

JANUARY 27, 2025

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, JANUARY 27, 2025, 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:

Charlie Sosa, Interim City Manager
Courtney Alvarez, City Attorney
Kyle Benson, IT Director
Derek Williams, Systems Administrator
Emilio Garcia, Health Director
Diana Gonzalez, Human Resources Director
Susan Ivy, Park Director
Bill Donnell, Public Works Director
Deborah Balli, Finance Director
Janine Reyes, Tourism Director
Leticia Salinas, Accounting Manager
John Blair, Police Chief
Kobby Agyekum, Senior Planner/HPO
Manny Salazar, Economic Development 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)

None.

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

1. Public hearing to consider amending the zoning ordinance by granting a Special Use Permit for daycare use in R1 (Single Family District) at 1515 Lewis St., Kingsville, Texas, also known as Anglewood, Block 3, Lot 12; amending the comprehensive plan to account for any deviations from the existing comprehensive plan. (Director of Planning and Development Services).

Mayor Fugate read and opened this public hearing at 5:02 p.m. Mayor Fugate further announced that this is a public hearing. 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.

Mr. Kobby Agyekum, Senior Planner/HPO stated that the applicant is requesting a special use permit for a day nursery. The daycare already exists on the other side of the city but would like to move it to her present location. This has already been approved by the State and Planning and Zoning Commission. Notice letters were mailed to neighbors within the 200-foot buffer and the city received no feedback from those noticed.

Mayor Fugate asked if staff received any complaints or feedback from those that were noticed. Ms. Alvarez, City Attorney responded no. Mayor Fugate asked how the Planning and Zoning Commission voted. Ms. Alvarez responded that their vote was 6-0 approving the item.

There being no further discussion, Mayor Fugate closed this public hearing at 5:05.

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. Charlie Sosa, Interim City Manager, gave a brief report on city streets. He further reported that the Investment Committee met today and all finances for the city are on point.

Ms. Courtney Alvarez, City Attorney, reported that the Investment Committee met today on the 1st quarterly investment report for the current fiscal year, which runs from October through the end of December, which is in compliance with the city's policy. Alvarez further reported that the next city commission meeting is scheduled for February 10, 2025, which will include a 4:00 p.m. workshop for an executive session item so that the commission can meet with the executive search firm with the regular meeting at 5:00 p.m. If additional time with the consultant is needed, then the commission may resume it at the end of the regular meeting. Ms. Alvarez further reported that the deadline for staff to submit their agenda items for the February 10th meeting is Friday, January 31st.

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

- 1. Motion to approve final passage of an ordinance amending the Fiscal Year 2024-2025 Budget to appropriate funding for Fire Department training. (Fire Chief).**
- 2. Motion to approve final passage of an ordinance amending the City of Kingsville Code of Ordinances Chapter III-Administration, Article 8-Records Management, providing for Section 10-Fingerprint and Background Check Fees and for Section 11-Subpoena Duces Tecum and Zoning Verification Fees. (Police Chief/City Attorney).**
- 3. Motion to approve final passage of an ordinance amending the Fiscal Year 2024-2025 Budget to appropriate additional funding for City Wide Miscellaneous Concrete and Drainage Improvements-Phase 3. (City Engineer).**
- 4. Motion to approve final passage of an ordinance amending the Fiscal Year 2024-2025 Budget to appropriate funding for Planning Department inspection services. (Director of Planning and Development Services).**
- 5. Motion to approve a resolution authorizing the release of Chapter 59 funds of the Kingsville Police Department for donation to the Kingsville Boxing Club for drug and alcohol prevention programs. (Police Chief).**
- 6. Motion to approve reappointment of Nick Harrel to the City of Kingsville Civil Service Commission for another 3-year term. (new term would expire 1/27/2028). (Human Resources Director).**

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

7. Consider introduction of an ordinance of the City Commission of the City of Kingsville, Texas, approving a Project and Financing Plan for Tax Increment Reinvestment Zone Number Three, City of Kingsville, Texas, established pursuant to Chapter 311 of the Texas Tax Code. (Economic Development Director).

