



CITY COUNCIL AGENDA REPORT

DATE: August 15, 2025

AGENDA OF: August 26, 2025

DEPARTMENT: Finance

SUBJECT: Presentation on Budget Hearing #1

RECOMMENDATION:

BACKGROUND/DISCUSSION:

For your review is the 2025-2026 Proposed Budget for the General, Enterprise and Airport Funds. Included in this presentation are the proposed revenues and expenditures along with upcoming important dates.

DISCUSSION:

More discussion to follow at the council meeting.

Next Steps:

Fiscal Impact:

☐ Budgeted ☐ Requires Budget Amendment

Source of Funding:

Attachments: Budget Hearing #1 Presentation

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

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

Submitted by: Leroy Vidales

City of Castroville

Budget Hearing #1

August 26, 2025

Agenda



Review Proposed Revenues for FY 2026

General Fund Revenues
Enterprise Fund Revenues
Airport Fund Revenues

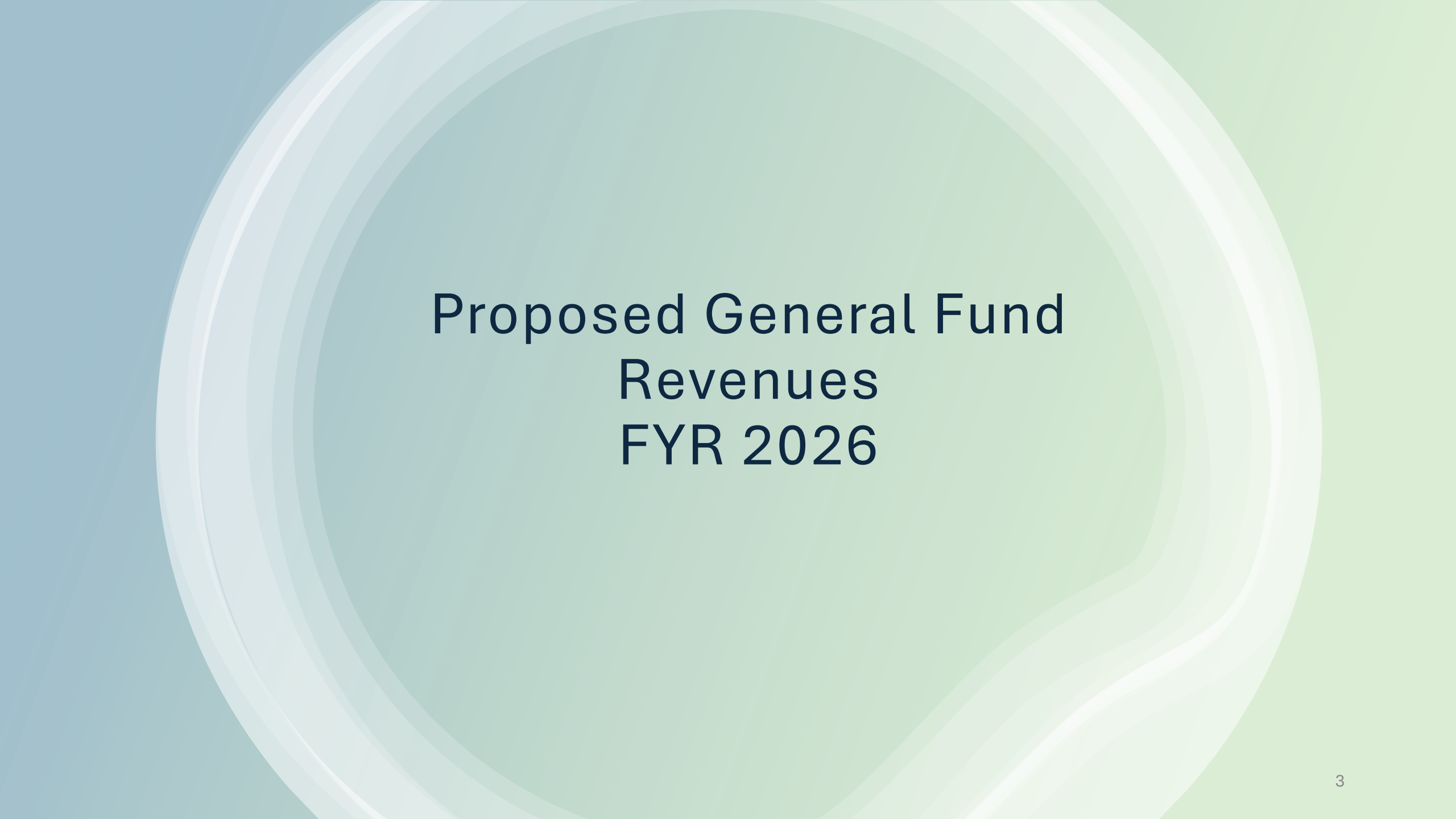


Review requested Expenditures for FY 2026

General Fund Expenditures
Enterprise Fund Expenditures
Airport Fund Expenditures



Important Dates



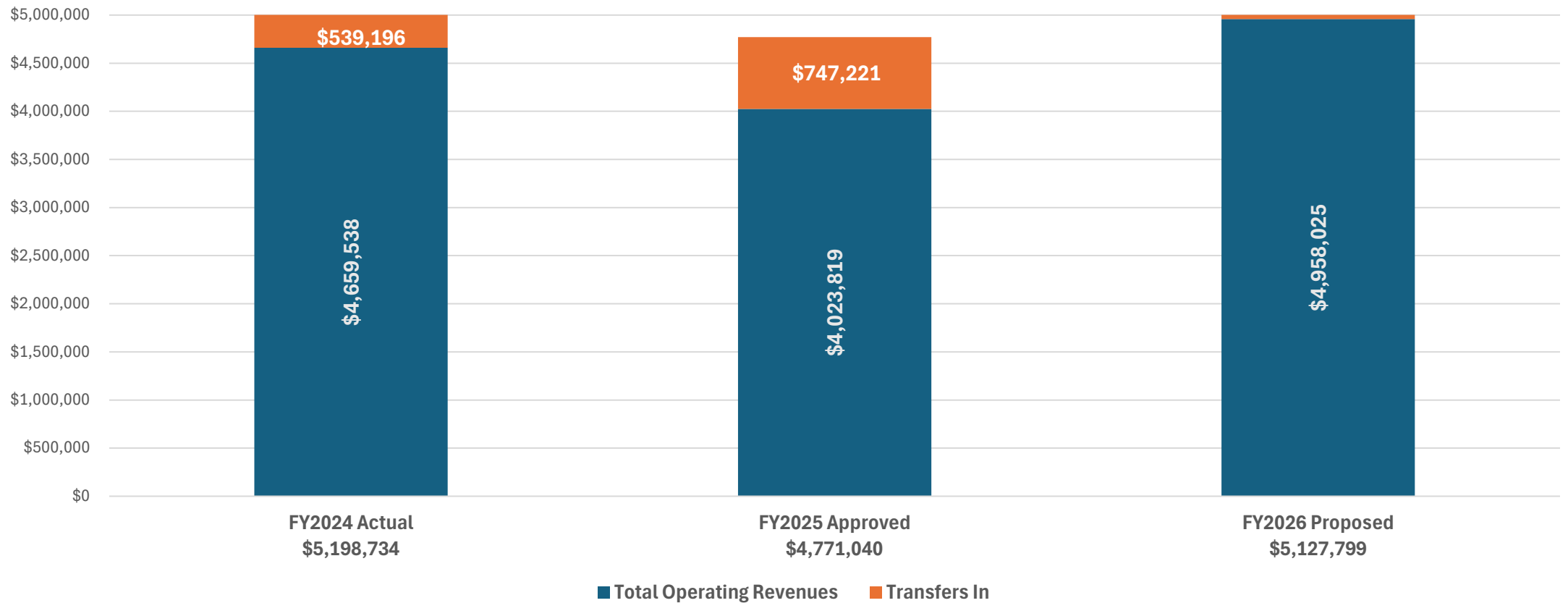
Proposed General Fund Revenues FYR 2026



