchase, the higher the risk that interest rates will increase in this type of environment, than where we are today. He also commented that if the commission was to approve moving forward today, they could get with the bank that gave the best indication and try to lock in an interest rate, roughly about 30 days from now. This would put this in the middle of April and interest rates could be locked through the time of closing in June.

Commissioner Alvarez asked what the interest rate is forecasted at. Mr. Gonzales responded that if we did a 15-year transaction, with the consideration that the Feds may increase at a later time, it is built at 4.25%.

Mayor Fugate commented that the city has purchased water meters in the past and further asked how long those meters will last.

Mr. Bill Donnell, Public Works Director, responded that meters were purchased sometime around 2004.

Ms. Alvarez commented that she recalls the city doing a CO back then to purchase meters for the entire city.

Commissioner Torres asked if this was the company that was too expensive which was discussed sometime back.

Ms. Alvarez responded that at this time the only thing that is being discussed is the potential financing options. The Commission will not be approving the purchase at this meeting tonight.

Commissioner Torres further commented that she understood, but is staff basing this on the \$6.5 million on quotes that staff had already received, or is this money that is being estimated from what?

Ms. Alvarez responded that the estimates are based on numbers that staff has obtained. The city did hire out an investment grade audit where they performed an estimate. Once the information was received staff did their due diligence in double-checking the numbers and checked to see what other options were available and what equipment, not just the meters, but the readers that go with the meters would be most compatible and beneficial for the city overall.

Commissioner Torres further asked if the estimate came from the company that was hired. Ms. Alvarez responded that it came from staff.

Mrs. Balli commented that the company that Commissioner Torres is referring to PSI which did the initial study. They then brought the city several meter companies and staff selected the meters that they thought were best suited for our city. Once staff decided that they no longer were going to use PSI to do the project, staff got a hold of the actual company that had the best meters for our city, and received their quotes for buying them directly from them along with the installation including the cost that will be involved in getting the meters for this project. The cost was less than if the city would have gone through with PSI contract which is about \$6 million to \$6.5 million.

Commissioner Torres asked if the \$6.5 million was at the higher-end cost. Mrs. Balli responded yes. Mrs. Balli further stated that it depends on the \$1 million which is not included in the \$6 million to \$6.5 million. There will be discussions on whether or not the \$1 million will be used as a contingency in the event of any changes.

Commissioner Torres asked if staff had the amount of money that the city is losing while using the current meters. Mrs. Balli responded yes.

Commissioner Hinojosa asked if the total amount would be \$7.5 million. Mrs. Balli responded yes if you include the \$1 million. She further stated that it would depend on if the city wants to use the \$1 million against that, staff can structure the financing a little differently if we were still going to use the \$1 million or we could not use it and then it would be a different structure for the financing.

Commissioner Hinojosa asked what Mr. Gonzales would recommend, as 15 years is a long time as he doesn't think that those meters would last 15 years. He would prefer to go with 7 to 10 years.

Mr. Gonzales responded that he originally was looking at 10 years as well, but what was determined was that the interest rate was lower for 15-year financing than for the 10 years. With the newer technology, in terms of the meters, the meters should do well. He further stated that the city is looking at a capital improvement plan and this capital improvement plan is going to require some water and sewer utility rate increases. If you couple that with having to make the utility system improvements, you don't want to put more pressure on the ratepayer due to shortening the debt service by 5 years, when it could have been left out at 15 years at a lower interest rate. Looking at the overall picture, if the city has to make some improvements to its wastewater treatment plants, which are more costly than the \$6 million, it makes more sense to spread this project into a 15-year financing.

Mrs. Balli commented that the other part of the contingency is that on the commercial water meters there will probably be a greater need to do additional work when commercial meters are pulled. The contingency amount would handle the unknowns that we have now. Not all commercial meters were tested, but once the meter swap-out begins the city may run into some problems with the swap-outs.

Commissioner Alvarez stated that Mr. McLaughlin had already commented at a previous meeting, that once the swap out of meters begins, there may be some repairs that will need to be done.

2. Consideration and approval of a plan of finance and a resolution authorizing publication of Notice of Intention to Issue Certificates of Obligation. (City Attorney).

