

JUNE 23, 2025

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, JUNE 23, 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 Alvarez, Commissioner
Hector Hinojosa, Commissioner
Leo Alarcon, Commissioner

CITY STAFF PRESENT:

Charlie Sosa, Interim City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Derek Williams, Systems Administrator
Emilio Garcia, Health Director
Leticia Salinas, Accounting Manager
Juan J. Adame, Fire Chief
Diana Gonzales, Human Resources Director
Susan Ivy, Parks Director
Deborha Balli, Finance Director
John Blair, Police Chief
James Creek, Captain
Connie Womack, Tourism Director
Nick Rivas, Administrative Assistant
Manny Salazar, Economic Development
Carol Rogers, Human Resources Specialist
Raul Soliz, Human Resources Specialist, Safety & Training
Bill Donnell, Public Works Director
Erik Spitzer, Director of Planning and Development Services
Joe Casillas, Water Production
Monika Donnell, Paralegal
Alicia Tijerina, Special Events Coordinator

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 5:00 p.m. with all five commission members present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

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

MINUTES OF PREVIOUS MEETING(S)

Regular Meeting – June 9, 2025

Motion made by Commissioner Lopez to approve the minutes of June 9, 2025 as presented, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Lopez, Alvarez, Hinojosa, Alarcon, Fugate voting “FOR”.

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

1. Public hearing on request for a Special Use Permit for an Auto Paint & Body Use (Vehicle Window Tinting Store) on a parcel of land in C2 (Retail) District at Orig Town, Block 58, Lot E. 118.5' of 1-4, E. 60' of 5,6 also known as 201 S. 6th St., Kingsville, TX 78363 (Property ID 11207) (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. Erik Spitzer, Director of Planning and Development Services stated that Mr. Jose Alberto Lopez, Applicant; Herman H. Ohlenbusch, Owner, approached the Planning Department on April 23rd, 2025, requesting approval of a Special Use Permit for an Auto Paint & Body Shop on a parcel of land in C2 (Retail District) at 201 S. 6th St., Kingsville, TX 78363 to tint windows on vehicles. In accordance with the City of Kingsville's Land Use Chart, an "Auto Paint & Body Shop" within land zoned as "C2 – Retail District" is permitted, provided a Special Use Permit is applied for and approved. The Planning and Zoning Commission meeting was held on June 18th, 2025, with 5 of 7 members in attendance. Members deliberated over the request to recommend approval of a Special Use Permit for an Auto Paint & Body Shop Use (Vehicle Window Tinting Store) on a parcel of land in C2

(Retail) District at 201 S. 6th St., Kingsville, TX 78363 (Property ID 11207). 7 Notice Letters were sent out to neighbors within the 200-foot buffer, and the city has received no feedback as of today. The Planning and Zoning Commission board members voted to approve the recommendation of a Special Use Permit for an "Auto Paint & Body Shop" at 201 S. 6th St., Kingsville, TX 78363. A recorded vote of all members present was taken, and board members Steve Zamora, Larry Garcia, Rev. Idotha Battle, Debbie Tiffée, Mike Klepac, Brian Coufal, and Krystal Emery all voted "YES."

There being no further discussion, Mayor Fugate closed this public hearing at 5:06 p.m.

III. Reports from Commission & Staff.²

"At this time, the City Commission and Staff will report/update on all committee assignments which may include but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development Report; Accounting & Finance – Financial 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 street projects. He further announced events that will be taking place over the 4th of July holiday. Mr. Sosa also reported that the Health Department will be spraying for mosquitoes the next few nights.

Ms. Courtney Alvarez, City Attorney, reported that the next city commission meeting is scheduled for Monday, July 14, 2025. The deadline for staff to submit agenda items for this meeting is Wednesday, July 2, 2025.

Commissioner Lopez commented that she had not seen the flags out in the downtown area and further asked Interim City Manager if the flags would be out for the 4th of July. Mr. Sosa responded yes, flags will be placed in the downtown area for the upcoming holiday.

IV. Public Comment on Agenda Items.³

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

Krystal Emery, 1620 S. 11th Street, commented that the recall petition against three commissioners was submitted, verified, and certified according to the city charter. These weren't Facebook fodder; this is a serious legal action taken by registered voters who believe accountability matters. I would hope that commissioners who are recalled choose to resign out of respect for the process and the people they have elected to serve. This has gotten personal, I felt it, and while I won't go into detail, I'll say this: no one should be targeted for participating in a legitimate democratic process. We are all citizens of Kingsville, and when the public speaks to the process laid out in the charter, that voice must be respected. Leadership means doing what's right for the community, showing up, owning your decisions, and respecting the process.

