

AUGUST 24, 2026

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, AUGUST 24, 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 (arrived at 4:08 p.m.)
Hector Hinojosa, Commissioner
Leo Alarcon, 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
Manny Salazar, Economic Development & Interim Planning Director
Diana Gonzales, Human Resources Director
James Creek, Fire Captain
Deborah Balli, Finance Director
J.J. Adame, Fire Chief

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate opened the meeting at 4:00 p.m. with four commission members present. Commissioner Alvarez arrived at 4:08 p.m.

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.

4:00 P.M. - WORKSHOP:

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

Mr. Charlie Sosa began the final wrap-up of the FY 26-27 budget workshop. He began with the FY 26-27 Tax Rate Information.

FY 25-26 Tax Rate	0.76918
FY 26-27 Tax Rate Proposed	0.77777
Effective Tax Rate - No New Revenue Tax Rate (NNR)	0.74140
Rollback Tax Rate - Voter Approved Tax Rate (VATR)	0.77778
M&O Tax Rate - (Proposed Tax Rate less Debt Tax Rate)	0.63150
Debt Tax Rate (Excel line 229)	0.14627
Proposed Tax Rate (Excel line 262)	0.77777
Total Taxable Value (Line 51 or Line 53)	1,325,529,348
Divide by 100	13,255,293
x Total Tax Rate - .77777	10,309,582
98% Collection Rate	10,103,390
Less Debt Amount (Matches to letter sent to Vicky)	1,938,940
Amount Available for M&O	8,164,450

FY 26-27 Sewer Rate Increase: Sewer rates increased 8%, bringing in an additional \$418,391.52 based on estimated sewer revenues in FY 25-26.

Commissioner Lopez asked if these rates were also increased last year.

Mr. Sosa responded no. Only water rates were increased.

Proposed revenues budget \$87,910,571.92. Changes: \$102,878.84. Proposed budget adjusted \$88,013,4501.76.

Changes to proposed expenditures budget:

Fund	Line Item	Fund Amount	Amount	Change Description
001 GF Proposed Exp Budget		27,368,947.19		
	001-5-6900-80134		100,000.00	City match for Fire Training Facility through DEAAG Grant
	001-5-2103-1xxxx		72,249.14	New Records Position including fringe
	001-5-3050-71200		50,000.00	New Mower
	Changes	222,249.14		
001 Adjusted Proposed Exp Budget		27,591,196.33		
051 Utility Fund		11,958,883.01		
	051-5-6201-1xxxx		27,878.84	50 % Salaries from General Fund
	Changes	27,878.84		
051 Adjusted Proposed Exp Budget		11,986,761.85		
055 Stormwater Drainage Fund		225,000.00		
	055-5-8600-53100		100,000.00	Drainage project in alley behind Ceasar & 14th st.
	055-5-8600-53100		200,000.00	Drainage project in alley behind Ceasar & 10th st.
	Changes	300,000.00		
055 Adjusted Proposed Exp Budget		525,000.00		
Fund	Line Item	Fund Amount	Amount	Change Description
075 SECO Grant Proposed Exp Bud		25,000.00		
	075-5-4503-71201	Pk Capital Project	(25,000.00)	Grant project completed in FY 25-26
	Changes	(25,000.00)		
075 Adjusted Proposed Exp Budget		0.00		

Proposed Expenditures Budget	\$99,197,267.90
Changes	525,127.98
Adjusted Proposed Exp Budget	<u>99,722,395.88</u>

Mr. Sosa stated that the new mower is for the Street Department. The old mower will be moved to the Parks Department. Mr. Sosa further stated that he did meet with the Telecommunicators and further stated that their concern is the scanning project that is being tasked to them. What they are asking is for the hire of a new employee to take on that task, as they don't have the time between dispatching and the front desk to get this task done.

