CITY OF KEMPNER

NOTICE OF REGULAR MEETING & AGENDA
Tuesday, July 14th, 2026, at 6:00pm

Notice is hereby given that the City Council will convene in a regular meeting in Council Chambers, located at 12288 E. HWY 190 Kempner Texas 76539. The items listed on this notice may be taken up by the Council.

1. **Call to Order, Invocation and Pledges to Flags**

2. **Reports & Presentations to Council by City Staff and Invited Guests**
    a. Citizen Comments (please see Additional Notices and Information at the end of this agenda).
    b. City Manager Report
    c. Mayor's Report
    d. Police Chief's Report
    e. Fire Chief's Report

3. **Action Items**
    a. Consent Agenda (all items on the consent agenda are considered routine and may be approved by a single motion to approve the consent agenda, or each item listed below may be acted upon independently should a council member make such motion)
        i. Approval of the meeting minutes from the meeting held on June 9, 2026
        ii. Approval of the June 2026 Financials.
        iii. Authorize City Manager to enter into a contract with Alexandria Garcia for operating a farmers' market in Sylvia Tucker Memorial Park from July 2026 through September 30, 2027.
    b. Receive presentation and accept the Annual Financial Report for the City of Kempner, Texas ending September 30, 2025, commonly referred to as the FY 24-25 Audit
    c. Consider revision of Ordinance No. 2010-05-25-001 **AN ORDINANCE OF THE CITY OF KEMPNER, TEXAS, PROVIDING FOR REVISION OF SPEED ZONES**

WITHIN THE CITY LIMITS OF KEMPNER INCLUDING FM 2313, BEGINNING AT INTERSECTION OF US 190; PROVIDING PENALTIES; AND PROVIDING SEVERABILITY, OPEN MEETINGS AND EFFECTIVE DATA CLAUSES. (Citizen request to lower the speed limit to 10 MPH on Sidewinder)

d. Approval of the amended plat of Tract 77 Indian Valley. A subdivision recorded in Cabinet 1, Slide 103, Plat records of Lampasas County, Texas.

e. Resolution 2026-07-14-001 **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KEMPNER, TEXAS, REJECTING THE PROPOSED FISCAL YEAR 2027 BUDGET OF THE LAMPASAS CENTRAL APPRAISAL DISTRICT (LCAD); EXPRESSING CONCERNS REGARDING UNSUPPORTED CAPITAL EXPENDITURES, SIGNIFICANT INCREASES IN PERSONNEL COSTS, THE LACK OF LONG-TERM FISCAL SUSTAINABILITY, AND THE ABSENCE OF A COMMITMENT TO REDUCE FUTURE BUDGETS FOLLOWING THE EXPIRATION OF TEMPORARY EXPENDITURES; AND PROVIDING AN EFFECTIVE DATE.**

4. Workshops

a. Presentation of TexSTAR and LOGIC, Hilltop Securities' local government investment pools as investment options for cash management.

b. Budget Workshop for FY 26-27

5. Council and Staff Announcements

a. Staff Announcements

b. Council Announcements

c. Next Regular Meeting date is scheduled to occur on Tuesday, August 11th, 2026, at 6:00 PM in council chambers.

6. Adjournment.

Certification Of Legal Posting:

I hereby certify that this agenda has been posted on the City message board affixed to the exterior wall of the Eisenhour / Clark Municipal Building AND has been posted on the City of Kempner official website (kempnertx.gov) at least 3 business days prior to the start of the meeting.

Shaleah Stevens

Signature of Certifying Official

Shaleah Stevens, City Secretary

Printed Name and Title of Certifying Official

July 8, 2026 at 3:02 PM

Date and Time signed:

CITY OF KEMPNER

REGULAR CALLED MEETING MINUTES

FOR THE CITY COUNCIL MEETING HELD ON July 14, 2026, AT 6:00 PM

THE CITY COUNCIL CONVENED IN A REGULAR MEETING IN COUNCIL CHAMBERS, LOCATED AT 12288 E. HWY 190, KEMPNER TX 76539.

1. Call to Order, Invocation and Pledges to Flags

The meeting started at 6:00 PM. The quorum consisted of David Richardson (place 1), Tom Combs (place 2), Rob Green (place 3), Dan Long (place 4), Elliot Whitton (place 5) and Mayor Wilkerson. Also in attendance were Gene Isenhour (Municipal Court Judge), Rebecca Ramos (City Manager), Heriberto Rodriguez (Police Chief) and Shaleah Stevens (City Secretary). Each person notated in these minutes will be referred to as place/title only throughout this document. Gene Isenhour led the invocation.

