

SEPTEMBER 12, 2024

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON THURSDAY, SEPTEMBER 12, 2024, 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
Edna Lopez, Commissioner
Norma N. Alvarez, Commissioner
Hector Hinojosa, Commissioner
Leo Alarcon, Commissioner

CITY STAFF PRESENT:

Mark McLaughlin, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Kyle Benson, Director of Information & Technology
Derek Williams, IT
Emilio Garcia, Health Director
John Blair, Chief of Police
Leticia Salinas, Accounting Manager
Deborah Balli, Finance Director
Susan Ivy, Park Director
Bill Donnell, Public Works Director
Rudy Mora, City Engineer
Erik Spitzer, Director of Economic & Development Services
Juan J. Adame, Fire Chief
Diana Gonzalez, Human Resources Director
Mike Mora, Capital Improvements Manager
Charlie Sosa, Purchasing Manager
Janine Reyes, Tourism Director

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)

Special Meeting – August 14, 2024

Motion made by Commissioner Lopez to approve the minutes of August 14, 2024, as presented, seconded by Commissioner Alarcon. The motion was passed and approved by the following vote: Lopez, Alvarez, Hinojosa, Alarcon, Fugate voting "FOR",

Regular Meeting – August 26, 2024

Motion made by Commissioner Lopez to approve the minutes of August 26, 2024, as presented, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Alvarez, Alarcon, Lopez, Fugate voting "FOR". Hinojosa "ABSTAINED".

Regular Meeting – September 5, 2024

Motion made by Commissioner Lopez to approve the minutes of September 5, 2024, as presented, seconded by Commissioner Alarcon. The motion was passed and approved by the following vote: Hinojosa, Alarcon, Lopez, Alvarez, voting "FOR". Fugate "ABSTAINED".

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

None.

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 Services - Information, Investment Report, Quarterly Budget Report, Monthly Financial Reports; Police & Fire Department – Grant Update, Police & Fire Reports; Street Updates; Public Works-Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Water And Wastewater Rate Study Presentation. No formal action can be taken on these items at this time.”

Mr. Mark McLaughlin, City Manager reported on Sparklight discontinuing analog service in Kingsville. This is a private company, and the city has no authority in Sparklight's decision-making.

Commissioner Alvarez mentioned a situation she encountered with Sparklight for her home service.

Ms. Courtney Alvarez, City Attorney reported that the next city commission meeting is scheduled for Monday, September 23, 2024. The deadline to submit agenda items for that meeting is September 12, 2024. The following meeting will be on Tuesday, October 15, 2024, as Monday, October 14, 2024, is Columbus Day and city offices will be closed. The deadline for agenda items for the October 15th meeting is set for September 27, 2024.

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)

Motion made by Commissioner Lopez to approve the consent agenda as presented, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Alvarez, Hinojosa, Alarcon, Lopez, Fugate voting “FOR”.

- 1. Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 2-Sewers, Section 3-Required Taps, Connections, providing for an increase in sewer tap fees. (Public Works Director).**
- 2. Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 3, Section 52, providing for an increase in water tapping charges and adding water boring tap charges. (Public Works Director).**
- 3. Motion to approve final passage of an ordinance amending the Fiscal Year 2023-2024 budget to appropriate additional funding for sanitation professional services and vehicle maintenance. (Public Works Director).**

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

- 4. Consider introduction of an ordinance amending the Fiscal Year 2023-2024 Budget to accept and expend grant funds from the Coastal Bend Regional Advisory Council for Fire Department medical supplies. (Fire Chief).**

Mr. Juan J. Adame, Fire Chief stated that the Kingsville Fire Department is requesting approval to amend the Fiscal Year 24-25 budget to carry over surplus funds from a grant from the Coastal Bend Region Advisory Council (CBRAC) for \$4,149.00. CBRAC distributes funds to emergency medical services departments each year based on the

number of EMS Calls. This grant funds will be used to purchase medical equipment and supplies.

Introduction item.

5. Consider approving authorization to issue Requests for Proposal for Administrative Services for grant Pre-application (phase I), Application (phase II), and Implementation Services for the 2025/2026 Texas Community Development Fund, administered by the Texas Department of Agriculture. (City Engineer).

