

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON TUESDAY, AUGUST 11, 2026, IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS, AT 4:00 P.M.

CITY COMMISSION PRESENT:

Sam R. Fugate, Mayor
Norma Alvarez, Commissioner
Hector Hinojosa, Commissioner
Leo Alarcon, Commissioner

CITY COMMISSION ABSENT:

Edna Lopez, Commissioner

CITY STAFF PRESENT:

Charlie Sosa, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Kyle Benson, IT Director
Derek Williams, Systems Administrator
Susan Ivy, Parks Director
Leticia Salinas, Accounting Manager
Emilio Garcia, Health Director
John Blair, Police Chief
Bill Donnell, Public Works Director
Rebecca Duke, Interim Tourism Director
Diana Gonzales, Human Resources Director
James Creek, Fire Captain
Deborah Balli, Finance Director
Ella McMahan, Administrative Assistant I, Engineering
J.J. Adame, Fire Chief
Joe Casillas, Water Production Supervisor

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 4:00 p.m. with four commission members present. Commissioner Lopez was absent from the meeting.

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

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, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development Report; Accounting & Finance – Financial Services - Information, Investment Report, Quarterly Budget Report, Monthly Financial Reports; Police & Fire Department – Grant Update, Police & Fire Reports; Street Updates; Public Works-Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Water And Wastewater Rate Study Presentation. No formal action can be taken on these items at this time."

Ms. Alvarez reported the dates for the upcoming commission meetings: August 17th and August 19, 2026. Both meetings will begin at 4:00 p.m.

IV. Public Comment on Agenda Items.³

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

No public comments made.

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

1. Consider final passage of an ordinance amending the Fiscal Year 2025-2026 Budget to appropriate additional funding for Health Department chemicals. (Health Director).

REGULAR AGENDA**CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:****VI. Items for consideration by Commissioners.⁴**

2. Workshop: Discussion on proposed Fiscal Year 26-27 Budget and funds for the City of Kingsville. (City Manager).

Mr. Sosa stated that this workshop will go over Funds 016 through Fund 087.

Mrs. Leticia Salinas, Accounting Manager, presented the budget for Stonegarden 016. This fund is used to account for the Operation Stonegarden (OPSG) grant. The OPSG Program funds investments in joint efforts to secure the United States' borders along routes of ingress from international borders to include travel corridors in states bordering Mexico and Canada, as well as states and territories with international water borders. From Stonegarden Fund 016 audited balance sheet for period ending September 30, 2025, total equity and current surplus (deficit) \$0.00. Restricted Federal State Program Fund Balance FY 25-26 beginning fund balance is \$0.00. Beginning fund balance for FY 26-27 is \$0.00 with DR revenues and DR expenditures at \$0.00. Estimated ending fund balance for FY 26-27 is \$0.00. This fund is a grant fund and is never budgeted until a current grant award is received.

Building Security Fund 025: This fund is used to purchase items related to building security for the Municipal Court. Revenues are generated from certain fees collected. For FY 26-27, the state mandated that Fund 031 Technology Fund be merged with Fund 025. Audited beginning fund balance for FY 25-26, total equity and current surplus (deficit) \$58,251.54, and restricted building security fund balance FY 25-26 beginning fund balance \$58,251.54.

PD Federal Seizure Fund 028: This fund is used to account for revenues and expenditures resulting from federal seizure awards. This fund is not appropriated until federal seizures have been awarded. Audited beginning fund balance FY 25-26 total equity and current surplus (deficit) \$136,742.02 and restricted building security fund balance FY 25-26 beginning fund balance \$136,742.02. Beginning fund balance for FY 25-26 is \$136,742.02 with EA revenues at 140.00 and EA expenditures at \$5,000 with an estimated ending fund balance for FY 25-26 of \$131,882.02. Beginning fund balance FY 26-27 with DR revenues at \$0.00 and DR expenditures at \$0.00 with an estimated ending funding balance for FY 26-27 of \$131,882.02. Nothing has been identified as being needed for FY 26-27.

Commissioner Hinojosa asked if these accounts have a separate account.

Commissioner Alvarez asked why it is being asked if these accounts have a separate account.

Commissioner Hinojosa stated that this is federal funds, and he didn't think it could be comingled with another account.

Mrs. Salinas responded that they have separate line items, but on the same account.

Mrs. Balli stated that at Kleberg Bank, we do have some federal seizure funds that have their bank account but just not sure what that bank account is, but will get that information and provide it to Commissioner Hinojosa.

Commissioner Hinojosa commented that this should be in the investment report that is provided to the commission every quarter.

Mrs. Balli stated that there is pending state and pending for federal as well as the ones that are no longer pending funds which are at Kleberg Bank. A lot of the funds don't have separate bank accounts, as it is part of pool cash but for the seizure funds the city does have separate bank accounts.

Mrs. Salinas continued with the budget workshop presentation.

PD Federal Seizure Fund 028 FY 26-27 Expenditure Budget comparison for FY 25-26: 30-Services is \$30,000.00, FY 25-26 EA's is \$5,000.00, and DR's for FY 26-27 is \$30,000.00.

