



CITY OF
**CORPUS
CHRISTI**

FISCAL YEAR 2025 - 2026

PROPOSED OPERATING BUDGET



FY 2026 Proposed Budget

- The initial forecast for the General Fund forecasted a budget shortfall of \$7 million
 - Doubling of the homestead exemption and increasing the over-65/disabled exemption (Lowering Property Tax revenues beginning in FY 2025)
 - Street User Fee allowed to expire 12/31/23
 - Offset by reductions of \$3.8M, better revenues in Property Tax, Industrial District In-Lieu, and Fees for Service

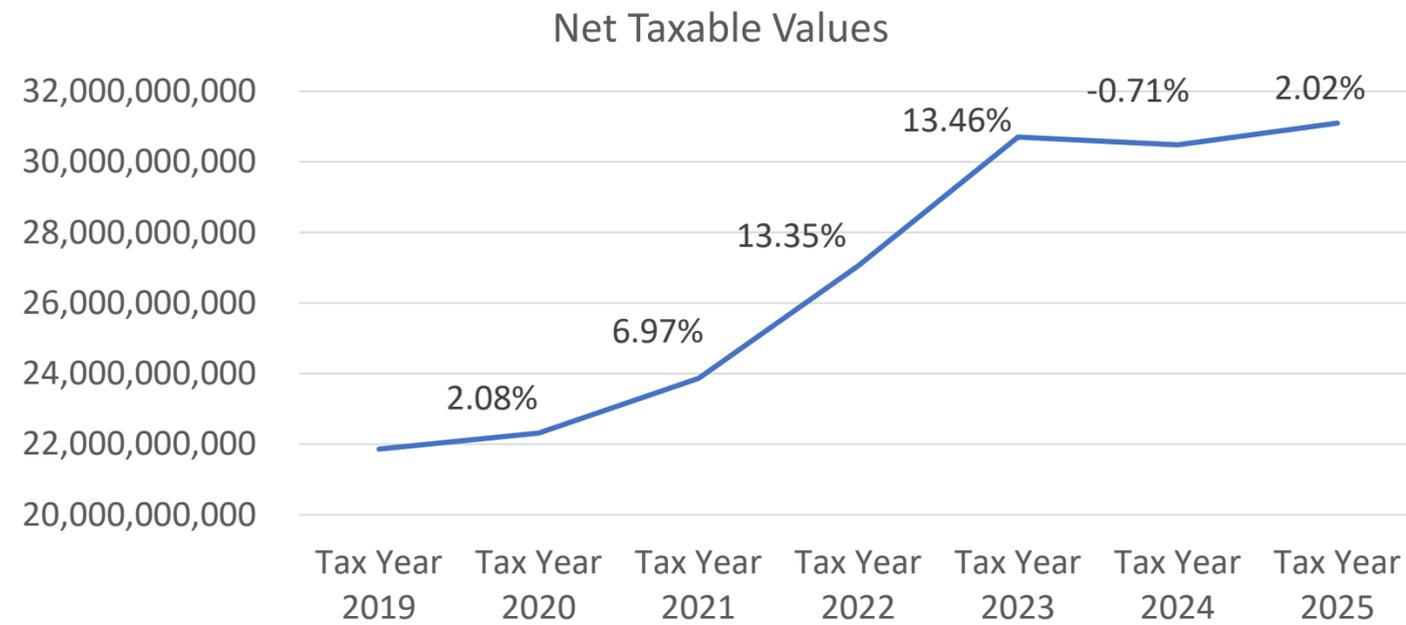


Property Tax and Sales Tax

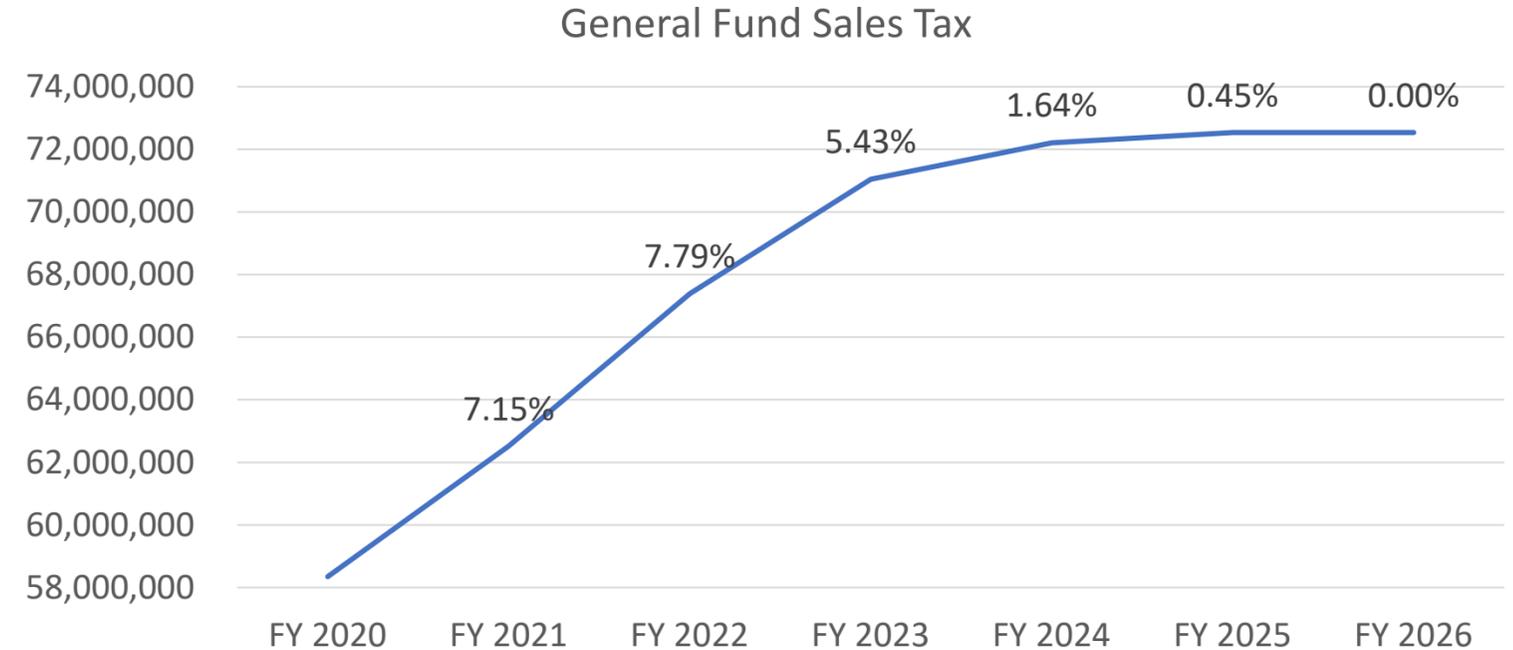


Property Tax and Sales Tax are our two main revenue sources in the General Fund

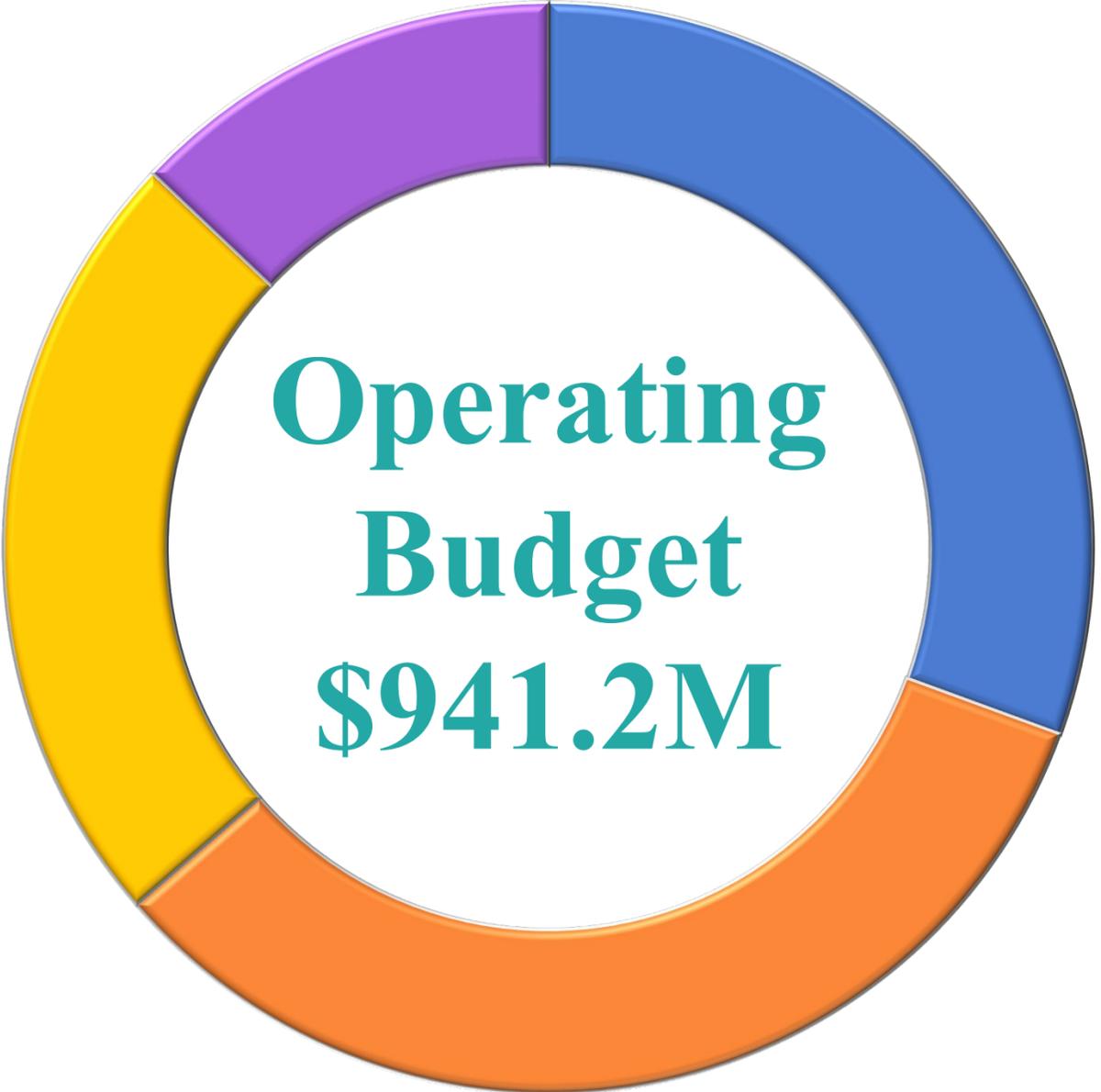
Growth in taxable property values has slowed
