

Proposed Fiscal Year 2026 Budget Type B



Board Presentation
June 16, 2025



Budget Overview- Economic Development

	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2025 Estimated Actuals	FY 2026 Proposed Budget
Beginning Fund Balance	12,013,140	14,002,290	14,760,259	14,760,259	7,230,811
Total Revenue	5,204,269	4,906,826	4,906,826	4,981,123	4,787,483
Total Expenditures	2,457,150	10,486,546	16,023,185	12,510,571	9,025,561
Ending Fund Balance	14,760,259	8,422,570	3,643,900	7,230,811	2,992,733



Proposed Revenue Economic Development

	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2025 Estimated Actuals	FY 2026 Proposed Budget
Sales Tax*	4,508,796	4,542,638	4,542,638	4,576,371	4,576,371
Interest and Investment Income	695,473	364,188	364,188	404,752	211,112
Total	5,204,269	4,906,826	4,906,826	4,981,123	4,787,483

*50% of 1/8 cent voter approved sales tax



Proposed Expenses Economic Development

	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2025 Estimated Actuals	FY 2026 Proposed Budget
Economic Development	125,000	275,000	496,284	346,284	346,284
Major Business Incentive Project	983,657	5,011,745	4,790,461	1,854,116	2,750,000
Small Business Projects	1,200,265	1,076,700	3,324,339	2,987,070	1,300,225
Administration	5,468	148,250	148,250	148,250	10,000
Type B Incentives	74,000	89,000	998,000	909,000	-
Transfer to General Fund	68,760	114,408	114,408	114,408	115,552
Transfer to Streets Fund	-	-	2,380,000	2,380,000	-
Transfer to CIP	-	1,350,625	1,350,625	1,350,625	4,503,500
Transfer to Streets CIP	-	2,420,818	2,420,818	2,420,818	-
Total	2,457,150	10,486,546	16,023,185	12,510,571	9,025,561



Major Business Incentives

Projects	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2025 Estimated Actuals	FY 2026 Proposed Budget
NEXT Sports Complex	1,200,000	1,200,000	-	1,850,000
Texas A & M Drones	911,745	954,116	954,116	-
South Texas Military Housing	900,000	636,345	500,000	500,000
Hilton Homewood Suites	2,000,000	1,180,000	400,000	400,000
Total	5,011,745	4,790,461	1,854,116	2,750,000



Small Business Projects

	FY 2025 Adopted Budget	FY 2025 Amended Budget*	FY 2025 Estimated Actuals	FY 2026 Proposed Budget
Texas A&M Internship	150,000	231,185	150,000	200,000
Del Mar College Internship	140,000	170,994	140,000	150,000
Del Mar College - PTAC/APEX	110,000	158,003	110,000	160,000
Del Mar College - CRC	150,000	213,919	150,000	150,000
Del Mar College - SBDC	150,000	150,000	150,000	150,000
Del Mar College: Enhanced Skills Training	-	1,897,870	1,897,870	-
Del Mar College: Cyber Center	140,000	203,288	140,000	195,000
Lift Fund	150,000	199,880	150,000	200,000
SCORE	86,700	86,700	86,700	95,225
Home to Texas Program	-	12,500	12,500	-
Total	1,076,700	3,324,339	2,987,070	1,300,225

*Amended budget includes calendar year contracts' remaining amounts from FY 24



FY26 Proposed Additional Funding

Small Business Contracts	Proposed on 5/19/25	Proposed on 6/16/25	Change
SCORE	86,700	95,225	8,525
TAMUCC Internship	150,000	200,000	50,000
DMC SBDC	150,000	150,000	-
DMC APEX Accelerator	110,000	160,000	50,000
DMC CRC	150,000	150,000	-
DMC Cyber Center	140,000	195,000	55,000
LiftFund	150,000	200,000	50,000
DMC Internship	140,000	150,000	10,000
Total	1,076,700	1,300,225	223,525



Type B Incentives

	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2025 Estimated Actuals	FY 2026 Proposed Budget
South Texas Botanical Gardens	89,000	178,000	89,000	-
Texas General Land Office Grant	-	820,000	820,000	-
Total	89,000	998,000	909,000	-



FY26 Proposed CIP Projects

Harbor Playhouse Improvements	\$2,250,000
Harbor Playhouse HVAC System	\$2,253,500
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Total FY 2026 Proposed Projects	\$4,503,500



