

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, MARCH 11, 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  
Hector Hinojosa, Commissioner  
Norma N. Alvarez, Commissioner  
Edna Lopez, Commissioner

**CITY COMMISSION ABSENT:**

Ann Marie Torres, Commissioner

**CITY STAFF PRESENT:**

Mary Valenzuela, City Secretary  
Courtney Alvarez, City Attorney  
Kyle Benson, Director of Information & Technology  
Derek Williams, IT  
Bill Donnell, Public Works Director  
Kwabena Agyekum, Senior Planner/HPO  
Rudy Mora, Engineer  
Susan Ivy, Parks Director  
Emilio Garcia, Health Director  
Deborah Balli, Finance Director  
Janine Reyes, Tourism Director  
John Blair, Chief of Police  
Diana Gonzalez, Human Resources Director  
Erik Spitzer, Director of Planning & Development Services  
Mike Mora, Capital Improvement Manager

**I. Preliminary Proceedings.**

**OPEN MEETING**

Mayor Fugate opened the meeting at 5:00 P.M. with four commission members present. Commissioner Torres was absent.

**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 26, 2024**

**Motion made by Commissioner Lopez to approve the minutes of February 26, 2024 as presented, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Hinojosa, Alvarez, Lopez, Fugate voting “FOR”.**

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

**1. Public Hearing on request to approve final plat of 6.88 acre tract of land out of 54.53 acre tract. This tract comprises 2 parcels of land: (1) a 12.36 acre tract of land known as John Clayton and (2) a 29.83 acre tract of land known as KT&I Co., Block 21, Lot PT 6. This subdivision, also known as west side of FM 1717 (South Brahma Blvd.) north of Trant Road, Kingsville, Texas, to be known as Somerset at Kingsville Unit 2A. (Urban Engineering, applicant; Somerset Land Company, owner). (Director of Planning and Development Services).**

Mayor Fugate opened this public hearing at 5:03 p.m. He further 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.

Mr. Erik Spitzer, Director of Planning and Development Services stated that the Planning and Zoning Commission met on March 6, 2024, where they deliberated over the request for approval of the final plat of a 6.88-acre tract of land out of a 54.53-acre tract to be known as Somerset at Kingsville Unit 2A. City staff sent out 32 notices to neighbors within the 200-foot buffer. The city received feedback from three neighbors who were noticed. One neighbor called to ask if the project would include repairing the roads on Trant Rd and the response from staff was no. The second neighbor called to ascertain if the project would include privacy fences and the response from city staff was that it was too early to determine if such fences would be constructed. The third neighbor emailed city staff asking about drainage but once the neighbor viewed the diagram in the agenda packet, he withdrew his concern. The Planning and Zoning Commission voted to approve the final plat. At this time, Mr. Spitzer displayed various maps and described what each marking on the map meant.

There being no further comments or discussion, Mayor Fugate closed this public hearing at 5:12 p.m.

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

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

Ms. Courtney Alvarez, City Attorney reported that the next city commission meeting is scheduled for March 25, 2024. The deadline for staff to submit their agenda items for said meeting is Friday, March 15, 2024. She further announced that the City of Kingsville will be hosting Trash-Off Day on April 20, 2024.

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

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

Mr. Ricardo Vega, 805 W. Kleberg Ave. commented on the purchase of some property he had invested in and asked that the city allow him to place certain structures on his property. He further commented that he would like the city to look into Code of Ordinances 15-3-69 regarding building site improvements.

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

**1. Motion to approve final passage of an ordinance amending the Fiscal Year 2023-2024 Budget to accept and expend Stonegarden Grant #3194309 Funds. (Police Chief).**

#### REGULAR AGENDA

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

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

**2. Consideration and approval of a Plan of Finance and a Resolution Authorizing Publication of Notice of Intention to Issue Certificates of Obligation. (Finance Director).**

Mr. Don Gonzales, Financial Advisor from Estrada Hinojosa gave a presentation to the City Commissioner regarding a Notice of Intention to Issue Certificates of Obligation for primarily the construction of the new Fire Station. As there are some unknowns for this type of construction, there is an among in this for contingency. Mr. Gonzales displayed a graph and spoke about the ‘AAA’ MMD History Since 2000. This graph shows where interest rates currently are with respect to the interest rate environment and the graph also shows the high and the low for each year. A second graph was shown, and this graph depicts a 30-year AAA MMD vs. 30-year AAA BVAL vs. 30-year Treasury. Interest rates were increasing in 2021, 2022, and 2023 with it decreasing in 2024. Mr. Gonzales stated that the financing team consists of the City of Kingsville as the Issuer, Financial Advisor as