Tax Year 2024, Fiscal Year 2025, had negative growth due to exemption changes



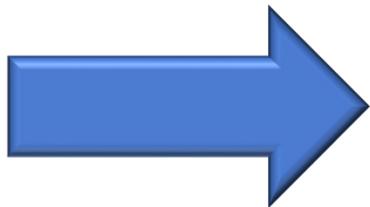
Sales Tax growth last leveled off in the last two years and is projected to remain flat in FY 2026



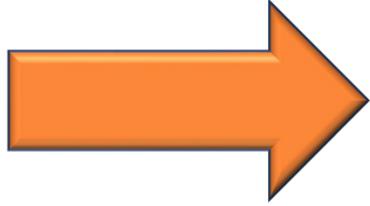
FY 2026 Proposed City Budget



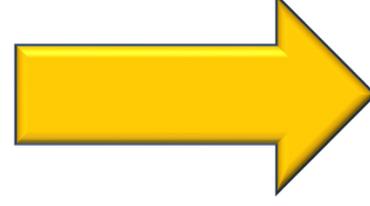
Total Operating and Capital \$1.6 Billion



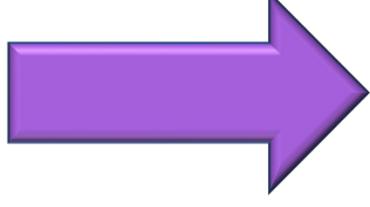
General Fund
\$305.9 Million



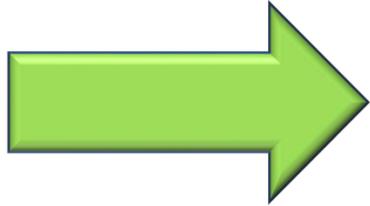
Enterprise Funds
\$325.0 Million



Special Revenue Funds
\$163.5 Million



Debt Funds
\$146.7 Million



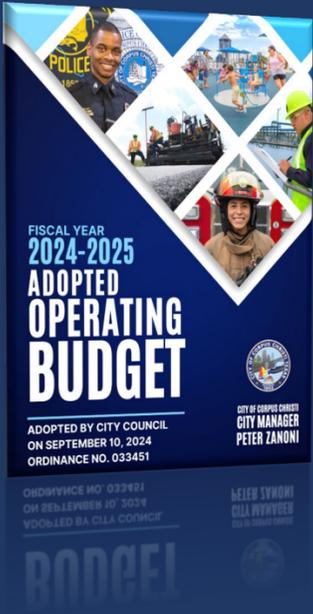
Capital Budget
\$693.2 Million
(Funds to be encumbered or spent in FY 2026)

Excludes transfers between funds and excludes internal service funds as budgets are included in listed funds.

