



CITY COUNCIL AGENDA REPORT

DATE: September 5, 2025

AGENDA OF: September 9, 2025

DEPARTMENT: Finance

SUBJECT: Ordinance adopting the FY 2026 Proposed Budget

RECOMMENDED MOTION: Recommended approval of an Ordinance adopting the annual budget for the City of Castroville, Texas for the fiscal year beginning October 1, 2025 and ending September 30, 2026.

Motion to adopt the budget must be a record vote.

BACKGROUND:

Operating Budget: The FY 2026 Proposed Budget was delivered to City Council on August 8, 2025. Several work sessions and council discussions have been held on the proposed budget prior to August 9th. A public hearing on budget was conducted on August 26th and another scheduled for September 9, 2025, which allowed residents the opportunity to provide their comments. The FY 2026 Proposed Budget includes the same property total tax rate as the current tax rate and establishes the tax rate not to exceed \$0.5233 per \$100 assessed valuation.

The City Council is required to adopt the annual budget prior to adopting the tax rate. The vote to adopt the budget must be a record vote.

On August 26th, the City Administration presented the following proposed budget:

Budget Comparison:	FY 2025 <u>Adopted</u>	FY 2026 <u>Proposed</u>	FY 2026 <u>% Change</u>
General Fund	\$ 4,752,702	\$ 5,409,025	14% increase
Utility Fund	\$ 8,702,791	\$ 9,314,315	7% increase
Airport Fund	\$ 762,374	\$ 778,268	2% increase

FISCAL IMPACT/SOURCE OF FUNDING:

☐ Budgeted ☐ Requires Budget Amendment

City Council consideration and subsequent adoption of this item by Ordinance will adopt expenditures levels for the City of Castroville FY 2026 Budget.

ATTACHMENTS: Ordinance Adopting the FY 2026 Annual Budget

Urgency (0-5 = Low Urgency to High Urgency): 5

Impact (0-5 = Low Impact to High Impact): 5

Submitted by: Leroy Vidales, Finance Director