

JULY 11, 2022

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, JULY 11, 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:

Mark McLaughlin, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Kyle Benson, IT Manager
Derek Williams, IT
Ricardo Torres, Police Chief
Emilio Garcia, Health Director
Steven Palacios, Fire Marshall
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
Michael Mora, Capital Improvements Manager
Diana Gonzales, Director of Human Resources
Susan Ivy, Parks Director
Manny Salazar, President/CEO Kingsville Chamber of Commerce
Joseph Ramirez, Engineers Assistant

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 - June 27, 2022

Motion made by Commissioner Lopez to approve the minutes of June 27, 2022, as presented, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Hinojosa, Alvarez, Lopez, Torres, Fugate voting "FOR".

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, Condemnation Update, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Investment Report, Quarterly Budget Report, Monthly Financial Reports, Utilities Billing Update; Police & Fire Department – Grant Update, Police & Fire Reports; Streets Update; Public Works; Landfill Update, Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Emergency Management, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Health Department, Hotel Occupancy Report, Quiet Zone, SEP, Legislative Update, Proclamations, Employee Recognition, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Wastewater Treatment Plant, Water And Wastewater Rate Study Presentation, Golf Course, Library Summer Programs, Grants Update. No formal action can be taken on these items at this time."

Mr. Mark McLaughlin, City Manager reported that sales tax figures were released today by the Texas State Comptroller's Office. We were down 9% for the month over his projections. The city still stands at \$320,000 for the year but with the third consecutive month now of underperforming from our budget projections based on inflation. He further stated that he and Mrs. Deborah Balli, Finance Director have adjusted the sales tax figures estimates for the next fiscal year and so Mrs. Balli has plugged those into the budget which leads him to say that the staff is working hard building the budget and which will be discussed during the budget workshops in the upcoming weeks. He further reported that the Street Department has started the full-depth reconstruction on Ragland today.

Commissioner Alvarez asked about dates for the upcoming budget workshops.

Ms. Courtney Alvarez, City Attorney responded that the budget workshops dates are as follows: August 15th, and August 16th both to start at 4:00 P.M. Before our regular meeting scheduled for August 22nd, there will be a budget workshop from 4:00 P.M. to 5:00 P.M. to follow with our regular scheduled meeting. There is also a budget workshop if needed, to be scheduled for August 23rd at 4:00 P.M. Ms. Alvarez further reported that the next regular Commission meeting is scheduled for Monday, July 25, 2022, at 5:00 P.M. Deadline for staff to submit their agenda items is Friday, July 15th. Ms. Alvarez further stated that Mr. Dan Martinez, Bond Counsel will not be present at the meeting today, due to being ill. She further stated that with being in communication with bond counsel and the attorney Ms. Killen, attorney for the developer, there have been some updates made to the agreement for agenda item #14, which has been provided to the Commission. The update provides a better PID boundary restriction for the 58 acres.

Mayor Fugate asked Ms. Alvarez if she has had enough time to look at the updated information. Ms. Alvarez responded yes. Mayor Fugate further gave a quick update on the 4th of July events that occurred in Kingsville.

IV. Public Comment on Agenda Items.³

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

Mrs. Mary Valenzuela, City Secretary read a public comment into the record, submitted by Mr. Lance Hamm, 912 South Creek.