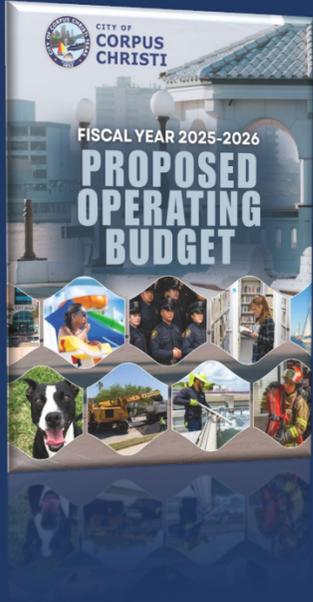
FY 2026 Proposed Budget

FY 2025 Adopted Operating Budget \$990.7 Million

FY 2026 Proposed Operating Budget \$941.2 Million

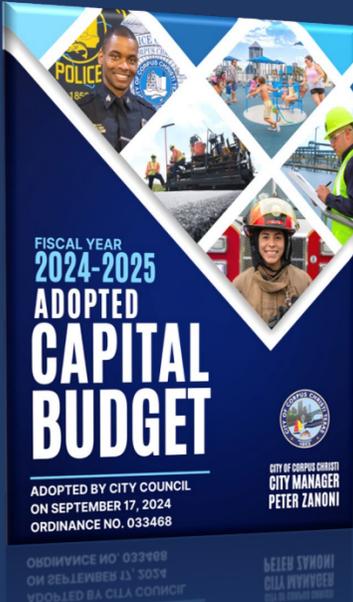


5%
Decrease

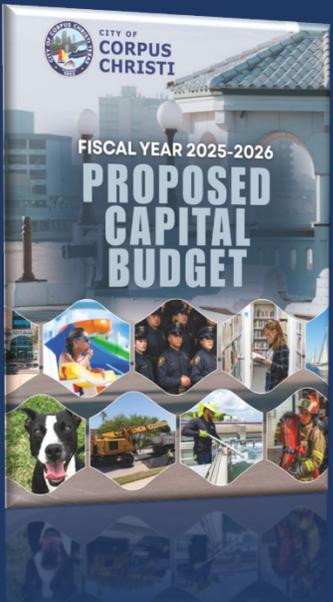


FY 2025 Adopted Capital Budget \$867.6 Million

FY 2026 Proposed Capital Budget \$693.2 Million

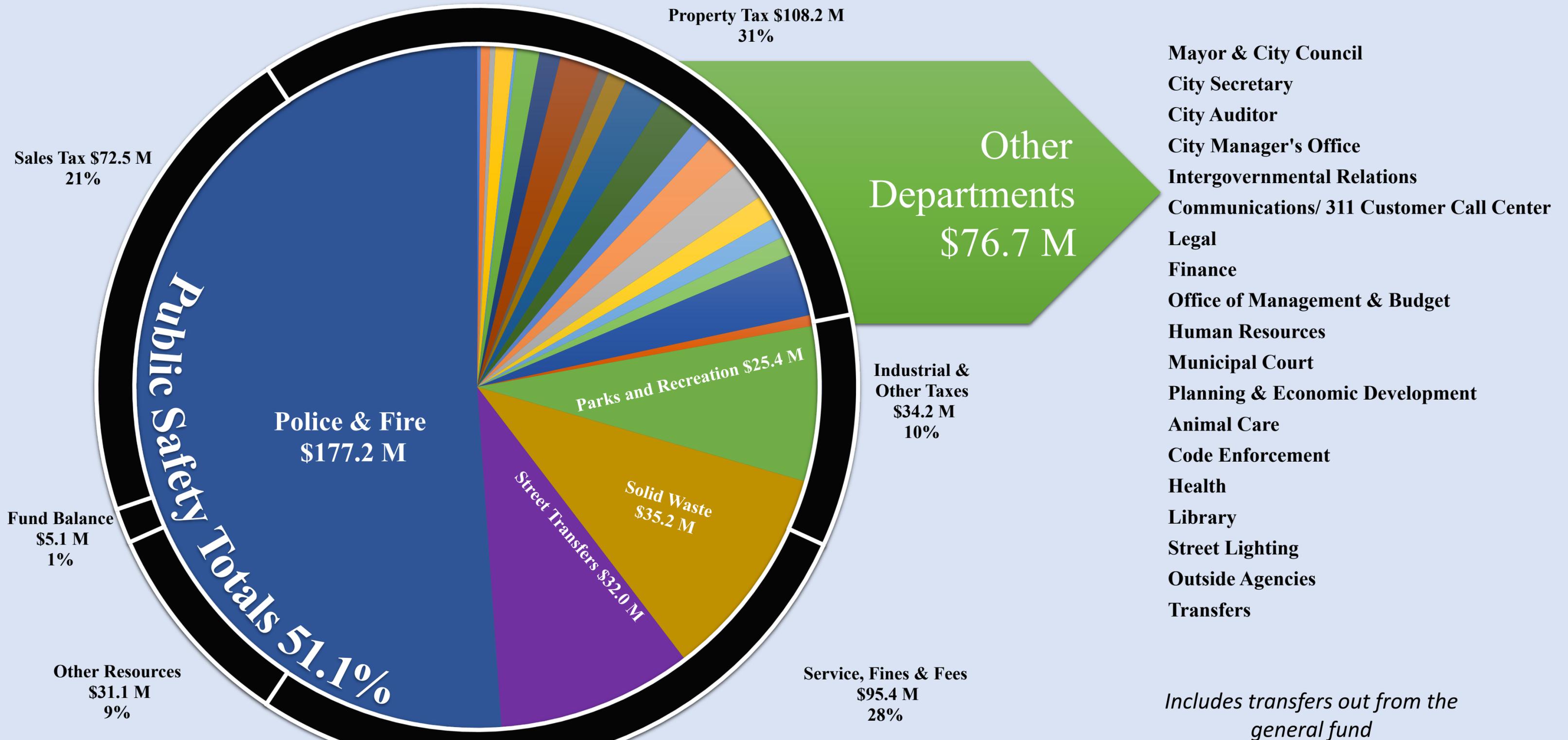


20%
Decrease



Excludes transfers between funds and excludes internal service funds as budgets are included in listed funds.

FY 2026 General Fund Budget: \$346.5 Million



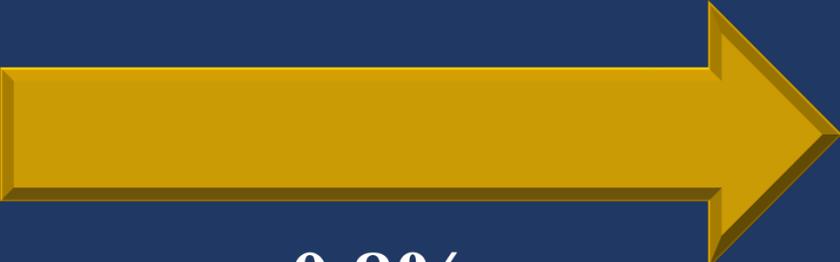
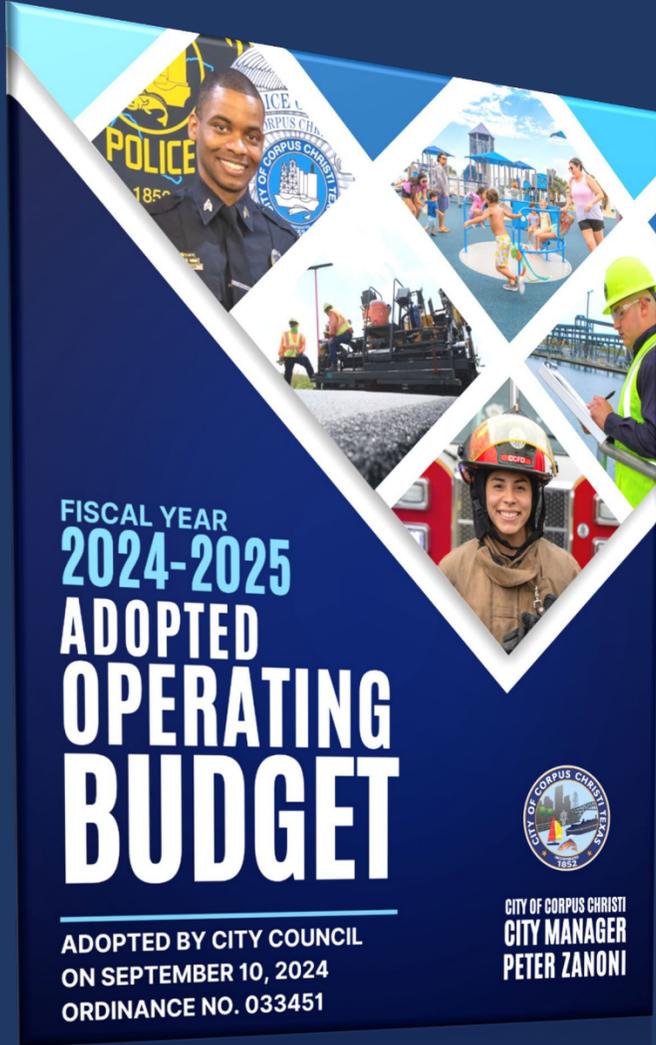
General Fund FY 2026 Proposed Budget