Mr. Rudy Mora, City Engineer stated that the Community Development Fund for the 2025-2026 cycle offers a maximum award of \$750,000 with a city catch match requirement of 15% which equals \$112,500.00 which can include in-kind service line in-house engineering. Historically, high-scoring applications have focused on water system improvements, crucial for providing quality housing and living conditions, especially for low to moderate-income residents. The program aims to develop a viable community by expanding economic opportunities for low to moderate-income residents. This goal aligns with our objectives for the 2025-2026 funding cycle. Mr. Mora further stated that the deadline for applications for the 2025-2026 funding cycle is December 1, 2024. Adhering to this timeline is crucial for submitting a competitive application. The cost to advertise the FRO in the local newspaper is approximately \$500. This expenditure is essential for attracting a competitive selection of qualified administrative service providers, ensuring effective grant administration.

Motion made by Commissioner Alvarez to authorize issue Requests for Proposal for Administrative Services for grant Pre-application (phase I), Application (phase II), and Implementation Services for the 2025/2026 Texas Community Development Fund, administered by the Texas Department of Agriculture, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Hinojosa, Alarcon, Lopez, Alvarez, Fugate voting "FOR".

6. Consider a resolution authorizing the City to submit an application to the U.S. Bureau of Reclamation WaterSMART Drought Response Grant Program for the City of Kingsville, Texas. (City Engineer).

Mr. Mora stated that The U.S. Bureau of Reclamation has announced the WaterSMART Drought Response Program for Fiscal Year 2025, offering grants between \$25,000 and \$10,000,000. As a disadvantaged community, the city is eligible for this program, which provides 95% federal funding and requires a 5% city match. If awarded, the following projects are under consideration: Rehabilitation of well #20 with new equipment; Rehabilitation of well #14 with new equipment; Construction of a new Elevated Storage Tank (EST) at well #25; Installation of a new water well at Dick Kleberg Park; Rehabilitation of wells #22 and #24. These projects are crucial for maintaining and enhancing our water infrastructure, particularly during drought conditions. Water is essential for community consumption, fire protection, economic growth, social equity, and environmental sustainability.

Motion made by Commissioner Alarcon to approve the resolution authorizing the city to submit an application to the U.S. Bureau of Reclamation WaterSMART Drought Response Grant Program for the City of Kingsville, Texas, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Alarcon, Lopez, Alvarez, Hinojosa, Fugate voting "FOR".

7. Consider awarding bid for RFP#24-13 Landfill South Drainage Infrastructure-Lined Channel as per recommendation of contract engineer. (Purchasing Manager).

Mr. Charlie Sosa, Purchasing Manager stated that this item authorizes the city to accept bids and award a contract to Lowman Land Improvements Inc., for RFP #24-13 Landfill South Drainage Infrastructure-lined Channel for the city. The request for proposal was advertised in the Kingsville Record on August 1, 2024, and August 8, 2024. The city received four responses from Lowman Land Improvements of Orange Grove, TX, ERS of MS Inc. of Jacksonville, MS., Texas Chili of Kingwood, TX, and EnviroCon Systems Inc. of Houston, TX. Mr. Sosa further stated that Hanson Engineering reviewed the proposal and found the information received responsive. Bids received range from \$299,814.00 to \$490,714.64. Hanson Engineering is recommending the city accept the apparent low bidder, Lowman Land Improvement Inc. for \$299,814.00. Funds are available through the Landfill Closure line item.

Motion made by Commissioner Lopez to award bid for RFP#24-13, Landfill South Drainage Infrastructure Lined Channel as per the recommendation of contract engineer, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Lopez, Alvarez, Hinojosa, Alarcon, Fugate voting "FOR".

8. Consider final passage of an ordinance adopting the City Manager's budget, as amended, of the City of Kingsville, Texas, and appropriating funds for the fiscal year

beginning October 01, 2024, and ending September 30, 2025, in the particulars hereinafter stated. (Finance Director).

