

JULY 14, 2025,

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, JULY 14, 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
Kyle Benson, IT Director
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
Nick Rivas, Administrative Assistant
Manny Salazar, Economic Development
Bill Donnell, Public Works Director
Alicia Tijerina, Special Events Coordinator
Kobby Agyekum, Senior Planner/HPO
Rudy Mora, City Engineer

I. Preliminary Proceedings.

OPEN MEETING

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

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

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

MINUTES OF PREVIOUS MEETING(S)

None.

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

1. Public hearing on request for an alcohol variance for a Wine and Malt Beverage Retail Dealer's On-Premise Permit (BG) for the establishment known as Kwik Pantry #2, at 730 W. Corral, Kingsville, Texas 78363. (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. Agyekum, Senior Planner/HPO stated that on April 8, 2025, Chris Manriquez, applicant, requested an alcohol variance for a Wine and Malt Beverage Retail Dealer's On Premise establishment known as Kwik Pantry #2 located at 730 W. Corral. A change in ownership warrants the new variance request. One church is located within 300 feet of the proposed establishment, which requires an alcohol variance. Staff mailed out 15 letters to those within the 300-foot radius, and staff received no feedback from those who received notice.

Mayor Fugate closed this public hearing at 5:04 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, reported on street projects. He further mentioned that the City of Kingsville will be hosting a donation drive for the City of Kerrville. Items will be delivered to the City of Kerrville on Friday.

Ms. Courtney Alvarez, City Attorney, reported that the next commission meeting is scheduled for July 16, 2025, which is a special meeting. The next regular meeting is scheduled for July 28, 2025.

Commissioner Alvarez asked how much the City of Kingsville depends on water from the South Texas Water Authority (STWA).

Mr. Sosa stated that the STWA water is the city's backup water supply. He further stated that in order for the city to reach the capacity that the city needs are about 585 gallons per minute, as the city has the capacity to provide over 10,000 connections, which is what the city has. The city's wells and elevated storage tanks do not have that capacity, so the city still relies on STWA for about 585 gallons per minute in order to abide by TCEQ regulations.

Commissioner Alvarez asked how much the city pays STWA.

Mr. Sosa responded that the city pays \$420,000.00 annually.

Commissioner Alvarez further stated that she is aware that the city has some major budget constraints at this time and commented that the city needs to see if there are any grants available so that the city can get another water well.

Mr. Sosa stated that in order to build a new water well, a production well will cost \$2.5 million. This does not include the pump station or the piping that goes along with it.

Mayor Fugate stated that he placed the executive session item on this again, but in light of the county's meeting, he requested that the executive session not take place.

Mr. Sosa stated that the county had a meeting today, and they will be holding off on the project in order to put an oversight committee together to look into the environmental impact it will have. Once the oversight committee gets the approval and they are convinced that it will not have a detrimental impact on the environment, then they will move forward with the project. If the committee is not fully convinced that it will not have an impact on the environment, then they will stop the project.

Mayor Fugate commented that he is not against desalination or brackish water converted into drinking water, but the waste has to be taken care of, and you cannot go in the creek.

Commissioner Hinojosa asked how this would affect the citizens of Kingsville.

Mayor Fugate stated that the number three industry in Kleberg County and the city, which is ecotourism, will be a direct influence on the city.

Commissioner Lopez asked Mr. Sosa when the Caesar ditch project is scheduled to begin.

Mr. Sosa responded that the project should have been started, but due to inclement weather it has been delayed. He further stated that he has spoken with ICE Engineering and ICE is working on a schedule and once he has received it, he will email it to the commission.

IV. Public Comment on Agenda Items.³

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

Carola Serrato, 501 Billy Evans commented that she is here to speak against the recall election item. She stated that she understands that the petition garnered a sufficient number of signatures to bring this item before the commission. Nonetheless, it is a shame to see this happening to our city. A recall election will only serve to divide our community. It has and will stifle progress. Furthermore, it will cost our citizens money that could be used

for much better purposes. The three commissioners who are the subject of the recall have done nothing wrong. Two out of the three commissioners were not on the commission when the employee contract was approved for the previous city manager, which provided for a one-year payout, despite the fact that he was already actively pursuing another job. The bottom line, in my opinion, and hopefully the opinion of many Kingsville voters, should the November election occur, is the petition for recall is nothing more than personal, ego-driven reaction by certain people not getting their way.

