

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON THURSDAY, APRIL 11, 2024, IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 4:30 P.M.

**CITY COMMISSION PRESENT:**

- Sam R. Fugate, Mayor
- Hector Hinojosa, Commissioner
- Norma N. Alvarez, Commissioner
- Edna Lopez, Commissioner
- Ann Marie Torres, Commissioner

**CITY STAFF PRESENT:**

- Mary Valenzuela, City Secretary
- Courtney Alvarez, City Attorney
- Kyle Benson, Director of Information & Technology
- Derek Williams, IT
- Bill Donnell, Public Works Director
- Kwabena Agyekum, Senior Planner/HPO
- Rudy Mora, Engineer
- Susan Ivy, Parks Director
- Emilio Garcia, Health Director
- Deborah Balli, Finance Director
- Janine Reyes, Tourism Director
- John Blair, Chief of Police
- Diana Gonzalez, Human Resources Director
- Erik Spitzer, Director of Planning & Development Services
- Mike Mora, Capital Improvement Manager

**I. Preliminary Proceedings.**

**OPEN MEETING**

Mayor Fugate opened the meeting at 4:30 P.M. with all five commission members present.

**INVOCATION / PLEDGE OF ALLEGIANCE**

The invocation was delivered by Ms. Courtney Alvarez, City Attorney, followed by the Pledge of Allegiance and the Texas Pledge.

**II. Public Hearing - (Required by Law).<sup>1</sup>**

- 1. None.

**III. Reports from Commission & Staff.<sup>2</sup>**

*“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.”*

Ms. Courtney Alvarez reported that a special meeting is scheduled for April 18, 2024 at 4:00 p.m.

**IV. Public Comment on Agenda Items.<sup>3</sup>**

- 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.<sup>4</sup>**

**1. Review and discuss proposed fiscal year 2024-2025 budget for departments and funds of the City of Kingsville. (City Manager).**

Mr. Mark McLaughlin, City Manager stated that the reason for this special meeting is for goal setting and review of the current fiscal year budget. Mr. McLaughlin went over his PowerPoint presentation to discuss Commission desires for the FY 24-25 budget year and to share known or highly expected budget items for the upcoming fiscal year. What FY 23-24 numbers show, the original budget with all amendments has a projected fund balance of 24.95%, but in real-time, the fund balance sits at 38.68%. Each percentage point above 25% equates to roughly \$250,000. Utility Fund, Original Budget with all amendments has a projected Fund Balance of 24.98%. In real-time, the Fund Balance sits at 31.02%. Each percentage point above 25% equates to roughly \$120,000. General Fund Worst Case, Projected Budget Expenditures with no supplementals is \$25,716,889.78. Projected ending Fund Balance on Sep 30, 2024: \$6,391,000.99 (24.95%). Add in projected FY24-25 Revenues to FB: \$22,882,272.83 (this number still needs work). Subtract from FB projected FY 24-25 Expenses: \$25,716,889.78. Projected FY 24-25 (Sep 30, 2025) Fund Balance: \$3,556,384.04 (13.83%) General Fund Optimistic Case, Projected Budget Expenditures with no supplementals is \$25,716,889.78. Projected ending Fund Balance on Sep 30, 2024: \$9,908,097.86 (38.68%). Add in projected FY24-25 Revenues to FB: \$22,882,272.83 (number needs work). Subtract from FB projected FY 24-25 Expenses: \$25,716,889.78. Projected FY 24-25 (Sep 30, 2025) Fund Balance: \$7,073,480.91 (27.51%). What still needs to be addressed in projections in general fund: Assumes no changes to ad valorem revenue; expecting an increase of some sort; Ending FB does not include salary savings for the rest of this year; As we get closer to July, more savings in expense line items will be realized; Does not address an inflationary increase in transfer from the Utility Fund; Sales Tax for DR's adjusted lower but could reverse in the next five months; Does not have the Public Information Officer added; Does not have the three requested firefighter positions added; Golf cart lease increase needs to be added; and Match for Fire Grant (~\$100,000) needs to be added. What the FY 24-25 projections showing in utility fund worst case: Projected Budget Expenditures with no supplementals is: \$11,711,969.10; Projected ending Fund Balance on Sep 30, 2024: \$2,981,027.92 (24.98%); Add in projected FY24-25 Revenues to FB: \$10,734,911.00; Subtract from FB projected FY 24-25 Expenses: \$11,711,969.10. Projected FY 24-25 (Sep 30, 2025) Fund Balance: \$2,003,969.82 (17.11%). Utility Fund Optimistic Case: Projected Budget Expenditures with no supplementals is: \$11,711,969.10; Projected ending Fund Balance on Sep 30, 2024: \$3,701,785.27 (31.02%); Add in projected FY24-25 Revenues to FB: \$10,734,911.00; Subtract from FB projected FY 24-25 Expenses: \$11,711,969.10; Projected FY 24-25 (Sep 30, 2025) Fund Balance: \$2,724,727.17 (23.27%). What still needs to be addressed in projections: Assume no changes to water and sewer revenue from new meters; ending fund balance does not include salary savings for the rest of this year; and as we get closer to July, more savings in expense line items will be realized. FY 24-25 compensation plan changes: Implement Phase 2 of the updated Comp Plan rolled out last year. Continues Anniversary Program; Police will get year two of their two-year CBA – 6% increase; Police will receive their CBA approved anniversary program; Fire is up for a new CBA in FY 24-25: no negotiations have started yet; No COLA; Change TMRS match of 1.5-to-1 up to a 2.0-to-1; and Total cost to GF approximately \$1.1M; UF approximately \$225k.


Mr. McLaughlin further stated that there has been several budget requests made, for certain departments.


Commissioner Hinojosa commented that he would like to balance the taxpayers and employees. He is not against giving COLA's but need to think about the taxpayers as well.

Commissioner Torres commented that she would like to see more focus on streets and parking lots at the parks.

**VII. Adjournment.**

There being no further business to come before the City Commission, the meeting was adjourned at 6:07 P.M.

  
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 Sam R. Fugate, Mayor

**ATTEST:**  
  
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 Mary Valenzuela, City Secretary