FY 2025 Adopted Budget

\$343.8 Million*

FY 2026 Proposed Budget

\$ 346.5 Million*



0.8%
Increase



* Includes transfers out from the general fund

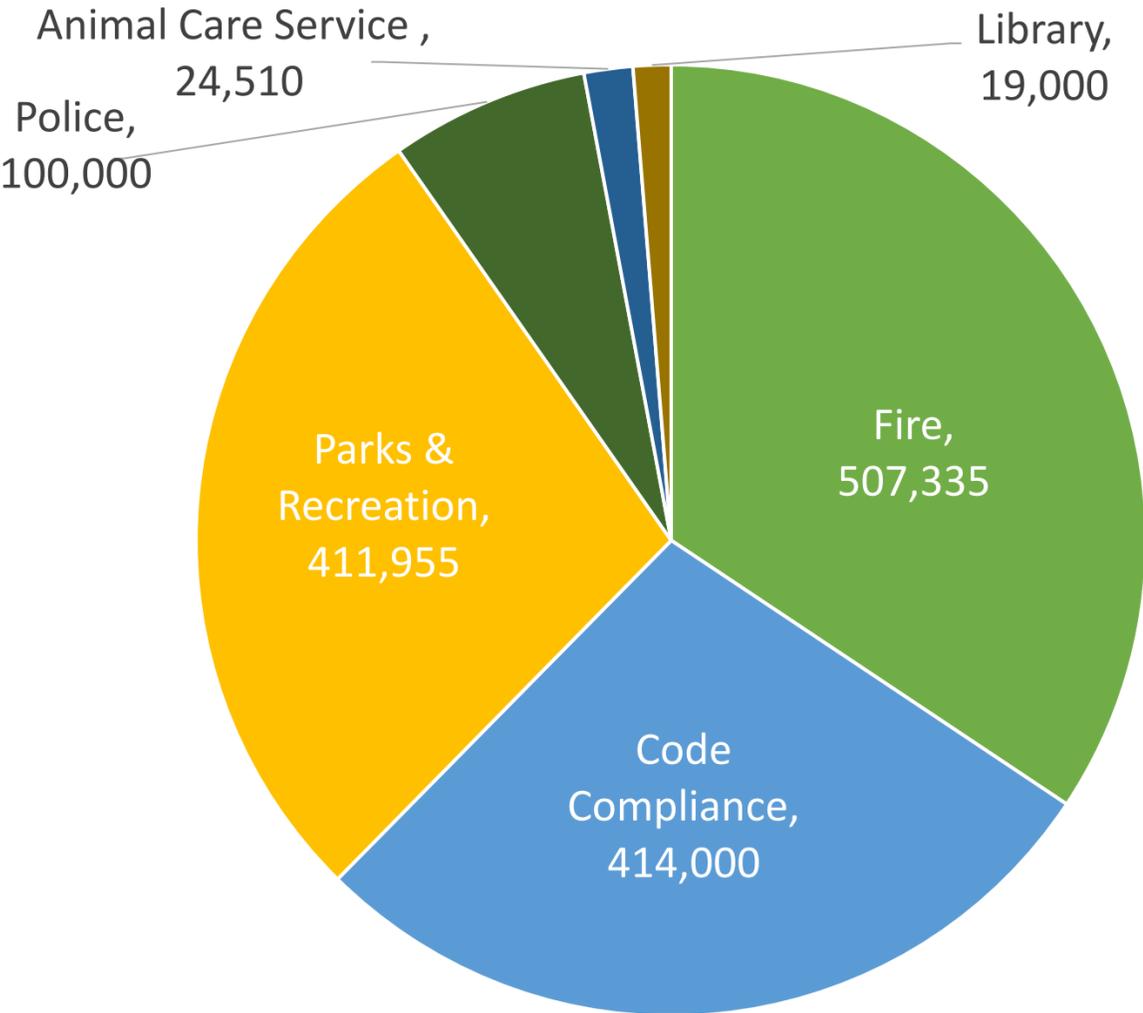
FY 26 GENERAL FUND OVERVIEW

	POLICE	FIRE	PARKS & REC	ANIMAL CARE	MAYOR & COUNCIL CITY SECRETARY	CITY MANAGER	CITY AUDITOR	CITY ATTORNEY	SOLID WASTE	CODE COMPLIANCE	PLANNING & ECONOMIC DEVELOPMENT	HUMAN RESOURCES	COMMUNICATIONS	INTERGOVERNMENTAL RELATIONS	FINANCE	MUNICIPAL COURT	HEALTH	LIBRARY
MANDATED INCREASES	✓	✓	✓						✓		✓							
ENHANCEMENTS	✓	✓	✓	✓			✓					✓			✓			
REDUCTIONS	✓	✓	✓		✓	✓		✓		✓	✓	✓	✓			✓	✓	✓
REVENUE CHANGES	✓	✓	✓	✓						✓								

General Fund Revenue Fee for Service Changes



Department	Annual Increase
Fire	\$507,335
Code Compliance	\$414,000
Parks & Recreation	\$411,955
Police	\$100,000
Animal Care Service	\$24,510
Library	\$19,000
Total Revenue Changes	\$1,476,801



Detail for all fee changes is available on pages 59-66 of the Proposed Budget Book

Code Compliance Revenue Changes

- Code Compliance identified 1,380 vacant buildings
- Proposed annual increase to revenues is \$414,000 for both fees



Description	Current Fee	Proposed Fee	Fee Change \$	Fee Change %
Vacant Building Registration	N/A	\$250	\$250	New
Vacant Building Inspection	N/A	\$50	\$50	New

Fire Department Revenue Changes

- Adjust the Emergency Medical Service(EMS) revenue for medical inflation annually - \$314K
- Fire Hydrant Maintenance for CCW - \$193K
- Proposed annual increase to revenues is \$507,335



Fee Name	Current Fee	Proposed Fee	Fee Change \$	Fee Change %
EMS-Mileage Charge for Patient Pickup at Hospital	\$15.45	\$15.82	\$0.37	2%
EMS-Response to Medical Alarm	\$61.80	\$63.28	\$1.48	2%
EMS Non-Residential	\$128.75	\$131.84	\$3.09	2%
EMS-Additional Personnel	\$46.35	\$47.46	\$1.11	2%
Fire Hydrant Maintenance (annual rate)	\$327,480	\$520,644	\$193,164	59%

Police Department Revenue Changes

- Police has identified an opportunity to host professional training at the new Police Training Academy for outside agencies and other partners
- Proposed annual revenue increase \$100,000



Fee Name	Current Fee	Proposed Fee	Fee Change \$	Fee Change %
Academy Training – Basic Course	N/A	\$150-300	\$150-300	New
Academy Training – Intermediate Course	N/A	\$350-600	\$350-600	New
Academy Training – Advanced Course	N/A	\$650-1,200	\$650-1,200	New

Animal Care Services Department Revenue Changes

- Animal Care has not increased:
 - Boarding, Permit, and Impound 1st Occurrence Fees since 2018
 - Impound 2nd Occurrence and Vaccines since 2015
 - Proposed annual revenue increase \$24,510



Fee Name	Current Fee	Proposed Fee	Fee Change \$	Fee Change %
Boarding Fees				
Fee for owner recovered animal	\$10.00	\$15.00	\$5.00	50%
Impound Fees				
Impound fee for 1st Occurrence	\$30.00	\$50.00	\$20.00	67%
Impound fee for 2nd Occurrence	\$50.00	\$75.00	\$25.00	50%
Impound fee for 3rd Occurrence	N/A	\$150.00	\$150.00	New
Commercial Permit				
Increase to Commercial Permit Fee	\$57.00	\$100.00	\$43.00	75%
Vaccines				
DHPP Vaccine Fee Increase	\$10.00	\$15.00	\$5.00	50%
FVRCP Vaccine Fee Increase	\$10.00	\$15.00	\$5.00	50%

Parks & Recreation Revenue Changes

- Parks did a comprehensive review of various fees for service; many have not been adjusted since 2018
- Parks & Recreation proposed revenue increase of \$411,955



Fee Name	Current Fee	Proposed Fee	Fee Change \$	Fee Change %
After Hour Kid Power (AHKP) Fees				
Monthly Fee-First Child	\$109.00	\$125.00	\$16.00	15%
Monthly Fee-Second Child	\$94.00	\$108.00	\$14.00	15%
Summer Program Weekly Fee	\$99.00	\$125.00	\$26.00	26%
Other AHKP Fees average increase of 18%				
Pool Party Rentals (2 Hours up to 50 Guests)				
HEB, Oso, and Collier	\$350.00	\$350.00	\$0.00	0%
Greenwood and West Guth	\$350.00	\$450.00	\$100.00	29%
Natatorium	\$350.00	\$500.00	\$150.00	43%
Bill Witt	N/A	\$600.00	\$600.00	New

(Other fees for pools and aquatics are proposed to increase)

Parks & Recreation Revenue Changes (Continued)