Estrada Hinojosa & Company, Inc. with Bond Counsel as Winstead PC. The Underwriters and Underwriters Counsel as well as the Paying Agent have yet to be determined. The current S&P Rating is an A+. The General Outstanding of the city shows \$28 million of debt, which is currently standing, and of that about \$20 million will be callable between now and 2033. There is some 2016 that will become callable in August 2024 which is about \$2.5 million with an interest rate of 2% to 3.5%. Mr. Gonzales stated that we may not look to try and refund those as we will not get it at a lower interest rate. Mr. Gonzales stated that the estimated project sources and uses show a higher number than what was originally discussed about six months ago. Since there are no bids yet, the city thought it would be good to put a significant amount of contingency due to various increases in cost for construction. Because this is a notice tonight, not to exceed number, if we put it as \$2 million to \$3 million more and we come in at half a million dollars more, then the city would need to start the entire process over again. The items that the plan uses are the Ladder Truck for \$1 million; Fire Engine for \$800,000; Medic Unit \$396,000; SCUBA (Air Bottles & Harnesses) for \$396,000; 2-Bay Fire Station for \$6 million; Contingency \$6,403,444; and Costs of Issuance \$500,000, for a total of \$15,495,444. Mr. Gonzales further stated that if you look at a \$15 million certificate of obligation issue, the estimated interest rate if we were going into the market today, would have about 50 basis points of cushion. If we were in the market today, it would be below 4%. Mr. Gonzales stated that if we did less than \$15 million, what about creating capacity for the future? Mr. Gonzales further went over the preliminary timetable of events for 2024. Mr. Gonzales stated that with the City Commission action there will be publications in the newspaper for two consecutive weeks to which we would have to wait 45 days from the date of the first publication and assuming that there is no petition from 5% of the voting electric then we can move forward with the certificates of obligation at that time. It is proposed to get ratings in the beginning of May and look to price the middle of May and close the middle of June.

**Motion made by Commissioner Alvarez to approve the Plan of Finance and a Resolution Authorizing Publication of Notice of Intention to Issue Certificates of Obligation, seconded by Commissioner Lopez and Commissioner Hinojosa. The motion was passed and approved by the following vote: Lopez, Hinojosa, Alvarez, Fugate voting "FOR".**

**3. Consideration and approval of a Resolution Declaring Intention to Reimburse Certain Expenditures. (Finance Director).**

Mr. Gonzalez stated that this allows the city to incur expenses that would not be covered out of the city's operating budget, and the city can reimburse itself with bond proceeds once the money comes in. He further stated that this is a reimbursement resolution, tax law resolution, that once it is put in place it would be retroactive up to 60 days. So if the Commission approves this tonight, it goes back 60 days for any funds that the city would have spent from that time going forward, on the projects that were listed, the city is able to reimburse itself at a bond proceeds at no impact on the city's budget.

**Motion made by Commissioner Lopez to approve the resolution declaring intention to reimburse certain expenditures, seconded by Commissioner Hinojosa.**

Mayor Fugate asked Ms. Alvarez if this was something the city had done in the past. Ms. Alvarez responded yes and commented that this would allow staff to start the process of ordering equipment.

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

**4. Consider a request to approve final plat of 6.88 acre tract of land out of 54.53 acre tract. This tract comprises 2 parcels of land: (1) a 12.36 acre tract of land known as John Clayton and (2) a 29.83 acre tract of land known as KT&I Co., Block 21, Lot PT 6. This subdivision, also known as west side of FM 1717 (South Brahma Blvd.) north of Trant Road, Kingsville, Texas, to be known as Somerset at Kingsville Unit 2A. (Director of Planning and Development Services).**

**Motion made by Commissioner Lopez to approve the request for final plat of 6.88 acre tract of land out of 54.53-acre tract. This tract comprises 2 parcels of land: (1) a 12.36-acre tract of land known as John Clayton and (2) a 29.83 acre tract of land known as KT&I Co., Block 21, Lot PT 6. This subdivision, also known as west side of FM 1717 (South Brahma Blvd.) north of Trant Road, Kingsville, Texas, to be known as Somerset at Kingsville Unit 2A, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Hinojosa, Alvarez, Lopez, Fugate voting "FOR".**

**5. Consider a resolution authorizing application to, administration of, and acceptance of Office of the Governor, Homeland Security Grants Division's Border Zone Fire Department Grant Program, FY2025; authorizing the Fire Chief to act on the City's behalf with such program. (Fire Chief).**

Mr. Juan J. Adame, Fire Chief stated that the Kingsville Fire Department has the opportunity to apply for the FY 2025 Border Zone Fire Department Grant Program in

request for a new vehicular extrication equipment. The request is for \$69,000 in equipment and associated shipping fees.

