

**CITY OF CASTROVILLE CITY COUNCIL
SPECIAL CALLED COUNCIL MEETING
1209 Fiorella
City Council Chambers
July 22, 2025
Tuesday
3:30 P.M.
MINUTES**

I. CALL TO ORDER

Mayor Bruce Alexander called the meeting to order at 3:35 p.m.

II. ROLL CALL

Present:

Mayor Bruce Alexander

Scott Dixon, City Administrator

Mayor Pro Tem Sheena Martinez

Debra Howe, City Secretary

Councilmember Houston Marchman

Forest Knutson, Detective

Councilmember Phil King

John Gomez, Public Works Director

Councilmember David Merz

Jonah Chang, Parks and Recreation Director

Councilmember Robert Lee

Others in attendance:

Employees of the Public Works Electric, Water, and Wastewater

II. CITIZENS COMMENTS

The City Council will hear comments from any citizen or visitor. Speakers must address their comments to the presiding officer rather than individual council members or staff; stand at the podium, speak clearly into the microphone, and state your name and residential address before speaking. Speakers will be allowed a maximum of 3 minutes for testimony. Speakers making personal, impertinent, profane, or slanderous remarks will be given one warning before losing the privilege to speak or may be removed from the room. In accordance with the State Open Meetings Act, the City Council is restricted from discussing or taking action on items not listed on the agenda. Action can only be taken at a future meeting.

No one requested to speak.

III. PRESENTATIONS

a. Discussion of proposed, historic, and YTD revenues and expenditures for the City of Castroville Enterprise Fund

City Administrator Scott Dixon briefed the City Council on the Enterprise Fund including proposed, historic, and year to date (YTD) revenues and expenditures. Mayor Alexander had asked for a copy of administrative costs in the Enterprise Fund. Mr. Dixon said he had sent out a link to the City Council with this information. Mayor Alexander spoke on the utility system and Enterprise Fund saying the utility rates were set by the City Council with no State oversight. Mayor Alexander and the City Council

wanted to go over the budget line by line for each department. Mr. Dixon asked to do a high level overview on some of the utility fund revenues first. Councilmember Lee asked why the City Council for the last two years passed a deficit budget. Mr. Dixon said the City Council had wished to keep the rates the same. Mr. Dixon spoke on the chart provided showing the revenues YTD for June was down 5% this year and he did have some concerns. Mayor Alexander asked if the information was based on historic revenues. Mr. Dixon said they were based on historic revenues and projections for next year. Five years of historic information was provided. Mayor Alexander asked how much of the 1.4 million went to the General Fund (GF). Mr. Dixon said 7 ½ - 8% went to GF - for direct expenses 4 - 4 ½%, and the city paid 3½% for right of way franchise fees. The Enterprise Fund revenues vs expenditures were discussed. The Gas department was over \$370,981, due to the city having to take the system back over and not enough rate payers to support the cost of operation. The Sewer Department was over \$445,137 due to debt service but the department had made changes and the expenditures had been reduced to 64% at this time vs 75%. The Electric department revenues were up shown at \$248,739. The Water department was over \$59,156. The Refuse department revenues were up shown at \$48,178. Mayor Alexander asked how the city can pay for more debt. Mr. Dixon said with Impact Fees and through utility service agreements. The elevated water tank size was discussed with Mr. Dixon saying it would be a 2 million gallon. The city only needed 600,000, but it was more economical to build larger. Councilmember Lee suggested having discussions with SAWS for an alternate water source and to look at cutting down the city's CCN. Mayor Alexander asked Mr. Dixon about ways to cut the deficit. Mr. Dixon said he would look first at gas, then look at the rates in the surrounding cities before he would recommend changing rates. Councilmember King was not in agreement with Councilmember Lee on reducing the city's CCN. Mr. King felt more development, less deficit. Councilmember Martinez clarified the Gas Department had one full time employee with streets department crossed trained to assist. Ms. Martinez asked if the electric department was fully staffed. Councilmember Marchman said a recent outage had only one person responding with the bucket truck and was concerned with the safety of the employee. Supervisor Tom Miller said they were short staffed then, but were fully staffed now. Mayor Alexander asked about bench stock shown as \$130,000 asking what that included. Public Works Director John Gomez said it was inventory for the gas system and not equipment. Mr. Gomez said they were using Consultant Simon Pena and TRC Engineering with the end goal was to put in the services in-house once the department was staffed better. Councilmember Merz asked about the \$80,000 shown for tree trimming. Public Works Director Gomez said they would trim all that the budgeted amount would do for the electric lines. Councilmember Lee asked if the amount budgeted for bench stock was enough. It was determined the bench stock was in good shape. Mr. Lee spoke on the well pumps and did the city have back up pumps in case of emergency. Mr. Lee asked about generators and if the SCADA System update was included in this proposed budget. City Administrator Dixon said the generators would be funded out of reserves and the SCADA System update was funded from bond monies. A question of if the Community Development Office was being offset out of utility fund. They were not. Mayor Alexander asked if the city had a leak forgiveness policy. Mr. Dixon said the city did and Community Council of South Texas administered the program for the city to help the citizens with high utility bills. Finance Director Vidales briefed the City Council on the Airport Fund saying the department had 2.5 employees budgeted. Council asked for clarification on the Airport Manager being full or part time and answering to the Community Development Director. Councilmember Lee spoke on looking at fuel sales and increase in pricing for a better profit. Mr. Lee saw the airport was asking for a UTV, Storage Unit, and new courtesy cars.

(Cont.)

Mr. Lee felt they did not need to replace the current vehicles with new or purchase a storage unit. Mr. Lee also felt the hangar rents should be set by the City Council.

Discussion of unfunded operational and capital expenditures in the General Fund

The City Council did not have time to review the unfunded operational and capital expenditures in the General Fund and Mayor Alexander said they would set another budget work session and look at dates in the regular council meeting coming up after this meeting.

IV. ADJOURN

Mayor Alexander adjourned the meeting at 8:35 p.m.

Mayor

ATTEST:

City Secretary