Joel Saenz, 307 W. Ailsie, commented that he is here for the recall issue and asked that if it comes for a vote, he asked for the vote to be no. Do to the fact that the four allegations that were printed in the newspaper indicated four items, and three of those items actually pick on staff doesn't reflect on the city commission's actions. Some of the staff, on TV it comes out that they are not educated and he would go back and ask HR to do their homework. Background checks as to how many people have actually worked for municipal government entity or the state of Texas prior to working for Kingsville. He again ask that the vote be no to the frivolous accusations.

Lance Hamm, 312 South Creek, commented the following: Point of Order for Agenda Item #20 (Discussion and presentation regarding the certification of recall petitions received on June 6, 2025), to Recall 3 City Commissioners. Lance Hamm, 912 South Creek. As a concerned tax-payer and qualified voter in the city of Kingsville, I have a POINT OF ORDER regarding Agenda Item 20. 1. I believe city officials have the wrong number for the number of qualified voters required to sign the petition for a recall of city commissioners as outlined in the City Charter and Agenda Item 20, making his petition for recall invalid. The number of valid signatures should be 2,805, not 282. 282 is a ridiculously low number of voters to initiate a recall that may cost the city upwards of \$70,000 for a couple of city elections,

especially considering the average number of votes these three commissioners received during their winning election in May2024 was 852 votes. 2. I respectfully request that the Mayor and/or any Commissioner immediately make this point of order when Agenda Item #20 is read out loud. 3. The Mayor and all Commissioners should recuse themselves from ruling on this point of order due to bias and a conflict of interest, and an outside counsel (not a city employee) should make a ruling on this point of order. 4. The Mayor and/or any Commissioner should request that Agenda Item 20 be tabled until the outside counsel makes a ruling on this point of order. 5. If the mayor makes a ruling regarding this point of order tonight, I respectfully request that any or all Commissioners object to his ruling and issue an immediate appeal to the mayor's ruling, in which case the mayor and commissioners, per Robert's Rules of Order, will have to vote on the validity of the mayor's ruling. If the mayor's ruling is voted down, then I suggest the Mayor and all Commissioners take the matter to outside counsel for a proper ruling (without bias or conflict-of-interest). 6. The Mayor and/or any Commissioner should make the argument for this Point of Order regarding this agenda item due to the Kingsville City Charter (Part I, Article II, Section 24 Recall) that states that the petition relating to a recall of city commissioners, "shall be signed by qualified voters of the City equal in number to at least twenty percent (20%) of the number of qualified voters voting in the most recent city election." Using that language in context, if the city manager asked the city election officer the day before the May2024 election, "how many qualified voters are voting in tomorrow's election?", the answer would have been 14,025. Twenty percent of 14,025 is 2,805, and 2,805 signatures are required to be on a petition to recall a Kingsville city commissioner, not 282. The main issue of contention is the word "voting" which implies an "event in progress" (the city charter does not use the word "voted," which would be an event that has happened in the past). So, the number of qualified voters in the "event in progress" for the election in May2024 was 14,025, and twenty percent of that number is 2,805. 7. In conclusion for this POINT OF ORDER, the number of "qualified voters voting" in the May2024 election was 14,025. For this recall petition to be valid, there must be a minimum of 20% of that number. Therefore, per the Kingsville City Charter, 2,805 valid signatures are required on the petition, not 282. Please, if you like, call me up for clarification during the discussion of this POINT OF ORDER for Agenda Item 20. Thank you for your consideration.

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 Alarcon to approve the consent agenda as presented, seconded by Commissioner Lopez. 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 Fiscal Year 2024-2025 Budget to accept and expend donations from Kingsville Steakhouse, Maltby Builders, and Vishal Raju Bhagat Foundation for fire prevention supplies. (Fire Chief).

2. Motion to approve final passage of an ordinance amending the Fiscal Year 2024-2025 Budget to accept and expend the donation from Victor & Lisa Unger for Health Department animal care services. (Health Director).

3. Motion to approve final passage of an ordinance amending the Fiscal Year 2024-2025 Budget to accept and expend the donation from the Brookshire Foundation for minor equipment and recreational programs. (Parks Director).

