CITY OF CORPUS CHRISTI
MANAGEMENT & BUDGET

General Fund Budget Forecast for FY 2027

beginning on October 1, 2026

Presented by: Amy Rodriguez, Director of Management and Budget

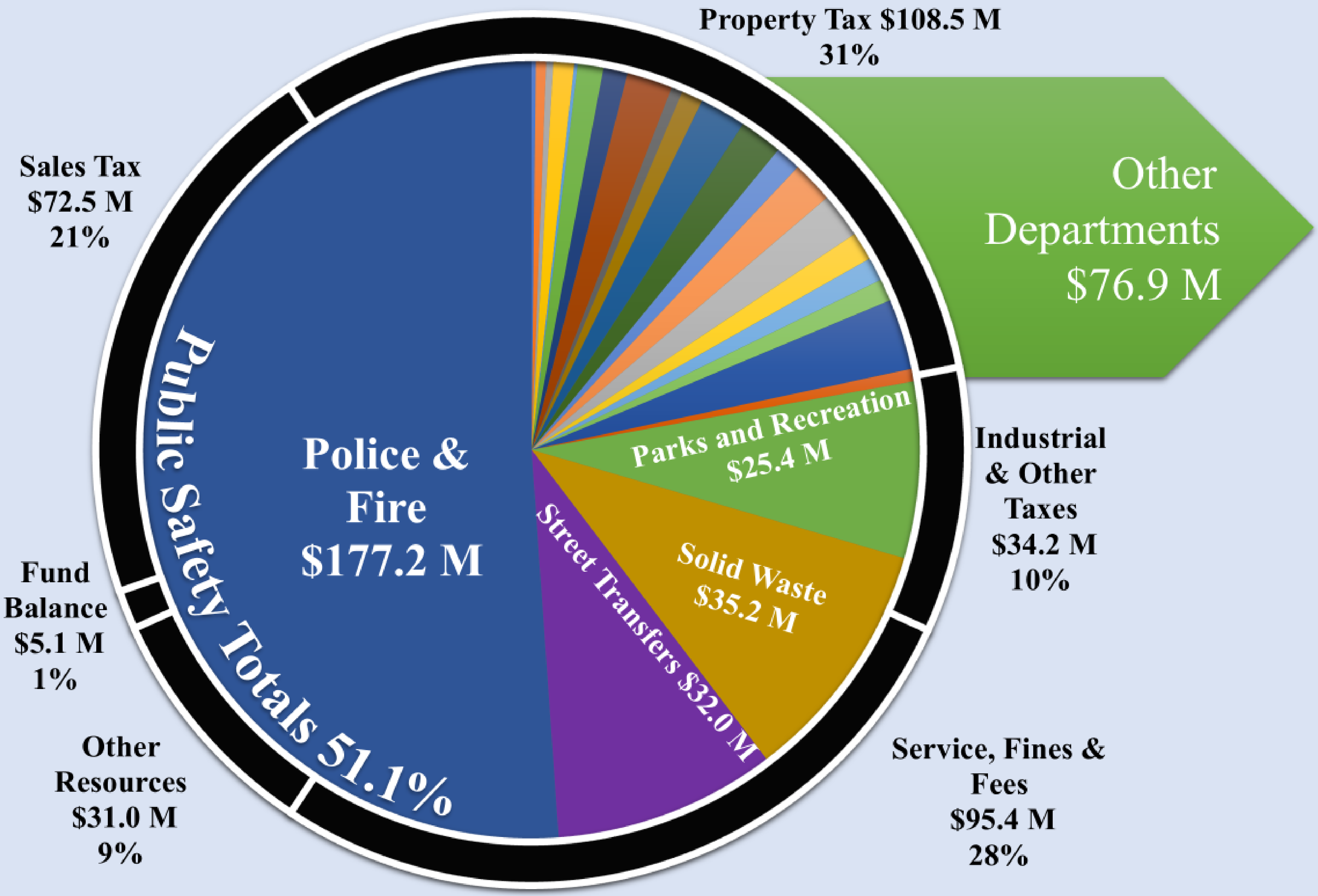
May 19, 2026

General Fund Budget Overview

Overview of Budget Development Process

1. Constantly monitor revenues and historical trends
2. Monthly review with City Manager of budget-to-actual by Department
3. Annual Comprehensive Financial Report (prior year)
4. Re-estimate the current fiscal year
5. Consider economic conditions and other factors
6. Develop (and continue to refine) assumptions
7. Identify your starting point (revenues/resources available)
8. Prioritize expenses based on revenues/resources available

