



CITY OF CORPUS CHRISTI

AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of June 23, 2026
Second Reading Ordinance for the City Council Meeting of June 30, 2026

DATE: June 23, 2026

TO: Peter Zaroni, City Manager

FROM: Amy Rodriguez, Director of Management & Budget
amyc1@corpuschristitx.gov
(361) 826-3792

Ordinance Authorizing FY 2026 Mid-Year Budget Adjustment

CAPTION:

Ordinance authorizing mid-year budget adjustments and amending the Operating and Capital Budgets, as applicable, for fiscal year 2025-2026 (FY 2026) to account for the reduction of positions, to revise Parking Meter Revenue, to revise revenue transferred from the Parking Improvement Fund to the General Fund, to appropriate Parking Improvement Funds, to revise Type A and Type B Sales Tax Revenue, and appropriate Type A and Type B Funds for Capital Projects.

SUMMARY:

On May 19, 2026, the Fiscal Year (FY) 2027 City of Corpus Christi General Fund Financial Forecast was presented to City Council. Over the last two years, we have reduced recurring expenses and set rates to properly recover cost of services through fees. These changes and ongoing responsible fiscal planning enabled the City to overcome a General Fund revenue gap of \$12 million in FY 2025 and \$7 million in FY 2026. As a result, the City is currently projecting a funding gap of less than \$1 million for the FY 2027 budget development process. The proposed mid-year budget adjustment will have recurring annual savings of \$1.7 million, which was assumed in the financial forecast presented to City Council.

A mid-year budget adjustment to the General Fund budget and position counts to reduce the parking enforcement division with its seven positions and shift those functions to Code Compliance; reduce one Parking Manager position; reduce two vacant positions in the Planning division; reduce one Assistant Director in the Planning & Economic Development Department; reduce four vacant positions in the Code Compliance Department; and reduce one vacant Assistant Director in the Parks and Recreation Department. There are seven positions that are filled and impacted employees will fall under the Reduction in Force (RIF) policy. They received notice on June 16, 2026 and will be given preferential consideration when filling vacant positions that result in a lateral or voluntary demotion. The employees' last day in the reduced positions will be July 31, 2026.

A mid-year budget adjustment for the Type A Economic Development Funds, which are collecting sales tax for sales through March 31, 2026; the Type B Economic Development funds for the new authorization, which are collecting sales tax on sales beginning April 1, 2026; and appropriating funds for capital projects in these funds.

BACKGROUND AND FINDINGS:

The City of Corpus Christi General Fund Departments were asked to consider additional opportunities for ongoing savings or efficiencies in FY 2026. The following recommendations were opportunities that City Leadership recommends adopting. These recommendations would be recurring, resulting in approximately \$311,760.00 of General Fund savings in FY 2026 and \$1.7 million savings annually beginning in FY 2027.

General Fund: The Planning & Economic Development Department will reduce the Parking Enforcement Division, which includes 8 positions (2 vacant and 6 filled) and operating costs. Additionally, a reduction in revenue for Parking Meter Collections (represents only 14% of operating costs) and the Transfer from the Parking Improvement Fund for the Parking Manager position will be required. The expenses for the vacant Parking Manager position and the revenue transferred from the Parking Improvement Fund will have a net-zero impact in the General Fund. Citations for parking violations will be issued by Code Compliance Officers. Additionally, one filled Assistant Director position will be reduced.

General Fund: The Planning & Economic Development Department will reduce 2 vacant positions in the Planning Division, one Planning Manager and one Planner III.

General Fund: The Code Compliance Department will reduce four vacant positions, one Administrative Support III, one Code Compliance Officer, one Senior Compliance Officer, and one Code Compliance Manager.

General Fund: The Parks and Recreation Department will reduce one vacant Assistant Director position.

The following adjustments are resulting from the timing of sales tax collections in the new Type B authorization. The Type A Funds that reached the end of their authorization are receiving sales tax on sales through March 31, 2026 and the new Type B authorization will collect sales tax on sales beginning April 1, 2026. The additional funds anticipated to be received in the Type A Funds would be appropriated to Capital Projects with this adjustment, as approved by the Type A Board. Additionally, there are funds to be received in the new Type B Facilities Fund that would be appropriated to Capital Projects, as approved by the Type B Board.