4. Motion to approve final passage of an ordinance amending Chapter XIII, Article 2, Offenses Against Public Peace and Safety, Sections 13-2-10 to 13-2-13 and Sections 13-2-20 to 13-2-23, providing for the repeal of the nighttime curfew regulations for minors and the daytime curfew regulations for minors. (due to state legislative change). (City Attorney).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:**VI. Items for consideration by Commissioners.⁴****5. Discuss and consider accepting the Annual Comprehensive Financial Report (ACFR) of the City of Kingsville for Fiscal Year 2023-2024. (Finance Director).**

Mayor Fugate asked if there were no objections, he would like to take agenda item #20 before item #5. No objections were made.

Mrs. Margaret Kelly, Auditor with Womack & Co., reported on the city's Annual Comprehensive Financial Report for Fiscal Year 2023-2024. There were no findings or questioned costs in the current year. The city is tracking along well in all accounts. There were some recommendations made with regard to written controls.

Motion made by Commissioner Lopez to approve and accept the Annual Comprehensive Financial Report (ACFR) of the City of Kingsville for Fiscal Year 2023-2024, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Hinojosa, Alarcon, Lopez, Alvarez, Fugate voting "FOR".

6. Discuss and consider introduction of an ordinance amending the zoning ordinance by granting a Special Use Permit for an Auto Paint & Body Shop Use (Vehicle Window Tinting Store) in in C2 (Retail) District at 201 S. 6th Street, Kingsville, Texas, also known as Original Town, Block 58, Lot E. 118.5' of 1-4, E. 60' of 5,6, (Property ID 11207); amending the comprehensive plan to account for any deviations from the existing comprehensive plan. (P&Z June 18, 2025) (Director of Planning and Development Services).

Introduction item.

7. Discussion with City's Representative on the Kleberg County Appraisal District Board of Directors. (Commissioner Lopez).

Ms. Ernestina Flores, Chief Appraiser for the Kleberg County Appraisal District, gave a presentation to the city commission regarding how appraisal values are determined.

8. Workshop: Discussion on proposed Employee Health Insurance Benefits, City Fund Balance, and related items. (Human Resources Director/Finance Director/Interim City Manager).

Mrs. Diana Gonzales, Human Resources Director, stated that the City of Kingsville (City) distributed RFP 25-16 on April 17, 2025, and opened bids on May 20, 2025, at 2 p.m. The city received responses to RFP 25-16 from BlueCross BlueShield and United Healthcare. As has been indicated during past City Commission meetings, the City has been able to absorb rate increases (12% in 2023 and 14% in 2024) for the past two years utilizing the Health Fund balance. This option was available to assist employees during the transition from a self-funded health plan to a fully funded health plan. Carlisle Insurance (Acrisure) representative Ms. Valeria Ybarra, a Registered Employee Benefit Consultant (REBC), assisted the City with the RFP process and evaluation of submitted bids.

Ms. Valeria Ybarra, Employee Benefits Consultant with Acrisure, spoke about the different options the city could consider, as well as the options available to the employee. Ms. Ybarra stated that the new benefits would be effective October 1, 2025, with open enrollment in August 2025. RFPs were posted on April 14, 2025, and were due by May 20, 2025. There were two responses: United Healthcare and BlueCross BlueShield of Texas. United Healthcare proposed a renewal increase of +15%. There are three different options and plans for the employees. Plan 1, HMO Plan, the recommended replacement plan is as follows: \$3,000 deductible, 100% coinsurance; reduced out-of-pocket max; reduced increase from 15% to 2.42%; reduced urgent care copay; pharmacy stays the same; and same network as current. Plan 2, EPO Plan, the recommended replacement plan is as follows: \$1,500 deductible, 80% coinsurance, reduces increase from 15% to 2.94%, slight increase to primary care physician visit copay, same urgent care copay, pharmacy stays the same, same network as current. Plan 3, PPO Plan, the recommended replacement plan is \$750 deductible, 80% coinsurance, reduces increase from 15% to 4.99%, slight increase to primary care physician visit copay, same urgent care copay, pharmacy stays the same, and same network as current.