2. Reports & Presentations to Council by City Staff and Invited Guests

a. Citizen Comments- Scout Brennon Barber gave an update on the bat boxes. All the bat boxes are built and ready to be installed. Depending on the weather, he plans to start installing them in the following week. The Mayor asked Mr. Barber to keep in touch with the City Manager on the timeline to ensure the park grounds would be dry enough for installation.
b. City Manager Report-See attached
c. Mayor's Report-none
d. Police Chief's Report- See attached
e. Fire Chief's Report- See attached

3. Action Items

a. Consent Agenda (all items on the consent agenda are considered routine and may be approved by a single motion to approve the consent agenda, or each item listed below may be acted upon independently should a council member make such motion)
   i. Approval of the meeting minutes from the meeting held on June 9, 2026.
   ii. Approval of the 2026 Financials.

iii. Authorize City Manager to enter into a contract with Alexandria Garcia for operating a farmers' market in Sylvia Tucker Memorial Park from July 2026 through September 30, 2027.

Place 2 made the following motion: to approve the consent agenda
Seconded by: Place 1
Places 1,2,4, and 5 were for and Place 3- abstained.

b. Receive presentation and accept the Annual Financial Report for the City of Kempner, Texas ending September 30, 2025, commonly referred to as the FY 24-25 Audit

The council moved to receive and accept the Annual Financial Report for the City of Kempner, Texas, for the fiscal year ending September 30, 2025 (FY 2024–2025 audit).

Jack Clark with Singleton and Clark reported that the audit brings the city current with its audit requirements and stated that the next audit is expected to be completed before the end of March 2027, returning the city to compliance with state requirements.

Mr. Clark presented an unmodified ("clean") audit opinion, indicating that the city's financial statements fairly present its financial position in accordance with applicable accounting standards.

Mr. Clark reported that the city's net position increased by approximately $466,000 during the fiscal year, explaining that net position includes cash, capital assets, and liabilities. The general fund balance increased by approximately $106,000, ending the year at approximately $640,000. He stated that this represents a strong financial position for a municipality of Kempner's size. Governmental fund balances, including the general fund and street funds, also increased overall.

Mr. Clark auditor reviewed revenues and expenditures, noting that property taxes and sales taxes remain the city's primary revenue sources, accounting for approximately 43 percent and 38 percent of revenues, respectively. General government expenditures totaled approximately $330,000, while public safety expenditures totaled approximately $297,000. The city's ending net position was reported to be approximately $2.1 million.

Mr. Clark explained the classifications of governmental fund balances, including restricted court funds designated for security and technology and committed street funds supported by dedicated sales tax revenues. He distinguished restricted funds, which are legally limited to specific purposes, from committed funds established by council action.

Mr. Clark reviewed the general fund budget comparison and explained that the city adopts its budget at the fund level rather than the departmental level. Although some departmental variances occurred, the general fund did not end the year with an unlawful deficit.

Mr. Clark also discussed capital assets, fund balance policies, and pension reporting, noting that the city's retirement plan remains well funded with no significant unfunded liability.
Regarding internal controls, the auditor reported no material weaknesses and no significant deficiencies. He noted that several journal entries would be recorded to correct prior audit-related accounting issues and carried forward into the FY 2025–2026 records. He stated that completing these adjustments will help ensure future audits are completed on schedule.

The Mayor stated that the current council had worked to restore the city's audit compliance after previous delays and had rebuilt working relationships with auditing firms. He announced that the completed audit report would be posted on the city's website and reminded residents that financial information is available upon request without requiring an open records request.

The Mayor emphasized that the audit was conducted independently and that neither the council nor city staff could influence the auditor's findings. The auditor stated that he had no concerns regarding current staff and commended the city's improvements in financial management, staffing, in-house accounting, bookkeeping, and overall administrative structure.

Place 3 made the following motion: to accept the Annual Financial Report for the City of Kempner, Texas ending September 30, 2025, commonly referred to as the FY 24-25 Audit
Seconded by: Place 2
Passed by all present

c. Consider revision of Ordinance No. 2010-05-25-001 **AN ORDINANCE OF THE CITY OF KEMPNER, TEXAS, PROVIDING FOR REVISION OF SPEED ZONES WITHIN THE CITY LIMITS OF KEMPNER INCLUDING FM 2313, BEGINNING AT INTERSECTION OF US 190; PROVIDING PENALTIES; AND PROVIDING SEVERABILITY, OPEN MEETINGS AND EFFECTIVE DATA CLAUSES.** (Citizen request to lower the speed limit to 10 MPH on Sidewinder)

The City Council considered a request from residents to reduce the speed limit on Sidewinder Street from 30 mph to 10 mph. Residents presented a petition in support of the request and expressed concerns regarding speeding vehicles, pedestrian safety, children and pets in the neighborhood, limited visibility, and the street's short residential design. Residents also reported recent speeding incidents involving commercial vehicles and stated that existing "Children at Play" signs had not effectively addressed the problem.

The Council discussed the proposed speed limit reduction, including the enforceability of a 10-mph speed limit, the ordinance adoption and publication requirements, implementation costs for signage and legal notices, and alternative options such as a 20-mph speed limit or the installation of speed bumps. The Chief of Police advised that, due to the street's short length and sharp 90-degree curve, a 10-mph speed limit would be appropriate. Several Council Members expressed concern that approving a 10-mph speed limit could establish a precedent for similar requests on other residential streets.