Joel Saenz, 307 W. Ailsie commented that The recall petition mentioned above must be addressed to the City Commission of the City of Kingsville, must distinctly and specifically state the ground(s) upon which such petition for removal is predicated, and if there be more than one ground, such as for incompetency, noncompliance with this Charter, misconduct or malfeasance in office, shall specifically state each ground with such certainty as to give the officer sought to be removed, notice of such matters and things with which he or she is charged. He further commented that all members present at the commissioners meeting shall vote yes or no on matters requiring a vote before such commission, provided, however, any commissioner who has any conflicts of interest regarding the matter or matters which a vote is to be taken shall abstain from voting and abstain from any discussion on such matters. Reason being as for the City of Kingsville Record publication as per Mrs. Lerma and Ms. Tijerina that requested for the recall petition which one is the daughter-in-law of a commissioner and the other the daughter of a city employee that was seeking a position and was not promoted to that position therefore they started a petition recall as personal vendetta as stated in the newspaper. Mr. Saenz commented that as he has previously stated in past meetings, he thought he had answered their questions as for the four recall petition items. First one, harassing personnel should have been addressed by the city staff; second, fiscal responsibilities should have been addressed by city staff; city commissioner behavior, he commented that he has no idea as he is not aware as to how the commission behaves; and negligence of city policies, he commented that two commissioners have at least 50 years municipal charter, ordinance experience and they should have addressed this because of their positions when they were working under city employment and not city administrators. He further commented that he would like to say to vote no, vote accordingly, as to the facts and not hearsay. Vote no on item 18 for your consideration.

Norma Martinez, 402 E. Main, Bishop TX, commented that she is commenting on the meeting that the South Texas Water Authority had. She stated that she was not at this meeting but saw a video of it. The question as to whether you could drink brackish water. Animals can drink, but for humans, it is not advised. She further commented that whatever they put in place, will they not have to get a permit, will the regulatory agencies not view it. Ms. Martinez further commented that there are many uses for the discharge, the brine, other than dumping into a hypersaline bay. Baffin Bay is unique and has a higher-than-normal salinity level but if you take it past what it is now, it would be detrimental to the wildlife and fish life that is there and detrimental to the city and the county. She stated that if there is no one qualified to serve as a representative for the city on whatever committee STWA is having, the city should feel free to call her as she is a registered geologist with the State of Texas. Her job for 37 years was permitting underground injection wells; which dealt with hazardous waste including brackish streams.

Mrs. Toni Pena, 440 E. CO Road 2190, commented that as she owns property in Kingsville city limits, she pays taxes here and spends a lot of her time in this community. Like many others in the county, she cares deeply about what happens in Kingsville. She further commented that she is here tonight to oppose the recall effort targeting three city commissioners. This recall isn't about proving misconduct or violations of duty; it's happening because some people don't like how these commissioners have voted. But voting, even when it's unpopular, is exactly what they were elected to do. You may not agree with every decision, but that is what elections are for. Recalls should be reserved for real wrongdoing. Not used as a tool to punish people for doing their jobs. What's even more concerning is how many signatures it took to trigger this process. Under 300 voters in a city with thousands of registered voters, and that's not democracy; that is a loophole being used by a small group to overwrite the will of the majority. This recall is not only unfair, it's divisive, it's creating tension, stirring up negativity, and turning neighbor against neighbor at a time when this city should be working together to move forward. She commented that on top of that, it is expensive, even though we do not know the exact cost yet, but we all know that recall elections are not free. The city will have to spend taxpayers' money, our money, to run an unnecessary special election, which is money that could be spent towards fixing roads, supporting local services, or improving quality of life for residents. Mrs. Pena further commented that as a taxpayer and a property owner, she does not support this kind of waste, especially as there has been no clear violation of the public's trust. Let the commissioners continue what they were elected to do, and if people want change, they need to wait until the next election.

Mrs. Dianne Leubert, 715 W. Nettie, commented that she, along with others, would like to know the appropriate amount of time for a reply by the city for any question or request for a meeting. She stated that she believes 5 business days are adequate. She stated that she is talking about basic questions, not anything that would take in-depth research. This is not an open-ended question. She further stated she, along with others, would like an answer within 5 business days. This is because she has been waiting for an answer for a meeting for 2 weeks, on an issue that occurred on June 24th.

