

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON TUESDAY, SEPTEMBER 2, 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
 Deborha Balli, Finance Director
 John Blair, Police Chief
 Connie Womack, Tourism Director
 Manny Salazar, Economic Development
 Bill Donnell, Public Works Director
 Erik Spitzer, Director of Planning and Development Services

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-July 14, 2025

Regular Meeting- August 11, 2025

Mayor Fugate stated that the only minutes that will be considered for approval are those from August 11, 2025. The July 14, 2025, will be scheduled for approval on September 22, 2025.

Motion made by Commissioner Lopez to approve the minutes of August 11, 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 proposed Fiscal Year 2025-2026 budget for the City of Kingsville, Texas. (Finance Director).

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 he has a concern that he would like to bring to the Commission's attention regarding the projected revenues for his department, the Planning Department, which are significantly more for next year than he plans. He is concerned that some of the figures are being used, he does not want them to be misconstrued for next year if his team does not bring in twice what they are expected to bring in this year. He stated that he has brought this to the attention of the staff, and it is not being addressed, and he is not being answered. He is bringing this up to the commission for their awareness and let them tell him where he is mistaken or doesn't understand it. But the surplus in the amount of \$300,000 more in projected revenue, more than what he has brought in this year, with no large projects coming in, he doesn't want his team to be held accountable for the projected revenue. He further stated that he understands that this isn't his budget, but as for his projection, he would like that to be brought up and heard.

There being no further action, Mayor Fugate closed this public hearing at 5:05.

2. Public Hearing on a proposed tax rate decrease from \$.77000 to \$.76918 for Fiscal Year 2025-2026 with \$.76918 being an increase in the no new revenue rate of \$.71665;

the vote on the tax rate will be on September 8, 2025, at 5pm in the Helen Kleberg Groves Community Room, City Hall, 400 W. King, Kingsville, Texas. (Finance Director).

Mayor Fugate read and opened this public hearing at 5:05 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.

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

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.” **The vote on the budget & tax rate will be held at 5:00 p.m. on September 8, 2025 at City Hall in the Helen Kleberg Groves Community Room, 400 W. King Avenue, Kingsville, Texas 78363.**

Mr. Charlie Sosa, City Manager, gave a brief report on street projects. He further announced the date and time for the groundbreaking of Fire Station No. 3.

Ms. Courtney Alvarez, City Attorney, reported that the next regular city commission meeting is scheduled for Monday, September 8, 2025. The second meeting for September is scheduled for September 22, 2025, with a deadline for staff to submit their agenda items of September 9, 2025.

IV. Public Comment on Agenda Items.³

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

Mrs. Mary Valenzuela, City Secretary, read a public comment on behalf of Lance Hamm, 912. South Creek. The comment read as follows: Lance Hamm, 912 South Creek. I submit the following comments as my personal opinion, and timed to be under 3 minutes. I consider all five city commissioners to be a friend. I want them all to be treated fairly and to succeed. To avoid lawsuits, I have repeatedly advised all five commissioners to take action to enforce violations of the Charter. If city voters want to exercise their right to a recall process, have at it. I couldn't care less. In the end, the voters will ultimately decide if a commissioner is removed from office. But I do care if the recall process becomes unfair to any city voter or any commissioner and I do care if City Charter violations occur in the process. What is not my opinion, but rather a statement of fact, is that “the City Charter was violated at least three times prior to the Commission’s vote on the recall election on July 14th, making that vote illegal and void in the eyes of the Charter.” The three commissioners who voted down the recall election were in the “RIGHT,” because not “all requirements” in the City Charter for a recall election had been met. The requirements for a recall election that were not met were these three violations of the City Charter; 1. Violation that the recall petition “shall” be returned within 30 days, 2. Violation that the pages of the recall petition “shall” have a statement of “distinct and specific” charges for removal, and 3. Violation that the City Secretary “shall” present the certified petition to the City Commission (on the Charter “specific” date of 23 June 2025). The petition is addressed to the “City Commission,” so each Commissioner should have received a “free” copy of the petition on June 23rd for their personal examination and possible comments on Charter discrepancies. In contrast to what the Mayor said at the last meeting relating to a “non-agenda” item, the only oath that will be violated by any of the City Commissioners is their oath to enforce the City Charter, which will be violated if the recall petition is not rejected, retroactively to June 6th, effectively correcting the first violation of the city charter relating to the recall process this Summer. Simply, it's the Commissioners' duty to enforce the City Charter, so please Commissioners, do your “duty” that you were elected to do and call an immediate Special Meeting to reject the recall petition, retroactively effective June 6th (the day after the deadline for acceptance of the petition). Otherwise, the District Court will tell you to do that “duty” very soon, exactly what the plaintiff in the lawsuit is asking the Court to do, which is to order all five City

Commissioners to enforce the City Charter, correcting one violation at a time chronologically. 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)

None.

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

1. Review and discuss proposed fiscal year 2025-2026 budget for departments of the City of Kingsville. (City Manager).

Commissioner Alvarez asked that with regard to what Mr. Erik Spitzer commented, what is the reason for the overage?

Mr. Sosa responded that when staff projected the proposed budget for the Planning Department, staff took into account the expenditures that were being paid to Bureau Veritas for the six months that they were doing the inspection review and inspections for the Planning Department. He further stated that what staff did was get those numbers and figure them, and multiply them by 12. Sosa stated that yes there is some proposed projects that are coming, which he is not at liberty to talk about, but will be coming into Kingsville. According to the projections that staff made plus what is proposed that is coming, there is where staff came up with the revenues for next year's budget.