A motion to reduce the speed limit on Sidewinder Street to 20 mph failed. A subsequent motion to amend the ordinance to establish a 10-mph speed limit on Sidewinder Street was approved, with Council Members representing Places 3, 4, and 5 voting in favor and Council Members representing Places 1 and 2 voting opposed. Staff advised that the required legal notices would be published, the appropriate traffic control signs would be installed, and enforcement would begin upon the ordinance becoming effective.

Place 2 made the following motion: to approve the revision of the Ordinance NO. 2010-05-25-001 reduce the speed to 20
Seconded by: Place 1
Mayor called for a vote resulting in Places 1 and 2 voting for and Places 3,4, and 5 voting against.
Motion fails after not receiving the required affirmative votes.

Place 3 made the following motion: to approve the revision of the Ordinance NO. 2010-05-25-001 reduce the speed on sidewinder to 10 miles per hour
Seconded by: Place 5
Motion passed by majority vote- 3,4,5 and 1,2 opposed

d. Approval of the amended plat of Tract 77 Indian Valley. A subdivision recorded in Cabinet 1, Slide 103, Plat records of Lampasas County, Texas.

Mr. Larue requested to postpone the plat amendment to the next regular meeting.

Place 5 made the following motion: to postpone the approval of the amended plat until the next regular meeting
Seconded by: Place 3
Passed by all present

e. Resolution 2026-07-14-001 **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KEMPNER, TEXAS, REJECTING THE PROPOSED FISCAL YEAR 2027 BUDGET OF THE LAMPASAS CENTRAL APPRAISAL DISTRICT (LCAD); EXPRESSING CONCERNS REGARDING UNSUPPORTED CAPITAL EXPENDITURES, SIGNIFICANT INCREASES IN**

PERSONNEL COSTS, THE LACK OF LONG-TERM FISCAL SUSTAINABILITY, AND THE ABSENCE OF A COMMITMENT TO REDUCE FUTURE BUDGETS FOLLOWING THE EXPIRATION OF TEMPORARY EXPENDITURES; AND PROVIDING AN EFFECTIVE DATE.

Mayor noted that the resolution stemmed from discussions held during the previous council meeting, during which council members were individually asked to share their thoughts on the proposed budget. He explained that the council had two options: approve the resolution if they continued to support its intent or vote against it if their position had changed.

The Mayor emphasized that the resolution was not intended as a criticism of Mr. Saucedo or his employees. He acknowledged the work they performed and expressed appreciation for clarification on questions that were asked by council members as well as the Mayor. Place 5 extended a thank you for helping with the budget being a little clearer with the packet they handed out.

Place 3 made the following motion: to approve the resolution 2026-07-14-001
Seconded by: Place 2
Passed by all present.
A copy of the resolution will be sent to the Appraisal District.

4. Workshops

a. Presentation of TexSTAR and LOGIC, Hilltop Securities' local government investment pools as investment options for cash management.

Jennifer Onstad of Hilltop Securities presented information on TexSTAR and LOGIC, government investment pools for public entities. She explained that TexSTAR invests in U.S. Treasuries, agencies, and repurchase agreements, offering a conservative option for diversifying the city's investments. She reviewed the pool's safety, liquidity, management structure, current interest rate, and account features, including the ability to establish multiple subaccounts for different city funds while receiving a single statement. Council discussed the benefits of diversifying investments and maintaining separate accounts for various funds. The City Manager was directed to evaluate the option and return with a recommendation. If recommended, a future agenda item may include opening a TexSTAR account and approving any required resolution or ordinance to authorize future fund transfers.

b. Budget Workshop for FY 26-27

Council discussed the proposed budget and long-term revenue planning. The Mayor explained that, with the COPS grant and prior planning, the city had expected a tax rate increase over a three-year period, but additional properties identified by LCAD had helped avoid raising property taxes for the current fiscal year.

Pending final numbers from LCAD, preliminary estimates indicate the next property tax rate could be in the low 0.40 range, rather than the previously projected 0.4447. The Mayor stated that the city remains on track to maintain current service levels while keeping the tax rate below earlier projections.

Council discussed the city's five-year financial plan, noting that future growth and increased sales tax revenue could help reduce reliance on property taxes. The City Manager also reported that franchise agreements were being reviewed for potential updates.

Council discussed increasing commercial building permit fees, noting that current fees may not adequately reflect development costs. Staff reported they are reviewing the ordinance, researching comparable fee structures, and identifying additional permit fees for consideration after the budget process is complete.

Council also discussed the need to increase revenue through future growth and other options, including voluntary annexation. Members noted the city's limited utility services and the requirement that annexation begin with contiguous properties as challenges to expanding the tax base.

5. Council and Staff Announcements

a. Staff Announcements- None

b. Council Announcements- None

c. Next Regular Meeting date is scheduled to occur on Tuesday, August 11th, 2026, at 6:00 PM in council chambers.

6. Adjournment.

Place 1 made the following motion: To adjourn.
Seconded by: Place 4
The meeting adjourned at: 8:07 pm

APPROVED: ______________
John (JW) Wilkerson- Mayor

ATTEST: ______________
Shaleah Stevens- City Secretary