

# CITY OF PORT LAVACA

PROPOSED ANNUAL BUDGET  
FISCAL YEAR 2025-2026  
AUGUST 18, 2025





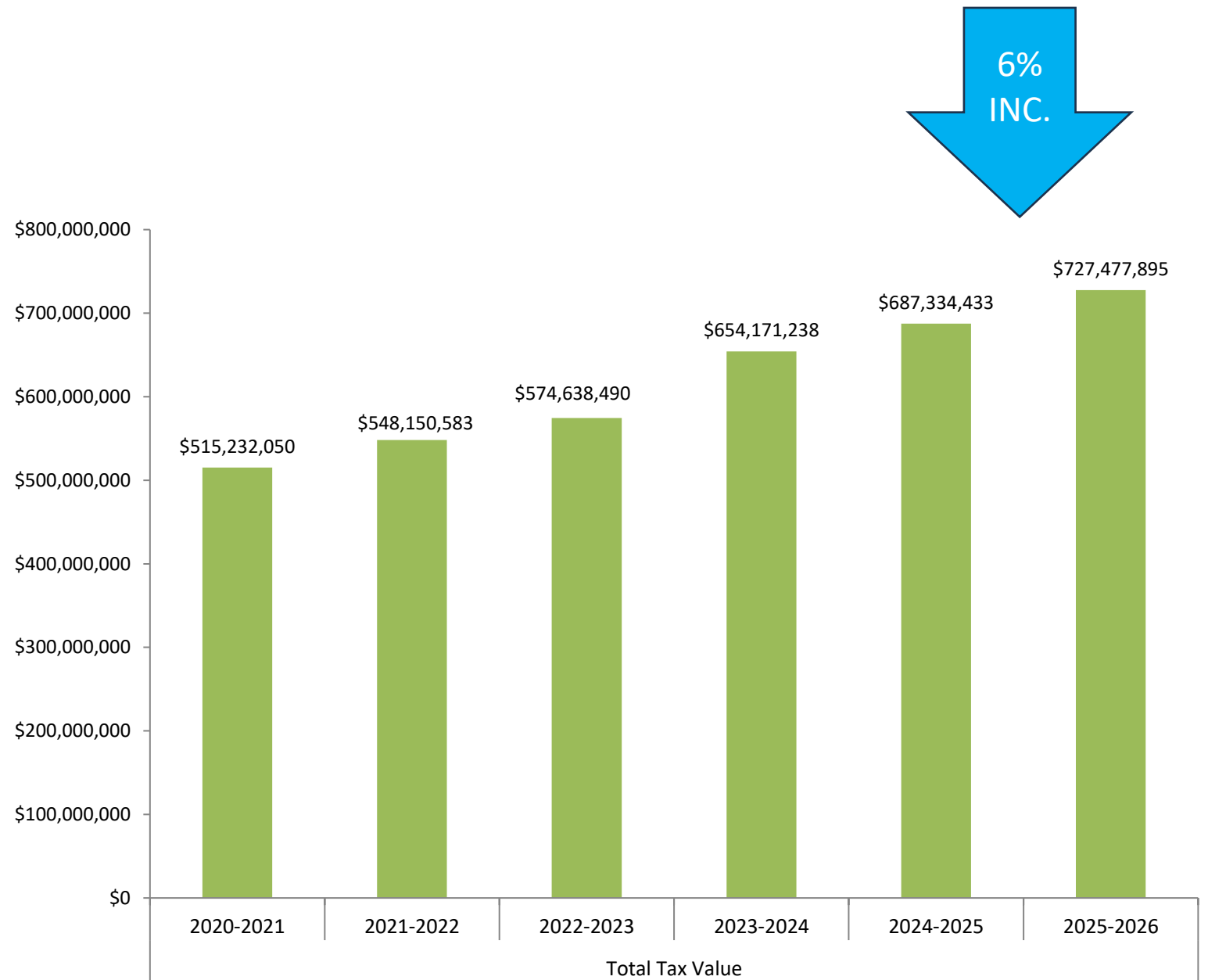