Lance Hamm, 912 South Creek. Mayor, Commissioners, & City Staff, good evening. I take exception to the fact that the Kingsville City Commission violated my right, the rights of two other Kingsville residents, and the right of a city employee, to be notified, via the notice/agenda procedures of the Open Meetings Act, relating to Agenda item 23 of the 27 June 2022 Kingsville City Commission meeting, and Whereas, agenda item 23 gave notice to the public that City business was to be discussed on implementing a city grievance procedure, but City Commissioners, without objection from the City Attorney at this specific time, discussed three specific citizen complaints by mentioning, out loud during the meeting without due regard to confidentiality, the names of three residents and the name of the specific position/title of one city employee being complained against, and Whereas, there was no notice given to the three residents and one city employee that specific complaints, and/or their names, were to be discussed as city business during the 27 June 2022 City Commission meeting, as it was the duty, by law of the Open Meetings Act, for the Officials of the City of Kingsville to do so, with specific and separate notice/agenda items for lawful notice to the public and giving opportunity to residents to be present during the meeting if their business with the city is to be discussed, and Whereas, without proper and legal notice, none of the four residents involved were present at the meeting, and I recommend the City Commission take itself into Executive Session to discuss personnel behavior of the Commission and the need to take action. I further recommend as a minimum, that the City Commission/Mayor and city staff offer a written letter of apology to each city resident involved in the above-mentioned violation, and that City Commissioners, Mayor, and City Attorney retake the Open Meetings Act online training required of all Texas elected officials, to refresh their memory as to the lawful notice procedures of the Texas Open Meetings Act. Respectfully, Lance Hamm, 912 South Creek. End public comment.

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

- 1. Motion to approve final passage of an ordinance amending the 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.⁴

11. Presentation and discussion on City of Kingsville Housing Market Analysis from Chamber of Commerce. (President/CEO Kingsville Chamber of Commerce).

Mr. Manny Salazar, President/CEO of Kingsville Chamber of Commerce gave a brief presentation to the City Commission regarding the City of Kingsville Housing Market. The Chamber of Commerce commissioned housing in November 2021 and was completed and presented to the Board in 2022. The Chamber selected a group named RCLCO as the consultant for the project. RCLCO has worked in this arena since 1967 and specializes in quantitative analytics and strategic planning to provide end-to-end business planning and implementation solutions resulting in over \$5 billion in real estate activity each year. Mr. Salazar mentioned some of the key findings of the study. He stated that the current housing stock, including single-family and multi-family communities were built between the 1940s and 1980s. This has created a distinct lack of inventory in those areas. The recommendation by RCLCO is that the Kingsville market can support the following: 35 to 55 new single-family homes for sale per year, the highest demand is in the \$150,000 to \$300,000 range, this aligns with mid to high household family buyers; 50 to 70 new single-family homes for rent each year, which would be geared toward mid to high range families including military, hospital, and university personnel with targeted earnings over \$50,000 annually. There is an opportunity to add a new multi-family community of 100 to 150 units every 4 to 5 years. In the rental trends, Kingsville has 35 rental properties with a total of 1,864 units. The average rent is \$894, which is lower than the Corpus Christi MSA which is at \$1,057. Average vacancy sits at 6.3% which is lower than the Corpus Christi MSA which is at

9.8%. Most multi-family properties were built in the 1970s and 1980s. The only new community that is not specifically geared towards university students is Oak Tree Apartments which was built in the last 10 years. The largest pool of multi-family renters consists of low to mid-income earners under 35 years of age. This group comprises 52% of the annual demand. Families represent 60% of the rental pool for single-family homes comes from families as opposed to individuals like college students or the military. For the for-sale trends, Kingsville's median and the average home price increased 46% and 22% respectively from 2018 to 2021. In comparison to the Corpus Christi median home price of \$260,000, the Kingsville home price is significantly more affordable at \$165,000. Our current inventory sits at 2.1 months which equals the Corpus Christi market. While permitting has increased, it remains below levels needed to replace aging stock and provide quality housing to those moving to the area. Demand by price from 2021 through 2026 annually homes valued under \$150,000, they anticipate the demand of 9 units or 20% of market capacity. Of the \$150,000 to \$299,000 value, they anticipate the demand of 27 units or 58% of market capacity. Of the \$300,000 to \$449,000 value, they anticipate the demand of 7 units or 7% of market capacity, and of the \$450,000 and above value, they anticipate a demand of 2 units or 6% of market capacity. The regional demand is based on the 20% of Kingsville employees who are currently living in Corpus Christi. There is an opportunity to attract 50 to 60 additional rental households and 10 to 15 owner households from that market. RCLCO acknowledges that the expansion of I-69 presents both an opportunity and a threat by cutting the commuter time to Corpus Christi. Additional quality housing options paired with improved schools and quality of life could attract those from the regional market to Kingsville. Some key recommendations are pattern zoning. This is a concept intended to lower the barriers to executing high-quality, incremental infill projects. The concept involves utilizing pre-approved plans for various single-family and small-scale multi-family buildings. The second recommendation was the creation of a TIRZ in the downtown district that will lead to landscape/streetscape improvements, façade improvements, and commercial/residential building rehabilitation for downtown. The third recommendation was granted to spur new development. The city should continue to utilize grants and property tax abatements for development. RCLCO estimates that a 100-home, for sale, single-family community could generate annual gross tax revenue for the city and county of roughly \$750,000 per year in property and sales tax, before accounting for services. The fourth recommendation is an investment in economic development and job attraction. Investment in economic development could attract private sector employees from outside of Kingsville and help grow local businesses. Increasing the economic development budget to a level commensurate with Kingsville's size and the economy would help maintain competitiveness with peer cities. The fifth recommendation is leveraging anchor institutions. Leveraging anchor institutions, namely the King Ranch, would create a more robust hospitality industry through increased tourism. Mr. Salazar stated that the project that is being discussed aligns with what is presented by RCLCO, which the housing study was done before the conversations of this project.