General Fund Proposed Revenues 2025-2026

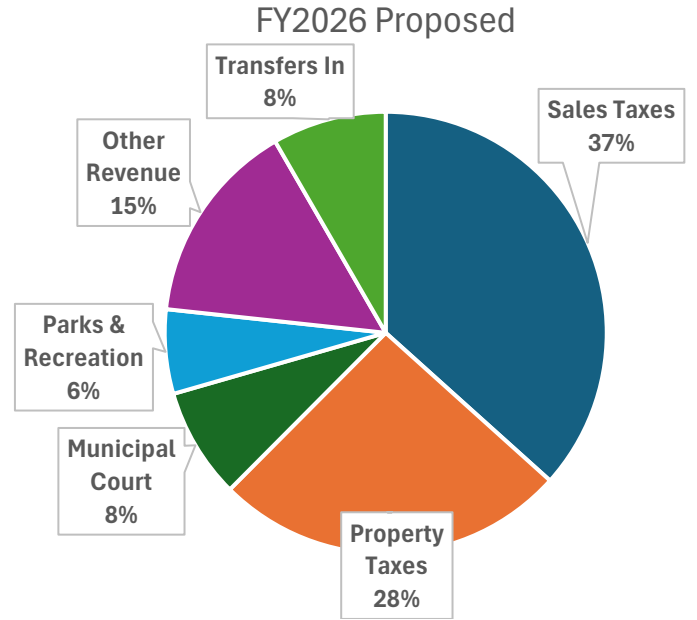
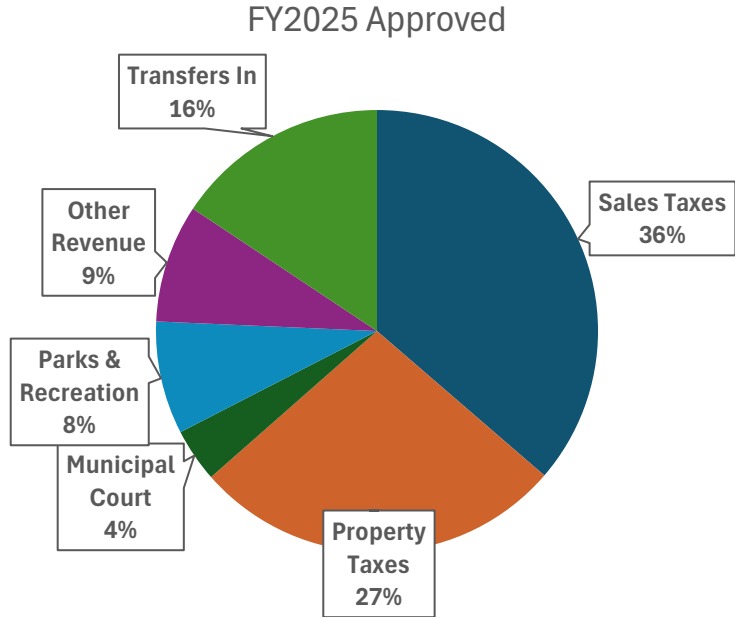
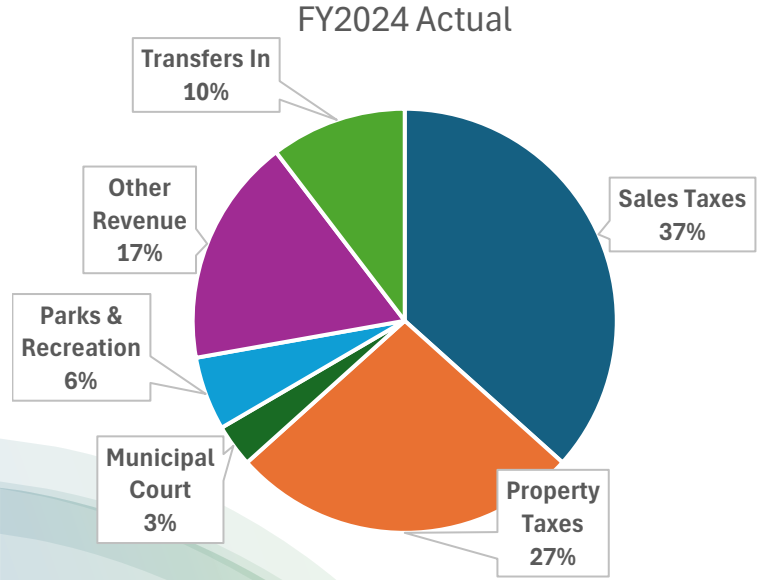
Revenue	Actual FY 2024	Approved FY 2025	Proposed FY 2025
Sales Taxes	\$ 1,904,998	\$ 1,733,299	\$ 1,982,794
Property Taxes	1,388,158	1,297,088	1,395,825
Municipal Court	168,699	187,230	437,230
Parks & Recreation	291,986	393,800	333,550
Other Revenue	905,698	412,402	808,626
Total Operating Revenues	\$ 4,659,539	\$ 4,023,819	\$ 4,958,025
Transfers In	539,196	747,221	527,000
Total Revenue	\$ 5,198,735	\$ 4,771,040	\$ 5,485,025

