

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON WEDNESDAY, AUGUST 19, 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
Edna Lopez, Commissioner
Norma Alvarez, Commissioner
Hector Hinojosa, Commissioner
Leo Alarcon, Commissioner

CITY STAFF PRESENT:

Charlie Sosa, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Derek Williams, Systems Administrator
Susan Ivy, Parks Director
Leticia Salinas, Accounting Manager
Emilio Garcia, Health Director
Diana Gonzales, Human Resources Director
Deborah Balli, Finance Director
Kyle Benson, IT Director
Rebecca Duke, Interim Tourism Director
Bill Donnell, Public Works Director

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 4:00 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

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. Courtney Alvarez, City Attorney, reported that the next city commission meeting is scheduled for August 24, 2026, and a special meeting is scheduled for September 8, 2026.

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 Fiscal Year 26-27 Budget and funds for the City of Kingsville. (City Manager).

Property Tax Reserve Fund 120: This fund is used to accumulate funds to be used to address future budget shortfalls. When using this fund, on a monthly basis, a specific percentage amount of M&O taxes is transferred to this fund. This fund is currently no longer used and will be closed in FY 26-27. Beginning fund balance FY 25-26 \$29,009.50.

Beginning Fund Balance FY 25-26	29,009.50
EA Revenues	0.00
EA Expenditures	0.00
Estimated Ending Fund Balance FY 25-26	<u>29,009.50</u>

Beginning Fund Balance FY 26-27	<u>29,009.50</u>
DR Revenues	0.00
DR Expenditures	29,009.50
Estimated Ending Fund Balance FY 26-27	<u>0.00</u>

	Original Budget FY 25-26	EA's FY 25-26	DR's FY 26-27	Change DR vs Org Budget
Expenditures:				
80-Transfers Out	0.00	0.00	29,009.50	29,009.50
Total Expenditures	0.00	0.00	29,009.50	29,009.50

The expenditure budgeted is for the transfer to close out this fund.

GF-ARP State & Local Fiscal Recovery Fund 121: This fund is used to account for funds used for the COVID-19 response, replace lost public safety revenue and support for households and businesses negatively impacted by the pandemic. This fund is scheduled to close in FY 25-26 and the final report was filed in March 2026. There is still fund cleanup to complete. FY 25-26 beginning fund balance is \$0.00. EA revenues \$22,094.94 and EA expenditures at \$22,094.94. Estimated ending fund balance FY 25-26 \$0.00. Beginning fund balance FY 26-27 \$0.00 and DR revenues and DR expenditures at \$0.00. Estimated ending fund balance FY 26-27 \$0.00.

GLO Hurricane Harvey MIT Grant D237 Fund 122: Used to account for grant funds used for flood mitigation projects for areas which sustained storm damage from Hurricane Harvey. FY 25-26 beginning fund balance is \$356,766.00. EA revenues is \$4,177,035.79 and EA Expenditures are \$4,177,035.79. Estimated ending fund balance FY 25-26 \$356,766.00. Beginning fund balance FY 26-27 \$356,766.00. DR revenues \$24,668,170.21 and DR expenditures \$4,177,035.79. Estimated ending fund balance FY 25-26 \$356,766.00. Beginning fund balance FY 26-27 \$356,766.00. DR revenues \$24,668,170.21 and DR expenditures \$24,668,170.21. Estimated ending fund balance FY 26-27 \$356,766.00.

Ed Rachal Foundation – PD Grant Fund 124: Used to account for grant funds used for the purchase of equipment for the Kingsville Police Department. FY 25-26 beginning fund balance \$18.77. Beginning fund balance FY 25-26 \$18.77 with EA revenues and EA expenditures \$0.00. Estimated ending fund balance FY 25-26 \$18.77. Beginning fund balance 26-27 \$18.77. DR revenues \$333.85 and DR expenditures \$352.62. Estimated ending fund balance FY 26-27 \$0.00.