Commissioner Alvarez asked if Mr. Spitzer is aware of these future projects that will be coming into Kingsville. Mr. Sosa responded no.

Commissioner Hinojosa stated that last year's budget, staff took into consideration the 235 homes that Somerset was going to build. Hinojosa asked how far away the city is from having those homes completed.

Mr. Sosa responded that they have spoken with the developer and at this time the developer, which is in conjunction with the landowner, has scaled back on the project. Sosa stated that the developer will not be building all these homes at one time. The developer has spoken with the landowner and told them that the whole company is scaling back and they will be building between 25 to 40 homes per year. Sosa further stated that as he has some knowledge being a developer himself, that when you spend that type of money you would have to build all the homes at one time in order for you to get your money back. It is not cost-effective for the landowner to go in and put in all the infrastructure and be on the hook for 25 to 40 homes per year. This would be astronomical a payback for the landowner to payback the cost of 25 to 40 homes per year. He further stated that the last time they spoke, the landowner is seeking other developers to come in to see if they can find someone to come in and build all the homes if he is to put in all the infrastructure. Mr. Sosa stated that this is where we are at, on this development.

Commissioner Lopez asked that the commission hear from Mr. Spitzer, as he has a concern.

Mr. Spitzer stated that the commissioner brought up the main concern, which is Somerset. It is unknown and as he is still a fairly new employee and new to this budget process, not due to any budget he ran while in the military. Spitzer stated that he does take it seriously and when he doesn't make his numbers, realizing that his revenues and his department provides definitely goes into the calculus to see whether they are positive or negativity for next year, he just wants to make sure that what he thinks, and knowing that it is not his budget or know all the details, because we counted last year, FY 24-25, to date, they have pulled \$320,500. He stated that he is short in making the budget, which is not good, by \$188,000 due to none of the homes being built. This is one of the reasons he based for last year's budget on. Spitzer further commented that for this upcoming budget, he did not count on anything happening at Somerset, and that amount, although a little less, projected next year than what he has today total was \$303,000. The proposal is \$606,000. Spitzer stated that he just wants this information brought up as it is a significant difference, in his opinion.

He further stated that his concern is that he does not want that dollar amount to be a guarantee that that would need to come from his department for the new fiscal year.

Mayor Fugate asked Mr. Spitzer if, when the budget was being prepared and he sat with the City Manager to discuss his particular budget, this issue had come up then.

Mr. Spitzer responded Yes. He further stated that he has emails that he sent every other week, hoping not to have to bring this to the commission's attention.

Commissioner Alvarez asked Mr. Sosa, how certain are those other projects, which can not be mentioned. Will they happen this year? Can this money be placed in another account until these projects get approved.

Mr. Sosa responded that the way they constructed the budget, to make the budget, it was based on information that they had and in order to complete the budget to where it needed to be, there is where they use the numbers from. He further stated that it is huge matrix of numbers that make up the budget, which involves all the departments.

Commissioner Alvarez thanked Mr. Spitzer for bringing this to the commission's attention.

Mr. Spitzer stated that as the fee increases were approved for abatements, that amount increased significantly. They had only planned on bringing in \$15,000, and today they are at about \$13,000. What is not being seen is the amount of over \$100,000 that is still owed to the city for all the abatements that have not been collected.

Commissioner Hinojosa commented that he knows preparing a budget is not easy, as some projections are met and others are not. Balancing the budget is not an easy job. He further stated that he can see the concern, but this is a moving target that, as revenues come in and expenses come in, the budget can always be amended during the year.

Commissioner Lopez commented that this budget process raises several concerns for her. Notably, the commission has not heard from any department heads. Furthermore, the expectation for a particular department seems inflated, which has already been addressed. Lopez further commented that cutting employee hours or laying off staff is very concerning to her. No employee COLA's is even more concerning to her, and improving TMRS is a positive step, but certain employees need immediate financial support rather than waiting until retirement. Health insurance rates are increasing. She further stated that the written criteria that the City Manager said he had and would provide her regarding the positions being eliminated or having hours reduced were not provided to her, even though she requested it on July 16th and several other times. The budget workshops are notable for the absence of questions and comments. Lopez stated that she missed not hearing, don't tell me, show me. This process is not consistent with our established protocols. Additionally, citizens watching these meetings are expressing concerns about the limited information being provided.

2. Consider introduction of an ordinance adopting the City Manager's budget, as amended, of the City of Kingsville, Texas, and appropriating funds for the fiscal year beginning October 01, 2025, and ending September 30, 2026, in the particulars hereinafter stated. (Finance Director).

Introduction item.

3. Consider introduction of an ordinance establishing and adopting the ad valorem tax rate for all taxable property within the City of Kingsville, Texas for fiscal year beginning October 01, 2025, and ending September 30, 2026, distributing the tax levy among the various funds, and providing for a lien on real and personal property to secure the payment of taxes assessed. (Finance Director).

Introduction item.

4. Consider taking no action to approve the budget until the City Commission meeting to be held on Monday, September 8, 2024. (Finance Director).

No action or discussion taken.

5. Consideration and introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 3, Water, providing for an increase in water rates. (Finance Director).

Introduction item.

6. Consideration and introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter V, Article 2, Sewers, providing for an increase in sewer rates. (Finance Director).

Introduction item.

7. Consideration and introduction of an ordinance amending the City of Kingsville Code of Ordinances Chapter III-Administration, Article 1-City Commission, Section 10-Agenda, to provide for repeal of electronic submission of comments. (City Secretary).

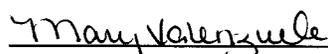
VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 5:26 p.m.



Sam R. Fugate, Mayor

ATTEST:



Mary Valenzuela, TRMC, City Secretary