FY 2026 General Fund Budget: $346.7 Million

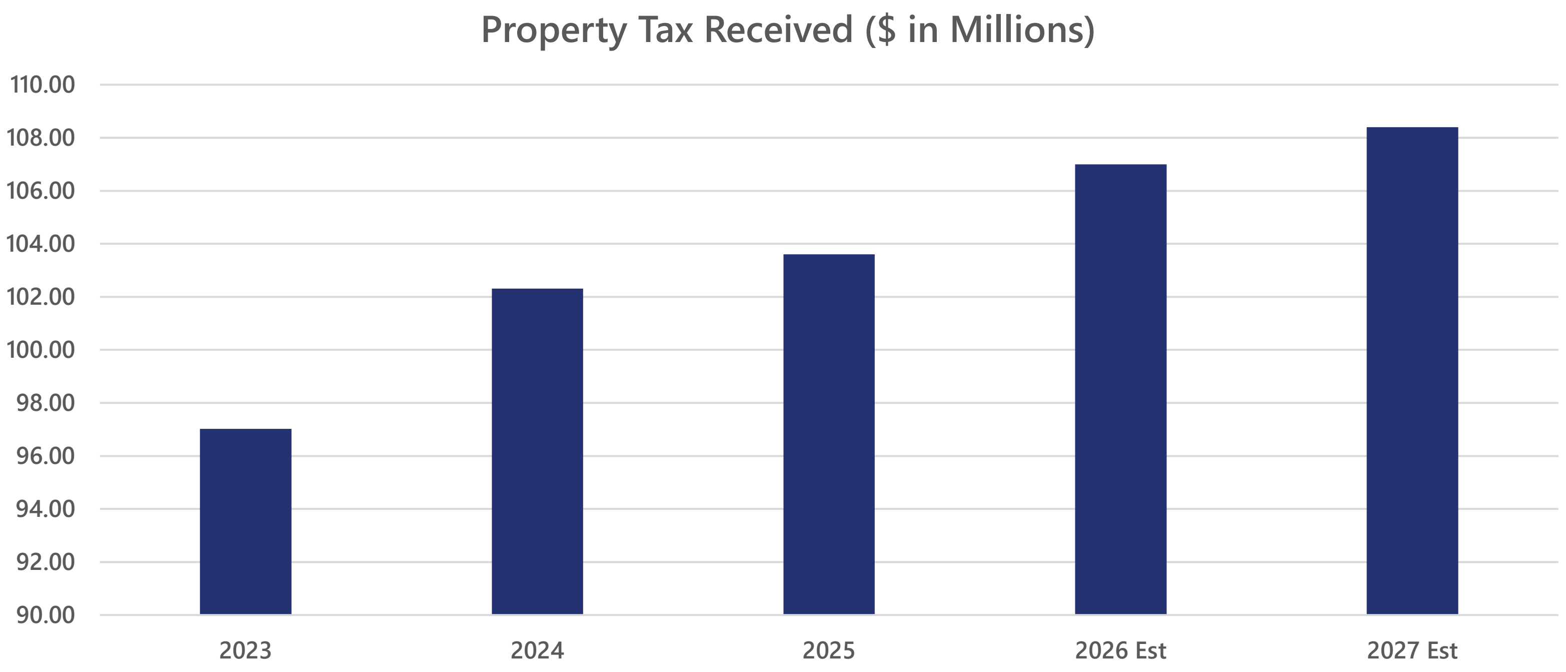


Mayor & City Council
City Secretary
City Auditor
City Manager's Office
Intergovernmental Relations
Communications/ 311 Customer Call Center
Legal
Finance
Office of Management & Budget
Human Resources
Municipal Court
Planning & Economic Development
Animal Care
Code Enforcement
Health
Library
Street Lighting
Outside Agencies
Transfers