Estimated Fund Balances:

Fund	Fund Name	FY 25-26 Estimated Ending FB	FY 26-27 DR Revenues	FY 26-27 DR Expenditures	FY 26-27 Estimated Ending FB
001	General Fund	7,728,423.66	26,798,778.82	27,591,196.33	6,936,006.15
025	Building Security Fund	80,861.21	69,744.85	2,000.00	148,606.06
026	Golf Course Cap Project	28,831.49	0.00	0.00	28,831.49
087	Solid Waste Cap Projects	365,619.63	609,299.82	547,046.90	427,872.55
090	Landfill Closure Fund	3,436,594.75	370,591.00	703,015.27	3,104,170.48
092	Street Maintenance Fund	778,242.14	1,450,000.00	1,714,182.00	514,060.14
093	Park Maintenance Fund	3,642.19	31,485.00	35,127.00	0.19
097	Vehicle Replacement Fire	0.00	0.00	0.00	0.00
098	Economic Development	0.00	0.00	0.00	0.00
105	Vehicle Replacement PD	0.00	0.00	0.00	0.00
120	Property Tax Reserve FD	29,009.50	0.00	29,009.50	0.00
123	Economic ARP Grant Prog	0.00	0.00	0.00	0.00
139	Vehicle Replace GF-UF	123,020.32	0.00	0.00	123,020.32
206	Chamberlain Park Fund	27,053.45	10,000.00	37,053.45	0.00
Total General Funds		12,601,298.34	29,339,899.49	30,658,630.45	11,282,567.38

		FY 26-27 Estimated Beginning FB	FY 26-27 DR Revenues	FY 26-27 DR Expenditures	FY 26-27 Estimated Ending FB
Fund	Fund Name				
031	Municipal Court Tech	46,422.85	0.00	46,422.85	0.00
051	Utility Fund	2,930,958.72	12,114,032.57	11,986,761.85	3,058,229.44
054	UF Capital Projects	14,838.19	0.00	14,831.11	7.08
055	Stormwater Drainage	808,802.76	575,224.00	525,000.00	859,026.76
068	CO Series 2013-Drainage	1,882.53	0.00	0.00	1,882.53
075	State Energy Cons(SECO)	0.00	0.00	0.00	0.00
084	DEAAG Fund	0.00	0.00	0.00	0.00
087	Solid Waste Cap Projects	365,619.63	609,299.82	547,046.90	427,872.55
090	Landfill Closure Fund	3,436,594.75	370,591.00	703,015.27	3,104,170.48
092	Street Maintenance Fund	778,242.14	1,450,000.00	1,714,182.00	514,060.14
093	Park Maintenance Fund	3,642.19	31,485.00	35,127.00	0.19
097	Vehicle Replacement Fire	0.00	0.00	0.00	0.00
Fund	Fund Name	FY 26-27 Estimated Beginning FB	FY 26-27 DR Revenues	FY 26-27 DR Expenditures	FY 26-27 Estimated Ending FB
098	Economic Development	0.00	0.00	0.00	0.00
100	Safe Routes to School Grnt	81,605.67	0.00	81,605.67	0.00
105	Vehicle Replacement PD	0.00	0.00	0.00	0.00
106	Vehicle Replace Fleet UF	68,602.15	100,000.00	100,000.00	68,602.15
108	Patrick Leahy BPV Grant	3,064.76	0.00	0.00	3,064.76
113	CW WW Collection Grnt	3.00	1,101,767.00	1,101,767.00	3.00
115	Tax Note 2021 Fund	0.00	0.00	0.00	0.00
116	Drainage MP Loc 7 Grant	702,253.55	1,206,892.99	1,206,892.83	702,253.71
117	Drainage MP Loc 1 Grant	702,555.66	1,123,604.50	1,222,201.00	603,959.16
118	Drainage MP Loc 3 Grant	756,344.58	1,312,801.50	1,312,800.00	756,346.08
119	Drainage MP Loc 4 Grant	958,655.90	1,675,028.59	1,675,027.00	958,657.49
Fund	Fund Name	FY 26-27 Estimated Beginning FB	FY 26-27 DR Revenues	FY 26-27 DR Expenditures	FY 26-27 Estimated Ending FB
120	Property Tax Reserve FD	29,009.50	0.00	29,009.50	0.00
121	GF ARP Fund	0.00	0.00	0.00	0.00
122	GLO Hurr Harvey Grant	356,766.00	24,668,170.21	24,668,170.21	356,766.00
123	Economic ARP Grant Prog	0.00	0.00	0.00	0.00
124	Ed Rachal PD Grant	18.77	333.85	352.62	0.00
125	UF ARP Fund	0.00	0.00	0.00	0.00
126	GF Tax Notes Series 2022	850.00	0.00	850.00	0.00
128	Drainage MP Loc 8 Grant	339,716.04	640,211.50	640,210.00	339,717.54
129	TX Severe W Mob Gen Grnt	0.00	0.00	0.00	0.00
130	TX Severe W BK Gen Grnt	86,740.00	0.00	0.00	86,740.00
133	Border Zone Fire Grant	0.00	0.00	0.00	0.00
134	DEAAG Commitment	0.00	100,000.00	0.00	100,000.00
135	GLO MIT Program Grant #E998	18,073.00	3,755,689.01	3,773,762.01	0.00
Fund	Fund Name	FY 26-27 Estimated Beginning FB	FY 26-27 DR Revenues	FY 26-27 DR Expenditures	FY 26-27 Estimated Ending FB
138	Health Insurance Fund	644,422.54	5,029,715.24	5,480,115.24	194,022.54
139	Vehicle Replace GF-UF	123,020.32	0.00	0.00	123,020.32
140	Ed Rachal Grant	0.00	0.00	0.00	0.00
141	CO Series 2023-UF	0.00	0.00	0.00	0.00
151	CO Series 2023A-GF	13,443.85	0.00	0.00	13,443.85
152	Bays & Estuaries Grnt	0.00	0.00	0.00	0.00
153	CO Series 2024 Fire	10,920,014.87	400,000.00	10,384,916.54	935,098.33
205	Tourism ARP Fund	0.00	0.00	0.00	0.00
206	Chamberlain Park Fund	27,053.45	10,000.00	37,053.45	0.00
207	CJD BW Camera Grant	0.00	0.00	0.00	0.00
208	Lone Star Grant	0.00	0.00	0.00	0.00
Total All Funds		37,249,579.77	88,013,450.76	99,722,395.88	25,540,634.65