Mr. McLaughlin went over highlights regarding the FY 24-25 budget. He stated that the budget has revenues of \$96,343,339.20 and expenses of \$116,179,345.63. This is predicated on a tax rate of \$0.77000 on the hundred dollars for the ad valorem tax rate. Of that, the M&O portion of the tax rate is \$0.6048 on the hundred which will bring in revenues for maintenance and operations of about \$7 million. The Interest and Sinking fund to cover the city's debt is \$0.1652 on the hundred which is to pay the city's debt for next year of \$1,944,426.00, this is predicated on a 98% collection rate. The \$0.77000 on the hundred falls above the no new revenue rate of \$0.73176 but below the voter-approved tax rate of \$0.79793. Mr. McLaughlin further stated that in this budget there is a water increase of 15% which will bring approximately \$750,000.00 in additional revenues to support the city's capital improvement plan. The sewer rate has an increase of 13% which will bring approximately \$624,000.00 for sewer work that needs to be done. The sales tax that is in this budget is \$6,446,139.00 which is what was anticipated would be collected for this year. Sales tax numbers came out today and it was a great month of September, which is about \$63,000 above the budget and end the year at about \$6.5 million on the sales tax. The street user fee has an increase of \$2.00 for residential and 20% for commercial. The street user fee should bring in approximately \$311,000.00 which is higher than this year. Mr. McLaughlin stated that he will be meeting with staff to get the order of streets that need to get done and if it all works out, about seven miles of road will be done with three of them full-depth construction and seventeen will be chip sealed and eight that will be milled and overlayed. The General Fund, fund balance in this budget, as of now, is projected to be \$6,921,921.96 which is 26.59% and the city meets all its requirements. The Utility Fund has a projected ending fund balance for September of next year of \$3,465,941.52 which is at 26.06%. The budget that is being proposed is a culmination of work that has been discussed with the commission throughout seven budget workshops. The budget includes the two collective bargaining agreements, a new collective bargaining agreement for Fire, and year two for the Kingsville Police Department. Also included are 17 of the 175 supplementals submitted totaling over \$1.4 million in capital improvements and heavy lifting work that needs to get done. Mr. McLaughlin stated that the city meets all of its debt obligations for next year. This continues the second year of the Evergreen Compensation Plan in this budget. There are some changes to this budget such as the Jail Contract which is almost \$320,000 which is a 127% increase over this year. It also includes staffing of 2 firefighters, but are not paid for yet, they will budget amendment for when funds become available with the positions that are not filled right now. This will be the last year for the expensing of ARP Funds as all funds need to be earmarked by this December and spent by next year. The health insurance increase was 18%, which will be paid by the city so that we would not have to impact the employee. There is a change in the property and liability as the city has migrated to the TML Risk Pool for this next budget. The overall budget increased from \$374,000.00 to \$408,000.00, including windstorm. Mr. McLaughlin thanked the commission for their input during the budget workshops.

Motion made by Commissioner Lopez I move to approve final passage of an ordinance adopting the City Manager's budget, as amended, of the City of Kingsville, Texas, and appropriating funds for the fiscal year beginning October 1, 2024, and ending September 30, 2025, in the particulars hereafter stated, seconded by Commissioner Alvarez.

Commissioner Alvarez asked about the dollar amount for expenses being higher than the amount for revenues. Where is the additional money coming from? Mr. McLaughlin responded that it looks like a deficit, but it's not. He further stated that the revenues that are needed to make these expenses have already been collected either this year or the previous year to this year. He further stated that there is around \$47 million in all the fund balances added up. It is projected to expense it this next fiscal year and we have already collected it. He also stated that you don't count revenues twice. Commissioner Alvarez asked if the city has a healthy fund balance. Mr. McLaughlin responded yes.

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

9. Consider ratifying the property tax increase reflected in the 2024-2025 Annual Budget of the City of Kingsville. (Finance Director).

Motion made by Commissioner Lopez I move to ratify the property tax increase reflected in the 2024-2025 Annual Budget for the City of Kingsville, Texas, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Hinojosa, Alarcon, Lopez, Alvarez, Fugate voting "FOR".