Municipal Court Technology Fund 031: This fund was used to provide technology needs of Municipal Court. Revenues are generated by Municipal Court fees. Beginning in FY 25-26, this fund has been consolidated with Fund 025 as per State requirements. Audited balance sheet for period ending September 30, 2025, total equity and current surplus (deficit) is \$46,422.85, and restricted building security fund balance for FY 25-26 beginning fund balance is \$46,422.85. Beginning fund balance for FY 26-27 is \$46,422.85 with DR revenues at \$0.00 and DR expenditures at \$46,422.85 with an estimated ending fund balance for FY 26-27 at \$0.00. This fund has been merged with Fund 025 and will no longer be needed.

Utility Fund 051: This fund accounts for utility activities, including fees for water and wastewater services. The chart below shows the funded positions for FY 26-27.

Division	FY 25-26	FY 26-27	# of Positions Changed	Explanation
	# of EE Funded	# of EE Funded		
6001- Water Construction	13	13	0	
6002-Water Production	5	5	0.00	
6101-Ground Maintenance	4	4	0.00	
6201-Utility Billing/Collections	6	5.5	(0.50)	Changed over to 3rd party biller
7001-Waste Water North Plant	9	9	0.00	
7002-Waste Water South Plant	2	2	0.00	
7003-Sewer Construction	8	8	0.00	
8000-Engineering	7	6	(1.00)	Capital Projects Mgr eliminated
8020-Facilities	5	5	0.00	
Total Budget Positions	59	57.5	(1.50)	

Mayor Fugate asked why there are 9 employees at Wastewater North Plant.

Mr. Sosa responded that historically it has always been this way.

Commissioner Hinojosa asked if, if needed, some of those could be moved to other areas. Mr. Sosa responded yes.

Utility fund 051 audited balance sheet for period ending September 30, 2025, total equity and current surplus (deficit) is \$22,070,608.76. Less investments is fixed assets equity is \$20,008,434.61, and unrestricted fund balance is \$2,062,174.15. Beginning fund balance for FY 25-26 is \$2,062,174.15 with EA revenues at \$11,619,746.69 and EA expenditures at \$10,750,962.12 with an estimated ending fund balance for FY 25-26 at \$2,930,958.72 which is 27.26%. Beginning fund balance for FY 26-27 is \$2,930,958.72 with DR revenues at \$12,086,153.73 and DR expenditures at \$11,958,883.01, with an estimated ending fund balance for FY 26-27 of \$9,058,229.44, which is 25.57%. FY 26-27 budgeted revenues are 750, transfers-in 1.33% for an amount of \$160,468.21. Utility services at 97.64% for \$11,800,685.52. Interest and other is 1.03% for \$125,000.00 for total revenues of \$12,086,153.73. FY 26-27 Budgeted expenditures are listed: Personnel Services at 33.66%, \$4,028,055.11; Supplies 6.07%, \$725,979.00; Services 20.91%, \$2,501,101.38; Repairs 0.78%, \$93,639.00; Maintenance 7.09%, \$848,100.00; Leases 0.20%, \$23,415.00; Transfers Out 28.78%, \$3,441,593.52; Budget amend reserves 2.51%, \$300,000.00, for total expenditures of \$11,958,883.01.

Mr. Sosa stated that the expenditures budget has notable changes for Utility Fund 051 FY 26-27, Expenditures Budget Notable Changes: 10 Personnel Services. Overall, this category saw increases in health insurance premiums and a 3% COLA. One CSR position will be split-funded with General Fund. 20 Supplies – this category increased due to cost increases for various supplies. 30 Services – the largest increase in this category was due to the increase in software expenditures, as this was always charged to General Fund along with the STWA water contract increase. 50 Maintenance – this category increased due to the sewer line boring needed for the Flato building area. 80 Transfers Out – this category increased due to the Utility Fund transfer to General Fund. The transfer was adjusted for inflation, and the catch-up for FY 25-26 was also added. Approved Utility Fund 057 IT Supplementals for FY 26-27:

Description	Type	Amount	CM Approved
Overall Renewal Increase 051-5-6001-31410-ProfSrv-Sftware Mnt	Recurring	\$24,750	\$24,750
Firewalls & Antivirus Software Renewal 051-5-6001-31410-ProfSrv-Sftware Mnt	Recurring	\$14,400	\$14,400
H2 Analytics Software Setup Fee 051-5-6201-314100-ProfSrv-Sftware Mnt	One-Time	\$25,000	\$25,000
H2 Analytics Software Monthly Support 051-5-6201-314100-ProfSrv-Sftware Mnt	Recurring	\$12,500	\$12,500
H2 Analytics Software Monthly Alerts 051-5-6201-314100-ProfSrv-Sftware Mnt	Recurring	\$6,720	\$6,720
Total Utlity Fund 051 IT Requests Approved		\$118,658	\$118,658