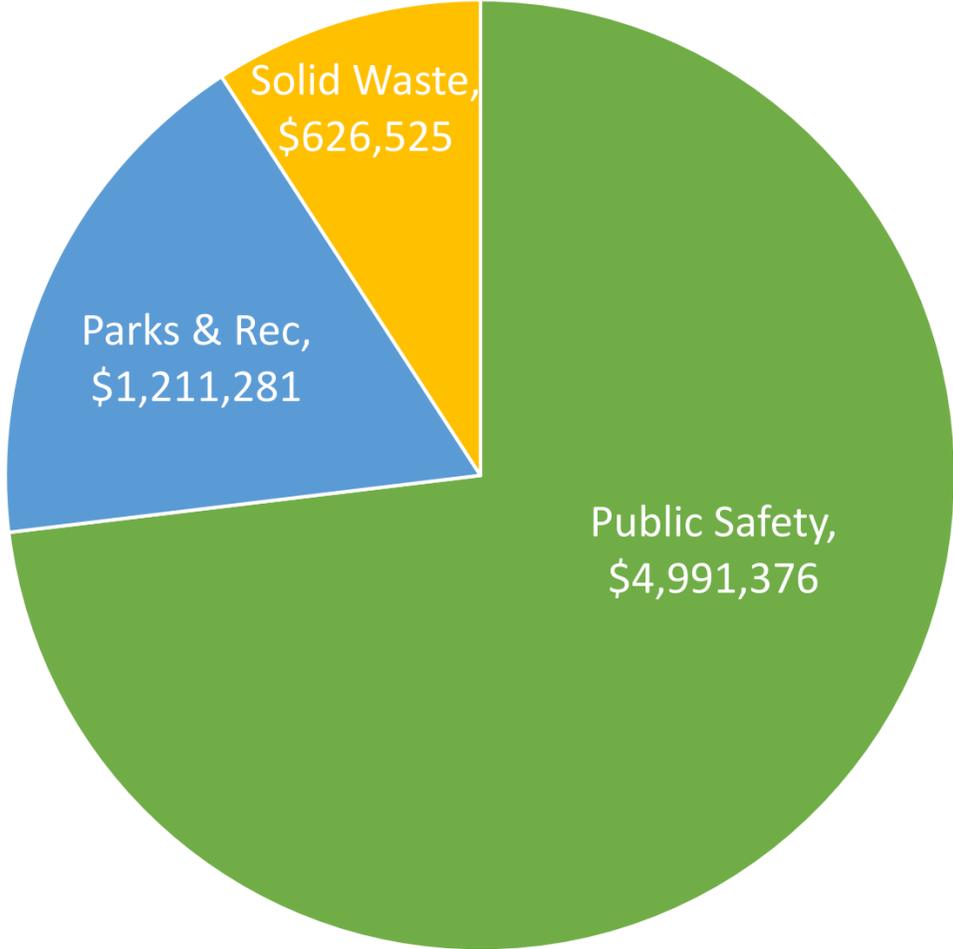
Fee Name	Current Fee	Proposed Fee	Fee Change \$	Fee Change %
Oso Bay Learning Center				
Teen and Youth Camps	\$99.00	\$125.00	\$26.00	26%
Birthday Parties	\$190.00	\$215.00	\$25.00	13%
Outdoor Amphitheater Rental	N/A	\$105.00	\$105.00	New
Classroom Rental	N/A	\$75.00	\$75.00	New
Vendor Permits				
North & McGee Beach	\$150.00	\$200.00	\$50.00	33%
Gulf Beach	\$225.00	\$275.00	\$50.00	22%
Cole Park	\$350.00	\$400.00	\$50.00	14%
Special Events				
Small Event Permit (0-500 attendees)	\$100.00	\$125.00	\$25.00	25%
Medium Event Permit (500-1000 attendees)	\$200.00	\$250.00	\$50.00	25%
Large Event Permit (>1000 attendees)	\$400.00	\$450.00	\$50.00	13%
(Other rental and related fees are proposed to increase)				



Mandated Expenditures



Department	Amount
Public Safety	\$4,991,376
Parks & Recreation	\$1,211,281
Solid Waste	\$626,525
Total Mandates	\$6,829,182



Police Department Mandates

- Collective Bargaining Agreement (Year 3 of 4)
 - 3% pay increase for all sworn employees effective April 1, 2026
 - Increase of Overtime to align with pay increases





Fire Department Mandates

- Collective Bargaining Agreement (Year 2 of 4)
 - 3% pay increase for all sworn employees effective October 1, 2025
 - Increase of Overtime to align with pay increases
- Five Year plan to fund the Firefighter Pension Fund (Year 5 of 5)
 - Increase City's contribution to Firefighter Pension Fund by 0.984%
- Firefighter Occupational Cancer Screening & Physicals
- EMS Billing contract increase due to higher revenues (% of revenues)

Parks & Recreation Mandates

- Funding to operate and maintain new park systems opening in FY 2026
 - Northside Aquatics Facility (Add 18 positions; 16 PT and 2 FT)
 - Harbor Bridge Parks (Add 6 positions)
 - Trail System Team (Add 4 positions)



Solid Waste Department Mandates

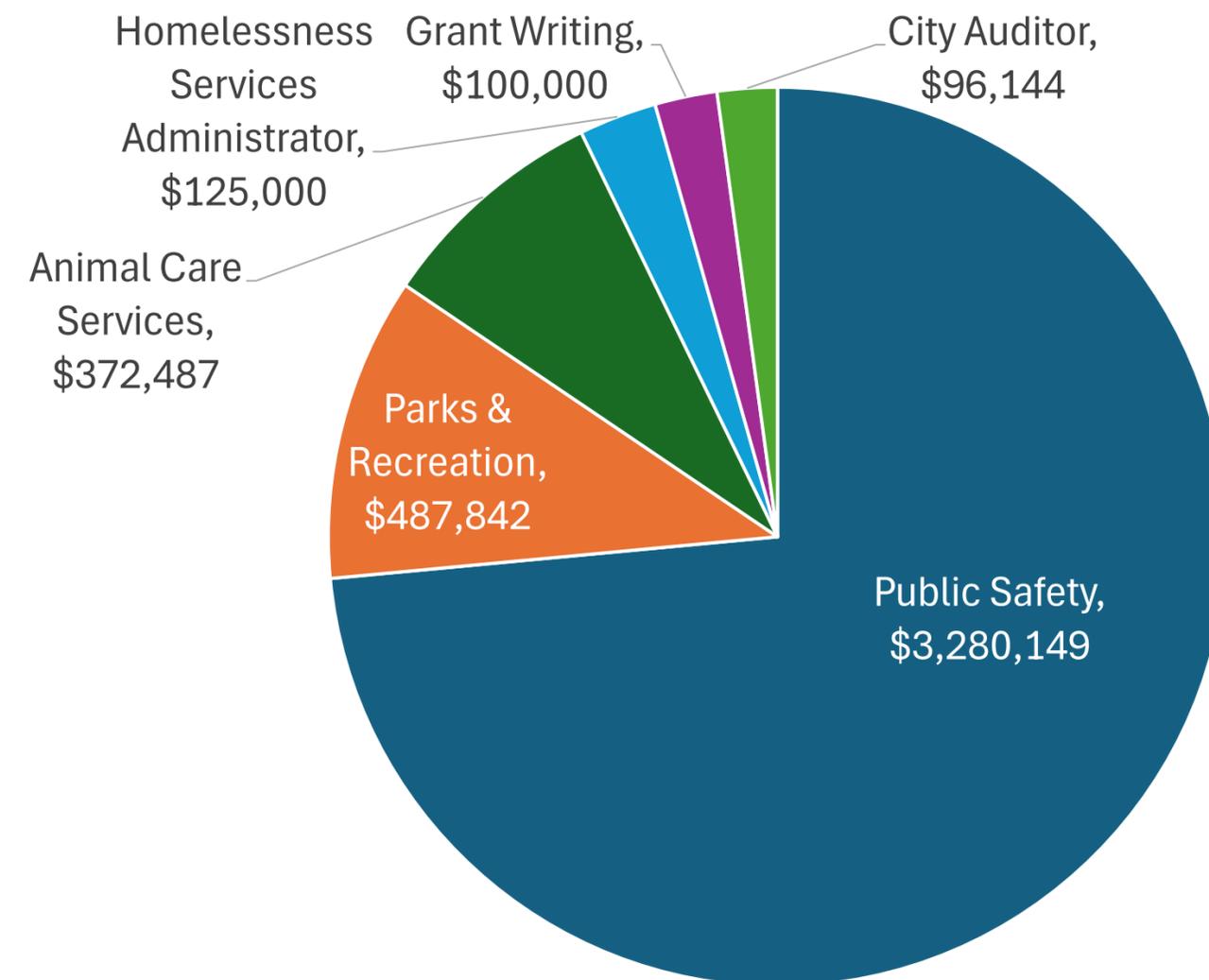
- Contractual increases for contracts:
 - Push and pack
 - Recycling



Enhancements to Expenditures



Department	Amount
Animal Care Services	\$372,487
City Auditor's Office	\$96,144
Public Safety	\$3,280,149
Grant Writing	\$100,000
Parks & Recreation	\$487,842
Homelessness Services Administrator	\$125,000
Total Enhancements	\$4,461,622



Additional funding for a 1% cost of living adjustment (COLA) on October 1, performance pay funded at an average of 2% beginning January 1 for all civilian employees and improvements to the Texas Municipal Retirement System (TMRS) plan for Police sworn and all civilian employees

Police Department Enhancements

- Police Training Academy for 25 trainees to begin July 2026
- Funding for 5 additional Officers



Fire Department Enhancements

- Fire Academy for 23 Cadets to begin January 2026
- Funding for 5 additional Firefighters



Animal Care Services Enhancements

- Free Spay / Neuter Vouchers
- Additional Administrative / Dispatcher position
- Supplemental Veterinary Services



City Auditor's Office Enhancements

- Additional Funding for Salaries and Benefits per discussion at Audit Committee Meeting \$96K

Additional request from City Auditor's Office presented after Audit Committee Meeting, not in proposed budget:

- New Audit Software (annual fee plus implementation)
 - \$25,000 annual
 - \$7,000 one-time implementation
- Professional Services - \$20,000
- Certification Incentive Pay Program - \$4,000