10. Consider final passage of an ordinance establishing and adopting the ad valorem tax rate for all taxable property within the City of Kingsville, Texas for fiscal year beginning October 01, 2024, and ending September 30, 2025, distributing the tax levy

among the various funds, and providing for a lien on real and personal property to secure the payment of taxes assessed. (Finance Director).

Motion made by Commissioner Alvarez, I move that the property tax rate be increased by the adoption of a tax rate of \$0.77000, which is effectively a 5.23 percent increase in the tax rate, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Alarcon, Lopez, Alvarez, Hinojosa, Fugate voting "FOR".

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

Mr. McLaughlin stated that this is the compensation plan that is passed every year that includes all the positions in the city.

Motion made by Commissioner Lopez to approve the ordinance amending the City of Kingsville Code of Ordinances by amending Chapter III, Article 7, Personnel Policies, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Lopez, Alvarez, Hinojosa, Fugate voting "FOR". Alarcon voting "AGAINST".

12. Consider final passage of an ordinance ratifying classifications and prescribing the number of positions in such classifications for the classified service in the Fire Department by adding two new civil service positions. (Human Resource Director).

Motion made by Commissioner Lopez to approve the ordinance ratifying classifications and prescribing the number of positions in such classifications for the classified service in the Fire Department by adding two new civil service positions, seconded by Commissioner Alarcon. The motion was passed and approved by the following vote: Alvarez, Hinojosa, Alarcon, Lopez, Fugate voting "FOR".

13. Consider final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 3-Water, providing for an increase in water rates, providing for an increase in water rates. (Finance Director).

Mr. McLaughlin stated that this ordinance is for an increase in water rates of 15%.

Motion made by Commissioner Alvarez to approve the ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 3-Water, providing for an increase in water rates, providing for an increase in water rates, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Hinojosa, Alarcon, Lopez, Alvarez, Fugate voting "FOR".

14. Consider final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 2, Sewers, Section-2 User Classification, Schedule Of Charges, providing for an increase in sewer rates. (Finance Director).

Motion made by Commissioner Alarcon to approve the ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 2, Sewers, Section-2 User Classification, Schedule Of Charges, providing for an increase in sewer rates, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Alarcon, Lopez, Alvarez, Hinojosa, Fugate voting "FOR".

15. Consider final passage of an ordinance amending the City of Kingsville Code of Ordinances Sections 9-10-56 and 57 to update the fees used for the purposes of funding the City Streets System. (City Engineer/).

Motion made by Commissioner Lopez to approve the ordinance amending the City of Kingsville Code of Ordinances Sections 9-10-56 and 57 to update the fees used for the purposes of funding the City Streets System, seconded by Commissioner Alarcon. The motion was passed and approved by the following vote: Lopez, Alvarez, Hinojosa, Alarcon, Fugate voting "FOR".

16. Consider final passage of an ordinance amending the Code of Ordinances of the City of Kingsville, Texas, Chapter V Public Works, Article 6 "Stormwater Utility System", Section 21 Fee Calculation, to increase the monthly stormwater utility fees for the purpose of funding the stormwater utility system. (City Engineer).

Motion made by Commissioner Lopez to approve the ordinance amending the Code of Ordinances of the City of Kingsville, Texas, Chapter V Public Works, Article 6 "Stormwater Utility System", Section 21 Fee Calculation, to increase the monthly stormwater utility fees for the purpose of funding the stormwater utility system, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Alvarez, Hinojosa, Alarcon, Lopez, Fugate voting "FOR".

17. Consider rejecting all bids for Bid No. 24-14: 2023-2024 City-wide Miscellaneous Concrete and Drainage Improvements – Phase 3. (City Engineer).

Motion made by Commissioner Alarcon to approve rejecting all bids for Bid No. 24-14: 2023-2024 City-wide Miscellaneous Concrete and Drainage Improvements – Phase 3, seconded by Commissioner Lopez.

Commissioner Alvarez asked for the number of bids received and further asked if staff will be going out for bids again.

Mr. Mora responded that there were three bids received with two of them withdrawing their bids after being turned in. There were some errors in the bidding process, so staff wants to clarify everything and start on a clean slate.