CITY OF KINGSVILLE
FY 26-27 EXPENDITURE REQUESTS

Description	Type	Amount	CM Approved
6002-Water Productions			
TCEQ Compliance-Disinfection Equipment and Chlorine Analyzers 051-5-6002-21700-Minor Eq/Furniture	Permanent	\$3,000	\$3,000
(4) Cylinder & Valve Assy for SKA-Pac 051-5-6002-21700-Minor Eq/Furniture	One-Time	\$3,600	\$3,600
Postage-Annual Water Quality Reports 051-5-6002-31300-Postage & Freight	Permanent	\$500	\$500
Emergency Generator Maintenance-Water Well 14 051-5-6002-31400-Professional Service	Permanent	\$5,000	\$5,000

Page 4 of 6 - August 11, 2026

Description	Type	Amount	CM Approved
6002-Water Productions			
Annual Increase to Purchase Surface Water 051-5-6002-34301-Other Services-STWA	Permanent	\$10,000	\$10,000
Unit 609- Engine Replacement 051-5-6002-41100-Vehicle/Machinery Maintenance	One-Time	\$3,689	\$3,689
Unit 6012-Hood Repairs \$1,500 051-5-6002-41100-Vehicle/Machinery Maintenance	One-Time	\$1,500	\$1,500
Budget Adjustment Increase \$2,250 051-5-6002-41100-Vehicle/Machinery Maintenance	Permanent	\$2,250	\$2,250

Description	Type	Amount	CM Approved
7001-Wastewater North Plant			
Laboratory Chemicals-Due to Rising Costs for Lab Testing and Equipment 051-5-7001-22100-Lab Supplies & Chemicals	Permanent	\$5,500	\$5,500
7002-Wastewater South Plant			
Unit 7450 051-5-7002-41100-Vehicle Maintenance	One-Time	\$2,000	\$2,000
John Deere Skid Steer Repairs 051-5-7002-21700-Equipment Maintenance	One-Time	\$1,000	\$1,000
Total Utility Fund 051 Expenditure Requests Approved		\$62,339	\$62,339

Utility Fund 051 FY 26-27 approved capital outlay supplementals:

CITY OF KINGSVILLE
FY 26-27 CAPITAL OUTLAY REQUESTS

Description	Type	Amount	CM Approved
7001-WW North Plant			
Annual Preventive Maintenance on Centrifuge from Global WET 051-5-7001-31400 Professional Services	Carry-Over	\$20,000	\$20,000
Boring Sewer Line - Flato Bldg Area 051-5-7001-55100 Sewer Line	One Time	\$100,000	\$100,000
7003-Wastewater Sewer Collection			
Lift Station Repairs South Creek 051-5-7003-31400 Professional Services	One Time	\$15,000	\$15,000
Total Utility Fund 051 Capital Outlay Requests Approved		\$135,000	\$135,000

Utility Fund Capital Projects Fund 054: This fund is used to account for capital projects that are non-debt related. This fund has no restrictions other than expenditures that must be related to Utility Capital Projects. Funding comes from the Utility Fund, and restrictions are set by the City Commission. From UF Capital Projects Fund 054 audited balance sheet for period ending September 30, 205: Total equity and current surplus (deficit) \$14,831.11 and restricted capital outlay fund balance \$14,831.11.

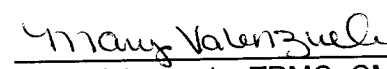
UF Stormwater Drainage CAP Projects Fund 055: This fund is used to account for debt service payments for storm water drainage bond projects. Revenues are generated from fees and Expenditures are transferred out to pay for the debt service. As debt service is paid down, storm water drainage related projects can be funded. Audited beginning fund balance FY 25-26, \$736,8858.68. Beginning fund balance FY 25-26 \$736,885.68. EA revenues estimated interest earnings \$570,849.70 and EA expenditures \$489,932.62 with an estimated ending fund balance FY 25-26 \$808,802.76. Beginning fund balance FY 26-27 \$808,802.76 with DR revenues of \$575,224.00 and DR expenditures of \$225,000.00. Estimated ending fund balance FY 26-27 \$1,159,026.76.

CO Series 2013-Drainage Fund 068: These funds are used to account for capital bond projects approved in the respective bond issue. Once the funds are expended, the assets are transferred to the Utility Fund. This fund needs to close this FY 25-26 and will if projects slated are finished. Audited beginning fund balance FY 25-26 \$442,963.55. Beginning fund balance FY 25-26 \$442,963.55 with EA revenues estimated interest earnings \$6,495.35 and EA expenditures of \$447,576.37. Estimated ending fund balance FY 25-26 \$1,882.53. Beginning fund balance \$1,882.53 with DR revenues and DR expenditures of \$0.00. Estimated ending fund balance for FY 26-27: \$1,882.53.

Solid Waste Capital Projects Fund 087: This fund is used to account for solid waste capital projects. Total equity and current surplus, deficit, \$278,678.75. Committed Sanitation Capital Outlay fund balance \$278,678.75.

VI. Adjournment.

As there was no further business to come before the City Commission, the meeting was adjourned at 4:40 p.m.


Sam R. Fugate, Mayor**ATTEST:**

Mary Valenzuela, TRMC, CMC, City Secretary