Mayor Fugate asked when the last time was the city had issued certificates of obligation. Ms. Alvarez responded that it was a few years ago, but when the city issues certificates of obligation the commission is asked to approve a resolution as such which will allow staff to move forward with purchasing the equipment. The purpose of this is to have the water meters read accurate readings so that the city doesn't lose too much revenue from inaccurate readings. She further commented that the savings from the new water meters being installed will assist in paying for this.

Commissioner Alvarez asked if this needed to be done by BuyBoard. Ms. Alvarez responded that this item is not for the purchase of the equipment, only asking for permission to put our notice that the city intends to issue Certificates of Obligation (COs) in the future. There is a requirement in the State statute that a notice be published in the newspaper for two consecutive weeks to notify the citizens of what the city is doing and what it's for. The notice that was published states that this is for sewer and water improvements including water meters and related technology. The tentative date of issue is May 8th at 5:00[p.m. with a total maximum amount of, not expected to exceed \$6.5 million with the city pledging to pay the \$6.5 million from ad valorem taxes but subordinate lien of the net revenues from the water and sewer system from the savings.

Commissioner Torres stated that as the city is doing \$6.5 million and with the Fed rates increasing 1.75, how is that going to change whether the city moves forward or not since the city will not be locked in and is the \$6.5 million going to remain the same knowing that companies will be increasing their prices.

Mr. Gonzales stated that as we don't have interest rates locked in and don't have a price lock on the product, what this process does is initiate the beginning so that the city can get to a date where the city can say to a vendor that it now wants a price lock on the product. The city can then also go to the financial institute and lock in an interest rate. If the city decides to wait on the process, there is a chance that prices and interest rates may increase.

A chart showing the Municipal Market Data Yield Curve was discussed by Mr. Gonzales. A copy of the chart was provided to the City Commission and staff. The chart showed how interest has fluctuated in the last 12 months. In the first year, in the short end, interest rates increased more than they have in the long-end thirty years out it increased by 1.57% and went up by 2.16% in year one. Instead of interest rates increasing naturally, they increased more on the short end in the first couple of maturities than in the long end for a maturity that is 30 years out. The last time this was seen was in a financial crisis. The change in a week's interest rate increased by 4 basis points to 7 basis points, which is typically seen during the course of a month but was done in one week. For years 1 through 5, current interest rates on the short end are higher than where they had been over the average of the last 20 years, which is what creates the inverted yield curve. When you look at 10 to 15-year financing the interest rates are not very different from where they are if you did something that is 2 to 3 years. Mr. Gonzales commented that if the city doesn't start moving sooner rather than later chances are, with inflation cost, the meters could increase as well as the interest rates. Mr. Gonzales stated that for this process the financing team is the City of Kingsville, Financial Advisor is Estrada Hinojosa & Company, Co., Bond Counsel is Winstead, PC, Purchaser is to be determined as well as Paying Agent. Mr. Gonzales commented that if things come back significantly different then it will be requested for the city to wait and maybe delay this for several months. Starting today it does not mean that the city has to come back and issue the debt in May. If the city gets to May and things are not where they need to be, the city can do a notice of extension and wait a month, as the publication has already been done in the newspaper, and see if the rate decreases then ask the bank to provide another quote. The city is not locking itself in but giving itself more flexibility by starting the process sooner rather than later.

Commissioner Torres commented that she was concerned about the \$6.5 million and then the meters would cost the citizens to have to pay more which is difficult when you see the changes in the market and if they will have to be paying more for groceries then need to decide if they want to purchase the groceries or pay the water bill, it makes it difficult for the citizens.

Mr. Gonzales stated that if the city can get 15-year financing with a lower interest rate it will ease some of the pressure on what the monthly payments will look like on a water bill. Mr. Gonzales stated that the city has debt that will be going down from \$3.25 million to \$2,750,000.00, which will give the city some debt capacity. The city may want to start thinking about what the city's capital projects will be and how much will the city need and by when it will be needed. The city will also need to look at issuing some debt so that there could be a payment in 2024 and keep the city's tax rate leveled and use the capacity the city has. Estimates have been provided in terms of what that debt capacity would look like, which is information that the city may want to have before going into its

budget session for the upcoming fiscal year. He further commented that with regards to certificates of obligation, the Texas Legislature is in session, and they are looking at coming after certificates of obligation. What this means is that they have already limited, that if you are doing a quality of life type projects such as parks and recreation, it will not be allowed to issue certificates of obligation for that type of project, they will want the city to go to its voters for that, as it for quality of life. If the city needs to do a project related to utility systems such as streets, police, and fire, those are good. If the city wants to make city hall improvements, it will not be allowed any longer. It will be very limited what a city can do with certificates of obligation.