Mrs. Gonzales stated that the HMO Plan is a gated plan, but it also offers a much larger network. She further stated that even though the EPO and PPO Plans are not gated, trying to make an appointment with a specialist, you would usually have to go to your PCP as a specialist will not take a direct walk-in at a specialist office. Mrs. Gonzales further stated that for background information, Fiscal Year 2024-2025 is the third year of the United Healthcare fully funded plan. The City of Kingsville offers three (3) health plan options which employees may select. Based on the RFP tabulations of 260 employees on the insurance census report at the time the city distributed the RFP, the tabulated costs are as follows:

United Health Care plan cost is \$5,196,761.00, and BlueCross BlueShield is \$5,542,913.00. These costs are approximate as the type of coverage for vacant positions can only be estimated. In addition, employees can change coverage at open enrollment and with qualifying events during the fiscal year. Furthermore, the City experiences some vacancies throughout the year, which will also impact insurance costs. By utilizing some of the remaining Health Fund balance, this allows for the possibility of the Health Fund balance assisting with a portion of premiums in FY26-27. Annual cost breakdown estimate, if all positions filled for the entire Fiscal Year 25-26 would be as follows: Employer Contributions of \$4,585,347.00; Health Fund Contribution of \$507,600.00; and Employee Contributions of \$863,353.00.

Commissioner Hinojosa asked if the 15% would be an increase across the board. Mrs. Gonzales responded that we made no changes to the plan; it would be a 15% increase, which equals \$800,000.00. Commissioner Hinojosa further asked if there would be some costs that would be passed down to the employees. Mrs. Gonzales, yes. Commissioner Hinojosa stated that maybe the city could use the fund balance from the self-insured. Mrs. Gonzales stated that this would be utilizing approximately \$500,000 of the fund balance to already offset that.

Mr. Sosa stated that the fund balance is an accounting term that represents the difference between a fund's assets and liabilities. It represents the net cash after all revenues have been deposited, and all expenses have been paid. For the City of Kingsville, there are two funds with a required minimum 25% fund balance. These are General Fund 001 and Utility Fund 051. During the budget process, you will hear budget terms of EA, which is Estimated Actuals, and DR for Departmental Request. EA Revenues represent the estimated amount that the city will collect or receive in the current fiscal year. EA expenditures represent the estimated amount the city will spend in the current fiscal year. DR Revenues represent the anticipated amount of revenues the city will collect or receive in the next fiscal year, and DR Expenditures represent the anticipated amount of revenues the city will spend in the next fiscal year. Mr. Sosa further stated that working on the budget this early in the fiscal year is challenging, requiring conservative estimating. The ending estimated fund balances for the current fiscal year determine what is available for the next fiscal year. During the budget process, estimates are determined for both revenues and expenditures. For expenditures, all line items are calculated to determine what will be spent in the current year for that item. All current year expenditure budget amounts above the calculated amounts are removed and placed in the department year-end reduction line item, as it represents the amount that is budgeted but not expected to be needed for that line item. The amount placed in the year-end reduction line item is not included in the estimated ending fund balance, as these amounts are expected to drop to the fund balance and available for next year's budget availability. Throughout June and August, adjustments are made to the year-end reduction line items. These adjustments come from the Department Directors through budget transfer requests. Once the City Manager and/or Finance reviews and approves the request, funds are moved back to the department's budget if necessary. Fund balance estimates are monitored to ensure the 25% required minimum is met. During this time, it may become necessary to adjust priorities due to spending availability. General funds, amounts removed and placed in the year-end reduction line items is \$888,281.08. Due to the status of the Utility Fund, \$1 million of the transfer scheduled from the Utility Fund was cancelled. The general fund took steps in the current fiscal year to freeze 13 positions for the entire fiscal year. Using the estimates, expenditure can only increase by \$850,000 to end the year with 25%, with the revenues coming in. There would also be less funding available for supplements to be approved. The fund balances are as follows: audited beginning fund balance is \$7,939,595.69; EA Revenues are \$24,760,815.41; EA Expenditures is \$25,310,684.35; and EA Fund Balance is \$7,389,726.75.

Commissioner Alvarez asked for an explanation regarding the status of the Utility Fund. Due to the status of the Utility Fund, \$1 million of the transfer scheduled from the Utility Fund was cancelled. Was the Utility Fund part of the general fund?

Mr. Sosa responded that \$1 million was being transferred from the utility fund to the general fund, which was normal practice in the past. But now being a shortfall for the utility fund that transfer will be cancelled because we cannot afford to transfer the \$1 million.