Mrs. Valenzuela, City Secretary, read a public comment received via email. The comment read as follows: Rolando Sandoval, 1219 E. Caesar Ave: Good Afternoon, I am writing because I have become aware of an increasing troubling surveillance presence in our community of Kingsville. I have seen Flock cameras installed on major streets which are reading all license plates of passing vehicles without any suspicion of crime. I have also been told that the Kingsville Police patrol vehicle cameras are also reading all license plates of vehicles they pass, again without any suspicion of a crime. I have spoken to members of the community who have stated that a member of city staff is able to gain access to cell phones and computers without passcodes or owner consent and doing so regularly for agencies all around us. Even without the current situation with ICE and their presence in our community this new surveillance state the city is creating is concerning. We do not want to become East Germany with no freedom of movement or privacy against a growing police state. I urge the commission to ask their own questions and decide for themselves what kind of community they want to live in.

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

1. Motion to approve final passage of an ordinance amending the 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).
2. Motion to approve final passage of an ordinance amending the Fiscal Year 2024-2025 Budget to appropriate additional funding for Fire Department vehicle maintenance. (Fire Chief).
3. Motion to approve final passage 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).
4. Motion to approve final passage 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).
5. Motion to approve final passage 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).
6. Motion to approve final passage 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).

7. Motion to approve final passage 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).

8. Motion to approve final passage 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).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

9. Consideration and approval of an alcohol variance for a Wine and Malt Beverage Retail Dealer's On-Premise Permit (BG) for the establishment known as Kwik Pantry #2, at 730 W. Corral, Kingsville, Texas 78363. (Director of Planning and Development Services).

Mayor Fugate commented that if there were no objections from the Commission, he would like to move agenda item 18 before hearing agenda item 9. There were no objections made by the Commission.

Motion made by Commissioner Hinojosa to approve an alcohol variance for a Wine and Malt Beverage Retail Dealer's On-Premise Permit (BG) for the establishment known as Kwik Pantry #2, at 730 W. Corral, Kingsville, Texas 78363, seconded by Commissioner Alarcon. The motion was passed and approved by the following vote: Alvarez, Hinojosa, Alarcon, Lopez, Fugate voting "FOR".

10. 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 Fire Department. (Fire Chief).

Mr. Juan J. Adame, Fire Chief stated that the Kingsville Fire Department would like to apply to the 1PointFive First Responder Donation Program. 1PointFive is committed in supporting First Responders in the communities where they establish operations. The donation program offers funding opportunities for first responder agencies. This funding can be used for the purchase of essential emergency response equipment. Chief Adame stated that there is no matching funds are required to apply for this program.

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

11. Consideration and approval of a resolution authorizing the City to submit an application to the U.S. Department of Homeland Security's Federal Emergency Management Agency for the purpose of requesting grant funding on behalf of the City for the 2024 Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program for additional firefighters for the Kingsville Fire Department with an anticipated cash match. (Fire Chief).

Chief Adame stated that the Kingsville Fire Department can apply for the FY 2025 Assistance to Firefighters Grant (AFG) to request funding for eleven additional Firefighters. The application will request \$3,648,645.00 for these costs. The SAFER Grant requires the city to provide a 25% cost share of \$304,053.75 for the first year, a 25% cost share at \$304,053.75 the second year, and 65% cost share at \$790,539.75 for the third year. The remaining \$2,249,997.75 would be provided through federal resources. The SAFER is a reimbursement type grant. SAFER grants awards can be made as soon as August of this calendar year. Once awards are announced, departments will have up to six months to hire the number of personnel outlined in the grant request.

Motion made by Commissioner Lopez to approve the resolution authorizing the City to submit an application to the U.S. Department of Homeland Security's Federal Emergency Management Agency for the purpose of requesting grant funding on behalf of the City for the 2024 Staffing for Adequate Fire and Emergency Response (SAFER) Grant Program for additional firefighters for the Kingsville Fire Department

with an anticipated cash match, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Alarcon, Lopez, Alvarez, Hinojosa, Fugate voting "FOR".

12. Consideration and approval of awarding Competitive Sealed Proposals (Bid #25-15) for the construction of Kingsville Fire Station #3, as per the recommendation of the consulting engineer. (To be paid from CO2024 Funds). (Purchasing Manager).

Mr. Sosa stated that bids were opened on May 29, 2025, and it is staff's recommendation to award the bid to Victory Building Team for \$8,250,000.00.

Motion made by Commissioner Lopez to approve of awarding Competitive Sealed Proposals (Bid #25-15) for the construction of Kingsville Fire Station #3, as per the recommendation of the consulting engineer, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Lopez, Alvarez, Hinojosa, Alarcon, Fugate voting "FOR".