UF ARP State & Local Fiscal Recovery Fund 125: This fund is used to account for funds used for the COVID-19 response and provide investments opportunities in water and sewer

infrastructure. The final report was submitted in March 2026. There is still some cleanup that needs to occur this fiscal year. This fund will close in FY 25-26. FY 25-26 beginning fund balance \$0.00. EA revenues and EA expenditures \$0.00. Estimated ending fund balance FY 25-26 \$0.00. Beginning fund balance FY 26-27 \$0.00. DR revenues and DR expenditures \$0.00. Estimated ending fund balance FY 26-27 \$0.00.

GF Tax Notes Series 2022 – Fund 126: This fund is used to account for tax note proceeds used to acquire vehicles, machinery and equipment. A transfer was budgeted for the remaining funds and will allow this fund to be closed in FY 26-27. FY beginning fund balance FY 25-26 \$850.00. EA revenues \$0.00 and EA expenditures \$0.00. Estimated ending fund balance FY 25-26 \$850.00. Beginning fund balance FY 26-27 \$850.00. DR revenues and DR expenditures \$0.00. Estimated ending fund balance FY 26-27 \$0.00.

Drainage MP LOC 8 IMP Project #40192 Fund 128: Fund to account for grant funds used for drainage improvements in the Paulson Falls area. FY 25-26 beginning fund balance \$339,714.69. Beginning fund balance FY 25-26 \$339,714.69. EA revenues \$1.35 and EA expenditures \$0.00. Estimated ending fund balance FY 25-26 \$339,716.04. Beginning fund balance FY 26-27 \$339,716.04. DR revenues \$640,211.50 and DR expenditures \$640,210.00. Estimated ending fund balance FY 26-27 \$339,717.54.

GLO MIT Program Grant #E998 Fund 135: Funds will be used for necessary expenses for Activities authorized under Title I of the Housing and Community Development Act of 1974 related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, mitigation, and affirmatively furthering fair housing, in the most impacted and distressed areas resulting from major declared disasters that occurred in 2015, 2016, or 2017 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act. Beginning fund balance FY 25-26 \$0.00. Beginning fund balance FY 25-26 \$0.00. EA revenues \$114,167.99 and EA expenditures \$96,094.99. Estimated ending fund balance FY 25-26 \$114,167.99. Beginning fund balance FY 26-27 \$18,073.00. DR revenues \$3,755,689.01 and DR expenditures \$3,775,762.01. Estimated ending fund balance FY 26-27 \$0.00.

Health Insurance Fund 138: This fund accounts for insurance benefits provided to city employees. The City's health insurance benefit is no longer a self-insured program. The City selected United Health Insurance as its health provider. FY 25-26 beginning fund balance \$1,090,616.29. Beginning fund balance FY 25-26 \$1,090,616.29. EA revenues \$4,533,146.30 and EA expenditures \$4,979,340.05. Estimated ending fund balance \$644,422.54. Beginning fund balance FY 26-27 \$644,422.54. DR revenues \$5,029,715.24 and DR expenditures \$5,480,115.24. Estimated ending fund balance \$194,022.54.

Vehicle Replacement PW – GF Fund 139: This fund is used to account for vehicle purchases for the General Fund divisions in the Public Works Department. Beginning fund balance FY 25-26 \$123,020.32. EA revenues \$0.00 and EA expenditures \$0.00. Estimated fund balance FY 25-26 \$123,020.32. Beginning fund balance FY 26-27 \$123,020.32. DR revenues and DR expenditures \$0.00. Estimated ending fund balance FY 26-27 \$123,020.32. There is no budget for this fund for next year.