General Fund Revenues

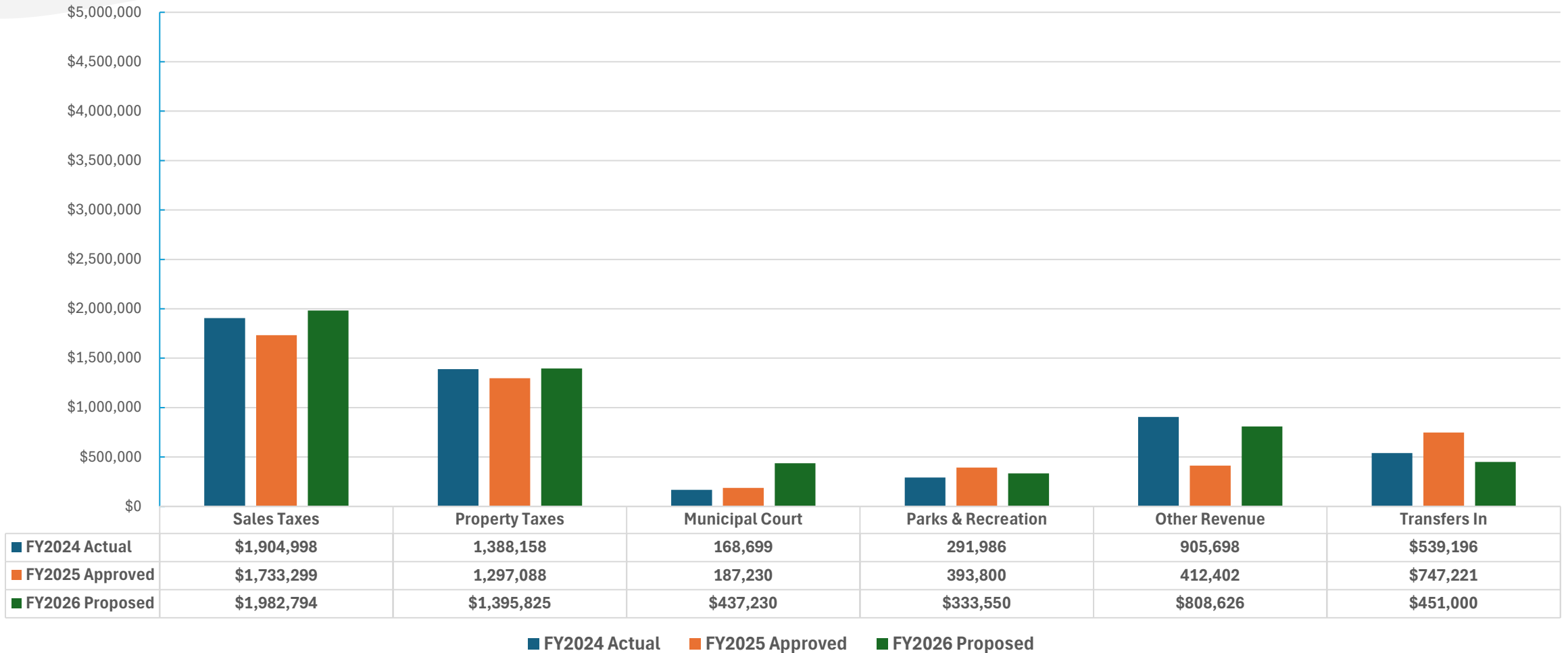




General Fund Revenue – 2023 Actual, 2024 Approved and 2025 Proposed



General Fund Revenues





Requested General Fund Expenditures FYR 2026

General Fund Proposed Expenditures 2025-2026

Expenditures	Actual 2024	Approved 2025	Proposed 2026	Increase/Decrease % Change	Increase/Decrease Amount Change
City Council	\$ 70,048	\$ 76,606	\$ 66,646	-13%	-\$9,960
City Administrator	256,677	232,418	183,323	-21%	-\$49,095
City Secretary	102,181	111,998	115,767	3%	\$3,769
Finance	232,027	213,385	227,574	7%	\$14,189
Library	307,122	289,897	287,200	-1%	-\$2,697
Police	1,347,967	1,341,322	1,609,351	20%	\$268,029
Emergency Management	18,843	14,700	14,700	-	-
Municipal Court	133,213	133,979	305,472	128%	\$171,493
Community Development	380,570	320,767	385,391	20%	\$64,624
Streets	442,658	456,851	645,388	41%	\$188,537