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).

Ms. Alvarez stated that with the new project coming on it is a good time to update this agreement to make sure that PID services would be included.

Commissioner Alvarez asked if this is a different agreement from the Financial Advisor agreement. Ms. Alvarez responded yes, this is an agreement with the law firm that will represent the city with all the legal requirements and documents so that any time the city has a bond issue, the law firm files the necessary documents with the Attorney General's Office and the State Comptroller's Office. They make sure that all the notices and required documents are prepared and done so that they are not rejected by any of those entities.

Motion made by Commissioner Lopez to approve the resolution authorizing the City Manager to enter into an Agreement for Professional Services between the City of Kingsville, Texas, and Winstead PC, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Lopez, Torres, Hinojosa, Alvarez, Fugate voting "FOR".

13. Consider 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. (Finance Director/City Attorney).

Ms. Alvarez stated that the city's agreement with its financial advisor is coming up for renewal at the end of the year, which will be in the middle should the commission decide to move forward with the PID project, it would be difficult to try and consider while in the middle of that project. The agreement has the same terms and conditions as the existing agreement. The new agreement does have the language to include PID work.

Motion made by Commissioner Alvarez to approve the 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., seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Torres, Alvarez, Lopez, Fugate voting "FOR". Hinojosa voting "AGAINST".

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 under Chapter 372 of the Texas Local Government Code and authorizing the mailing and publication of notice of the public hearing. (City Manager/City Attorney).

Ms. Alvarez stated that bond counsel worked on the resolution that is before the commission. There are some updates to the exhibits that are attached to the resolution. The reason for the update is that when the developer dropped off some information about two weeks ago, the developer had advised that he would be doing a new survey and boundary for the additional four acres that were being acquired from Mr. Nix. She further stated that they hope to have that information to the city by today. Unfortunately, the surveyor also became ill, so this is a work in progress. The updated information does cover the total PID area.

Commissioner Torres asked if this was just so that the public hearing date could be set? Ms. Alvarez responded yes, and it is recommended that the public hearing be set for August 8, 2022, at 5:00 P.M. in the Helen Kleberg Groves Community Room located at City Hall. This would be to receive public comments on the creation of the PID in the area described as 58 acres.

Mayor Fugate asked Ms. Alvarez if she has had enough time to review the documents. Ms. Alvarez responded that she has reviewed it as well as bond counsel.

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

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).

Ms. Alvarez stated that at the previous city commission meeting bond counsel and Mrs. Killen, attorney for the developer spoke about, if the PID were to be created it would be beneficial to hire an outside group that would be paid for by the PID and not by the city, to do the technical and financial analysis work and notices and annual updates. The group that was recommended is MuniCap Inc. She further stated that the agreement states that if this PID or a PID in the future were created it would spell out the pricing that the PID would pay to the organization to perform the work that the city must have statutorily done for it to operate properly.