13. Consideration and approval of a resolution approving the City of Kingsville Federal Grant Financial Policies and Procedures. (City Engineer).

Mr. Rudy Mora, City Engineer, stated that to comply with the fiscal and administrative requirements of the Texas General Land Office (GLO) for participation in the CDBG-MIT MOD Program, the City of Kingsville must maintain an adopted set of Local Financial Policies and Procedures. GLO has requested a minor amendment to the City's existing policies to more clearly define a separation of financial duties. This memo serves as a request to approve the amendment as the simplest means of satisfying GLO's requirements.

Motion made by Commissioner Alvarez to approve the resolution approving the City of Kingsville Federal Grant Financial Policies and Procedures, seconded by Commissioner Alarcon. The motion was passed and approved by the following vote: Alvarez, Hinojosa, Alarcon, Lopez, Fugate voting "FOR".

14. Consideration and approval of a resolution approving the City of Kingsville Federal Grants Procurement Policies and Procedures. (City Engineer).

Mr. Mora stated that this is another policy that is required.

Motion made by Commissioner Alarcon to approve the resolution approving the City of Kingsville Federal Grants Procurement Policies and Procedures, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Hinojosa, Alarcon, Lopez, Alvarez, Fugate voting "FOR".

15. Consideration and approval of a resolution authorizing the Interim City Manager to execute Change Order No.1 to the Construction Contract with Donald Hubert Construction Co. for the GLO CDBG-MIT Contract No. 22-082-016-D218 Project 1: 14th Street Sanitary Sewer Improvements Project. (City Engineer).

Mr. Mora stated that this change order will decrease the contract price by \$36,414.70 and no increase on the contract time.

Motion made by Commissioner Hinojosa to approve the resolution authorizing the Interim City Manager to execute Change Order No.1 to the Construction Contract with Donald Hubert Construction Co. for the GLO CDBG-MIT Contract No. 22-082-016-D218 Project 1: 14th Street Sanitary Sewer Improvements Project, seconded by Commissioner Alarcon. The motion was passed and approved by the following vote: Alarcon, Lopez, Alvarez, Hinojosa, Fugate voting "FOR".

16. Consideration and approval of a resolution authorizing the Interim City Manager to execute Change Order No. 4 for the Construction Contract with R.S. Parker Construction, LLC for the GLO CDBG-MIT Contract 22-085-009-D237 Project 13: W. Johnston Ave. Storm Water Improvements Project. (City Engineer).

Mr. Mora stated that there is a slight modification of \$1,000 for repairing concrete driveway and repair gravel driveway.

Motion made by Commissioner Alvarez to approve the resolution authorizing the Interim City Manager to execute Change Order No. 4 for the Construction Contract with R.S. Parker Construction, LLC for the GLO CDBG-MIT Contract 22-085-09-D237 Project 13: W. Johnston Ave. Storm Water Improvements Project, seconded by

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

17. Workshop: Discussion on proposed Fiscal Year 25-26 TMRS Plan, Compensation Plan, Updated Fund balances, Tourism Fund, and Economic Development Fund. (Interim City Manager).