General Fund Proposed Expenditures 2025-2026

Expenditures (continued)	Actual 2024	Approved 2025	Proposed 2026	Increase/ Decrease % Change	Increase/ Decrease Amount Change
Parks & Recreation	778,142	459,654	495,440	8%	\$35,786
RV Park	32,711	40,900	43,400	6%	\$2,500
Swimming Pool	179,365	173,008	167,708	-3%	-\$5,300
Animal Services/Code Enforcement	184,794	177,632	238,475	34%	\$60,843
Information Technology	291,645	246,000	249,500	1%	\$3,500
Non-Departmental	227,545	195,200	194,200	-1%	-\$1,000
Economic Development	1,679	12,100	-	-	-
Tourism & Business Dev.	215,955	256,285	179,489	-30%	-76,796
TOTAL OPERATING EXPENDITURES	\$ 5,173,951	\$ 4,752,701	\$ 5,409,025	6%	\$ 296,324
Transfer Out	-	-	-		
TOTAL EXPENDITURES	\$5,173,951	\$ 4,752,701	\$ 5,409,025	6%	\$ 296,324



General Fund Summary

	Proposed Revenue			Proposed Expenditures
General Fund Revenues	\$ 4,958,025			\$ 5,409,025
Transfer In	\$ <u>527,000</u>		Transfer Out	\$ <u>0</u>
Total Proposed Revenues	\$ 5,485,025		Total Proposed Expenditures	\$ 5,409,025
Net Position: \$76,000				

Major Changes To Proposed 2026 General Fund Budget

	Approved 2024-2025	Proposed 2025-2026	Increase/Decrease
*Salaries	\$ 2,901,196	\$ 3,413,214	\$ 512,018
Supplies	473,800	441,190	-32,610
Purchased Services	279,430	265,580	-13,850
Contracted Services	587,424	629,640	42,216
Education & Training	83,800	71,400	-12,400
Technology	146,650	145,700	-950
Repairs & Maintenance	186,150	379,400	193,250
Miscellaneous	94,250	62,900	-31,350
TOTAL	\$ 4,752,700	\$ 5,409,024	\$ 656,324

*Includes 3% COLA increase for all part-time and full-time employees



Proposed Enterprise Fund Revenues FYR 2026

Enterprise Fund Proposed Revenues 2025-2026

Revenue	Actual FY 2024	Approved FY 2025	YTD FY 2025 <small>(as of 07/31/25)</small>	Proposed FY 2026
Utility Sales	\$ 7,595,027	\$ 8,211,064	\$ 6,680,987	\$ 8,633,500
Utility Services	127,645	90,470	98,027	88,000
Other Revenue	222,134	25,070	179,157	90,300
Use of Fund Balance	-	376,188	0	502,515
TOTAL REVENUES	\$ 7,944,506	\$8,702,792	\$6,958,171	\$9,314,315



Requested Enterprise Fund Expenditures FYR 2025



Enterprise Funds Proposed Expenditures 2025-2026

Expenditures	Actual 2024	Approved 2025	Proposed 2026	% Change	Increase/Decrease Amount Change
Utility Administration	*\$1,397,314	\$1,389,163	-	-	-
Gas Department	528,814	539,852	1,133,529	110%	\$593,677
Sewer Department	1,037,885	1,665,405	1,962,495	18%	\$297,090
Electric Department	3,047,026	3,249,083	3,885,287	20%	\$636,204
Water Department	1,051,759	1,485,136	1,826,895	23%	\$341,759
Refuse Department	401,089	377,152	506,109	34%	\$128,957
TOTAL EXPENDITURES	\$8,319,898	\$8,702,791	\$ 9,314,315	7%	\$611,524

**This amount does not include depreciation cost of \$856,011 (Audit adjusting Entry)*

2025-2026 Administrative Expenses (\$1,439,098) are now embedded within the Enterprise Budget by percentage