Commissioner Torres asked if this would not be paid by the city? Ms. Alvarez responded no; it would be paid by the PID.

Commissioner Hinojosa asked if half of the expenses the city pays for the appraisal district would be coming out of the PID account? He further stated that whenever the appraisal district does the values and the city receives a certain bill based on the total assessed values of the properties, the city pays 100% of that. He further asked if they would be paying 50% of those expenses?

Ms. Alvarez responded not to her knowledge, just because the city would be responsible for paying that whether there was a PID or not. What the PID would be paying for is the services for individuals from MuniCap who would go and do an assessment of the lots that were sold, and lots that are unsold to determine which party needs to get billed and in what amount.

Mr. Abdi Yassin, Senior Vice-President of MuniCap Inc., stated that what his company does is the heavy lifting on behalf of the city so the special district that is created, Public Improvement District, does not impose on staff and does not take time away from other city functions or services. One of the most important aspects of a PID is that the City Commission will be able to evaluate this project yearly and be informed about everything that is going on with this project. He further stated that every year, the statute

requires the original document that imposed an assessment on the properties to be updated so that the governing body can evaluate what is going on and do a course correction if needed which is usually done between July and October as we would have to wait until the certified rolls are produced. He further stated that the idea is to make sure that the governing body has oversight of everything that goes on the PID, without the city incurring any costs for that service.

Ms. Alvarez asked Mr. Yassin if he would recommend the middle or end of August. Mr. Yassin responded that the tax collector would like to get it in early September and so what his company does is work with the city to determine the closes meeting in September and then work with the city again to determine how early the city would like to receive documentation, so that is the date that is filled in which could be one to two weeks before the meeting that would occur in August.

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

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 the development of a public improvement district. (City Manager/ City Attorney).

Ms. Alvarez stated that this is a contract between the city and the developer. Somerset Land Development would like to acquire a PID so the city would get into this contract with them and there are certain things that they would be responsible for, \$25,000 would be submitted to the city, as the initial starting point. The contract also speaks about invoices and how funds are to be kept separately to keep a better accounting of what comes out of that fund.

Motion made by Commissioner Lopez to approve the resolution authorizing the City Manager to enter into a Professional Services Agreement between the City of Kingsville, Texas, and Somerset Land Development, LLC for the development of a public improvement district, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Lopez, Torres, Hinojosa, Alvarez, Fugate voting "FOR".

17. Consider authorizing purchase of marketing merchandise/promotional items for Tourism (ARP Funds). (Tourism Director).

Ms. Janine Reyes, Tourism Director stated that her department 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. The photo frame would be sold for \$8.00 each. Pricing on 1,400 magnets is \$3.50 each. If the city purchases 2,800, the price is decreased to \$2.95 each.

Commissioner Torres asked if staff had looked at other companies and if bids were needed? Ms. Reyes responded that the only company that she is aware of is the same company that does the photo frames for the USS Lexington, which is where she got the idea from. She further stated that no bids are required as it is under the threshold amount.

Motion made by Commissioner Lopez to authorize the purchase of marketing merchandise/promotional items for Tourism (ARP Funds), seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Torres, Hinojosa, Alvarez, Lopez, Fugate voting "FOR".

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).

Introduction item.

19. Consider authorizing reclassification/release of Tourism ARP Funds initially allocated for the airshow and not expended. (Tourism Director).

Ms. Reyes stated that after reviewing the contract with MWR for sponsorship of the Wings Over South Texas, 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. She further stated that \$173,544 was placed into an ARPA account for use by the Tourism Department. The 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 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 available for the Tourism Department ARPA funds.

Motion made by Commissioner Alvarez to authorize reclassification/release of Tourism ARP Funds initially allocated for the airshow and not expended, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Hinojosa, Alvarez, Lopez, Torres, Fugate voting "FOR".