Mrs. Diana Gonzales, Human Resources Director, stated that the city has a total of 337 positions. Restructuring changes for the general fund are as follows: Restructure 2 Planning Seasonal Ground Maintenance Workers to 1 Part-Time 19-hour position; Change Police Evidence Clerk from 19 hours per week to 29 hours per week; Eliminate Finance Accounts Payable Specialist; Eliminate Senior Planner/Historic Preservation Officer; Eliminate 1 Help Desk Technician; and Rename Economic Development Director to Economic Development Manager. In the Tourism Fund has the following restructuring changes: eliminate 2 seasonal staff; eliminate 1 part-time Administrative Coordinator; restructure 1 full-time Administrative Coordinator to part-time; restructure Customer Billing and Services Rep Class 13 to Media Specialist part-time Class 15; and restructure Special Events/Downton Manager to 1 Events Coordinator and 1 Merchant Services Coordinator. Utility Fund changes is to eliminate Finance Collections Meter Reader Foreman. Mrs. Gonzales further stated that FY 25 continuation of Anniversary Program, continue with Anniversary Program with Step Increases for 1st, 3rd, 6th, 10th, 15th 20th and 25th year for non-civil service personnel and as designated in respective Fire and Police collective bargaining agreements. Mrs. Gonzales stated that under the general fund there are 34 non-exempt expected to receive an anniversary increase which equates to about \$33,000 and exempt there are three that will equate to \$5,600. In the Fire and Police there are anniversaries with their collective bargaining, Fire has 15 which will equate to \$34,500 and Police has 13 for \$24,400. Total number of personnel with anniversaries is 65 for an amount of \$97,805.51. In the Utility Fund, non-exempt has 14 for a cost of \$17,300 and exempt has 2 for an amount of \$5,000. Tourism Fund has 1 non-exempt for \$141.00 and 1 exempt at \$1,358.00. Budgeted personnel costs, includes all projected costs for Fiscal Year 25-26 is \$26,684,551.00, which is a reduction from last year. Fiscal Year 25 classification and compensation plan is proposed to remain the same starting with Class 11 Step 1 at \$15.45 an hour. The percentage between steps remains at 4% between the steps and 5% between the classes. The continuation of the Longevity Program for non-civil service, which will equal to \$5 per month per year of service; and Fire and Police are both by contract, Police is at \$10 and Fire has a new rate with the upcoming fiscal year at \$6 per year of service. Under the cost of the longevity program, non-civil service employees the cost is \$92,664. Civil service Fire and Police, as per collective bargaining agreements, longevity cost is \$86,434. Certification pay equals to \$206,112 which includes education for a cost of \$32,624; clothing \$8,339; and certification \$165,088. Mrs. Gonzales stated that Police collective bargaining agreement is currently in negotiations. Fire collective bargaining agreement is in its 2nd year of two year-agreement. Proposed changes to TMRS, staff has been exploring a change in TMRS from 1.5:1 to a 2:1 match. Keep the city current in retirement offerings and assist with retention. It will also assist with getting experienced individuals interested in Kingsville. Changes to TMRS options require city commission approval and are effective January 1st following approval. TMRS 2026 proposal will continue with employee contributions of 7% and change to 2:1, have the updated service credit from 100% repeating to 50% repeating, removing the transfer credit, no change to the COLA 70% repeating, and change the retroactive COLA to the COLA that is dependent to the previous year CPI, which is the last year that TMRS will offer this option. Retirement eligibility will remain the same, 20 years and vesting will remain at 5 years. Total contribution rate is 9.56% under 2026, currently the city is at 9.34% and going to 9.56% that is TMRS calculation without any changes. With the proposed changes it would go to 10.06% employer contribution. Three plan design changes get plan to a 2:1 matching and decreasing updated service credit from 100% to 50% with no transfer credit. What does this mean? Upon retirement, TMRS calculates your last 3 completed years of earnings and averages out a wage which is then used to calculate earning as if you had earned that wage from the entire employment with the city. TMRS then adds a percentage for COLA and calculates. This is then compared to current contributions and interest. If there is a difference, then TMRS adds 50% of the dollar amount difference to your accounts and calculates your new monthly annuity for retirement payments. Changing from Retroactive COLA for annuity payments to Non-retroactive COLA. What does this mean? Currently, the city has a repeating 70% Retroactive COLA which ends up with different calculations for each retiree as it is a cumulative calculation as of retirement. The new non-repeating COLA option looks back to the change in the Consumer Price Index (CPI) for one year and applies 70%, existing city plan percentage, of the CPI percentage and increases annuity payments for retirees annually by the calculated percentage. This will provide all retirees with the same percentage increase to their annuity payments annually. Increase would be 70% of the CPI each year. Increasing TMRS from 1.5:1 to 2:1 with an effective date of January 1st, employee contribution remains the same at 7%. Employer contribution on January 2024 was 9.09%, January 2025 at 9.34%, and January 2026 at 9.56% with proposed plan changes rate is 10.06%. Total annual employer contributions for FY 2025-

2026 equals to \$1,631,500, based on projected budgeted numbers. The 2:1 matching will commence for all contributions after the effective date of January 2025, if approved by city commission. All prior employee contributions would be matched at the rate effective at time of contribution. Health Plan changes, RFP for Health Insurance received 2 responses from United Healthcare and Blue Cross Blue Shield. There are three plan types available to help meet employee specific needs. There is no change to RX. Supplemental Employee benefits, city provided basic life and AD&D Insurance for full-time employees which has no change for FY 26. Dental and vision is still available at employee paid products. National Group benefits recommends continuation of existing employee products with Dearborn National/Blue Cross Blue Shield and AFLAC. Other supplemental employee benefits continues with two additional retirement plans, Nationwide and MissionSquare.