**Motion made by Commissioner Lopez to approve the resolution authorizing application to, administration of, and acceptance of Office of the Governor, Homeland Security Grants Division's Border Zone Fire Department Grant Program, FY2025; authorizing the Fire Chief to act on the City's behalf with such program, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Alvarez, Lopez, Hinojosa, Fugate voting "FOR".**

**6. Consider awarding Bid No. 24-04 for GLO CDBG-MIT Contract No.22-082-016-D218 for Project 5 – E. Lott Ave and 10<sup>th</sup> Street Sanitary Sewer Improvement Project to PM Construction & Rehab LLC as per recommendation of outside engineer and staff. (City Engineer).**

Mr. Rudy Mora, City Engineer stated that Project 5 includes 1,409 linear feet of Cast Place Pipe (CIPP) liner, manhole rehabilitation, point repairs, pavement repair, and repairing the collapsed lines and manhole on 9<sup>th</sup> Street and E. Lott Ave. The project is scheduled to be completed within 120 days from the Notice to Proceed and after the award. Mr. Mora further stated that Bid 24-02, Project 5 Sealed bids were received on November 11, 2023. This project was advertised in the local newspaper, Historically Underutilized Business (HUB), Minority- and Women-Owned Business Enterprises (MWBE) and on the City's website. No bid was received, and the project was readvertised for a later date. Bid 24-04, Project 5 re-advertisement for sealed bids were received on February 20, 2024, from 3 bidders. Bidder one (1) is Insituform Technologies LLC, from Chesterfield, Missouri. Bidder two (2) is Texas Pride Utilities LLC, from Houston, Texas. Bidder three (3) is PM Construction & Rehab. LLC, from Pasadena, Texas. Base Bid ranged from \$187,684.00 to \$328,562.00, Alternate Bid No. 1 ranged from \$100,388.00 to \$141,196.00, Alternate Bid No. 2 ranged from \$60,648.00 to \$81,054.00 and Total Bid Amounts ranged from \$409,934.00 to 489,598.00. The lowest bidder was PM Construction & Rehab LLC for \$409,934.00. Bid 24-04, Project 6 sealed bids were received on February 20, 2024, from 3 bidders. Bidder one (1) is Insituform Technologies LLC, from Chesterfield, Missouri. Bidder two (2) is Texas Pride Utilities LLC, from Houston, Texas. Bidder three (3) is PM Construction & Rehab. LLC, from Pasadena, Texas. Base Bid ranged from \$425,014.00 to \$592,961.00, Alternate Bid No. 1 ranged from \$289,800.00 to \$386,156.00, and Total Bid Amounts ranged from \$714,814.00 to 962,621.00. The lowest bidder was Texas Pride Utilities LLC for \$714,814.00.

Mayor Fugate asked if this company has ever done business with the city. Mr. Mora responded that they have not contracted with the city in the past, but he is aware of other cities that the company has worked for.

**Motion made by Commissioner Lopez to approve the award of Bid No. 24-04 for GLO CDBG-MIT Contract No.22-082-016-D218 for Project 5 – E. Lott Ave and 10<sup>th</sup> Street Sanitary Sewer Improvement Project to PM Construction & Rehab LLC as per recommendation of outside engineer and staff, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Lopez, Hinojosa, Alvarez, Fugate voting "FOR".**

**7. Consider awarding Bid No. 24-04 for GLO CDBG-MIT Contract No.22-082-016-D218 for Project 6 – E. Lott Ave and 10<sup>th</sup> Street Sanitary Sewer Improvement Project to Texas Pride Utilities LLC as per recommendation of outside engineer and staff. (City Engineer).**

Mr. Mora stated that Project 6 includes 5,478 of CIPP, manhole rehabilitation, point repairs, and pavement repairs. The project is scheduled to be completed within 180 days from the Notice to Proceed and after award. Bid 24-04, Project 6 sealed bids were received on February 20, 2024, from 3 bidders. Bidder one (1) is Insituform Technologies LLC, from Chesterfield, Missouri. Bidder two (2) is Texas Pride Utilities LLC, from Houston, Texas. Bidder three (3) is PM Construction & Rehab. LLC, from Pasadena, Texas. Base Bid ranged from \$425,014.00 to \$592,961.00, Alternate Bid No. 1 ranged from \$289,800.00 to \$386,156.00, and Total Bid Amounts ranged from \$714,814.00 to 962,621.00. The lowest bidder was Texas Pride Utilities LLC for \$714,814.00. Mr. Mora stated that it is staff's recommendation to award the Awarding CDBG-MIT GLO Contract No. 22-082-016-D218 – Project 6 – 10<sup>th</sup> Street. -Sanitary Sewer Improvements for \$714,814.00 to Texas Pride Utilities LLC.