Commissioner Lopez asked if Main Street was looked into.

Mr. Sosa responded that yes, they had budgeted \$25,000 for projects.

Required Fund Balances Update: 001 General Fund, fund balance is 25.14%, and 051 Utility Fund is 25.51%.

Upcoming Budget Updates: Tuesday September 8 – Special Commission Meeting: Public Hearing on Tax Rate and Public Hearing on Budget. Monday September 14 – Regular Commission Meeting: Adopt Budget and Adopt Tax Rate.

Mrs. Mary Valenzuela, City Secretary, stated that there is also a Citizens Input Session, Town Hall Meeting, scheduled for Tuesday, August 25, 2026, from 4:00 p.m. to 6:00 p.m.

Mayor Fugate asked Mr. Sosa how he felt about the FY 26-27 budget. Mr. Sosa responded that he felt good about it.

Mayor Fugate recessed the meeting at 4:20 p.m. as this was the end of the budget workshop.

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."

Mr. Sosa gave an update on street projects.

Commissioner Lopez stated that the city will be hosting a Town Hall meeting on Tuesday, August 25, 2026, from 4:00 p.m. to 6:00 p.m. All citizens are encouraged to attend and give their feedback on the City of Kingsville's budget.

Ms. Alvarez reported that the next city commission is scheduled for September 8, 2026, at 5:00 p.m. At this meeting, there will be a public hearing about both the tax rate and proposed budget for FY 26-27. At the following meeting on September 14, 2026, the city commission will be adopting the FY 26-27 budget and tax rate. Alvarez further announced that city offices will be closed on Monday, September 7, 2026, for the Labor Day holiday.

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. Consideration and approval accepting the 2026 Final Certified Estimated Value Information and the 2026 Final Certified Estimated Rolls for the total appraised, assessed, and taxable values of all existing and new property in the City of Kingsville as certified by the Kleberg County Appraisal District. (Finance Director).

Motion made by Commissioner Hinojosa to approve the acceptance of the 2026 Final Certified Estimated Value Information and the 2026 Final Certified Estimated Rolls for the total appraised, assessed, and taxable values of all existing and new property in the City of Kingsville as certified by the Kleberg County Appraisal District, seconded by Commissioner Alarcon. The motion was passed and approved by the following vote: Lopez, Alvarez, Hinojosa, Alarcon, Fugate voting "FOR".

2. Discuss and consider approving the Certification of 2025-2026 Excess Debt Collections for City of Kingsville Maintenance & Operations Fund and Interest & Sinking Fund and the Certification of 2026 Anticipated Collection Rates. (Finance Director).