Mr. Manny Salazar, Economic Development Director stated that this is the project and financing plan that was previously approved by the TIRZ #3 Board earlier today. This project encompasses 200 acres on the southern portion of town, primarily undeveloped land which does include the southwaste water treatment facility.

Ms. Natalee Ayala, Pettit, and Ayala Consulting gave a PowerPoint presentation. She spoke about the concept of increment and financing for TIRZ #3. She stated that Tax Increment Financing is distinctive from public improvement districts and that it is not a new tax on development. It simply redirects a portion of the tax-generated from a new development from within a TIRZ, so any incremental taxes above and beyond the base year taxes a portion will go into a separate fund that is specifically for the benefit of the properties within the TIRZ. The TIRZ creation process is dictated by Chapter 311 of the Texas Tax Code. This chapter outlines two main documents for creating and amending a TIRZ which are the creation ordinance which was approved by the commission on December 9, 2024, and also includes the TIRZ project and financing plan. The creation ordinance establishes five key elements, which are not being discussed for any changes today. It includes the boundary, terms which for this TIRZ is 30 years, the number of the TIRZ Board which is the commission, city participation level which is 50% of any incremental real property taxes, and the creation ordinance of the preliminary project, and financing plans. After the TIRZ has been created, which has already occurred, the TIRZ Board would need to recommend the approval of the plan, which was done earlier today. It is now being asked that the City Commission consider approval by a separate ordinance. Ms. Ayala shows a map showing the boundaries that encompass the 200 acres, which is non-continuous and does include the wastewater facility. Because this was created in 2024, the base year value is as of January 2024, so this is the first year that any increment will be generated with those taxes to be collected in 2026. This does have a 30-year term, and the city participates at a rate of 50% of its real property increment and it does not touch any of the sales, business, and personal property tax that are generated within the zone.

Commissioner Hinojosa asked if the city would be responsible for notifying the property owners that they are now part of the TIRZ.

Ms. Alvarez responded that the city has had public hearings and public notices and with this meeting now lets people know when developers want to develop any of the properties that are within the TIRZ then they would contact the city to talk about a perspective project they may have and inquire about what type of economic incentives are available within the city to help fund any gaps they may have in their project financing.

Commissioner Hinojosa asked if any notification letters would be mailed. Ms. Alvarez responded no, for someone that would want to develop within that zone, would then approach the city with their proposal or plan and ask what incentives the city may have available.

Mr. Salazar commented that this is not just your average property owner, so they won't get any notification as their tax liability does not change. It's a manner and how the city distributes the money to which a portion will be dedicated to the TIRZ, but their burden does not change. They don't have to do anything different; the process they had two years ago is the process they will have moving forward.

Introduction items.

8. Consider introduction of an ordinance amending the zoning ordinance by granting a Special Use Permit for daycare use in R1 (Single Family District) at 1515 Lewis St., Kingsville, Texas, also known as Anglewood, Block 3, Lot 12; amending the comprehensive plan to account for any deviations from the existing comprehensive plan. (Director of Planning and Development Services).

Ms. Alvarez commented that the way the zoning is, you would have to have a special use permit. The applicant already has one in her previous location, but because special use permits don't transfer from one location to another, it is required for them to apply for a new special use permit for the new location.

Introduction item.

9. Consideration and approval of a resolution approving updates to Appendix B & C of the City of Kingsville Investment Policy and Investment Strategies; designating the Interim City Manager, Director of Finance, and City Accounting Manager as the authorized city representatives with full authority for investment purposes, and providing for disclosure of financial interest. (Finance Director).

Mrs. Deborah Balli, Finance Director, stated that the appendixes need to be updated to indicate that the city has an Interim City Manager and will remain this way until a permanent City Manager is appointed.

Motion made by Commissioner Lopez to approve the resolution approving updates to Appendix B & C of the City of Kingsville Investment Policy and Investment Strategies; designating the Interim City Manager, Director of Finance, and City Accounting Manager as the authorized city representatives with full authority for investment purposes, and providing for disclosure of financial interest, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Alvarez, Hinojosa, Alarco, Fugate, Lopez voting "FOR".

10. Consider introduction of an ordinance amending the Fiscal Year 2024-2025 Budget to appropriate funding for TIRZ #2 and TIRZ #3. (Finance Director).