Mayor Fugate asked if this had been presented to the commission before.

Mr. Mora responded not for awarding. This is for phase 3 out of two other phases, so to answer the question yes.

The motion was passed and approved by the following vote: Hinojosa, Alarcon, Lopez, Alvarez, Fugate voting “FOR”.

18. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 3, Water, providing for fees increases for tampering with meters, damaging cut-off valves, discontinuance cut-offs, certain service calls, interest, and late fee charges, and a change in the penalty for late payments. (Finance Director).

Mr. McLaughlin stated that there is damage to the city's property from individuals that tamper with city equipment. This will not charge them a penalty for the tampering.

Introduction item.

19. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter XV, Article 1-Building Regulations, Section 13-Purpose and Authority for Third Party Plan Review Services. (Director of Planning and Development Services).

Mr. Erik Spitzer, Director of Planning and Development Services stated that is being proposed to add language to the existing third-party plan review ordinance to ensure that the fees charged by the company, specifically Bureau Veritas, for both residential and commercial plans are recouped by the city. The city currently has an existing contract with a third-party company to review those when the workload surpasses the local department capacity. To ensure those proper fees are recouped the third-party fees will be collected upfront from the customer plus a 10% administrative fee when the plans are accepted for review.

Introduction item.

20. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter XV, Article 1-Building Regulations, Sections 6, 8, 11, 23, & 40, and Article 6-Zoning, Section 126, revising permit fees in building, plumbing, fuel gas, and sign regulation codes. (Director of Planning and Development Services).

Mr. Spitzer stated that this is for a \$0.02 increase per square foot to roof fees collected. There is a current reinspection fee of \$50.00 and what is being recommended is the second reinspection fee of \$100.00 for the same item being inspected. If it fails twice and had to have a third reinspection it would be for a cost of \$150.00. There is a \$100.00 permit fee for new commercial construction that was not considered before, which would account for all the time spent by the Permit Clerk and Building Official. The fence fee is from \$35.00 to \$50.00 and a permit renewal fee of \$75.00, if you would like to extend that permit beyond a year. Commercial remodels, the current ordinance does not cover those remodels, so it is proposed that a fee of \$125.00 for review and \$0.30 per square foot. For swimming pools, there was no pool application fee and now it is being proposed pool application fee of \$25.00 for plan review and \$0.30 per square foot. The fee for a permanent certificate of occupancy was \$25.00 and if there were additional floors it was \$15.00, but it is now being proposed to be a straight \$75.00 fee. There is a small increase being proposed for the water heater permit from \$10.00 to \$15.00. Mr. Spitzer further stated that when staff has caught individuals working without a permit, the current fee is double the amount of the permit fee. What is being proposed is an additional \$150.00 to deter work without a permit.

Introduction item.

21. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter XV, Article 1, Building Regulations, Section 152, revising the fee for swimming pools permits. (Director of Planning and Development Services).

Mr. Spitzer stated that this would be a \$25.00 review fee plus \$0.30 per square foot.

Introduction item.

22. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter IX, Article 10-Streets and Sidewalks, Section 35-permit required; fee, providing for change to fees. (Director of Planning and Development Services).

Mr. Spitzer stated that this is for a driveway curb out from \$15.00 to \$50.00 and a sidewalk/curb and gutter from \$10.00 to \$50.00.

Introduction item.

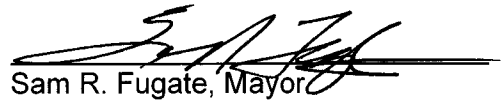
23. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Section 9-7-6 Abatement of Nuisance Lots; Administrative Fees, providing for revision of administrative fees. (Director of Planning and Development Services).

Mr. Spitzer stated that in this section the current administrative fee for abatements is \$150.00 plus additional based on the operator or two, we currently have only one operator working. The proposed increase is \$300.00 for the first abatement and \$400.00 for the second abatement, and \$500.00 for the third abatement at the same location.

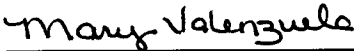
Introduction item.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 5:48 p.m.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, City Secretary