

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON WEDNESDAY, AUGUST 13, 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
Susan Ivy, Parks Director
Deborha Balli, Finance Director
John Blair, Police Chief
Bill Donnell, Public Works Director
James Creek, Captain
Erik Spitzer, Director of Planning and Development Services
Charlie Cardenas, 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. None.

III. Reports from Commission & Staff.²

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

Ms. Courtney Alvarez, City Attorney, reported that the next city commission meeting is scheduled for August 25, 2025.

IV. Public Comment on Agenda Items.³

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

No public comments were made.

V.

Consent Agenda

Notice to the Public

The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.

CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:

(At this point the Commission will vote on all motions, resolutions, and ordinances not removed for individual consideration)

None.

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners ⁴

1. Workshop: Discussion on proposed City of Kingsville Fiscal Year 25-26 Budget, Budget Summary, Fund Balances, Transfers, Debt Service, Grant Projects Status. (Interim City Manager).

Mr. Sosa and Mrs. Balli gave a presentation on the proposed Fiscal Year 2025-2026 budget.

The status of the Proposed Budget is: Revenues \$92,784,051.40; Expenditures \$103,996,788.45. Ad Valorem Tax Rate: Current Tax Rate - \$.77000; Proposed Tax Rate \$.76918; No-New Revenue Tax Rate \$.71665; Voter Approved Tax Rate - \$.76919. The justification to propose the \$.76918 tax rate is to be able to cover increases in salaries, operational expenditures, maintenance, utilities, materials for alley maintenance and road maintenance, and a reduction in the Utility Fund annual transfer to balance the budget. Most notable inclusions, as per the Grady Study, are a water rate increase of 8% and a sewer rate increase of 5%. Changes to the proposed revenues budget are that general funds started at \$25,680,434.69, and the adjusted proposed revenue budget, as of today, \$26,062,979.69. In the Tourism Fund, the penalty on Hotel/Motel Tax is \$1,500, based on current year activity. In the Building Security Fund, Technology Fee is \$10,437, consolidation Fund 031 to Fund 025. Municipal Court Technology, Technology Fee, (\$10,437) consolidation of Fund 031 to Fund 025. The proposed revenue budget adjusted is \$92,784,051.40. General Fund 001, \$14,647, transfer to Golf Course Capital Projects Fund 026 - Contractual 3% of budgeted Golf Course Revenues; \$129,676 – Transfer to Utility Fund 051 – Shared Personnel Costs for Divisions 3000, 3030, 8000, & 8020. Tourism Fund 002, \$94,707, transfer to General Fund 001 - Annual Allocation, Cell Phone & Copier Lease consolidation, Merchant Services Coordinator Reimbursement. Utility Fund 051: \$1,383,367 – Transfer to General Fund 001 – Annual Allocation, Cell Phone & Copier Lease consolidation – Reduction of \$170,000 to balance budget: \$1,506,573 – Transfer to UF Debt Service Fund 012 – Annual debt service payments: \$100,000 – Transfer to Fleet Mgmt Fund 106 – Enterprise Fleet annual payment: \$18,073 – Transfer to GLO-MIT Grant #E998 Fund 135 – Local match funds. Stormwater Drainage Fund 055: \$125,000 transfer to UF Debt Service Fund 012, annual debt service payment. Solid Waste Capital Projects Fund 087 \$203,398, transfer to GF Debt Service Fund 011 annual debt service payment \$94,691 transfer to Landfill Closure Fund 090 for City Hall Payback Agmt. Street Fund 092, \$346,334 transfer to General Fund 001 Street Crew Personnel reimbursement. Economic Development Fund 098, \$307,773.69 transfer to General Fund 001 fund consolidation into General Fund 001. Insurance fund 138, \$417,600 transfer to general fund 001 for employer contribution reimbursement. A transfer of \$7,200 to Tourism Fund for employer contribution reimbursement and \$97,200 transfer to Utility Fund for employer contribution reimbursement. Total transfer for all funds is \$5,016,239.69.

Commissioner Hinojosa asked if Fund 11 and 12 were close to being paid. Mrs. Balli responded yes and would provide that information later.

Mr. Sosa gave the presentation on Grant Status. Fund 113 – CW Collection System Grant – D218 – Completion Date August 2026: Grant Award - \$7,293,111; Match - \$73,668; Total Funding - \$7,366,779. Work continues on: Project 1 – 11,400 LF of 18" PVC (14th St) and proposed Lift Station & Slip Lining; Project 2 – Manhole Rehab (78 Wastewater Manholes); Project 3 – 4700 feet of 24" Wastewater Main Replacement; Project 4 – 1,000 LF of 8" PVC-Reroute – alley at E Johnston Ave & E Fordyce Ave. Fund 113 – Continuation of CW Collection System Grant – D218. Work Continuation: Project 5 – 1,409 LF of 15" CIPP Sanitary Sewer Improvements – 10th & Lott St; Project 6 – 5,478 LF of 12" CIPP Sanitary Sewer Improvements – 10th St Line Replacement; Project 7 - 8 Lift Station Rehabilitation Projects. Fund 116, TWDB Drainage Master Plan Location 7, grant award is \$602,000. Loan thru Bond Issue of \$754,000. Cash match is \$44,000. Total funding