Mayor Fugate commented that the monies that the city owes are for infrastructure.

Commissioner Hinojosa commented that another thing to consider is supply and demand.

Motion made by Commissioner Lopez to approve a plan of finance and a resolution authorizing publication of Notice of Intention to Issue Certificates of Obligation, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Alvarez, Lopez, Torres, Hinojosa, Fugate voting "FOR".

3. Consideration and approval of a resolution declaring intention to reimburse certain expenditures. (City Attorney).

Motion made by Commissioner Lopez and Commissioner Torres to approve the resolution declaring intention to reimburse certain expenditures, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Lopez, Torres, Hinojosa, Alvarez, Fugate voting "FOR".

4. Consider a resolution suspending the May 1, 2023, effective date of the proposal by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas-South Texas Division, to implement interim GRIP Rate Adjustments for gas utility investment in 2022 and requiring delivery of this resolution to the company and legal counsel. (City Attorney).

Ms. Alvarez stated that this involves a proposed rate increase by the gas utility that services our area. In between major rate case filings, gas utilities can propose Gas Reliability Infrastructure Program (GRIP), they can do these types of assessments. The only review that the city is allowed to do is to confirm that it complies with the Texas Utility Code. The city can recommend that the rate increase that is being proposed for May 1st be suspended for a period of up to 45 days to give the city time to verify that the utility did everything procedurally correctly. Ms. Alvarez further explained the different types of rate increases that can be contested by the city, but this is not one of those cases. All cities can do is postpone the increase to make sure that the statute was complied with. Rates will increase as follows, residential customers will increase by \$3.72 per month, general service small customers rate will increase by \$7.51 per month, and general service large volume will increase by \$59.85 per month. Ms. Alvarez further commented that the city cannot stop the increase, it can only delay it.

Mayor Fugate asked if it is staff's recommendation to approve this item. Ms. Alvarez responded yes.

Motion made by Commissioner Lopez to approve the resolution suspending the May 1, 2023, effective date of the proposal by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas-South Texas Division, to implement interim GRIP Rate Adjustments for gas utility investment in 2022 and requiring delivery of this resolution to the company and legal counsel, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Torres, Hinojosa, Alvarez, Lopez, Fugate voting "FOR".

5. Consider request to replat Tranquitas 2, Block 2, Lots 5, 6, 7 & 8, also known as 168 West Ave. D, Kingsville, Texas 78363. (Director of Planning & Development Services).

Mayor Fugate asked why does this need to come back for a replat? Why can't a house be built on two lots 5 & 6 and 7 & 8 as they are already described?

Ms. Alvarez responded that it is her understanding that in the older section of town, the individual lots are very narrow and so the requestor wants to take the four lots that they currently have and break them off into two separate properties, which one of them already has a house on it which they would like to sell it. They would then have a second lot where they can build a second home and make it marketable. To sell it, they need to divide it up and create an address for each property which will make it a cleaner bill of sale.

Commissioner Lopez commented that it needs to be done as there is only one address for the entire property.

Ms. Alvarez commented that currently there is only one address for the four parcels.

Motion made by Commissioner Alvarez to approve the request to replat Tranquitas 2, Block 2, Lots 5, 6, 7 & 8, also known as 168 West Ave. D, Kingsville, Texas 78363, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Hinojosa, Alvarez, Lopez, Torres, Fugate voting "FOR".

6. Consider introduction of an ordinance amending the zoning ordinance by changing the zoning map in reference to KT&I Co., Block 17, Lot Pt 6, (8.71 acres), also known as 1420 Senator Carlos Truan Blvd., Kingsville, Texas from R1 (Single Family Residential District) to R3 (Multi-Family Residential District); amending the Comprehensive Plan to account for any deviations from the existing Comprehensive Plan. (Director of Planning & Development Services).

Ms. Alvarez stated that letters were mailed out as well as notices were posted in the newspaper. The city did not receive any feedback from those notified.

Introduction item.