United States Government Accountability Office
By the Comptroller General of the
United States

February 2024

GOVERNMENT
AUDITING
STANDARDS

2024 Revision

Global
Internal Audit
Standards™

2024 EDITION



Finance Department Enhancements

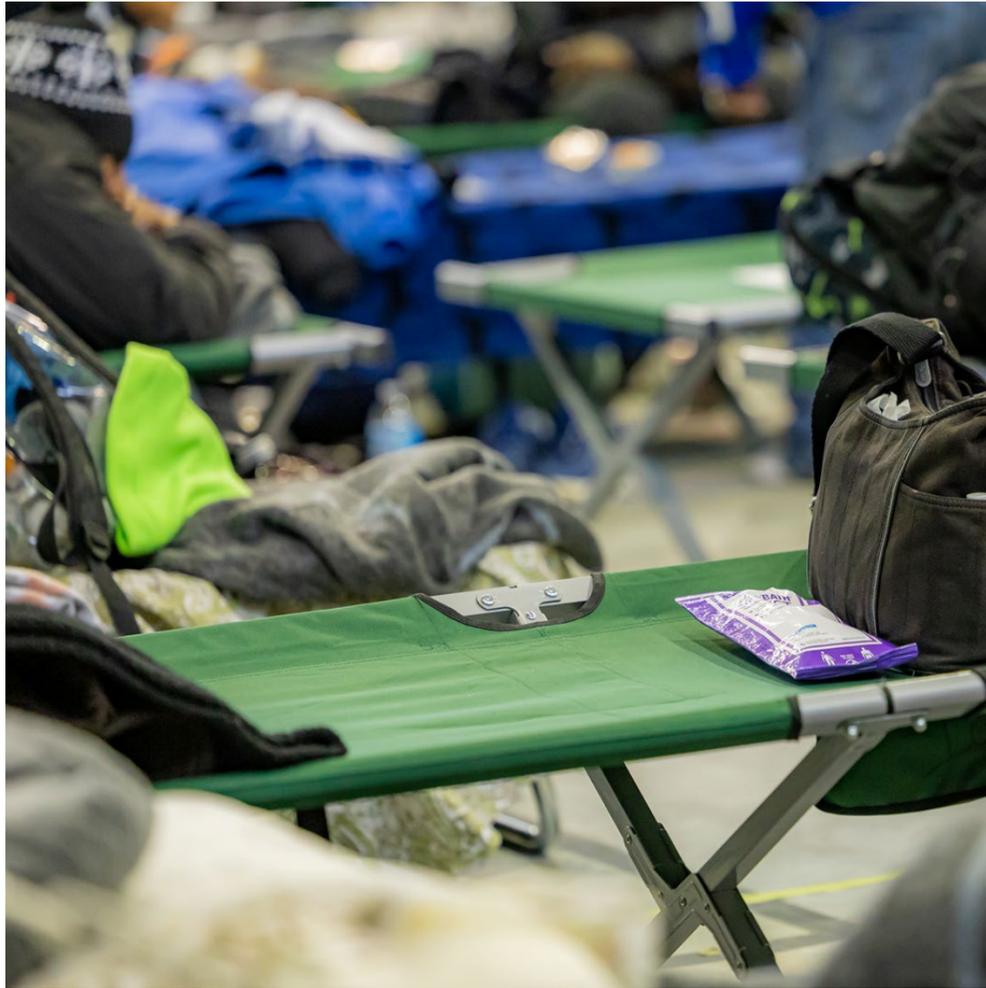
Grant Writing Professional Services





Parks & Recreation Enhancements

- Continuation of Athletic Field Maintenance Program (Phase 2)
 - Addition of 4 positions
 - \$187K one-time
 - \$301K recurring



Planning & Economic
Development
Department
Enhancements

- Addition of 1 Homelessness Services Administrator position

Texas Municipal Retirement System (TMRS)



Plan Provisions	Current Provisions	Proposed Provisions Effective January 1, 2026
Employee Contribution Rate	7%	8%
City Matching Ratio	2 to 1	2 to 1
Updated Service Credit (USC)	100% (Repeating)	100% (Repeating)
Transfer USC	No	Yes
COLA	30% (Repeating Annually)	30% (Adopted Annually)
Retroactive COLA	No	Yes
Retirement Eligibility	20 Years	20 Years
Vesting	5 Years	5 Years
Supplemental Death Benefit	None	None

Civilian and Police Retirement Benefits

Texas Municipal Retirement System (TMRS)



What do the changes to the TMRS Plan mean for employees?

- Mandatory employee contribution of 8%, City matching contribution of 16%
 - To offset, propose for all civilian employees to receive a 1% pay increase October 1, 2025
- Transfer Updated Service Credit (USC)
 - Transfer feature allows the USC calculation to include previous employment with other TMRS cities
 - Adjusting the USC to align with the top 20 cities in Texas who participate in TMRS
- The Cost of Living Adjustment (COLA) will change from Annual Repeating to Ad Hoc
 - This change was made to help offset the cost of increasing the city's contribution toward TMRS
 - When the TMRS plan is on COLA Annual Repeating, the City automatically adjusts for COLA each year
 - When the TMRS plan is on COLA Ad Hoc, the City Council must take action to trigger a COLA each year
 - The City has a 6-year plan to increase contributions each year and return to Annual Repeating by FY 2032
- Retroactive COLA for retirees
 - Calculates based on the change in consumer price index since the date of retirement
 - Currently, non-retroactive COLA only looks at the most recent year

Civilian and Police Retirement Benefits

Reductions to Expenditures



Department	Amount
City Attorney's Office	\$105,609
City Manager's Office	925,457
City Secretary / City Council Offices	49,474
Code Compliance	213,854
Communications	278,653
Court Administration	150,570
Fire Department (One-time)	240,000
Health	284,357
Human Resources	213,748
Libraries	144,378
Mayor's Office	76,139
Parks & Recreation	489,737
Planning & Economic Development	531,284
Police Department (One-time)	122,311
Total Reductions	\$3,825,571





City Attorney Reduction

- Hold City Attorney II vacant for 12 months (continuation from FY 2025)