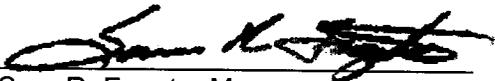
is \$1,400,000. Fund 117 – TWDB Drainage Master Plan Location 1. Grant Award was \$602,000 (last spent). Loan thru Bond Issue is \$754,000 (2nd spent). Cash Match - \$44,000 (1st spent). Total Funding - \$1,400,000. Loan thru Bond Issue Expenditures \$75,162.49– 9.97% complete: FY 20-21 - \$43,368.00; FY 21-22 - \$22,873.30; FY 22-23 - \$5,518.50; FY 23-24 - \$3,402.69; FY 24-25 - \$0. Work Continues on 10th St Main Line. Fund 118 – TWDB Drainage Master Plan Location 3. Grant Award - \$645,000 (last spent). Loan thru Bond Issue - \$811,000 (2nd spent). Cash Match - \$44,000 (1st spent). Total Funding - \$1,500,000. Loan thru Bond Issue Expenditures \$81,030.10 – 9.99% complete: FY 20-21 - \$46,699.40; FY 21-22 - \$24,642.45; FY 22-23 - \$5,996.10; FY 23-24 - \$3,692.15; FY 24-25 - \$0. Work Continues on 21st Street Drainage Improvements. Fund 119 – TWDB Drainage Master Plan Location 4. Grant Award - \$817,000 (last spent). Loan thru Bond Issue - \$1,039,000 (2nd spent). Cash Match - \$44,000 (1st spent). Total Funding - \$1,900,000. Loan thru Bond Issue Expenditures \$100,573.50 – 9.68% complete: FY 20-21 - \$59,413.20; FY 21-22 - \$30,513.70; FY 22-23 - \$7,139.40; FY 23-24 - \$3,507.20; FY 24-25 - \$0. Work continues on Johnston alley line re-route. Fund 122 – GLO Hurricane Harvey MIT Grant D237. Grant Award - \$36,678,716. Cash Match - \$366,787. Total Funding - \$36,311,929. Grant Award Expenditures \$5,346,849.72 – 14.58% complete: FY 21-22 - \$2,003,614; FY 22-23 - \$995,490; FY 23-24 - \$868,474.80; FY 24-25 - \$1,479,270.92. Work Continues on: Location 1 – Fairview Dr – 675 LF of 36” RCP and 6 inlets; Location 2 – N 19th St – 300 LF of 7 ft x 4 ft, 1600 LF of 7 ft x 5 ft box culverts and 5 inlets; Location 3 – Caesar Ditch – 900 LF of 8 ft x 6 ft, 884 LF of 10 ft x 6 ft box culverts and 5 inlets; Location 4 – Brahma Blvd – 800 LF of 6 ft x 3 ft, 8,535 LF of 10 ft x 6 ft box culverts and 25 inlets. Fund 122 – GLO Hurricane Harvey MIT Grant D237. Work Continues on: Location 5 – Caesar Ditch – 850 LF of 9 ft x 7 ft, 70 LF of 10 ft x 7 ft box culverts and 9 inlets; Location 6 – E Carlos Truan Blvd; Location 7 – 6th St 3,200 LF of 8 ft x 4 ft box culverts and 10 inlets; Location 8 – Paulson Falls Subdivision/Alice/Margaret Ln – 200 ft of 24-inch RCP; Location 9 – Corral Ave. – 2,000 LF of 9 ft x 7 ft, 1,585 LF of 10 ft x 6 ft and 1,800 ft if 10 ft x 7 ft box culverts; Location 10 – N Armstrong St – 360 LF of 36-inch RCP and 15 inlets; Location 11 – W King Ave – 1,565 LF of 36-inch RCP and 20 inlets; Location 12 – S. 14th – 1,600 LF 48-inch RCP and 20 inlets; Location 13 – W Johnston Ave – 1,600 LF of 18-inch RCP and 2 inlets; Location 14 – W Santa Gertrudis Ave – 750 LF of 24-inch RC’s. Fund 128 – TWDB Drainage Master Plan Location 8. Grant Award - \$301,000 (last spent). Loan thru Bond Issue - \$399,000 (1st spent). Total Funding - \$700,000. Loan thru Bond Issue Expenditures \$26,430 –6.62% complete: FY 22-23 - \$22,000; FY 23-24 - \$4,430; FY 24-25 - \$0. Paulson Falls Drainage Improvements.

Grant & Loan Applications. FY 2024-2025 – 24-051 EPA Environmental & Climate Justice Block Community Change Grant Program (Project Name-Kingsville SWWTP Project 2025). USBR-EWRP – US Bureau of Reclamation – Watersmart Environmental Water Resources. USBR-DRP – Water Production FY 24-25 Grant Application. Projects Include: Water Production Improvements; Rehab Water Well #14 Equipment & Appurtenances; Rehab Water Well #20 Equipment & Appurtenances; New Elevated Storage Tank (500 gal) and Appurtenances-WW #25; Rehab Water Wells #22 & #24 Equipment & Appurtenances. FY 2024 – 24-006 TWDB CWSRF Wastewater Grant Application. FY 2026 – 25-nn TWDB SWSRF Kingsville WW System Improvements. FY 2026 – 25nn - TWDB DWSRF Kingsville Water System Improvements. FY 2025 – 25-002 – Miscellaneous Public Works Projects. FY 2025 – 25-001 – TxDot Grant Application – E Caesar Ave & E General Cavazos Pedestrian and Bicycle Traffic Improvements. FY 24 – 24-015 – TWDB FIF Grant Application. FY 2025 – 24-006 – 2025 TWDB Emerging Contaminants (EC) Program.

Mrs. Balli gave the presentation on updated fund balances. General Fund Fiscal Year 25-26 estimated ending fund balance is \$6,781,397.23. G.O. Debt Service FY 25-26 estimated ending fund balance is \$776,609.15. Tourism fund FY 25-26 estimated ending fund balance is \$693,865.75. Health Insurance fund, Fiscal Year 24-25 estimated ending fund balance is \$1,104,168.96, with FY estimated ending fund balance at \$648,870.16. Mrs. Balli further announced the upcoming scheduled city commission meetings.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 5:55 p.m.


Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela
Mary Valenzuela, City Secretary