7. Consider a resolution adopting a neighborhood/district map of the City for the new Comprehensive Master Plan. (Director of Planning & Development Services).

No action was taken.

8. Consider a resolution authorizing the Mayor to execute an Economic Development Grant Letter of Commitment between the City of Kingsville and LeRoy David Thibodeaux. (City Attorney).

Ms. Alvarez stated that in 2022 the city started with the Economic Grant Program and Manual to spur economic activity in the city, then a Board was created by the Commission. The Board began advertising and receiving applications that the Board reviewed. On November 14, 2022, three recommendations were brought forward to the Commission for consideration of approval. The City Commission approved the projects and the funding amounts that were revised from what the applicants request. This is the first commitment agreement with one of the three individuals. Because the Commission approved the project, this will specify the amount they would receive as a maximum and what it can be spent on in accordance with the program requirements.

Commissioner Hinojosa asked who would be monitoring this. As he recalls, it was determined that the Economic Development Director, Manny Salazar, would be monitoring it, but with him now being appointed as the interim to the Kingsville Record, he pretty much has a lot to handle at this time. He further asked if the City Manager will be monitoring this now.

Ms. Alvarez responded that the city will be cutting the check for any items. The individual would have to submit an invoice that will then be reviewed by staff as well as the Finance Department before anything is cut.

Motion made by Commissioner Lopez to approve the resolution authorizing the Mayor to execute an Economic Development Grant Letter of Commitment between the City of Kingsville and LeRoy David Thibodeaux, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Lopez, Torres, Hinojosa, Alvarez, Fugate voting "FOR".

9. Consider awarding bid for RFP#23-04 to Donald Hubert Construction Company Inc. for the 2023 Municipal Building Park Lot Maintenance Project, as per staff recommendation, and approve resolution authorizing the City Manager to execute an Agreement for RFP#23-04 Municipal Building Parking Lot Maintenance Project. (City Engineer).

Motion made by Commissioner Lopez and Commissioner Alvarez to approve the award for bid RFP#23-04 to Donald Hubert Construction Company Inc. for the 2023 Municipal Building Park Lot Maintenance Project, as per staff recommendation, and approve resolution authorizing the City Manager to execute an Agreement for RFP#23-04 Municipal Building Parking Lot Maintenance Project, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Torres, Hinojosa, Alvarez, Lopez, Fugate voting "FOR".

10. Consider introduction of an ordinance amending the Fiscal Year 2022-2023 Budget to appropriate funding for Municipal Building Parking Lot Maintenance. (City Engineer).

Introduction ordinance.

11. Consider introduction of an ordinance amending the Fiscal Year 2022-2023 Budget to appropriate Tourism ARP Funding for projects approved in FY21-22 but not completed in FY21-22 and not rolled forward to FY22-23. (Finance Director).

Ms. Balli stated that in fiscal year 21-22, wayfinding signs and promotional frames were approved for Tourism ARP funding. These projects were not completed in fiscal 21-22 and the budget was not rolled over into the current fiscal year budget. These projects are now completed, and budgets need to be established to cover these expenditures. Funding for these expenditures will be covered by the Tourism ARP funding fund balance.

Introduction item.

12. Consider introduction of an ordinance amending the Fiscal Year 2022-2023 Budget to appropriate funding for a new laptop for the warrant officer and scanners for the Municipal Court. (Finance Director).

Ms. Balli stated that the Warrant Officer needs a new laptop and the Municipal Court staff needs new scanners. These items are required to perform the duties of the Court. Funding for these expenditures will come from the Municipal Court Technology Fund.

Introduction item.

13. Consider awarding bid to R.L. Abatement, Inc. via TIPS Purchasing Cooperative as per staff recommendation for asbestos remediation, demolition, and disposal costs of old hospital building. (Purchasing Manager).