Mr. Sosa gave the presentation on Tourism Fund. He stated that this fund has 3 full-time employees, 2 part-time employees and 3 seasonal employees. The mission of the City of Kingsville Tourism Department is to promote and enhance Kingsville's unique heritage, culture, and attractions by inspiring travel, supporting local businesses, and fostering community pride. Through strategic marketing, engaging events, and collaborative partnerships, we aim to position Kingsville as a premier destination for visitors while enriching the quality of life for our residents. Key strategies and actions to accomplish mission is to promote Kingsville's unique identity, inspire travel and tourism, support local businesses, organize signature events, foster regional and statewide collaborations, enhance visitor experience, and measure and improve. Additional changes will include a new festival called Viva El Centro. The city will no longer host Wine Walks downtown. The city's Christmas tree will be moved to a more central location at the corner of 7th and Kleberg. Ranchhand festival will remain the same with some minor changes in vendor locations. Tourism funds are used to account for revenues and expenditures for tourism activities. Revenues are received from Hotel Occupancy Taxes and expenditures are based on State Tax Code Chapter 351. Estimated beginning fund balance for FY 25-26 is \$622,419 with budgeted revenues at \$740,662. Budgeted expenditures are \$705,409. Fiscal Year 25-26 estimated ending fund balance is \$657,672. Tourism Fund 002 expenditures are as follows: Personnel Services at \$335,939.00; supplies at \$18,500; services at \$252,563; repairs at \$1,700; maintenance is \$2,000; and transfers out is \$94,707 for total expenditures of \$705,409.00.

Mayor Fugate asked what are services. Mr. Sosa responded that this is used to promote tourism in Kingsville such as on IHeart Radio.

Mr. Sosa continues with the presentation and further stated that FY 25-26 Tourism Fund notable financial changes are as follows: Revenues: The Ranch Hand Concert will now be a city event with all revenues captured by the City. This results in Sponsorship revenues of \$60,000 now budgeted for FY 25-26. Once this event is held, it will provide the ability to know how to budget for these revenues. Expenditures: Change in positions for FY 25-26. Annual allocation to General Fund increased from \$38,500 to \$50,000 due to increased costs. Additional allocation of \$40,000 to General Fund for work performed for Tourism related activities with downtown merchants. Ranch Hand concert expenditures are budgeted at \$60,000 Once this event is held, it will provide the ability to know how to budget for these expenditures. Communications & Operating leases are budgeted to be paid by General Fund to make payment easier. Tourism pays its share to General Fund through a Transfer out.

Mayor Fugate asked if there will be a charity or association. Mr. Sosa stated that they are revamping the Tourism Department to have events. Mayor Fugate stated that it has been past practice that a non-profit had been selected to support and asked if this was going to continue. Mr. Sosa responded that this will no longer take place. Sosa further stated that what was found out was that the event would support the non-profit but the non-profit would not do anything in return for the city. Sosa further stated that there was no revenue and knows that it was helping the non-profit organization, but we will move forward with projects but it won't be as frequently done as before. Mayor Fugate commented that he did not like this, regarding the non-profit change. Mayor Fugate further asked if Wine Walks would be continuing. Mr. Sosa stated that it will be different. Mayor Fugate asked what the downtown merchants thought of that change.

Mr. Sosa responded that staff is currently speaking with the merchants and will be having a Sip and Shop, which is what is being looked at right now.

Mayor Fugate commented that he has been to a Sip and Shop and they are not the same as a Wine Walk. Fugate further asked if staff had spoken to the merchants about this.

Mr. Sosa responded that staff has spoken to all the downtown merchants.

Mayor Fugate asked what the merchants thought of the new idea.

Mr. Sosa responded that the merchants are happy with the new idea.

Commissioner Lopez stated that it seems as if the interim city manager has eliminated and restructured a lot of the Tourism Department, more in the Tourism Department than any other department. Events have also decreased, but when you do have an event who is going to work that event, if there is no personnel.

Mr. Sosa responded that there are seasonal employees that were hired for events.

Commissioner Lopez stated that she thought two seasonal employees were being eliminated.

Mr. Sosa responded yes, they are not going to be full-time events and will not be funded all year round. He further stated that they will be funded for that event where they will be used. He stated that it is the same as it's being done for the swimming pool, they are only funded when used.

Commissioner Lopez asked why the Interim City Manager focused so much on the Tourism Department.

Mr. Sosa responded that no and if she would go back and look there was short fall in revenues coming in from the city.