Mrs. Balli stated that on that transfer, currently in this fiscal year it was budgeted \$1.6 million for the transfer to go from the utility fund to the general fund which will cover expenditures and different things that the general fund does for the utility fund. Balli further stated that based on where the numbers come out, the ending for this fiscal year, the city will not be meeting its 25% fund balance requirement.

Commissioner Alvarez asked if the city would fall short. Mrs. Balli's response was yes.

Mrs. Balli stated that when the EA's were reviewed and based on our spending for the current year that we are in, we moved and placed into the year and reduction line item \$1.3

million. Due to the status of the utility fund, \$1 million of the transfer scheduled for general fund was cancelled; it was sent back to utility fund. One of the reasons for the shortfall is that we are not meeting the revenue productions that were estimated for this current year. The estimated fund balance for last fiscal year ended short by \$1.4 million and for what we anticipated and this was basically due to the depreciation that we have to book. She further stated that utility funds have always had enough coverage so that when we made that depreciation booking, there was enough fund balance to cover that depreciation. Last year's depreciation was \$1,068,000.00, with the fiscal year 23-24 ending at 24.97% which was the minimum 25%. She stated that if we include another million for this year's depreciation, if that was to be booked now, and budget in the EA's fund balance would drop to 16.86%, which we can't do. She stated that when you use the estimates below, the beginning fund balance in utility with \$3.1 million. The EA revenues that we have, included in the proposed budget, are \$10,891,419.14 with the EA expenditures at \$10,999,228.75, that's with \$1.3 million pulled out. If we keep those estimates, we will end up with a fund balance of \$3,023,472.82, which is 27.49%. Balli stated that in order for it to go to 25%, we only have a cushion of \$210,000 that can be removed from the department year-end budget. If the departments have to pull more than \$210,000 out of year-end reduction line item, we will not hit our 25% and we could not do the million dollars for depreciation which gets booked in March, when the auditors are here.

Commissioner Hinojosa asked that if the figures that are shown for the general and utility fund are estimates and not actuals and are not budgeted. Mrs. Balli responded that they are not actuals and not budgeted but they are part of the budget but we know that we are not making our productions and our utility fund, fund balance, ended less than what was anticipated. Balli further stated that at this time it is being looked at as they do during budget and we have this opportunity to figure out how to close that gap so that we can meet our fund balance. Right now, we would meet our fund balance at 27.49% as long as we do not pull more than \$210,000 out of the department's year-end reduction. Balli stated that today we had to pull out almost \$30,000 out of it, which brings it down to \$180,000.

Mayor Fugate asked that, with regards to the water meter system that we have installed, is it keeping up with projections.

Mrs. Balli responded that the problem with the projections that were done this year is that it was a two-prong effect. They got hit with accurate meter readings and then the city did increases on the rates. What we are seeing is that citizens are using less water, which causes our projections from being met.

Commissioner Hinojosa stated that you may have a certain estimate today, but that estimate might change tomorrow based on the facts and circumstances at that time.

Mrs. Balli stated that what the city does from this point forward until we get the budget adopted, almost every week staff will be looking at the EA's to see how they changed and whether projects need to be done differently. She further stated that this is one of those things where you try to use the trends that have been coming in or going out. The city has things that are contractual that can't be changed. This is something that staff needs to look at from now until September. Balli stated that staff knows that the city has to take measures now, to figure out how we are going to close that gap.

Mr. Sosa commented that with regards to the water meters, it did affect the city with the water usage and wastewater usage as they are both combined together. Not only did the city not see the revenues for the water usage from the water meters, but also for the wastewater. These are the two revenues that staff anticipated coming in but were not seen.

Commissioner Hinojosa asked if once the taxpayer found out that they would be paying for more water, that stopped using the water, which affected the utility. Mr. Sosa responded yes.

