

**CITY OF CASTROVILLE CITY COUNCIL
SPECIAL CALLED COUNCIL MEETING
1209 Fiorella
City Council Chambers
July 8, 2025
Tuesday
3:30 P.M.
MINUTES**

I. CALL TO ORDER

Mayor Bruce Alexander called the meeting to order at 3:32 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	Leroy Vidales, Finance Director
Councilmember Phil King	Jim Kohler, Police Chief
Councilmember David Merz	Jonah Chang, Parks and Recreation Director
Councilmember Robert Lee	

III. 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.

VI. PRESENTATIONS

- a. FY 25-26 General Fund Budget Workshop – staff will present facts and figures relating to current and proposed expenditures and revenues for each department and service area that is supported by the City of Castroville’s General Fund including:**
Police, Animal Services, Municipal Court, Code Compliance, Parks & Recreation, Community Development, Library Services, Tourism and Economic Development, Streets and City Administration (Finance, City Secretary, City Council, City Administrator)

Finance Director Leroy Vidales briefed the City Council on the proposed Fy25-26 Budget. Mayor Alexander asked how many days of reserves did the city currently have and what was a good number. Mr. Vidales said 292 days at that time. City Administrator Dixon said the policy required them to have 120 days. Mr. Vidales said the city had collected majority of the property taxes and was doing well. Mr. Dixon said the sales tax was trending at 8% and had an large increase shown for December.

Mr. Vidales said the upcoming yearly property values were projected at \$375,552,838 but could change with the protests going on. Sales Tax was projected in 2026 at an increase of 5% and a chart was shown with 5%, 10% and 15% up or down. Mr. Vidales provided proposed General Fund revenues, Sales Tax, Property Tax, Municipal Court, Parks and Recreation and other revenues. Councilmember Lee asked if the court was paying for itself with the cost of additional police and equipment. Mr. Dixon said they had an increase in patrol and the department was fully staffed. Mr. Dixon said the change to the court budget was for judge and prosecutor due to having two courts a month. Councilmember Lee asked about the transfer from the utility fund being a different amount. Mr. Dixon said it was \$254,000 for salaries of various employees, right-of-way maintenance, and franchise fee of 3.5% of gross revenue. Mayor Alexander asked if the CPS franchise fee was in the general fund. Mr. Dixon said yes and the franchise fee was 4.5%. Mr. Dixon said he had challenged the staff to reduce their budget and one of the possibilities was to outsource mowing, if more economical. Mr. Dixon said his department was down 21% due to lower legal counsel fees and no intern position. City Secretary's department increase of 3% due to record retention fees and a line item for legal fees for open records requests. Police Department increased \$65,000 for officers pay. Councilmember Lee said council may need to look at an increase in starting pay in the electric department to keep qualified personnel. Municipal Court was a pass through and had increased for prosecutor services twice per month. Community Development Department had a 12% increase that was a pass through. Streets Department was a crossover with Gas Department at 6% decrease and was funded in the gas department. The Pool was 3% decrease due to reduction in maintenance and repairs. Councilmember Lee asked about the revenue amount shown in the RV Park. Mr. Vidales said the revenues were shown as \$75,000 budgeted and they had collected \$90,000 so far. Mr. Dixon said the park was not full and could be due to the WiFi being down. Councilmember Lee asked if the city should keep the RV Park. Mr. Dixon said staff recommended keeping and the RV Park was beneficial but they had taken out improvements to the RV Park in this budget. Animal Control the budget would increase with 33% due to the third person in the department. The Police Department had covered the salary in this budget. The Tourism Budget had 30% removed for Special Events and 4th of July celebration. The Economic Development had \$2,200 reduced from travel and training, The IT department was at \$246,000 and had an increase of \$3,500. Non Departmental had a reduction of 1% for utility expenses. Mr. Dixon said there was a 3% increase for the employees included and this was a balanced budget. Mr. Vidales said the Parks Department was at 50% collected down 25% partly from the revenue projected in this budget for the Community Center Building rentals. The projected revenues included the building, park, pool, and RV Park rental fees. Councilmember King asked what was being projected in the proposed budget. Mr. Vidales said \$40,000 for the building and a less amount for the RV Park. Mr. Dixon said the City Council could look at one-time expenditures and operational expenses. Mayor Alexander said the city had to do ongoing drainage and street maintenance programs. Councilmember Lee said the building maintenance for city hall was not shown, the pipes at the wells were uncovered and exposed. He felt they needed to be discussed. Mr. Lee questioned the Mayor on using reserve funds for unfunded projects. Mayor Alexander said he had asked for a needs only budget and it to be balanced. Mr. Lee said they should look at the tax rate with the issuance of debt and staying at a flat rate. Mayor Alexander said issuing Co's causes the O & M to go down but the I & S would go up. Mr. Dixon said the city could do this is because of the increase in sales tax. Mr. Dixon said they would look at what the City Council wanted and would build in with but there were limitations from the State. Mr. Vidales said they had looked at the tax rates of the Medina and Bexar Counties for comparisons.

Councilmember Lee said they should look at an increase to tax rates for maintenance. Councilmember Merz said they should have a discussion on the tax rate. Councilmember King said raising the tax rate did not affect citizens over 65 and disable due to the tax freeze and in a few years there would be more sales tax for the retail that was coming. Mr. King was in favor of using general fund reserves. Mayor Alexander said to use funds and show progress with revenue reserves, then if needed they could look at increasing the property taxes. Councilmember Merz asked if the county would be helping with street maintenance. Mr. Dixon said they would be doing some and he had sent information to the city financial advisor to do a financial forecast. Mr. Dixon said there would be another meeting on July 22nd at 3:30 p.m. to go over the Utility Funds. Mr. Dixon asked what the Mayor wanted for the next meeting. The request was for better numbers and an all in one list.

V. DISCUSSION AND ACTION ITEMS

a. Discussion and appropriate action to direct the creation of the FY 25-26 General Fund Budget for the City of Castroville

This was not discussed.

VI. ADJOURN

Mayor Schroeder adjourned the meeting at 5:33 p.m.

Bruce Alexander
Mayor

ATTEST:

Debra Howe
City Secretary