



**AGENDA MEMORANDUM**  
City Council Meeting of August 21, 2025

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**DATE:** August 21, 2025

**TO:** Peter Zaroni, City Manager

**FROM:** Amy Cowley, Director of Management and Budget  
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361-826-3796

<b>FY 2026 Proposed Budget Workshop #3: Public Works (Streets &amp; Storm Water)</b>
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**STAFF PRESENTER(S):**

	<b><u>Name</u></b>	<b><u>Title/Position</u></b>	<b><u>Department</u></b>
1.	Ernesto De La Garza	Interim Asst. City Manager	Public Works

**ISSUE:**

This is the third of four City Council workshops to discuss the FY 2026 Proposed Budget. The topic for the third workshop includes Public Works (Streets & Storm Water) proposed budgets.

**BACKGROUND:**

At this workshop, the City Council will be presented with the FY 2026 Proposed Budget for Streets and Storm Water. FY 2026 Budget Workshop #3: Public Works (Streets & Storm Water) Proposed Budget.

Public Works - Streets: The focus of the Street Department is to manage, maintain, and develop the City's Street system. The FY 2026 proposed budget for the Streets Department is \$143.9M and includes funding from the Street Maintenance Fund, Residential Street Reconstruction Fund, and Capital Improvement Program. The FY 2026 budget includes \$143.9M for street maintenance and reconstruction which includes Residential and Arterial & Collectors. The FY 2026 Street capital budget contains projects that maintain or improve roadway infrastructure, ensure adequate street lighting, comply with the Americans with Disabilities Act (ADA) requirements, and promote safe and efficient traffic flow.

Public Works – Storm Water: The focus of the Storm Water Department is to collect and convey storm water, protect life and property from storm flooding and protect water quality. In FY 2022, the City joined other major Texas cities and approved a Storm Water maintenance program. A five-year program was presented with improvements and corresponding projected fee

adjustments for each year. City staff is recommending a Storm Water fee increase in FY 2026 to fund improvements in the five-year plan and inflation. The Storm Water rate has three residential tiers: 1) Tier 1 parcels have an impervious cover of less than 3,000 sq. ft. - monthly rate will increase by \$0.95, from \$7.74 to \$8.69; 2) Tier 2 parcels have an impervious cover of 3,000 sq. ft. – 4,500 sq. ft. - monthly rate will increase by \$1.27, from \$10.32 to \$11.59; and 3) Tier 3 parcels have an impervious cover of greater than 4,500 sq. ft. - monthly rate will increase by \$2.22, from \$18.06 to \$20.28. A non-residential customer (all other accounts) currently has a monthly fee of \$10.32 per storm water unit which will increase to \$11.59 per storm water unit. The FY 2026 combined proposed operating and capital budget for the Storm Water Department is \$63.6M and includes funding from the Storm Water Fund and the Capital Improvement Program. FY 2026 is a continuation of the five year planned program improvements and corresponding rate adjustments.

**LIST OF SUPPORTING DOCUMENTS:**

PowerPoint – not attached (Streets and Storm Water)

[FY 2026 Proposed Operating Budget](#)

[FY 2026 Proposed Capital Budget](#)