Includes transfers out from the general fund

Revenues

Property Tax Revenue (General Fund)



- 5% growth in FY 2023 & FY 2024
- 1% growth in FY 2025
- 3% growth in FY 2026

1.3% growth assumed for FY 2027

Property Valuation Timeline

Property Values are determined by the Chief Appraiser at the Nueces County Appraisal District (NCAD)

January 1 is the Property Value Snapshot (properties are valued at this point in time)

April 1 (single-family residence) and May 1 (all others) Notice of Appraised Value sent

April 30 Preliminary values are typically received

May 15 Property Value Protests due to NCAD

July 25 Certified values due from NCAD

October 1 Nueces County Tax Assessor sends out property tax bills

January 31 Property Tax due

Property Tax: Existing vs. New

The No-New-Revenue tax rate is based on existing property value; it effectively produces the same revenue as last year

M&O property tax revenue is capped at 3.5% increase year over year

- Calculated by taking the No-New-Revenue rate and adding 3.5% to arrive at the Voter-Approval rate

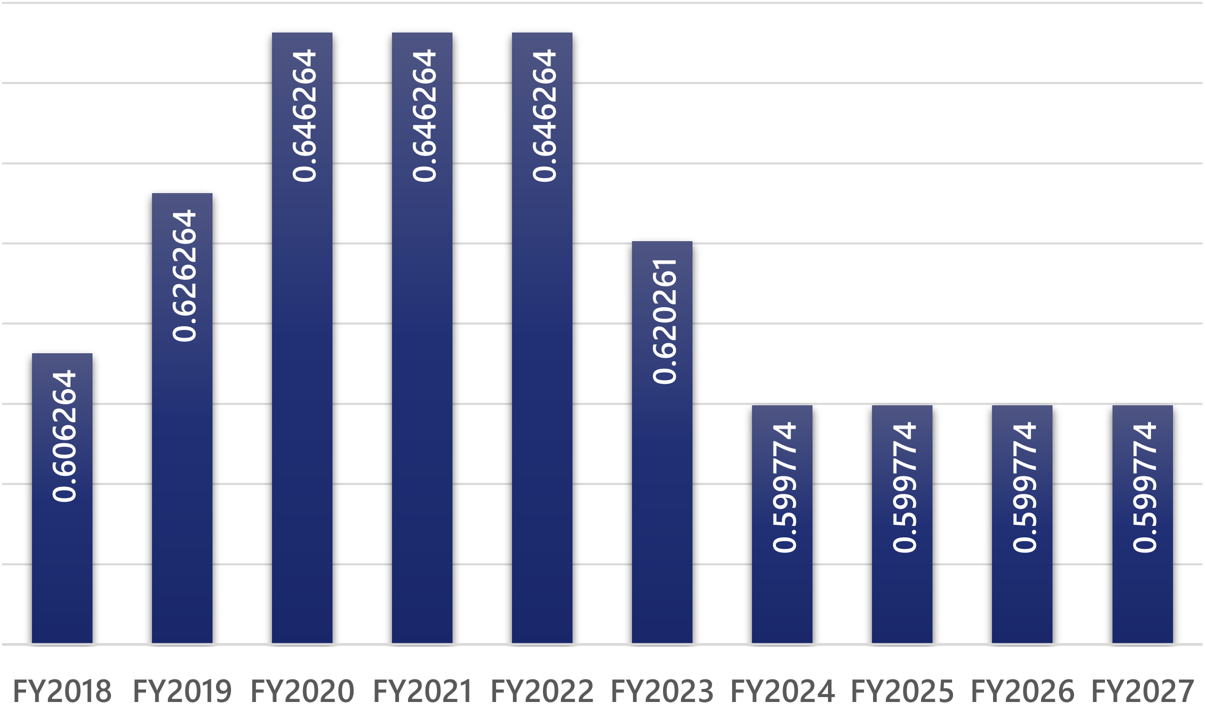
Value of new property is not included in the No-New-Revenue rate calculation