CO Series 2023A GF Fund 151: Proceeds from the sale of the Certificates shall be used for: (1) public works department vehicles and equipment including garbage trucks and dump trucks, and (2) paying the costs of issuance of the Certificates. Beginning fund balance FY 25-26 \$810,102.83. EA revenues \$0.00 and EA expenditures \$769,658.98. Estimated ending fund balance FY 25-26 \$13,443.85. Beginning fund balance FY 26-27 \$13,443.85 with DR revenues and DR expenditures \$0.00. Estimated ending fund balance FY 26-27 \$13,443.85.

CO Series 2024 Fund 153: Proceeds from the sale of the Certificates shall be used for the purpose of providing for the payment of contractual obligations to be incurred in connections with the design, planning, purchasing, acquisition, construction, equipping, expansion, repair, renovation, and/or rehabilitation of certain City-owned public property, including: (1) a new fire station, (2) a new ambulance, (3) equipment for the fire department including fire trucks, and (4) payment of contractual obligations for professional services in connection therewith (to wit: consulting, engineering, financial advisory, and legal). Beginning fund balance FY 25-26 \$13,753,000.84. EA revenues \$420,720.83 and EA expenditures \$3,253,706.80. Estimated ending fund balance FY 25-26 \$10,920,014.87. Beginning fund balance FY 26-27 \$10,920,014.87. DR revenues \$400,000.00 and DR expenditures \$10,384,916.54. Estimated ending fund balance FY 26-27 \$935,098.33.

Chamberlain Park Project Fund 206: This fund accounts for expenditures related to the construction of Chamberlain Park which is located next to City Hall. Beginning fund balance FY 25-26 \$27,053.45. EA revenues \$0.00 and EA expenditures \$0.00. Estimated ending fund balance FY 25-26 \$27,053.45. Beginning fund balance FY 26-27 \$27,053.45. DR revenues \$10,000.00 and DR expenditures \$37,053.45. Estimated ending fund balance FY 26-27 \$0.00.

Commissioner Lopez stated that she would like for the City Manager to contact the Communication Supervisor from KPD and work with her and look at salaries and reclassifications and holiday pay. She further stated that while we are at home during a holiday, they are trying to figure out who is going to work, and that is not fair to them. Their job is a very stressful job, and the city needs to take care of them as well as all other employees. We also need to look at their certification pay. Lopez stated that she is concerned about those employees. Lopez asked that Mr. Sosa give a report on his meeting with the Communication Supervisor at the next city commission meeting.

Commissioner Alarcon asked whether the EA expenditure for the Fire Station was what they had paid for construction.

Mr. Sosa responded yes, but it also includes the new ambulance.

Commissioner Alarcon stated that he knows that there has been past conversation regarding a request for a new Fire Truck and its PO, and asked if the PO is when it finally gets paid.

Mr. Sosa responded that at this time we are looking at the pumper truck coming in March and May of this year. Once that is received and the truck is in Kingsville, then the truck will be paid for at that time. The ladder truck will not be seen until the latter part of 2028, which is when it should be received, and once the city receives the ladder truck, it will be paid for at the time we receive the truck.

Commissioner Alarcon asked if that is when the PO will go out.

Mr. Sosa responded that the PO is made now, it just won't get paid until we receive the truck.

Commissioner Alarcon stated that he is aware of some number of vehicles being built for the different departments, is there a proper procedure for when you order these vehicles.

Mr. Sosa responded that once they are put into the budget, the Purchasing Department will come in and have a quote on all the vehicles outfitted then it will come to commission for approval. Once they are approved, the order will be placed. Most of these trucks should be on hand. Once they arrive in Kingsville they then are sent to the outfitter. Depending on the outfitter workload will determine how soon they can get them back out to the city.

Commissioner Alarcon stated that what he is trying to say is does it legal know all these procedures.

Mr. Sosa responded that it will come to commission for approval.

Commissioner Alarcon asked if this is what happened last year.