Special Revenue Funds: The Type A Board approved the amendments to the Type A Economic Development funds on May 18, 2026. The Type A Seawall Fund will be amended to increase revenues by \$775,067.00. The Type A Arena Fund will be amended to increase revenues by \$5,337,766.00 and appropriating \$100 for Arena Administration and \$5,337,666.00 for Transfer to CIP for the following projects:

CIP Project Numbers	Type A- Arena Fund 1130 Projects	FY 26 Funding
23197	Arena Exterior Improvements	\$900,000.00
25020	Arena Fire Alarm System Improvements	\$2,220,000.00
25021	Arena Roof Replacement	\$1,467,666.00
25025	Convention Center HVAC System and Chiller Replacement	\$300,000.00
NEW	Hilliard Center Renovation Plan (NEW FY26)	\$450,000.00
	Total Projects	\$5,337,666.00

Special Revenue Funds: The Type B Board approved the amendments to the Type B Economic Development funds on May 18, 2026. The Type B Street Fund will be amended to reduce revenues by \$2,702,653.00. The Type B Seawall and Citywide Flood Control Fund will be amended to reduce revenues by \$775,067.00. The Type B Facilities Fund will be amended to reduce revenues by \$2,702,653.00 and appropriating \$1,794,500.00 for Transfer to CIP for the following projects:

CIP Project Numbers	Type B- Facilities Fund 1150 Projects	FY 26 Funding
24036	Art Museum HVAC System Improvements	\$939,500.00
25034	Harbor Playhouse – Building and HVAC Improvements	\$700,000.00
25027	Museum of Science and History – Improvements	\$155,000.00
	Total Projects	\$1,794,500.00

ALTERNATIVES:

The City Council may choose not to approve the budget adjustment and the existing budgets will remain in place for the remainder of FY 2026.

FISCAL IMPACT:

The fiscal impact to the General Fund in FY 2026 is a net reduction in expenses of \$311,760.00 and \$1.7 million savings annually beginning in FY 2027.

The fiscal impact to the Type A Funds in FY 2026 is to increase revenues for sales tax collected on sales through March 31, 2026 and to appropriate Administration expenses and Transfers to CIP. The fiscal impact to the Type B Funds in FY 2026 is to reduce revenues for sales tax collected beginning April 1, 2026 and to appropriate Transfers to CIP.

FUNDING DETAIL:

Fund: 1020 General Fund
 Organization/Activity: 14701 Parking Control
 Department Number: 57 Economic Development
 Project # (CIP Only): N/A
 Account: 510100 Salaries and Wages
 511000 Retirement
 513000 Group Insurance
 513001 Other Employee Benefits
 Operating Accounts
 Amount: (\$118,417.00)

Fund: 1020 General Fund
 Organization/Activity: 14701 Parking Control
 Department Number: 57 Economic Development
 Project # (CIP Only): N/A
 Account: 308730 Parking Meter Collections
 Amount: \$25,935.00

Fund: 1020 General Fund

Organization/Activity: 10270 Economic Development
Department Number: 57 Economic Development
Project # (CIP Only): N/A
Account: 510100 Salaries and Wages
511000 Retirement
513000 Group Insurance
513001 Other Employee Benefits
Amount: (\$141,031.00)

Fund: 1020 General Fund
Organization/Activity: 10270 Economic Development
Department Number: 57 Economic Development
Project # (CIP Only): N/A
Account: 352040 Transfer from Fund 1040
Amount: \$109,464.00

Fund: 1020 General Fund
Organization/Activity: 11455 Comprehensive Planning
Department Number: 36 Comprehensive Planning
Project # (CIP Only): N/A
Account: 510100 Salaries and Wages
511000 Retirement
513000 Group Insurance
513001 Other Employee Benefits
Amount: (\$50,622.00)

Fund: 1020 General Fund
Organization/Activity: 12900 Office of Director
Department Number: 27 Parks & Recreation
Project # (CIP Only): N/A
Account: 510100 Salaries and Wages
511000 Retirement
513000 Group Insurance
513001 Other Employee Benefits
Amount: (\$38,520.00)