Commissioner Lopez stated that the Tourism Department was thriving and asked why he focused on that department. This is the department that will be bringing in revenues to the city.

Mr. Sosa responded that as far as cutting back on positions there is still going to be a Tourism Director, Events Coordinator, Downtown Coordinator, and Social Media. At this time there are three employees.

Commissioner Lopez commented that she did not agree with Mr. Sosa and asked what was the criteria he used to make these cuts.

Mr. Sosa responded that it is based on what was done in the past.

Commissioner Lopez commented that Mr. Sosa has eliminated a lot of positions that had a lot of seniority that was not even thought about.

Mr. Sosa asked Commissioner Lopez what position did he eliminate.

Commissioner Lopez responded that the Meter Reader Foreman which had over 30 years' experience.

Mr. Sosa responded that he eliminated the position. New water meters were installed.

Commissioner Lopez asked if that employee was given any options.

Mr. Sosa responded that he eliminated the position, he did not eliminate person.

Commissioner Lopez then asked what was going to happen to that person now.

Mr. Sosa responded that this person can apply for additional jobs that are available within the city. The option was given to the employee.

Commissioner Lopez further asked if there is a set criteria as to how Mr. Sosa did all this.

Mr. Sosa responded that the position was no longer needed.

Commissioner Lopez further asked if Mr. Sosa had a set criteria in writing so that if something comes up he can say what he did and why he did it.

Mr. Sosa responded yes, there is justification.

Commissioner Lopez further asked Mr. Sosa to provide her with this information. Mr. Sosa responded that he would provide her with the information.

Commissioner Hinojosa asked Mr. Sosa that the reason he did all this was because he needed to balance the budget which is the reason for all the changes. Commissioner Hinojosa stated that he supports what the Interim City Manager is doing which he has always been a proponent not to use the fund balance to balance the budget which is what had been done the past two to three years.

Commissioner Alvarez commented or put into the utility fund.

Commissioner Hinojosa further commented that he does support the interim city manager on what he is doing.

Commissioner Lopez commented that she didn't say that she didn't support him, what she was doing was asking questions as she doesn't know anything. She is the last one to know anything and she needs to make sure that she knows what is going on because she is hearing all this for the first time as she never knows what is going on as Mr. Sosa does not communicate with her.

Ms. Alvarez asked if the city was still intending of being part of the Texas Main Street Program.

Mr. Sosa responded yes, the city will continue being part of that program.

Ms. Alvarez responded the city would then need to have a Downtown Manager designated.

Mr. Sosa stated that there is a position of Downtown Manager, it is a Downtown Coordinator, is what it consist of. The Downtown Manager would be consisting of the Tourism Director. She will be holding the position of Downtown Manager. He further stated that the actual Tourism Director will be the Downtown Manager.

Mayor Fugate commented that Mr. Sosa may want to look into this.

Ms. Alvarez commented that it is in the contract which is why she was asking. That the city has someone with that title. She further stated that the title was eliminated from the compensation plan from what she saw tonight.

Commissioner Hinojosa asked when the contract expires. Ms. Alvarez responded that the city is currently in one, and renewable every year, so the city does not want to be in breach after October 1st and wants to be ready for the new contract what should be received sometime in January of next year.

Mr. Sosa stated that he would get Commissioner Lopez the justification. Mr. Sosa continued with the budget workshop presentation, Economic Development, Fund 098. Fund 098 notable financial changes, currently there is no longer a need to have a separate fund for Fund 098 as these operations have been moved to 100% City responsibility. The Economic Development Director is no longer a shared position with the Chamber of Commerce. The current Economic Development Director is now housed at City Hall. All funding for the Economic Development Fund 098 came from General Fund and therefore this fund will be budgeted with General Fund 001. The Economic Director position title will change to Economic Development Manager.

Mrs. Deborah Balli, Finance Director, gave the presentation on Updated Fund Balances. The estimated fund balance for FY 25-26, based on DR's is \$764,159.15. Next year, the General Fund will meet the requirement of 25% by 25.60%. Mrs. Balli further mentioned the dates for the upcoming budget workshops.