First year's value becomes their base value for future years

- New property added to the roll
- Property purchased in the prior tax year

Property Tax Rate

Adopted Tax Rate per $100 Valuation



Tax rate reduced by $0.04649 since 2020

FY 2019 – increased tax rate by $0.02 and dedicated it to Streets

FY 2020 – increased tax rate by $0.02 and dedicated it to Streets

FY 2024 – tax rate decreased

Taxable Values at $30 billion means $0.01 on the tax rate results in $3 million

Forecast assumes NO change in the tax rate

Property Tax Relief

Substantial Relief to Families and Seniors

City Homestead Exemption Summary		
FY 2024	10%-$5,000 Min	$50,000
FY 2025	20%-$5,000 Min	$62,500
FY 2026	20%-$5,000 Min	$62,500

Prior City Council's have provided significant city property tax relief to all property owners

Payment In-Lieu of Tax (PILOT) Assumptions

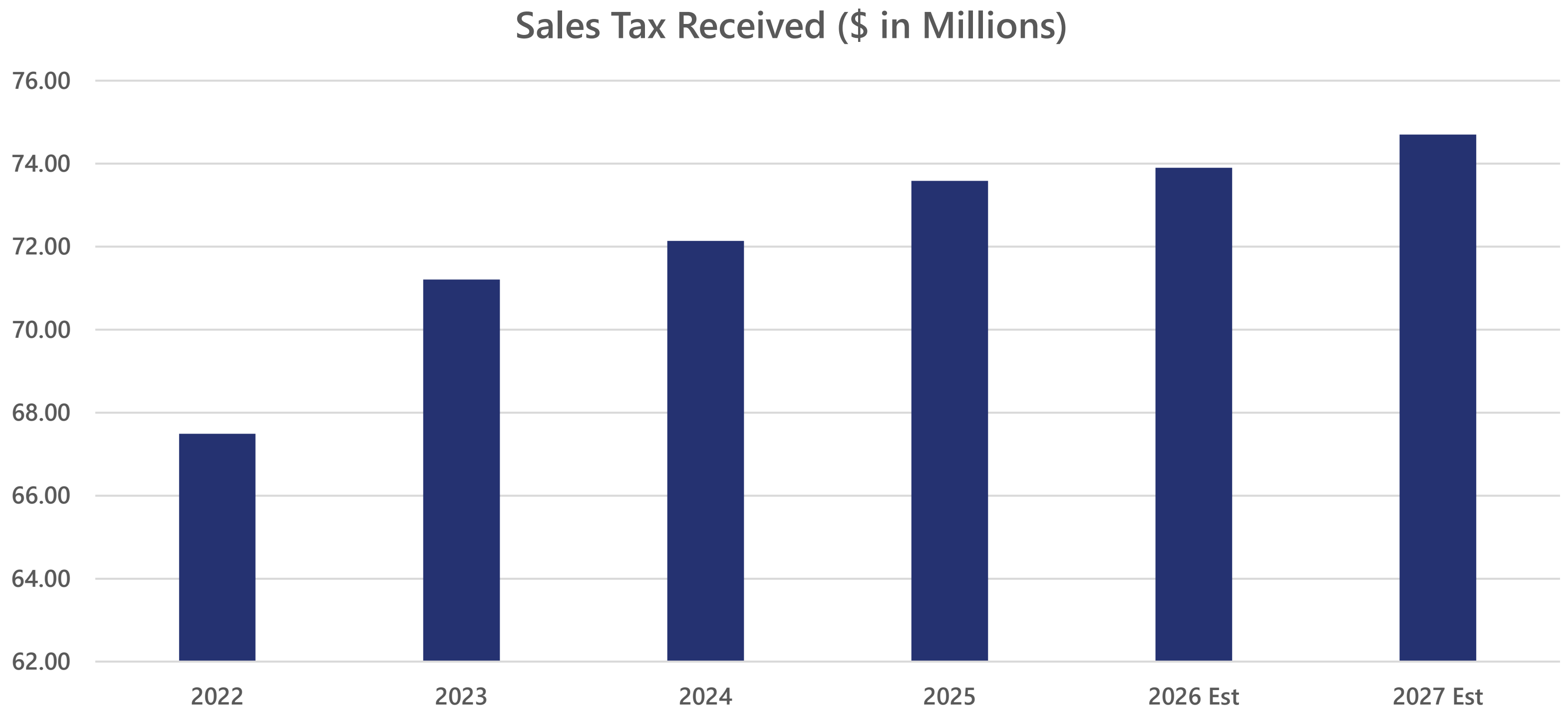
Basic Industrial District Terms were renegotiated in FY 2024 and became effective for FY 2026 collections