**Motion made by Commissioner Lopez to approve the award of Bid No. 24-04 for GLO CDBG-MIT Contract No.22-082-016-D218 for Project 6 – E. Lott Ave and 10<sup>th</sup> Street Sanitary Sewer Improvement Project to Texas Pride Utilities LLC as per recommendation of outside engineer and staff, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Hinojosa, Alvarez, Lopez, Fugate voting "FOR".**

**8. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter VII, Article 5, Traffic Schedules, amending the location of speed**

**limit zones on West King Avenue and reducing the speed limit to 45 mph; providing for appropriate penalties, fines, and fees regarding the regulation thereof. (per TxDOT request, updates 10/10/23 ordinance). (City Attorney).**

Mr. Mora stated that on February 28, 2024, the city received a request to consider approving a city ordinance for a 45-mph zone to be established by the City of Kingsville from the west city limit of Kingsville or 248FT East of Santa Gertrudis St. to a point 0.872 miles East of the west city limit. Mr. Mora further stated that on September 20, 2023, the city received a request to consider approving a city ordinance for the following, that a 45-mph zone be established by the City of Kingsville from the west city limit of Kingsville or W Santa Gertrudis Street to a point 0.721 miles East of the west city limit.

Introduction item.

**9. Consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter VII, Article 5, Traffic Schedules, providing for a revised school zone for the Santa Gertrudis Independent School District's Elementary and Intermediate School on King Street. (per TxDOT request; updates 10/10/23 ordinance). (City Engineer).**

Mr. Mora stated that on February 28, 2024, the city received a request to consider approving a city ordinance for the following: That a 35-mph school zone be established by the City of Kingsville from the west city limit of Kingsville or 248FT East of Santa Gertrudis St to a point 0.032 miles East of the west city limit. Previously on September 20, 2023, the city received a request to consider approving a city ordinance for the following: That a 35-mph school zone be established by the City of Kingsville from the west city limit of Kingsville or W of Santa Gertrudis St to a point 0.031 miles East of the west city limit.

Introduction item.

**10. Consider a resolution of the City of Kingsville, Texas suspending the April 4 2024 effective date of AEP Texas Inc.'s requested rate change to permit the City time to study the request and to establish reasonable rates; approving cooperation with the Cities Served by AEP Texas and authorizing intervention in AEP Texas Inc.'s requested rate change proceedings before the Commission; hiring Lloyd Gosselink Attorneys and consulting services to negotiate with the company and direct any necessary litigation and appeals; requiring reimbursement of cities' rate case expenses; finding that the meeting at which this resolution is passed is open to the public as required by law; requiring notice of this resolution to the company and legal counsel. (City Attorney).**

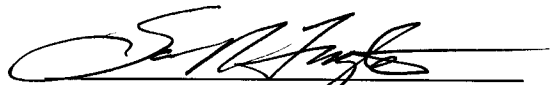
Agenda item #10 was taken for consideration before agenda item #2.

Mayor Fugate commented that this is not the first time the city has taken action on something like this. Ms. Alvarez responded no.


**Motion made by Commissioner Hinojosa to approve the resolution of the City of Kingsville, Texas suspending the April 4 2024 effective date of AEP Texas Inc.'s requested rate change to permit the City time to study the request and to establish reasonable rates; approving cooperation with the Cities Served by AEP Texas and authorizing intervention in AEP Texas Inc.'s requested rate change proceedings before the Commission; hiring Lloyd Gosselink Attorneys and consulting services to negotiate with the company and direct any necessary litigation and appeals; requiring reimbursement of cities' rate case expenses; finding that the meeting at which this resolution is passed is open to the public as required by law; requiring notice of this resolution to the company and legal counsel, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Hinojosa, Alvarez, Lopez, Fugate voting "FOR".**

#### VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 5:51 P.M.

  
Sam R. Fugate, Mayor

#### **ATTEST:**

  
Mary Valenzuela, City Secretary