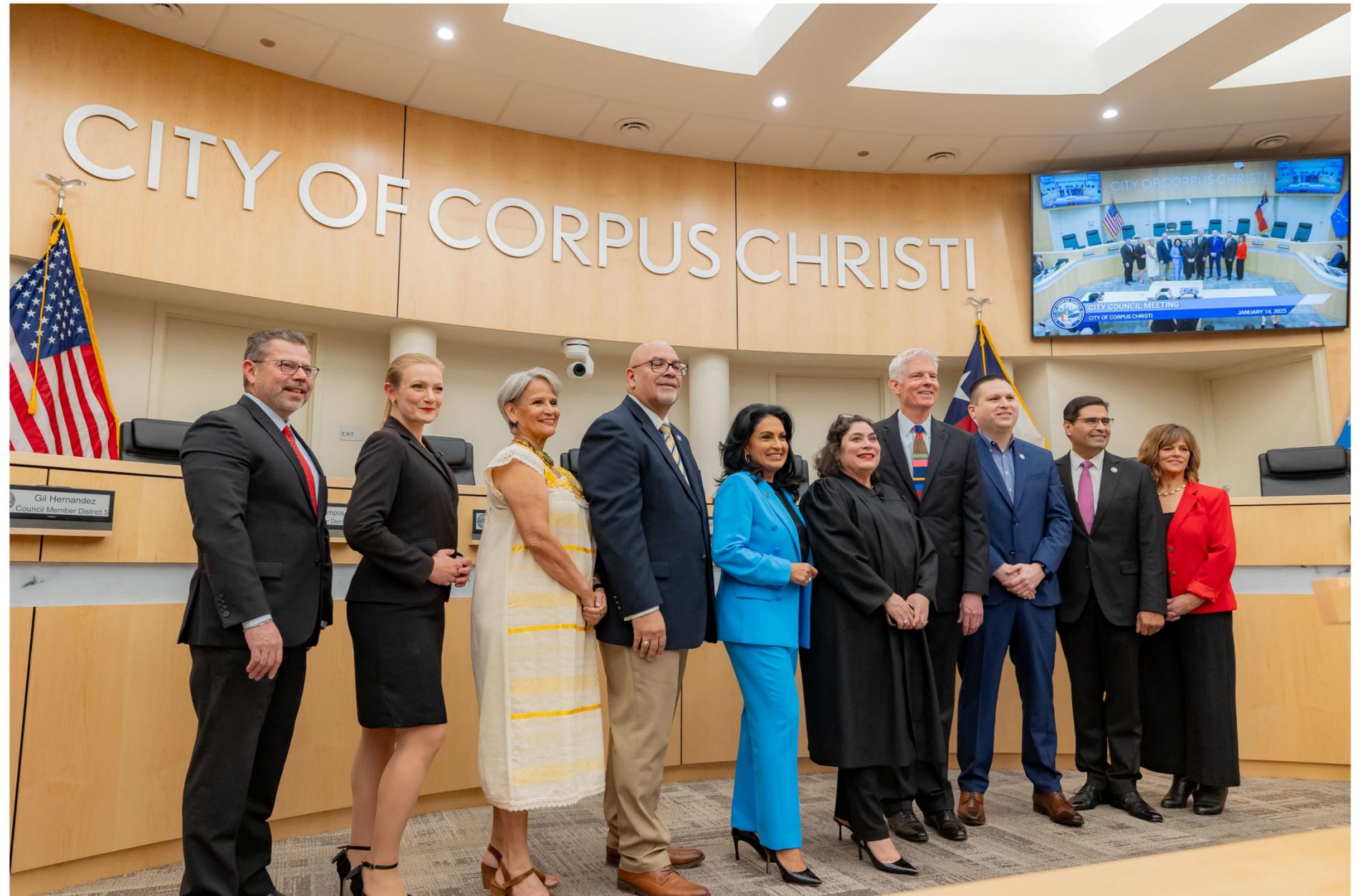
City Manager Reductions

- Eliminate Reserve Appropriation
- Hold Assistant City Manager and Executive Management Assistant vacant 12 months



City Secretary, City Council & Mayor's Office Reductions

- Hold Constituent Relations position vacant for 7 months
- Hold Mayor's Public Relations Specialist vacant for 12 months



Code Compliance Reductions

- Eliminate 2 vacant Code Compliance Officer positions
- Eliminate 1 vacant Administrative position





Communications Reductions

- Reduce Call Center hours to match service demands
 - From 7am – 6pm to 8am – 5pm
- Eliminate Office lease for 311 Call Center
- Reduce temporary salaries
- Transfer 1 IT System Administrator position from the General Fund to the IT Internal Service Fund

Court Administration Reductions

- Eliminate food budget for staff at the Detention Center
- Reduce Professional Services and Rentals
- Reclassify Assistant Director position to Court Administrator position



Fire Department Reductions

- One-time reduced funding for Del Mar tuition for Fire Cadets
- One-time reduced funding for promotion testing





Health Department Reduction

- Move Nursing Health Services out of the General Fund to the Charity Care Program Fund (a Special Revenue Fund)

Human Resources Department Reductions

- Eliminate 1 Organizational Development Manager position
- Reclassify 2 Workforce Development Specialist positions
- Reduce Organizational Development Courses, Memberships, and Professional Services



Libraries Reductions

- Reduce Books & Periodicals budget
- Due to Flour Bluff ISD (FBISD) operations change effective August 11 for student safety protocols, eliminate 1 vacant Branch Manager at Harte Library



Parks & Recreation Department Reductions

- Eliminate 2 positions in After Hour Kid Power (AHKP) to right-size the operations based on current needs
- Transfer 1 Custodian position from the General Fund to Asset Management (Internal Service Fund)
- Reduce budget through savings achieved with new business model at Tennis Centers
- Transfer the operations of Oso Bay Learning Center to a Special Revenue Fund to be funded primarily through contributions from other agencies, with minimal General Fund support



Planning & Economic Development Department Reductions

- Restructure the Economic Development Department into the Planning Department and eliminate 3 positions
- Reduce operating expenses
- Hold 1 Special Project Manager vacant for 12 months
- Eliminate Fee Waiver program for Infill Housing Development





Police Department Reductions

- Transfer a custodial maintenance contract from the General Fund to Asset Management (Internal Service Fund) and reduce budget for janitorial supplies
- Transfer Police Academy landscaping contract from the General Fund to Asset Management (Internal Service Fund)

General Fund Expenditures

(\$ in Millions)	FY 2025 Adopted Budget	FY 2026 Proposed Budget	Increase / (Decrease)
General Government	\$30.8	\$31.6	\$0.8
Fire Department	80.7	84.8	4.1
Police Department	87.0	92.4	5.4
Animal Care Services	5.0	6.2	1.2
Code Compliance	3.5	3.6	0.1
Health Department	6.0	6.0	0.0
Library	6.2	6.4	0.2
Parks & Recreation	23.1	25.4	2.3
Planning & Economic Development	4.6	4.1	(0.5)
Solid Waste	35.9	35.2	(0.7)
Non-Operating Expenses	60.9	50.6	(10.3)
Total General Fund	\$343.8	\$346.5	2.7



Enterprise Funds Expenditures

(\$ in Millions)	FY 2025 Adopted Budget	FY 2026 Proposed Budget	Increase / (Decrease)
Water Fund	\$175.5	\$183.4	\$7.9
Aquifer Storage & Recovery	0.1	0.1	0.0
Backflow Prevention Fund	0.0	0.0	0.0
Drought Surcharge Exemption	8.9	12.6	3.7
Raw Water Supply Fund	8.0	2.2	(5.8)
Choke Canyon Fund	0.2	0.2	0.0
Gas Fund	56.4	59.6	3.2
Wastewater Fund	113.5	113.6	0.1
Storm Water Fund	33.7	32.3	(1.4)
Airport Funds	15.4	16.2	0.8
Golf Funds	0.2	0.5	0.3
Marina Fund	2.3	2.5	0.2
Total Enterprise Funds	\$414.2	423.2	\$9.0

Special Revenue Funds Expenditures

(\$ in Millions)	FY 2025 Adopted Budget	FY 2026 Proposed Budget	Increase / (Decrease)
HOT Fund	\$24.5	\$19.2	(\$5.3)
Public, Education & Gov.	0.8	0.8	0.0
SHOT Fund	7.5	6.3	(1.2)
Municipal Court Funds	0.7	0.5	(0.2)
Parking Improvement Fund	0.1	0.2	0.1
Street Maintenance Fund	51.7	46.8	(4.9)
Residential Street Reconstruction Fund	26.3	16.4	(9.9)
Health Funds	2.8	2.3	(0.5)
Dockless Vehicle Fund	0.4	0.6	0.2
MetroCom Fund	8.7	9.0	0.3
Law Enforcement Trust Fund	0.7	1.4	0.7

Special Revenue Funds Expenditures (Cont.)

(\$ in Millions)	FY 2025 Adopted Budget	FY 2026 Proposed Budget	Increase / (Decrease)
TIRZ Funds	\$21.7	\$16.8	(\$4.9)
Type A Funds	34.5	6.5	(28.0)
Type B Funds	17.3	13.2	(4.1)
Oso Bay Learning Center Fund	0.0	0.2	0.2
Development Services Fund	10.5	10.4	(0.1)
Convention Center Complex Fund	14.8	17.2	2.4
Park Development Fund	1.5	1.8	0.3
Tourism Public Improvement District Fund	3.0	2.8	(0.2)
Local Emergency Planning Committee Fund	0.2	0.2	0.0
Crime Control & Prevention Fund	11.9	11.2	(0.7)
Total Special Revenue Funds	\$239.6	\$183.8	(\$55.8)

Internal Service Funds Expenditures

(\$ in Millions)	FY 2025 Adopted Budget	FY 2026 Proposed Budget	Increase / (Decrease)
Contracts & Procurement Fund	\$3.8	\$4.0	\$0.2
Asset Management – Fleet Maintenance	20.4	21.1	0.7
Asset Management – Equipment Replacement	31.1	17.4	(13.7)
Asset Management – Facilities	10.3	11.7	1.4
Information Technology Fund	21.5	21.5	0.0
Engineering Services Fund	13.3	17.4	4.1
Employee Benefits Funds (Fire, Police, Civilian)	51.5	55.7	4.2
Risk Funds (Workers’ Comp, Liability)	16.4	18.1	1.7
Total Internal Service Funds	\$168.3	\$166.9	(\$1.4)