- The value of Land is paid at 100%
- The value of Improvements is paid at 74.5% (increased from 62.5% in FY 2026)
- 69 IDA participants

- Estimated revenue for FY 2026 is $29M
- Forecast for FY 2027 is $29M (0% growth)

General Fund receives 90%
Street Maintenance Fund receives 5%
Residential Street Reconstruction Fund receives 5%

Sales Tax Received by Year (General Fund)



- 6% growth in FY 2023
- 1% growth in FY 2024
- 2% growth in FY 2025
- 0% growth in FY 2026

1% growth assumed for FY 2027

Expenses

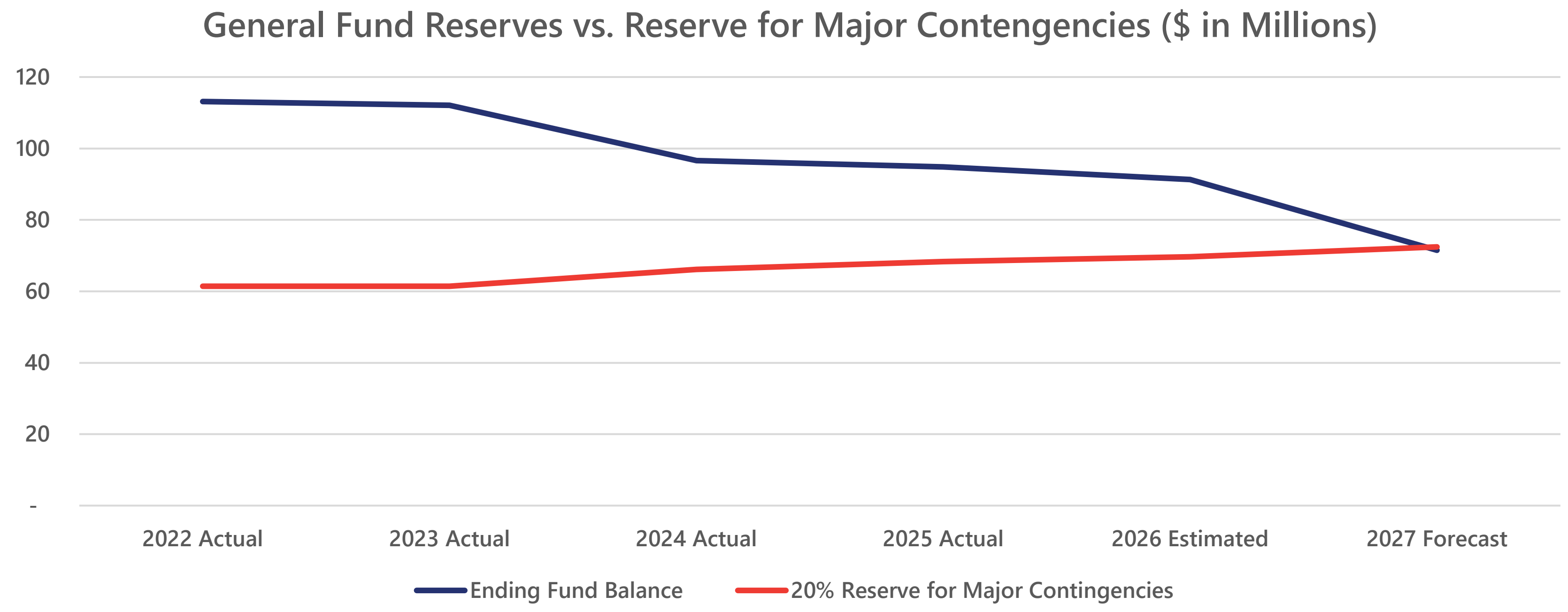
Cost Assumptions for FY 2027

1. $1.3M more for Police Collective Bargaining (Year 4 of 4)
2. $2.0M more for Fire Collective Bargaining (Year 3 of 4)
3. $7.1M more for Health Benefits contributions by the City for all employees

Reserves

General Fund Financial Reserves

- Financial Policy is to have 20% of General Fund Operational Expenses
  - Aspirational Goal of 25%



- Estimated FY 2026:
  - 20% Reserve for major contingencies = $69.7M
  - Estimated ending fund balance = $89.5M

- Forecast for FY 2027:
  - 20% Reserve for major contingencies = $72.4M
  - Forecasted ending fund balance = $71.5M

Forecast

General Fund Forecast for FY 2027 – Revenues

Revenues ($ in Millions)	**FY25 Actuals**	**FY26 Estimate**	**FY27 Forecast**
Property Tax	$ 106.1	$ 108.5	$ 109.9
Industrial District	24.1	28.9	29.0
Sales Tax	73.6	73.9	74.7
Franchise Fees	13.7	13.6	13.5
Public Safety	17.6	18.5	19.2
Solid Waste	48.2	48.5	48.7
Interest on Investments	4.6	3.6	2.5
Oil & Gas Leases	3.7	2.3	2.4
TASPP	0.9	1.0	1.1
Other Revenues	47.7	44.6	43.4
Total Revenues	**$ 340.2**	**$ 343.6**	**$ 344.2**

General Fund Forecast for FY 2027 – Expenses

Expenses ($ in Millions)	FY25 Actuals	FY26 Estimate	FY27 Forecast