Fund: 1020 General Fund
Organization/Activity: 11500 Code Compliance
Department Number: 39 Code Compliance
Project # (CIP Only): N/A
Account: 510100 Salaries and Wages
511000 Retirement
513000 Group Insurance
513001 Other Employee Benefits
Amount: (\$64,629.00)

Fund: 1120 Seawall Fund
Organization/Activity: 11020 General Governmental Revenue
Department Number: 57 Economic Development
Project # (CIP Only): N/A
Account: 300640 Seawall Sales Tax
Amount: \$775,067.00

Fund: 1130 Arena Fund
Organization/Activity: 11020 General Governmental Revenue
Department Number: 57 Economic Development
Project # (CIP Only): N/A
Account: 300630 Arena Sales Tax
Amount: \$5,337,766.00

Fund: 1130 Arena Facility
Organization/Activity: 13821 Arena Administration
Department Number: 57 Economic Development
Project # (CIP Only): N/A
Account: 530000 Professional Services
Amount: \$100.00

Fund: 1130 Arena Facility
Organization/Activity: 60165 Transfer to Arena CIP
Department Number: 57 Economic Development
Project # (CIP Only): 23197 Arena Exterior Improvements
Account: 548500 Operating Transfer Out
Amount: \$900,000.00

Fund: 1130 Arena Administration
Organization/Activity: 60165 Transfer to Arena CIP
Department Number: 57 Economic Development
Project # (CIP Only): 25020 Arena Fire Alarm System Improvements
Account: 548500 Operating Transfer Out
Amount: \$2,220,000.00

Fund: 1130 Arena Facility
Organization/Activity: 60165 Transfer to Arena CIP
Department Number: 57 Economic Development
Project # (CIP Only): 25021 Arena Roof Replacement
Account: 548500 Operating Transfer Out
Amount: \$1,467,666.00

Fund: 1130 Arena Facility
Organization/Activity: 60165 Transfer to Arena CIP
Department Number: 57 Economic Development
Project # (CIP Only): 25025 Arena & Convention HVAC Condensate Reuse
Account: 548500 Operating Transfer Out
Amount: \$300,000.00

Fund: 1130 Arena Facility
Organization/Activity: 60165 Transfer to Arena CIP
Department Number: 57 Economic Development
Project # (CIP Only): NEW 26030 Hilliard Center Complex Renovation Development
Account: 548500 Operating Transfer Out
Amount: \$450,000.00

Fund: 1150- Type B Facilities
Organization/Activity: 11020 General Governmental Revenue
Department Number: 57 Economic Development
Project # (CIP Only): N/A

Account:	300650 Economic Development Sales Tax
Amount	(\$2,702,653.00)
Fund:	1150- Type F Facilities
Organization/Activity:	60150 Transfer to CIP Fund
Department Number:	57 Economic Development
Project # (CIP Only):	24036 Art Museum HVAC System Improvements
Account:	548500 Operating Transfer Out
Amount	\$939,500.00
Fund:	1150- Type B Facilities
Organization/Activity:	60150 Transfer to CIP Fund
Department Number:	57 Economic Development
Project # (CIP Only):	25034 Harbor Playhouse – Building and HVAC Improvements
Account:	548500 Operating Transfer Out
Amount	\$700,000.00
Fund:	1150- Type B Facilities
Organization/Activity:	60150 Transfer to CIP Fund
Department Number:	57 Economic Development
Project # (CIP Only):	25027 Museum of Science and History – Improvements
Account:	548500 Operating Transfer Out
Amount	\$155,000.00
Fund:	1155- Type B Street
Organization/Activity:	11020 General Governmental Revenue
Department Number:	57 Economic Development
Project # (CIP Only):	N/A
Account:	300650 Economic Development Sales Tax
Amount	(\$2,702,653.00)
Fund:	1160- Type B Seawall and Citywide Flood Control
Organization/Activity:	11020 General Governmental Revenue
Department Number:	57 Economic Development
Project # (CIP Only):	N/A
Account:	300650 Economic Development Sales Tax
Amount	(\$775,067.00)

RECOMMENDATION:

Recommend City Council approve the FY 2026 Budget Adjustment as presented.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Presentation
Schedule of Adjustments
Amended Project Pages