Mrs. Balli stated that the excess debt tax collection is \$0 and the anticipated collection rate for 2026 is 100%.

Motion made by Commissioner Alarcon to approve the Certification of 2025-2026 Excess Debt Collections for City of Kingsville Maintenance & Operations Fund and Interest & Sinking Fund and the Certification of 2026 Anticipated Collection Rates, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Alvarez, Hinojosa, Alarcon, Lopez, Fugate voting "FOR".

3. Discuss and consider approving a proposed tax rate, if it will exceed the no-new revenue tax rate or the voter-approval rate (whichever is lower), take record vote, and schedule public hearing for 5:00 p.m. on September 8, 2026 at City Hall in the Helen Kleberg Groves Community Room, 400 W. King Avenue, Kingsville, Texas 78363. (Finance Director).

Motion made by Commissioner Alvarez, I move that the proposed property tax rate be \$0.77777 and that one public hearing be set for Tuesday, September 8, 2026 at 5:00 p.m. in the Helen Kleberg Groves Community Room, City Hall, 400 W. King Ave., Kingsville, TX with additional funds to be used for city infrastructure upgrades, employee wages & benefits, and technology, seconded by Commissioner Alarcon. The motion was passed and approved by the following vote: Hinojosa, Alarcon, Lopez, Alvarez, Fugate voting "FOR".

4. Discuss and consider approving a resolution authorizing the City Manager to execute Change Order No. 2 for the construction contract with D & M Underground Corp. for the GLO CDBG-MIT Contract 22-085-009-D237 Project 1: E. Santa Gertrudis St. (near Fairview) storm water improvements project. (City Engineer).

Mr. Martin Medrano of ICE Engineering stated that this change order is to decrease the contract amount by \$25,900.00.

Motion made by Commissioner Alarcon to approve the resolution authorizing the City Manager to execute Change Order No. 2 for the construction contract with D & M Underground Corp. for the GLO CDBG-MIT Contract 22-085-009-D237 Project 1: E. Santa Gertrudis St. (near Fairview) storm water improvements project, seconded by Commissioner Hinojosa. The motion was passed and approved by the following vote: Alarcon, Lopez, Alvarez, Hinojosa, Fugate voting "FOR".

5. Discuss and consider approving a resolution authorizing the City Manager to execute Change Order #6 for the Construction Contract with D&J Utility Services LLC for the GLO CDBG-MIT Contract No. 22-085-009-D237 Project 10: N. Armstrong Ave. storm water improvements project. (City Engineer).

Mr. Medrano stated that this results in a net decrease of \$70,528 to the construction contract for this change order. This change order is to reduce two junction boxes and three curb inlets from the proposed construction near the intersection of Armstrong Street and Santa Gertrudis Street.

Motion made by Commissioner Hinojosa to approve the resolution authorizing the City Manager to execute Change Order #6 for the Construction Contract with D&J

Utility Services LLC for the GLO CDBG-MIT Contract No. 22-085-009-D237 Project 10: N. Armstrong Ave. storm water improvements project, seconded by Commissioner Alarcon.

Mayor Fugate asked if they were going to do any more work down Armstrong towards Santa Gertrudis.

Mr. Medrano responded that no excavation work. What is taking them so long is that they are putting inlet and junction boxes underneath the road and doing them cast-in-place. It is not necessary to have another set of inlets past Ella, which is why it was descoped.

Mayor Fugate asked what happens to those extra funds.

Mr. Medrano responded that the funds go back to D237 and can be used for other projects.

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

6. Discuss and consider the introduction of an ordinance ratifying classifications and prescribing the number of positions in such classifications for the classified service in the Fire Department by adding one new civil service position. (Human Resources Director).

Mrs. Gonzales stated that this only adds one additional new position.

Introduction item.

7. Discuss and consider approving a resolution authorizing the City to accept funding from the FEMA Hazard Mitigation Grant Program (HMGP) DR-4781, Hurricane Beryl, for a new generator at Fire Station #2 with an anticipated cash match; naming the City Manager as the grant official and the Fire Chief as the grant administrator. (25% cash match estimated at \$4,743.11) (Fire Chief).

Chief Adame stated that the Kingsville Fire Department has been awarded the HMGP Hurricane Beryl FEMA DR-4798 grant to replace the generator for Fire Station No. 2.

