

Minutes
Special Council Meeting
August 26, 2025

On this 26th day of August 2025, at 6:00 p.m., the City Council of the City of Devine convened in a Budget Workshop and Special Meeting, the same being open to the public, at the Dr. George S. Woods Community Center, 200 E. Hondo Avenue, Devine Texas 78016. Notice of said meeting having been prescribed in Chapter 551, Government Code, and Vernon's Texas Codes, Annotated, and the following members being present:

Mayor Butch Cook
Alderman Josh Ritchey
Alderman Ray Gonzales
Alderman Jeff Miller – absent
Alderman Michael Hernandez
Alderman Harold Lance

Thus, constituting a quorum.

Personnel Present: David L. Jordan, City Administrator; Michelle Martin, City Secretary; Pete Sanchez, Director of Public Works; Christine Green; Interim Finance Director, Sophia Benavides, Finance Director; Chris Andrews, Police Lt., Joe Brown, Police Chief Tom Cate, City Attorney.

Others Present: Travis Pruski, Nueces River Authority, Anton Riecher, Devine News.

Budget Workshop began at 6pm. Mayor and Council are reviewing budget recommendations for the Proposed Budget FY 2025-2026.

Council reviewed the proposed budget for FY 2025–2026, which maintains the current property tax rate with no increase. Discussion covered departmental budgets, staff adjustments, new fund structures, and capital projects.

General Fund Highlights

- Salary adjustments providing a minimum \$20/hour rate for staff with over six months of service, or a 3% raise, whichever is greater.
- Library Clerk Position converted from part-time to full-time (not an additional position).
- Staff hired after April 1st would be compensated using the updated April 2025 salary survey rates.
- Storm and water fund adjustments were accomplished by eliminating a fourth budgeted utility clerk position, with plans to cross-train administrative staff in utility billing

Council members asked questions about various budget items:

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- Regarding police department capital expenses, Christine clarified that \$287,000 was budgeted for three police vehicles with upfits (wraps and equipment), with 85% of those costs being covered by grants the police department had secured.
- Alderman Ritchey asked about what would happen to the grant money when received. Christine explained that it had already been allocated in the budget as revenue to offset the vehicle expenses.
- For streets, approximately \$270,000 was being budgeted across the general fund and water/sewer fund for equipment including a skid loader with attachments, mini excavator, hydrovac, trucks to pull equipment, milling machine attachment, heavy equipment trailer, new tractor and shredder, and an asphalt case roller.
- Building permit revenue projections.
- Bank fee increases related to credit card processing fees.
- Reductions in legal fees based on historical usage
- Tree trimming budget reductions.
- Engineering fee increases for street repairs.
- Emergency management funding approach.
- Library improvements.

Mayor asked about airport funding in the budget. Christine explained she had researched options for accounting for the airport separately from the general fund. She recommended creating a special revenue fund rather than an enterprise fund to provide transparency about how much the airport costs the city while still considering it part of the general fund. She noted that this would require a resolution by the September 16th meeting.

The Mayor expressed his desire to have clarity on total airport costs, including debt service. Christine noted that she would provide information on what the airport has cost over the past four years, including debt payments.

Mayor Cook welcomed everyone to the special meeting at 7:02pm.

The second order of business was invocation. Alderman Ritchey delivered the Invocation. Mayor led the Pledge of Allegiance to the United States Flag and the pledge of Allegiance to the Texas Flag.

The third order of visitor's/citizens forum. No one signed up to speak.

The fourth order of business was public recognition. There was none at this time.

The fifth order of business was employee recognition. There was none at this time.

The sixth order of business was to approve the meeting minutes from July 29, 2025. Alderman Ritchey made a motion to approve the minutes. Alderman Gonzales seconded the motion.

Motion Carried 4-0, Alderman Jeff Miller absent.

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The seventh order was to consider and act upon a Budget Amendment Ordinance for FY 2025. Finance Director Christine presented the Budget Amendment Ordinance for FY 2025. She explained that at the end of the fiscal year, city funds are evaluated to ensure actual expenditures do not exceed budgeted appropriations, in compliance with Texas Local Government Code Chapter 102.

The amendment included:

- Increases in personal services for vacation payouts in the general fund.
- Increases in maintenance and capital line items for the golf course.
- Increases in infrastructure maintenance and emergency repairs in the water/sewer fund.