General Government	$ 29.0	$ 30.3	$ 33.4
Public Safety	177.0	184.0	186.0
Health, Library, Parks, Solid Waste	68.5	72.8	76.8
Transfer to Street & Res Street Fund	38.5	32.1	32.5
Police CBA	-	-	1.3
Fire CBA	-	-	2.0
Potential Mid-Year Adjustments	-	(0.3)	(1.7)
Other Expenses	29.6	29.4	31.9
Total Expenses	**$ 342.6**	**$ 348.3**	**$ 362.2**

General Fund Forecast for FY 2027

		FY27 Forecast (in Millions)
Beginning Balance	**$**	**89.5**
Total Revenues		344.2
Total Funds Available		**433.7**
Total Operating Expenses		362.2
Reserve for Contingencies 20%		72.4
Ending Balance	**$**	**(0.9)**

Looking Forward

FY 2027 Budget Development Timeline

May	May	May	June	June	July	August	September
Financial Polices to City Council	Financial Forecast Briefing	Online Community Budget Survey*	City Council Budget Goal Setting	Develop Proposed Budget	Present Proposed Budget	Budget Workshops & Community Input Sessions	1st & 2nd Readings on Budget

*Depending on the results of the survey we may schedule a special community input session focused on the budget

FY 2027 General Fund Budget Outlook

FY 2025: $12 million less property tax revenue; balanced by reducing recurring expenses

FY 2026: $7 million less revenue than forecasted expenses; balanced by recovering additional fees for service and reducing recurring expenses

FY 2027: $0.9 million less revenue than forecasted expenses, which is manageable with responsible planning

A balanced approach of decreasing expenses and evaluating fees to recover the cost of service

FY 2027 Budget will focus on maintaining current service levels

CITY OF CORPUS CHRISTI
MANAGEMENT & BUDGET

General Fund Budget Forecast for FY 2027

beginning on October 1, 2026

Presented by: Amy Rodriguez, Director of Management and Budget
May 19, 2026