Motion made by Commissioner Lopez to approve the resolution authorizing the City to accept funding from the FEMA Hazard Mitigation Grant Program (HMGP) DR-4781, Hurricane Beryl, for a new generator at Fire Station #2 with an anticipated cash match; naming the City Manager as the grant official and the Fire Chief as the grant administrator. (25% cash match estimated at \$4,743.11), seconded by Commissioner Hnojosa. The motion was passed and approved by the following vote: Alvarez, Hinojosa, Alarcon, Lopez, Fugate voting "FOR".

8. Discuss and consider the introduction of an ordinance amending the Fiscal Year 2025-2026 Budget to appropriate funding for the Hurricane Beryl Grant #4798 (HMGP) awarded for the purchase of a replacement generator for Fire Station 2. (Fire Chief).

Introduction item.

9. Discuss and consider approving a resolution authorizing the Chief of Police to execute a Memorandum of Understanding between the City of Kingsville Police Department and GBGC, LLC d/b/a Gulf Coast Gunbusters. (Police Chief).

Chief Blair stated that the Kingsville Police Department requests the City Commission to approve a Memorandum of Understanding (MOU) with GBGC, LLC d/b/a Gulf Coast GunBusters to provide secure destruction services for court-authorized firearms held by the Police Department. The Kingsville Police Department maintains firearms that have been seized, confiscated, surrendered, or otherwise lawfully acquired and authorized for disposal by court order. The proposed MOU establishes a process for the secure transportation and destruction of these firearms using a specialized firearm pulverization system that complies with applicable ATF requirements. Under the agreement, GunBusters will provide transportation, destruction, and documentation services, including a signed affidavit of destruction and individual video documentation for each firearm destroyed. The agreement has an initial term of one year with automatic annual renewals for up to three years unless terminated by either party with 30 days' written notice. There is no anticipated financial impact to the city under the standard no-cost firearm destruction program.

Motion made by Commissioner Alarcon to approve the resolution authorizing the Chief of Police to execute a Memorandum of Understanding between the City of Kingsville Police Department and GBGC, LLC d/b/a Gulf Coast Gunbusters,

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

10. Discuss and consider approving the transfer of the City's interest, leases, and other financial obligations in the L.E. Ramey Golf Course to Kleberg County effective October 1, 2026. (Mayor Fugate).

Mayor Fugate asked if there were no objections, he would like to move agenda items #10 & #11 before item #1. No objections were made.

Mr. Sosa stated that he has met with Kleberg County Judge Rudy Madrid regarding the county taking back the Golf Course.

Motion made by Commissioner Alvarez to approve the transfer of the City's interest, leases, and other financial obligations in the L.E. Ramey Golf Course to Kleberg County effective October 1, 2026, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Alarcon, Lopez, Alvarez, Hinojosa, Fugate voting "FOR".

11. Discuss and consider approving the transfer of the City's interest, leases, and other financial obligations in the east side of Dick Kleberg Park from the south end of the J.K. Northway to the south end of the adult softball fields (up to the north side of the access road and exclusive of the plane pad site and an area around it) to Kleberg County effective October 1, 2026. (Mayor Fugate).

Mayor Fugate stated that he met with County Judge Madrid regarding their request to take over the adult softball fields. Fugate further stated that some documents still need to be approved before the transfer takes place.

Ms. Alvarez responded Yes.

Mayor Fugate stated that the transfer needs to be done by October 1st. He further stated that he would like this to be on the 2nd meeting of September.

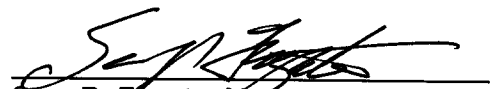
Motion made by Commissioner Lopez to approve the transfer of the City's interest, leases, and other financial obligations in the east side of Dick Kleberg Park from the south end of the J.K. Northway to the south end of the adult softball fields (up to the north side of the access road and exclusive of the plane pad site and an area around it) to Kleberg County effective October 1, 2026, seconded by Commissioner Alarcon. The motion was passed and approved by the following vote: Lopez, Alvarez, Hinojosa, Alarcon, Fugate voting "FOR".

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

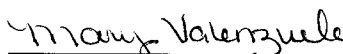
No discussion or action taken.

VI. Adjournment.

As there was 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, CMC, City Secretary