Mrs. Balli reported on the Tourism Fund. The Tourism Fund does not have any minimum fund balance requirements. The major change in Fiscal Year 24-25 for this fund was due to personnel changes. The audited beginning fund balance is \$591,896.04, with the EA Revenues projections are at \$691,354.42. The EA expenditures are \$598,920.73 with the EA Fund Balance for the current year is at \$684,329.73, which makes Tourism Fund in good shape. In the Economic Development fund, this does not have a minimum balance requirement. The general fund and in lieu of tax revenues provides funding for economic development efforts. A major change in FY 24-25 for this fund was due to personnel changes in February. The Economic Development Director is not housed 100% under the city's direction and budget for this fund, will need to increase in Fiscal Year 25-26. The audited fund balance is \$268,702.736 with EA revenues at \$313,109.44 and EA expenditures at \$274,038.48. The EA fund balance is \$307,773.69. Balli stated that this fund is in good shape. Balli stated that in the general fund debt service, which is for all the general fund debt issues, the fund balance doesn't change very much due to money going

in and paying for general fund debt issues, so it maintains a fund balance, it is being looked at ending this year with \$661,000.00. Balli briefly mentioned other city funds but did not go into detail. Balli stated that in the Insurance Fund, the city began with \$2.3 million, based on the revenues and expenditures that have been estimated, to end this year with \$1.1 million, of which \$500,000 will be used, if the plan is accepted. Balli stated that for a total of all funds, there is \$26,338,000.00 estimated to end this fiscal year with.

Mr. Sosa stated that upcoming workshops are as follows: July 14th will discuss TMRS plan changes, compensation plan changes, updated fund balance updates, Tourism Fund 002, and Economic Development Fund 098. On July 28th, the discussion will be on Utility Fund 051, Utility Rate Increases, Enterprise Fleet Contract, and Utility Rate Increases. On August 11th, General Fund 001, Rates & Fee Increases, Ad Valorem Tax Rates, and Fund Balance Updates. August 12th, Budget Summary, Updated Fund Balances, Transfers, Debt Service, and Grant Projects Status. He further stated that if the commission would like any additional information addressed at one of the upcoming workshops, please contact staff so it may be added to the schedule.

9. Consideration and approval of awarding Bid #25-16 Group Medical Employee Benefits Program for City employees, as per the recommendation of the consultant. (Human Resources Director).

Mrs. Gonzalez stated that it is recommended to support the consultants' recommendation of the three options with United Health Care.

Motion made by Commissioner Alvarez to award Bid #25-16 Group Medical Employee Benefits Program for city employees, as per the recommendation of the consultant.

Motion made by Commissioner Alvarez to approve awarding Bid #25-16 Group Medical Employee Benefits Program for City employees, as per the recommendation of the consultant, seconded by Commissioner Alarcon. The motion was passed and approved by the following vote: Alarcon, Lopez, Alvarez, Hinojosa, Fugate voting "FOR".

10. Consideration and approval of a resolution authorizing the City to submit an application to the Ed Rachal Foundation for grant funds for equipment for the Kingsville Police Department. (Police Chief).

Mr. John Blair, Chief of Police, stated that critical personal protective equipment of the tactical team will be purchased with this funding. This grant does not have a cash match; however, it is understood from previous applications and awards that, on occasion, they may only approve partial funding of the grant.

Motion made by Commissioner Lopez to approve the resolution authorizing the City to submit an application to the Ed Rachal Foundation for grant funds for equipment for the Kingsville Police Department, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Lopez, Alvarez, Hinojosa, Alarcon, Fugate voting "FOR".

11. Consideration and approval of a resolution authorizing the City to submit an application to the Gary Sinise Foundation for grant funds for equipment for the Kingsville Police Department. (Police Chief).

Chief Blair stated that critical personal protective equipment for the tactical team will be purchased with this funding. The current equipment is expired and is outdated technology. These funds will purchase the Hard Head Veterans ATE Lite Helmet with helmet covers and Pop Out Rail Adapter Kit. This grant does not have a cash match; however, it is understood from previous applications and awards from other Foundation Grants, on occasion they may only approve partial funding of the grant.

Motion made by Commissioner Alarcon to approve the resolution authorizing the City to submit an application to the Gary Sinise Foundation for grant funds for equipment for the Kingsville Police Department, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Alvarez, Hinojosa, Alarcon, Lopez, Fugate voting "FOR".

12. Consideration and approval of a resolution authorizing the City to submit an application to the 1PointFive First Responder Donation Program for grant funds for First Responder equipment, gear, and training for the Kingsville Police Department. (Police Chief).

Chief Blair stated that this resolution is to apply to 1PointFive to be considered for their First Responder Donation Program. This funding can be used for: purchase of essential emergency response equipment; repair of existing emergency response equipment;

replacement of outdated or damaged rescue and safety gear; and first responder safety training programs.

