

**CITY OF CASTROVILLE CITY COUNCIL  
SPECIAL CALLED COUNCIL MEETING**

**1209 Fiorella  
City Council Chambers**

**Thursday  
August 20, 2020**

**4:00 p.m.  
MINUTES**

**I. CALL TO ORDER**

The meeting was called to order at 4:00 p.m. by Mayor Pro Tem Schroeder

**II. ROLL CALL**

Present:

Mayor Pro Tem Darrin Schroeder  
Councilmember Sheena Martinez  
Councilmember Paul Carey  
Councilmember Phil King  
Councilmember Todd Tschirhart

Leroy Vidales, Interim City Administrator/Finance Director  
Debra Howe, City Secretary  
John Gomez, Public Works Director

**III. CITIZEN COMMENTS**

*The public was permitted to offer public comments telephonically as provided by the agenda and as permitted by the presiding officer during the meeting. Written questions or comments could be submitted up to two hours before the meeting. A recording of the telephonic meeting was made and available to the public in accordance of the Texas Public Information Act upon request.*

No one requested to speak.

**IV. Presentation on the FY2021 Revenues  
(Leroy Vidales, Interim City Administrator/Finance Director)**

Interim City Administrator Leroy Vidales briefed the city council on the proposed revenues for the current year and FY21. Mr. Vidales said the city for the current year should receive 3.2 million and for FY21 was projected to receive 4.1 million. Mr. Vidales handed out a revenue/expenditure summary and the 2021 Projected/Draft Capital Improvement Plan with revisions for the council to review. Mr. Vidales said with the current department requests he had asked the directors to go back and reduce their proposed budgets at a minimum of 3% and doing so and using \$250,000 from the fund balance the budget would be balanced. Councilmember Carey asked about the difference if the city council decided to adopt the No-New-Revenue rate of 0.484853 for the coming year. Mr. Vidales is the difference between the Voter-Approval rate and No-New-Revenue rate was \$23,000 less. Mr. Vidales said revenues from sales tax collected was 1.22 million with one more quarter to come in. He felt the city would meet the 1.078 million projected. Due to the ongoing COVID 19 uncertainty He was conservatively projecting Sales Tax of \$1,233,639, Property taxes \$1,112,200, Municipal Court \$224,732, Parks and Recreation \$242,170, and other Revenues \$449,396 totaling \$3,262,137 in revenues with transfers in of \$6,000 to the Airport for administrative services, Utility ROW \$108,512, and Utility Fund \$758,835 for a total transfer-in of \$873,347 for FY21. Mr. Vidales said the end of the year transfers may not be as large.

Mayor Pro Tem Schroeder recommended looking at the remaining fund balances and looking at investment opportunities. Mr. Vidales said the Utility Fund had 10.2 million in revenues with 3.2 being used for expenditures leaving a balance of approximately 7 million. Mr. Vidales said with the proposed Capital Improvement Projects for the next three years shown in the handout, the balance would be depleted. Councilmember King asked if the new information on the CIP they were looking at was updated. Public Works Director John Gomez said it was up to date and the top projects were listed and the Digger Truck shown would be brought back at the next meeting to purchase in the current budget. If the city council agreed this would be removed. Councilmember King said with the capital outlay broken out and COVID 19 reductions in the park activities, it was questionable to him on adding an employee to the parks budget. At the next work session on Tuesday, 3pm, August 25<sup>th</sup> Mr. Vidales said they would provide the complete draft budget for council to review. Mr. Vidales said the Airport was the only department with a balanced budget, and the proposed new Hangar Project would be financed through a loan with the USDA. Mayor Pro Tem Schroeder made clear the Airport supported itself and Mr. Vidales said the transfer in was for administrative services. In the current year with the revenues down the Airport would have to pull from the fund balance approximately \$156,634. Mayor Pro Tem Schroeder said they would be looking at the actuals on Tuesday for a better picture overall of the city. Council wanted information for accountability of the spending of the CARE monies to be brought before council. Mayor Pro Tem Schroeder said with the city having a healthy financial picture he wanted to use the CARE Funds proactively. Council discussed utility rates looking at decreasing electric and increasing water and wastewater to move toward these services being self-supportive. Council discussed having a work session on the utility rates and working toward reducing the transfer after the budget was adopted. Public Works Director John Gomez was asked to verify the capital outlay in the electric and staff was to separate the assets out to get the best picture of the city funds to be able to decide on projects in FY2021. Council was looking at doing the electric upgrades and street projects.

**V. ADJOURN**

Mayor Pro Tem Schroeder adjourned the meeting at 5:16 p.m.

Darrin Schroeder  
Mayor Pro Tem

ATTEST:

Debra Howe  
City Secretary