Enterprise Fund

5-year Historical Budget

	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024	Approved FY 2025	Proposed FY2026
Administration	\$ 662,375	\$ 872,983	\$ 1,468,519	\$ 1,487,962	\$ 1,397,314	\$ 1,389,163	-
Gas	\$ 378,911	\$ 593,056	\$ 553,100	\$ 476,432	\$ 528,814	\$ 539,852	\$ 1,133,529
Wastewater	\$ 950,855	\$ 883,152	\$ 1,365,262	\$ 1,021,111	\$ 1,037,885	\$ 1,665,405	\$ 1,962,495
Electric	\$ 2,489,443	\$ 2,540,588	\$ 2,501,461	\$ 2,770,717	\$ 3,047,026	\$ 3,246,083	\$ 3,885,287
Water	\$ 1,005,060	\$ 830,692	\$ 1,038,004	\$ 928,886	\$ 1,051,759	\$ 1,485,136	\$ 1,826,895
Garbage	\$ 471,368	\$ 554,028	\$ 630,845	\$ 322,715	\$ 401,089	\$ 377,152	\$ 506,109

Actual amounts for Administration do not include Depreciation costs (Auditor's Adjusting Entry)

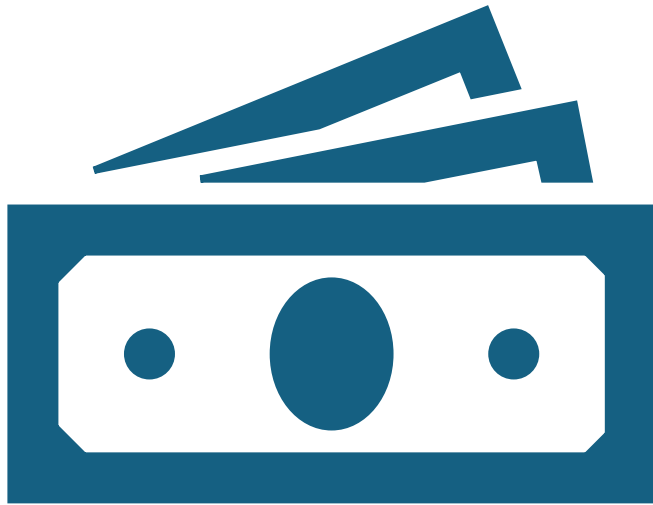
Transfers Out



	Amount	Description	Department
	\$ 170,000	Right of Way Maintenance	Enterprise
	451,221	Franchise Fee	Enterprise
Total Transfers	\$ 621,221		


Enterprise Fund Summary

	Proposed Revenue			Proposed Expenditures
Enterprise Fund Revenues	\$ 8,811,800			\$ 9,314,315
Use of Fund Balance	<u>\$ 502,515</u>			
Total Proposed Revenues	\$ 9,314,315		Total Proposed Expenditures	\$ 9,314,315
Balanced Budget				




Airport Fund

Airport Proposed Revenues 2025-2026



Revenue	Actual FY 2024	Approved FY 2025	Proposed FY 2026
*Facility Rentals	\$ 352,495	\$ 366,076	\$ 373,331
Fuel Sales	409,995	351,000	355,000
Other Revenue	417,600	91,450	91,300
TOTAL OPERATING REVENUES	\$ 1,180,090	\$ 808,526	\$ 819,631



Airport Proposed Expenditures 2025-2026

Expenditures	Actual 2024	Approved 2025	Proposed 2026
Total Operating Expenditures	* \$ 348,251	\$ 411,149	\$ 427,489
Fuel Sales	312,150	300,000	300,000
Debt Service (Bond Series 2021)	31,836	45,225	44,779
Transfers Out	6,000	6,000	82,000
TOTAL EXPENDITURES	\$ 698,237	\$ 762,374	\$ 854,268

**This amount does not include depreciation cost of \$281,454 – Auditors Adjusting Entry*

Airport Fund Summary

	Proposed Revenue			Proposed Expenditures
Airport Fund Revenues	\$819,631			\$ 772,268
			Transfer Out	<u>\$ 82,000</u>
Total Proposed Revenues	\$ 819,631		Total Proposed Expenditures	\$ 854,268
Net Position: -\$34,637				

Upcoming Important Dates

- September 09th – City Council Meeting & Budget Public Hearing #2
 - Budget Adoption
 - Tax Rate Adoption
 - Ratify Tax Rate
- September 23rd – City Council Meeting
 - Adopt Comprehensive Fee Schedule
 - Adopt Investment Policy
 - Adopt Miscellaneous Policies