Mr. Sosa responded yes. They come to commission and get approved and once they have been approved there is a PO and that PO gets sent to the purchasing cooperative dealer that the city uses. Once we get with Michale Wiley, he is the salesman, he gets the PO, we receive the trucks, the trucks are outfitted and at that time the PO gets signed then it gets processed and then they receive a check.

Commissioner Alarcon commented that he just doesn't want to go through another embarrassing situation.

Commissioner Alvarez stated that on the same note that Commissioner Lopez was talking about as she received the same email, the hourly rates, once they get the 3% like everyone else is, what will that hourly rate change to.

Mr. Sosa responded that it will increase from \$17.89 to \$18.54 per hour. There is a 3% COLA across the board for everyone. He further stated that for him to single out one department over another department, he doesn't think it would be fair. If he is going to give someone a raise, whether it's the dispatchers or Finance or anybody, at that point he would like to see it across the board where everyone will receive it. He further stated that he believes that everyone works hard, but he understands the dispatchers are in a stressful environment but a 3% COLA will be approved which will be given across the board. He stated that they will have to look at the workload and speak with the dispatchers as he has visited with them in the past. He further stated that he will see what their needs are and what it is they are asking for. At that point, he will be happy to bring it back to commission and entertain it at that time.

Commissioner Hinojosa asked if the city should do another rate study.

Mr. Sosa responded no. He further stated that he is looking into that here in Kleberg County, the city is paying more than the county is paying for dispatchers.

Commissioner Alvarez asked how many dispatchers the city has at this time.

Mr. Sosa stated that there are five dispatchers.

Commissioner Alvarez asked if all five were at the same pay level.

Mr. Sosa responded no, as it is based on their time with city. A newly hired dispatcher starts at \$17.89 per hour.

Commissioner Lopez stated that the reason she brought this up is because it didn't seem as staff was getting any answers for them or if anyone ever met with them. As a courtesy someone should speak with them.

Mr. Sosa responded that he intended to, but has not had the chance yet.

Mrs. Diana Gonzales, Human Resources Director, stated that she is not aware of the email, but regarding the Telecommunications Operators, the city has a total of 15 in that division. This includes the supervisor. Currently, we do have four positions that are vacant. Two of those have been filled with part-timers, but full-time positions there are four. The leads are currently at \$43,000 to \$52,000 annually. With the 3% for the leads, which there are four of those, it will be from \$44,000 to \$54,000. Regarding the telecommunications, regular operators, they are currently from \$37,200 to \$40,200. With the 3% COLA, the starting rate will be from \$18.43, with the highest one \$19.92 per hour. Several of these positions are scheduled to have anniversary increases. All of our leads are scheduled to have an anniversary increase next fiscal year, which is an additional 4%, depending when their anniversary hits. On the regular telecommunications, we have four that are also scheduled to have an anniversary increase next fiscal year. So in addition to the 3%, they will have the addition of 4% on top of that, whenever their anniversary hits. So after anniversaries the leads will begin at \$46,000 to \$56,000. The telecommunications the highest one, after anniversaries, will be \$43,097.

Commissioner Alvarez asked what Mrs. Gonzales means by leads.

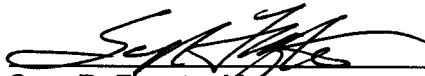
Mrs. Gonzales responded that the division has regular telecommunication operators and lead operators, so it would be a shift lead. So with some having anniversaries and then adding the COLA, some will see a 7% increase within the next fiscal year.

Commissioner Lopez stated that she would like Mr. Sosa to speak with them, as it was a very disturbing email the commission received. She further stated that they should not be classified at the same level as a clerk. She further asked for the information be brought back to the commission.

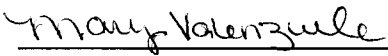
Mr. Sosa responded that he would speak with them.

VI. Adjournment.

As there was no further business to come before the City Commission, the meeting was adjourned at 4:36 p.m.


Sam R. Fugate, Mayor

ATTEST:


Mary Valenzuela, TRMC, CMC, City Secretary