Debt Service Funds Expenditures

(\$ in Millions)	FY 2025 Adopted Budget	FY 2026 Proposed Budget	Increase / (Decrease)
Seawall Improvement Debt Fund	\$2.9	\$2.9	\$0.0
Arena Facility Debt Fund	3.5	0.2	(3.3)
General Obligation Debt Fund	70.6	53.1	(17.5)
Water System Debt Fund	32.7	41.9	9.2
Wastewater System Debt Fund	21.3	25.0	3.7
Gas System Debt Fund	1.8	2.5	0.7
Storm Water System Debt Fund	17.0	19.1	2.1
Airport Debt Funds	2.1	2.1	0.0
Marina Debt Fund	0.2	0.2	0.0
Total Debt Service Funds	\$152.1	\$147.0	(\$5.1)

Projected Fund Balance Comparison

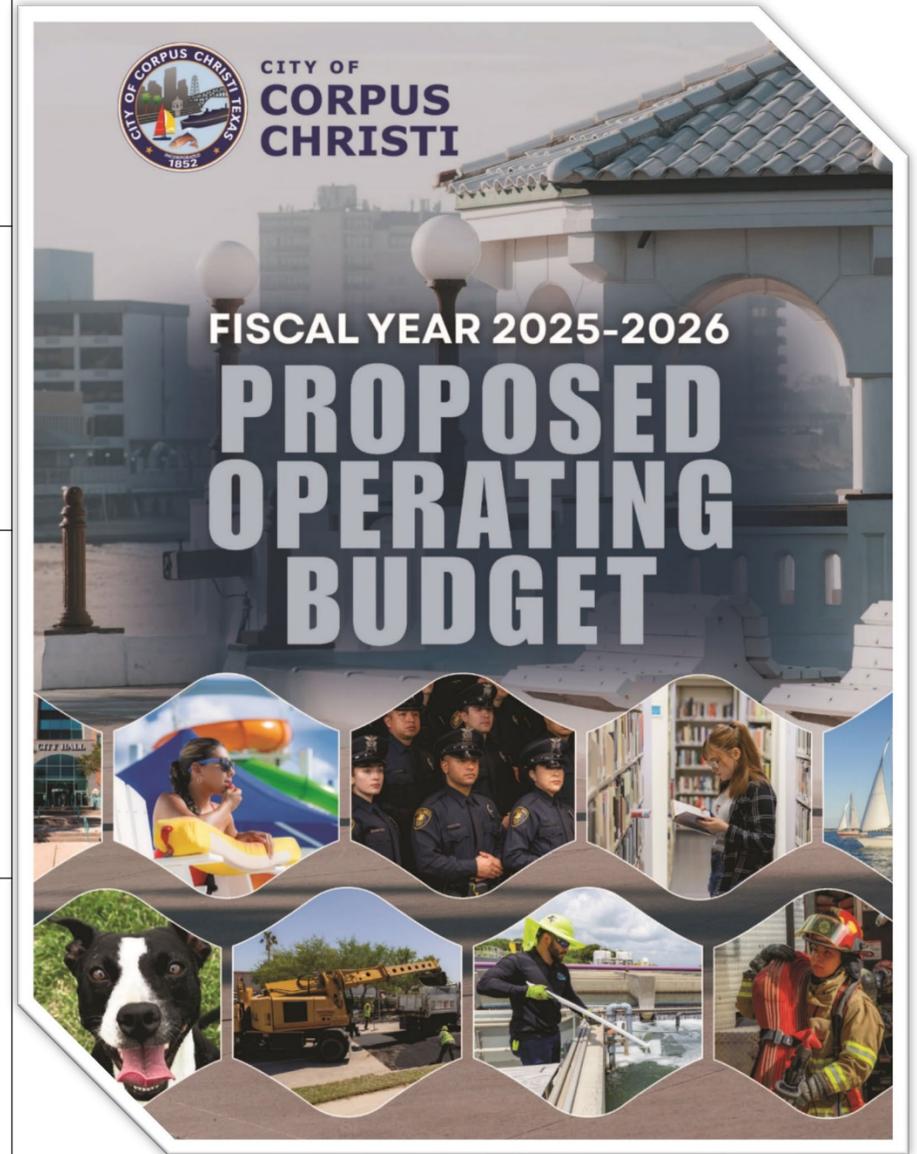
(\$ in Millions)	FY 2025 Adopted Ending Balance	FY 2026 Proposed Ending Balance ¹	Reserve Policy
General Fund	\$67.5	\$69.5	\$69.3 (20%)
Water Fund	43.9	45.8	45.8 (25%)
Wastewater Fund	28.4	28.4	28.4 (25%)
Storm Water Fund	11.7	18.2	8.1 (25%)
Gas Fund	5.8	6.7	9.7 (25%)
HOT Fund	2.7	0.9	No Reserve Policy
SHOT Fund	1.4	0.1	No Reserve Policy
Street Maintenance Fund	2.1	4.5	No Reserve Policy
Residential Street Fund	8.2	7.0	No Reserve Policy
Fire Employee Health Benefit Fund	4.0	0.8	1.0 (IBNR/Cat)
Police Employee Health Benefit Fund	3.5	2.6	1.4 (IBNR/Cat)
Citicare Employee Health Benefit Fund	7.5	(0.8)	3.5 (IBNR/Cat)

¹ Excludes reserve for commitments

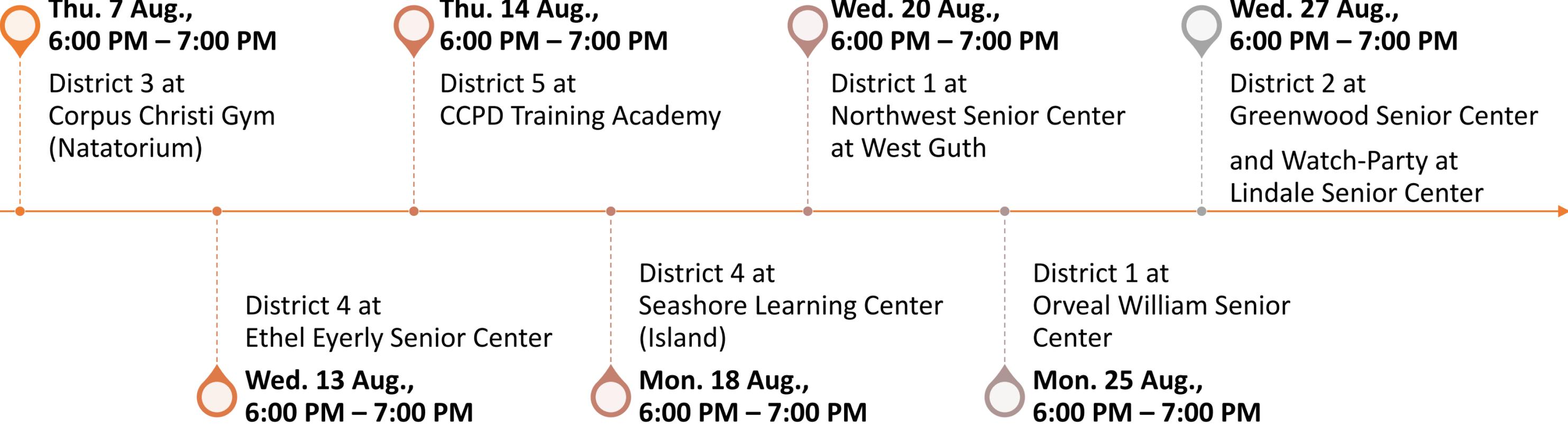
FY 2026 Budget Workshops



Date	Time	Topics
<p>Thursday, August 7, 2025 Council Chambers</p>	<p>9am - 1pm</p>	<p>FY 2026 All Funds Budget Overview and FY 2026 General Fund Proposed Budget</p>
<p>Wednesday, August 13, 2025 Council Chambers</p>	<p>9am - 1pm</p>	<p>CCW FY 2026 Operating Budget, CIP, and Proposed Rates</p>
<p>Thursday, August 21, 2025 Council Chambers</p>	<p>9am - 1pm</p>	<p>CCW Continued; Public Works: Streets and Storm Water FY 2026 Operating Budget, CIP and Proposed Rates</p>
<p>Thursday, August 28, 2025 Council Chambers</p>	<p>9am - 1pm</p>	<p>Remaining CIP Program, Budget Wrap-Up</p>



Community Input Sessions





CITY OF
**CORPUS
CHRISTI**

FISCAL YEAR 2025 - 2026

PROPOSED OPERATING BUDGET