20. Consider accepting donations from B.C. and Addie Brookshire Foundation for summer camp and park capital projects. (Parks Director).

Mrs. Susan Ivy, Parks Director stated that for many years the parks have solicited and received donations of funds from the Brookshire Foundation to assist with youth programming, pool improvements, equipment, and park improvements. The staff has solicited and received funding this year for an amount of \$8,450 to be used to help fund their summer youth camp and \$25,000 to be used toward lighting the ball fields. The \$25,000 will be used as a grant match to a Texas Parks & Wildlife grant that will be submitted on August 1, 2022, for Dick Kleberg Park improvements including the lighting of one or more ball fields. These donations will increase the summer camp budget by \$8,450 and the park capital projects by \$25,000.

Motion made by Commissioner Torres to accept the donations from B.C. and Addie Brookshire Foundation for summer camp and park capital projects, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Alvarez, Lopez, Torres Hinojosa, Fugate voting "FOR".

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).

Introduction item.

22. Consider authorizing use of ARP Funds for Park improvements (ball field restrooms, vacuum for Brookshire pool, auto chlorinator for Splash Pad). (Parks Director).

Motion made by Commissioner Torres to authorize the use of ARP Funds for Park improvements (ball field restrooms, vacuum for Brookshire pool, auto chlorinator for Splash Pad), seconded by Commissioner Lopez and Commissioner Alvarez.

Commissioner Alvarez asked when the last time the bathrooms had been updated. Mrs. Ivy responded that they are in the process of the renovation of the bathrooms.

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

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).

Mr. Uche Echeozo, Director of Planning and Development Services stated that the downtown improvement 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, repair the sidewalk curb and gutter, and renovate the existing planters. A proforma has been submitted by the contractors and subsequently reviewed by the city.

Commissioner Hinojosa asked if these funds would be coming from a Certificate of Obligation (CO) and if there was a timeframe that these funds would need to be expended. He further asked how much is left over?

Mr. McLaughlin responded yes; the CO is allowed to be used for this project.

Mrs. Alvarez responded that this information could be made available to the Commission later.

Introduction item.

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).

Mrs. Deborah Balli, Finance Director stated that the operating costs for printers in the Planning Department were not budgeted fully in Fiscal Year 21-22 due to equipment movements and the price of fuel has significantly increased causing shortages in the motor gas and oil line item.

Introduction item.

25. Consider introduction of an ordinance amending the Fiscal Year 2021-2022 budget to close out Fund 089-TX CDBG Grant #7218269. (Finance Director).

Mrs. Balli stated that Fund 086 was a fund used to account for a Texas CDBG grant that was completed in Fiscal Year 21-22. Once a grant is closed and all expenditures and revenues have been accounted for, there may be funding left over, such as in the case of 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 gran is fully closed with zero balances in all balance sheet accounts.

Commissioner Torres asked where these funds were being moved to?

Mrs. Balli stated that as there were a few funds left over, \$600, will be going back to Fund 051. The amount that is going to 54 will take care of the last invoice, which has already been done, so now staff only needs to set up the budget so that everything is wiped out.

Introduction item.

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).

Introduction item.

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).

Introduction item.

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).

Introduction item.

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).

Motion made by Commissioner Hinojosa to approve the resolution authorizing the City Manager to execute a Bank Depository Agreement with Kleberg Bank, N.A. for the City of Kingsville. (RFA#22-12), seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Torres, Hinojosa, Alvarez, Lopez, Fugate voting "FOR".

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).

Mayor Fugate read and called the meeting into closed session at 5:56 P.M.

Mayor Fugate reconvened the meeting into open session at 6:40 P.M.

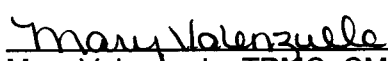
VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:41 P.M.



Sam R. Fugate, Mayor

ATTEST:



Mary Valenzuela, TRMC, CMC, City Secretary