Mayor Cook read the caption of Ordinance Number 8A-2025: "An ordinance of the City of Devine, Texas amending the adopted budget for the fiscal year beginning October 1, 2024 and ending September 30, 2025, providing for supplemental appropriations and/or transfers between budget line items as set forth in attachment Exhibit A, providing for a severability clause and declaring an effective date'.

Alderman Michael Hernandez made a motion to accept the motion to adopt Ordinance 8A-2025.

Alderman Ray Gonzales seconded the motion.

Motion Carried- 4-0, Alderman Jeff Miller absent.

The eight order of business was to consider and act upon no-new revenue and voter-approved tax rate for FY 2025-2026.

Finance Director Christine reported that staff was recommending the tax rate remain the same as last year at 0.59% for fiscal year 2025-2026, with 0.4864 for maintenance and operations and 0.1036 for debt service. Mrs. Green explained that the debt service portion was being offset slightly by using fund balance, as the fund currently had approximately half a million dollars, which was more than needed. This would help keep the tax rate low on the debt service side. Christine clarified that while the tax rate would remain the same as last year, the city would still realize about \$40,000 in additional revenue due to increased property valuations.

Alderman Ritchey made a motion to adopt fiscal year 2026 total property tax rate of 0.59, with maintenance and operating tax rate of 0.4864 and debt service rate of 0.1036. Alderman Michael Hernandez seconded the motion.

8B: Consider and act upon proposed tax rate to support FY 2025-2026 budget. Mayor asked if this was already voted on. City Attorney Thomas Cate clarified that this vote is for the budget.

Alderman Michael Hernandez made the motion to accept the proposed tax rate to support the 2025-2026 budget. Alderman Ray Gonzales seconded the motion.

Motion Carried- 4-0, Alderman Jeff Miller absent.

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The ninth order of business was to consider and act upon entering into a water agreement contract with Nueces River Authority.

City Administrator David introduced Mr. Travis Pruksi, a representative from the Nueces River Authority, who had been invited to answer council questions about the proposed water agreement contract.

Travis explained the project would provide desalinated water to multiple communities through a pipeline network. He addressed several key points:

1. **Water Delivery:** The Nueces River Authority would be responsible for building the pipeline to deliver water to Devine's CCN (Certificate of Convenience and Necessity) area, with the city responsible from that point.
2. **Reservation Fee:** The fee reserves a specific amount of water rights and covers engineering planning. For Devine to reserve 250,000 gallons per day (about half of current usage), the cost would be approximately \$7,000 per year for two years, totaling \$14,000.
3. **Timeline and Commitment:** After paying the reservation fee, the city would have approximately 18 months before needing to commit to a "take or pay" contract. At that point, the city could decide whether to proceed based on the final water cost (projected between \$10-15 per thousand gallons) and delivery timeline (estimated 2029-2032).
4. **Water Usage Obligation:** Once the water begins flowing, the city would be obligated to pay for the reserved amount whether used or not, though there could be opportunities to sell unused portions to other municipalities at the same rate.
5. **Pipeline Construction:** The pipeline would follow the I-37 corridor with branches to various communities. It would include storage tanks and booster pumps along the route, with meters to track water usage by each city.

The council discussed the financial implications and whether reserving 250,000 gallons per day (half of current usage) would be sufficient. Travis noted that the water was intended as a "safety net" and part of the city's water portfolio, not to replace existing water sources.

City Attorney Tom identified concerns in the contract language regarding transportation costs. After discussion, the council determined that reserving 250,000 gallons per day would provide a reasonable insurance policy for future water needs while not overcommitting financially.

Motion: Alderman Ritchey made a motion to authorize the city attorney to coordinate with the Nueces River Authority to make corrections or edits to the contract and then coordinate with the city administrator and mayor to reserve up to 250,000 gallons per day for the city of Devine.

Alderman Michael Hernandez seconded the motion.

Motion Carried- 4-0, Alderman Jeff Miller absent.

The tenth order of business was executive session-pursuant to Section 551.074 of the Texas Government Code- Personnel matter, Employment Agreement and Severance Agreement with the City Administrator.

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The eleventh order of business was RECONVENE into Special Session and Consider Action, if any, on items discussed in Executive Session.

Mayor and Council came out of executive session. No action was taken during closed session.

Mayor and Council Reconvened to return to the Open Session.

The twelfth order of business was to Adjourn.

Alderman Ritchey made a motion to adjourn the meeting. Alderman Gonzales seconded the motion.

Motion Carried- 4-0, Alderman Jeff Miller absent.


City Secretary


Mayor