Motion made by Commissioner Lopez to approve the resolution authorizing the City to submit an application to the 1PointFive First Responder Donation Program for grant funds for First Responder equipment, gear, and training for the Kingsville Police Department, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Hinojosa, Alarcon, Lopez, Alvarez, Fugate voting "FOR".

13. Discuss and consider introduction of an ordinance amending the Fiscal Year 2024-2025 Budget to appropriate additional funding for Fire Department vehicle maintenance. (Fire Chief).

Mr. Juan J. Adame, Fire Chief, stated that the Kingsville Fire Department has received past due invoices in the amount of \$19,145.67. Additionally, the department has experienced numerous equipment problems this budget year. The latest mechanical issues have resulted in a repair cost totaling \$25,892.00. These problems included electrical, air conditioning, and hydraulic repairs. This year the Fire Department budgeted \$35,000 for vehicle maintenance. Additional funding is requested to cover the cost of the past due invoices. A budget amendment is being requested to cover the necessary vehicle repairs.

Commissioner Lopez asked if the department was down to only one ambulance. Chief Adame responded that all three ambulances are running.

Introduction item.

14. Discuss and consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter IX, Article 7-Nuisances, Section 2, adopting the 2024 Edition of the ICC International Property Maintenance Code. (Director of Planning and Development Services).

Mr. Erik Spitzer, Director of Planning and Development Services, stated that on October 15, 2024, the Planning and Development Services Department approached the City Commission to adopt the 2024 International Code Council Family of Codes for the City of Kingsville. Since the codes were adopted, Planning and Development Services staff have discovered small edits are required to update the following overlooked sections of the City of Kingsville Ordinances, by the fees that were approved, or updating the code year from 2018 to 2024.

Introduction item.

15. Discuss and consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter XV, Article 1-Building Regulations, Sections 15-1-6, 11, & 12, adopting the 2024 International Building Code. (Director of Planning and Development Services).

Introduction item.

16. Discuss and consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter XV, Article 1-Building Regulations, Sections 36, 37, 40 & 43, adopting the 2024 Edition of the ICC International Fuel Gas Code. (Director of Planning and Development Services).

Introduction item.

17. Discuss and consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter XV, Article 1-Building Regulations, Sections 75 & 76, adopting the 2024 Edition of the ICC International Residential Code for One-and-Two Family Dwellings. (Director of Planning and Development Services).

Introduction item.

18. Discuss and consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter XV, Article 1-Building Regulations, Sections 151 & 152, adopting the 2024 Edition of the ICC International Swimming Pool & Spa Code. (Director of Planning and Development Services).

Introduction item.

19. Discuss and consider introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter XV, Article 1-Building Regulations, Sections

302 & 303, adopting the 2024 Edition of the ICC International Residential Code for One-and-Two Family Dwellings. (Director of Planning and Development Services).

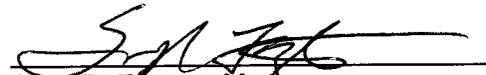
Introduction item.

20. Discussion and presentation regarding the certification of recall petitions received on June 6, 2025. (City Secretary).

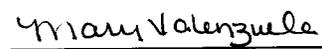
Mrs. Mary Valenzuela, City Secretary, stated that on June 6, 2025, the Office of City Secretary received recall petitions seeking the removal of City Commissioners Alvarez, Alarcon, and Hinojosa from the office of City Commissioner. After receiving the petitions, the signatures were reviewed for certification. Of the 330 signatures submitted, a total of 292 signatures were certified, and 38 signatures were not. The City of Kingsville Charter Article II, Section 24 (4) provides that petitions shall be signed by qualified voters of the City equal in number to at least twenty percent (20%) of the number of qualified voters voting in the most recent city election. The last City Election was held on May 4, 2024. A total of 1,412 votes were cast in that election as reflected in Resolution #2024-94 that was approved by the City Commission on May 13, 2024. Twenty percent of 1,412 votes is 282.4, which is the number of certified signatures needed to initiate a recall election. The City of Kingsville Charter Article II, Section 24 (6) states "If the officer whose removal is sought does not resign within five (5) calendar days after such notice is given then it shall become the duty of the City Commission to order an election and fix a date for holding such recall election. If you either choose not to resign or you do not notify me of your intent to resign by June 28, 2025, then an agenda item to order a recall election and fix a date for holding such an election will be presented to the City Commission at the next City Commission Meeting.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:06 p.m.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, TRMC, City Secretary