Budget Overview-Housing

	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2025 Estimated Actuals	FY 2026 Proposed Budget
Beginning Fund Balance	2,295,675	2,896,751	2,908,895	2,908,895	2,473,105
Total Revenue	645,853	747,094	747,094	794,160	563,830
Total Expenditures	32,633	2,740,416	2,740,416	1,229,950	70,455
Ending Fund Balance	2,908,895	903,429	915,573	2,473,105	2,966,480



Proposed Revenue-Housing

	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2025 Estimated Actuals	FY 2026 Proposed Budget
Sales Tax*	500,000	500,000	500,000	500,000	500,000
Interest and Investment Income	145,853	76,534	76,534	123,600	63,830
Transfer from Type A	-	170,560	170,560	170,560	-
Total	645,853	747,094	747,094	794,160	563,830

*First 500k of 50% of 1/8 cent voter approved sales tax; remaining goes to Type B - Streets



Proposed Expenses-Housing

	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2025 Estimated Actuals	FY 2026 Proposed Budget
Affordable Housing	-	2,670,560	2,670,560	1,160,100	-
Administration	65	10,000	10,000	9,994	10,000
Transfer to General Fund	32,568	59,856	59,856	59,856	60,455
Total	32,633	2,740,416	2,740,416	1,229,950	70,455



Affordable Housing

Projects	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2025 Estimated Actuals	FY 2026 Proposed Budget
Affordable Housing Projects	2,670,560	1,510,460	-	-
Palms at Morris	-	1,160,100	1,160,100	-
Total	2,670,560	2,670,560	1,160,100	-



Budget Overview-Streets

	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2025 Estimated Actuals	FY 2026 Proposed Budget
Beginning Fund Balance	237,434	-	-	-	87,394
Total Revenue	4,072,021	4,062,182	4,062,182	4,139,661	4,107,552
Total Expenditures	4,309,455	4,062,182	4,062,182	4,052,267	4,194,946
Ending Fund Balance	-	-	-	87,394	-



Proposed Revenue-Streets

	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2025 Estimated Actuals	FY 2026 Proposed Budget
Sales Tax*	4,008,796	4,042,638	4,042,638	4,076,371	4,076,371
Interest and Investment Income	63,225	19,544	19,544	63,290	31,181
Total	4,072,021	4,062,182	4,062,182	4,139,661	4,107,552

*50% of 1/8 cent voter approved sales tax after first \$500k to Type B - Housing



Proposed Expenses-Streets

	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2025 Estimated Actuals	FY 2026 Proposed Budget
BJD - Administration	402	10,000	10,000	85	10,000
Transfer to General Fund	47,304	72,000	72,000	72,000	72,720
Transfer to Street CIP	4,261,749	3,980,182	3,980,182	3,980,182	4,112,226
Total	4,309,455	4,062,182	4,062,182	4,052,267	4,194,946



Budget Overview- New Facilities Fund

	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2025 Estimated Actuals	FY 2026 Proposed Budget
Beginning Fund Balance	-	-	-	-	-
Sales Tax*	-	-	-	-	4,576,371
Interest on Investments	-	-	-	-	3,500
Total Revenue	-	-	-	-	4,579,871
Facilities Administration	-	-	-	-	5,000
Total Expenditures	-	-	-	-	5,000
Ending Fund Balance	-	-	-	-	4,574,871

*50% of 1/8 cent voter approved sales tax beginning Oct. 1, 2025



Budget Overview- New Streets Fund

	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2025 Estimated Actuals	FY 2026 Proposed Budget
Beginning Fund Balance	-	-	-	-	-
Sales Tax	-	-	-	-	4,576,371
Interest on Investments	-	-	-	-	3,500
Total Revenue	-	-	-	-	4,579,871
Facilities Administration	-	-	-	-	5,000
Total Expenditures	-	-	-	-	5,000
Ending Fund Balance	-	-	-	-	4,574,871

*50% of 1/8 cent voter approved sales tax beginning Oct. 1, 2025



Budget Overview- New Seawall & City-Wide Flood Control Fund

	FY 2024 Actual	FY 2025 Adopted Budget	FY 2025 Amended Budget	FY 2025 Estimated Actuals	FY 2026 Proposed Budget
Beginning Fund Balance	-	-	-	-	-
Sales Tax*	-	-	-	-	4,536,030
Interest on Investments	-	-	-	-	3,500
Total Revenue	-	-	-	-	4,539,530
Facilities Administration	-	-	-	-	5,000
Total Expenditures	-	-	-	-	5,000
Ending Fund Balance	-	-	-	-	4,534,530

*1/8 cent voted approved sales tax beginning April 1, 2026