18. Discuss and consider an ordinance calling a Special Election for the Recall of Norma Nelda Alvarez, City Commissioner Place 2; Hector Hinojosa, City Commissioner Place 3; and Leo Alarcon, City Commissioner Place 4 from the Kingsville City Commission in accordance with the City Charter and the Texas election Code, to be held in the City of Kingsville, Texas and other matters related thereto. (for November 4, 2025) (City Secretary). (Descunche y considere una ordenanza que convoca una elección especial para la destitución de Norma Nelda Alvarez, comisionado de la ciudad plaza 2; Hector Hinojosa, comisionado de la ciudad plaza 3; y Leo Alarcon, comisionado de la ciudad plaza 4 de la comisión municipal de Kingsville, de conformidad con el acta constitutiva de la ciudad y el código electoral de Texas, que se llevará a cabo en la ciudad de Kingsville, Texas y otros asuntos relacionados con la misma. (el 4 de noviembre de 2025) (Secretaria Municipal).

Mrs. Mary Valenzuela, City Secretary, stated that on June 23, 2025, the City Commission was presented with a memo regarding the certification of recall petitions that were received on June 6, 2025; original petitions were available for inspection during this meeting, upon request from the City Commission. As per City Charter, Article II, Section 24(6), it states, that if the officers whose removal is being sought does not resign within five 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, the date of which election shall be in accordance with the Texas Election Code. Mrs. Valenzuela further stated that with this

being said, we are now at the step where we would call for the recall election and fix a date for holding the election, which would be on November 4, 2025.

Mayor Fugate asked City Secretary, Mrs. Valenzuela, if it would be fair to say that all the signatures were investigated on these petitions and certified.

Mrs. Valenzuela responded that all signatures received were certified according to the election code and the city charter and further answered yes.

Mayor Fugate further stated that even though it is a small number that signed the petition, they complied with the city charter.

Mrs. Valenzuela responded that, according to what the City of Kingsville Charter states, yes.

Mayor Fugate asked if the city charter is what governs this commission and its citizens and further asked if this would be fair to say.

Mrs. Valenzuela responded it would be fair to say, but she is not an attorney to answer legal questions.

Mayor Fugate asked Ms. Alvarez if everything had been done legally.

Ms. Alvarez responded that yes.

Mayor Fugate further asked that the citizens that have signed this petition have complied with the city charter.

Ms. Alvarez responded that the City Secretary has certified the signatures that were received on the recall petitions, in accordance with the City Charter and the Texas Election Code.

Mayor Fugate further asked that what needs to occur tonight is to set the election.

Ms. Alvarez responded that yes, it would be ordering the recall election for the next uniform election date, which would be November 4, 2025.

Mayor Fugate asked if there was anything done illegally that Ms. Alvarez could see.

Ms. Alvarez responded not to her knowledge.

Mayor Fugate asked if it is the commission's obligation to vote for this.

Ms. Alvarez responded that the city charter Article II, Section 24(6) states that if the officers whose removal is being sought does not resign within five calendar days after such notice is given, which was done on June 23rd, then it shall become the duty of the City Commission to order an election and fix a date of holding such recall election, which shall be in accordance with the Texas Election Code Annotated.

Commissioner Lopez asked if the commission does not vote for this item or call the election, then the commission is in violation of the city charter.

Ms. Alvarez responded yes.

Mayor Fugate commented that in the last 20 years, there have been two charter revisions, where there are a group of citizens that look at the charter and see how it can be best improved. This may be something that needs to be looked at, as it is a small number of citizens, but saying that, they have complied with the city charter.

Ms. Alvarez commented that the language is typical of what's in a lot of charters with regards to the 20%, but as there was a very low voter turnout, which resulted in a 20% of a low voter turnout, it is a small number.

Motion made by Commissioner Lopez to consider ordinance calling a Special Election for the Recall of Norma Nelda Alvarez, City Commissioner Place 2; Hector Hinojosa, City Commissioner Place 3; and Leo Alarcon, City Commissioner Place 4 from the City of Kingsville City Commission in accordance with the City Charter and the Texas election Code, to be held in the City of Kingsville, Texas and other matters related thereto for November 4, 2025, seconded by Mayor Fugate. The motion failed

by a 3-2 vote with Alvarez, Hinojosa, Alarcon voting "AGAINST". Lopez and Fugate voting "FOR".

19. Executive Session: Pursuant to Section 551.071, Texas Government Code, Consultation with Attorney Exception, the City Commission shall convene in executive session to contemplate litigation regarding a contract with the South Texas Water Authority. (Mayor Fugate).

Agenda item 19, Executive Session, was not needed.

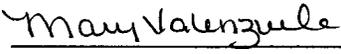
VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 6:24 p.m.



Sam R. Fugate, Mayor

ATTEST:



Mary Valenzuela, TRMC, City Secretary