Mr. Charlie Sosa, Purchasing Manager stated that this item authorizes the city to approve a contract with R.L. Abatement Inc. for the asbestos removal, air monitoring, and demolition of the old Kleberg County Hospital for the City of Kingsville through Tips Purchasing Cooperative Contract. City staff has been directed by the City Commission to search for an economical solution for the demolition of the old hospital, which is owned by the City. The priority was to have an independent asbestos detection company perform a test of the building. After asbestos was detected, further testing was needed, but all the debris prevented further testing, therefore removal of all the debris was done. The debris comes from the old hospital being used as a storage facility before the City purchased it. After the removal of debris, staff located another asbestos company from a purchasing cooperative list to perform an updated asbestos report. The information in the report still showed signs of the asbestos being over the state-regulated amount, requiring abatement by the company before the demolition of the building. R.L. Abatement, Inc., is a member of the TIPS purchasing cooperative and can perform the asbestos removal, air monitoring, demolition, and disposal of the old hospital. Funding is available through Budget Amendment for line item 121-5-1030-31400, which is the General Fund ARP Funding City Special Professional Services line item. The total cost of services is \$683,750.00. Currently, \$400,000 exists in the line item. A budget amendment of \$283,000 is needed to transfer funds from the Utility Fund ARP funding to this line item in the General Fund ARP funding to cover the full cost of the project.

Motion made by Commissioner Alvarez to approve the award bid to R.L. Abatement, Inc. via TIPS Purchasing Cooperative as per staff recommendation for asbestos remediation, demolition, and disposal costs of old hospital building, seconded by Commissioner Lopez.

Commissioner Torres asked if the company will be sending out letters to citizens that reside near the hospital due to the air quality.

Mr. Sosa responded yes. The company will be monitoring the air quality, and this will be done in 3 phases. Phase 1, which contains part of the hospital that does not have asbestos, that part will be demolished at the beginning of the project. While phase 1 is being done, the asbestos company will be removing the asbestos and monitoring the air quality of Phase 2. Once this gets cleared off demolition will begin in Phase 2 and then move on to Phase 3. This project will take about 3 to 4 months to have it all cleared and demolished.

Commissioner Lopez asked if this would include the walkway that connects the old hospital to the building directly behind it.

Mr. Sosa responded that the walkway will be removed only up to where the city owns.

Mayor Fugate asked if the walkway will be closed in. Mr. Sosa stated that Mr. Ted Figueroa has insured him that he would be boarding up the property.

Commissioner Lopez commented no and that staff needs to speak with Mr. Albert Garcia.

Mayor Fugate commented that he spoke with Mr. Garcia and told him to get in contact with the City Manager to work this out. Mr. Sosa stated that the city can send staff to board it up as it would be leaving it open.

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

14. Consider introduction of an ordinance amending the Fiscal Year 2022-2023 Budget to reallocate UF ARP Funding to GF ARP Funding for the asbestos removal, air monitoring, and demolition of the old Kleberg County Hospital. (City property on E. Caesar Ave.) (Purchasing Manager).

Introduction ordinance.

15. Consider authorizing use of ARP Funds for the installation of an access control system and double gate system at the City's Dr. Pepper Building located on Lee Street. (Purchasing Manager).

Mr. Sosa stated that this item authorizes approval to use ARP Funds for the installation of the following: an Access Control System for the City's Dr. Pepper Building by American Integrated Solutions of Corpus Christi, TX through GoodBuy Purchasing Cooperative Contract; and a new Double Gate System on West Lee side of the building by D&C Fence Company of Corpus Christi, TX for the City of Kingsville Police Department. Currently, the Dr. Pepper Building has locksets on all doors throughout the building. The new access control system will allow the Police Department to isolate offices used for Slot and provide access for city employees. The Police Department has a gym in the building that can be used for fitness for all city employees. The new access control system will allow city employees to access the gym using their current ID badges. Funds are available through General Fund ARP line item 121-5-2000-71200 of which \$45,000 are available this fiscal year. The purchase price is estimated to be \$43,703.63.


Motion made by Commissioner Lopez to authorize use of ARP Funds for the installation of an access control system and double gate system at the City's Dr. Pepper Building located on Lee Street, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Alvarez, Lopez, Torres, Hinojosa, Fugate voting "FOR".

16. Executive Session: Pursuant to Section 551.071, Texas Government Code, Consultation with Attorney Exception, the City Commission shall convene in executive session to seek legal advice from the City Attorney regarding a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter. (City Attorney).

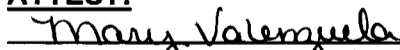
Mayor Fugate announced the executive session and convened the meeting into closed session at 6:12 P.M. Mayor Fugate reconvened the meeting into open session at 6:17 P.M.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:17 P.M.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, TRMC, CMC, City Secretary