Mrs. Balli stated that this budget amendment is for \$6,500 which is for a TIRZ that was not rolled over as there is still an outstanding balance for TIRZ #2 which was for \$4,000. Mrs. Balli stated that due to not budgeting for reimbursable expenditures there was \$744,000 for reimbursable expenditures for TIRZ #2, \$710 for reimbursable expenditures for TIRZ #3, \$378 for an ad for a public hearing, and \$668 for potential current year reimbursable expenditures.

Introduction item.

11. Consider introduction of an ordinance amending the Fiscal Year 2024-2025 Budget to appropriate funding for the Interim City Manager stipend. (Finance Director).

Mrs. Balli stated that for the search firm costs funds were moved from the City Manager's budget down to professional services to cover those cost. This budget amendment will cover the additional cost that is needed to pay for the stipend for the Interim City Manager.

Introduction item.

12. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter IX-General Regulations, Article 8-Parks and Recreation, Section 41-Golf Course Fees, providing for revised monthly membership fees for the L.E. Ramey Golf Course. (Parks Director).

Mrs. Susan Ivy, Parks Director stated that during the presentation of the proposed budget for fiscal year 2024-2025 these fees were adjusted to \$175 without a cart and \$350 with cart. After community input and revised information on area rates, staff would like to lower these rates to \$100 per month without a cart and \$250 with a cart. This would lower the anticipated revenue for the rates approximately \$24,000 which would be considered an investment in quality of life/promotional for our community.

Introduction item.

13. Consideration and approval of a resolution authorizing application to, administration of, and acceptance of Office of the Governor, Public Safety Office, Homeland Security Grants Division's FY2026 Operation Lone Star Grant Program (OLS); authorizing the Chief of Police to act on the City's behalf with such program. (Police Chief).

Mr. John Blair, Chief of Police stated that this is a request for approval to apply for and if awarded accept and expend FY 2026 Operation Lone Star Grant Program funds. The grant period spans from September 1, 2025 to August 31, 2026. The FY 2026 Operation Lone Star Grant Program is designed to enhance interagency border security operations to support the ongoing objectives of Operation Lone Star. This initiative aims to deter and interdict criminal activity, reduce border-related crimes, and improve intelligence sharing and operational efficiency among law enforcement agencies. Program funding can be used for overtime pay, temporary personnel, equipment, training, and travel costs, among other eligible activities. The Operation Lone Star Grant is a reimbursement-based program requiring no cash match from the city. This grant is a reimbursement grant and does not require any cash match.

Motion made by Commissioner Alvarez to approve the resolution authorizing application to, administration of, and acceptance of Office of the Governor, Public Safety Office, Homeland Security Grants Division's FY2026 Operation Lone Star Grant Program (OLS); authorizing the Chief of Police to act on the City's behalf with such program, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Hinojosa, Alarcon, Fugate, Lopez, Alvarez, voting "FOR"

14. Consideration and approval of a resolution applying for and accepting funds for Operation Stonegarden Grant #3194310 with the Homeland Security Grants Division of the Governor's Office for border security to interdict criminal activity with no anticipated cash match; authorizing the Kingsville Chief of Police to act on the City's behalf with such program. (Police Chief).

Chief Blair stated that the police department has been invited to participate in another year of OPSG and has been conditionally approved for participation during the performance period beginning March 1, 2025, and ending February 28, 2026. The grant is a reimbursement grant and does not require a cash match. Chief Blair further stated that they have been approved for \$136,205.00 to cover overtime, fringe benefits, fuel costs, and equipment for the grant.

Motion made by Commissioner Alarcon to approve the resolution applying for and accepting funds for Operation Stonegarden Grant #3194310 with the Homeland Security Grants Division of the Governor's Office for border security to interdict criminal activity with no anticipated cash match; authorizing the Kingsville Chief of Police to act on the City's behalf with such program, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Alarcon, Fugate, Lopez, Alvarez, Hinojosa voting "FOR".

15. Consider introduction of an ordinance amending the Fiscal Year 2024-2025 Budget to accept and expend grant funds from the Stonegarden Grant #3194310. (Police Chief).

Introduction item.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 5:29 p.m.



Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela
Mary Valenzuela, City Secretary