# **NNR & VAR**

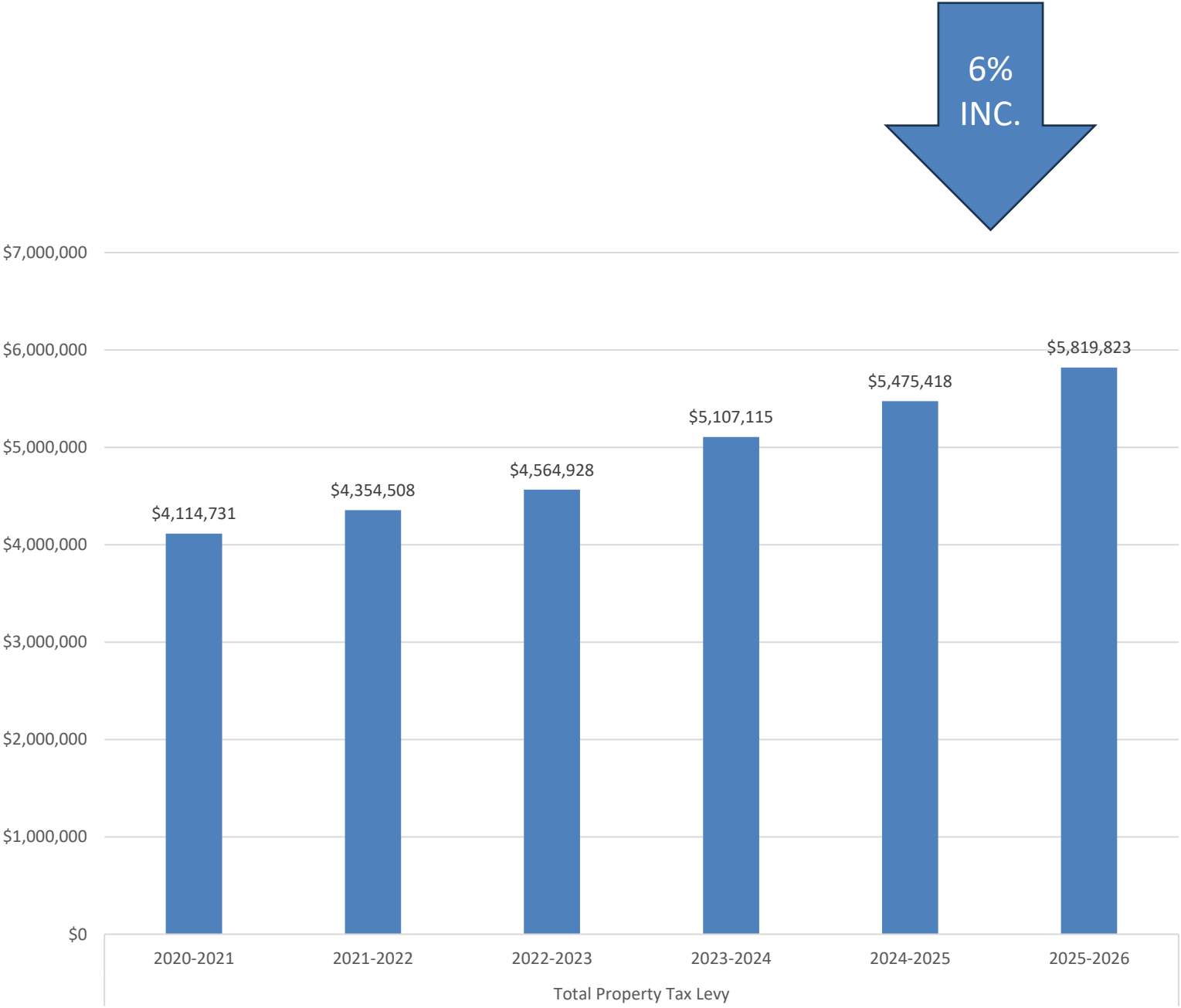
## **Proposed Tax Rate**

FY 2025 - 2026

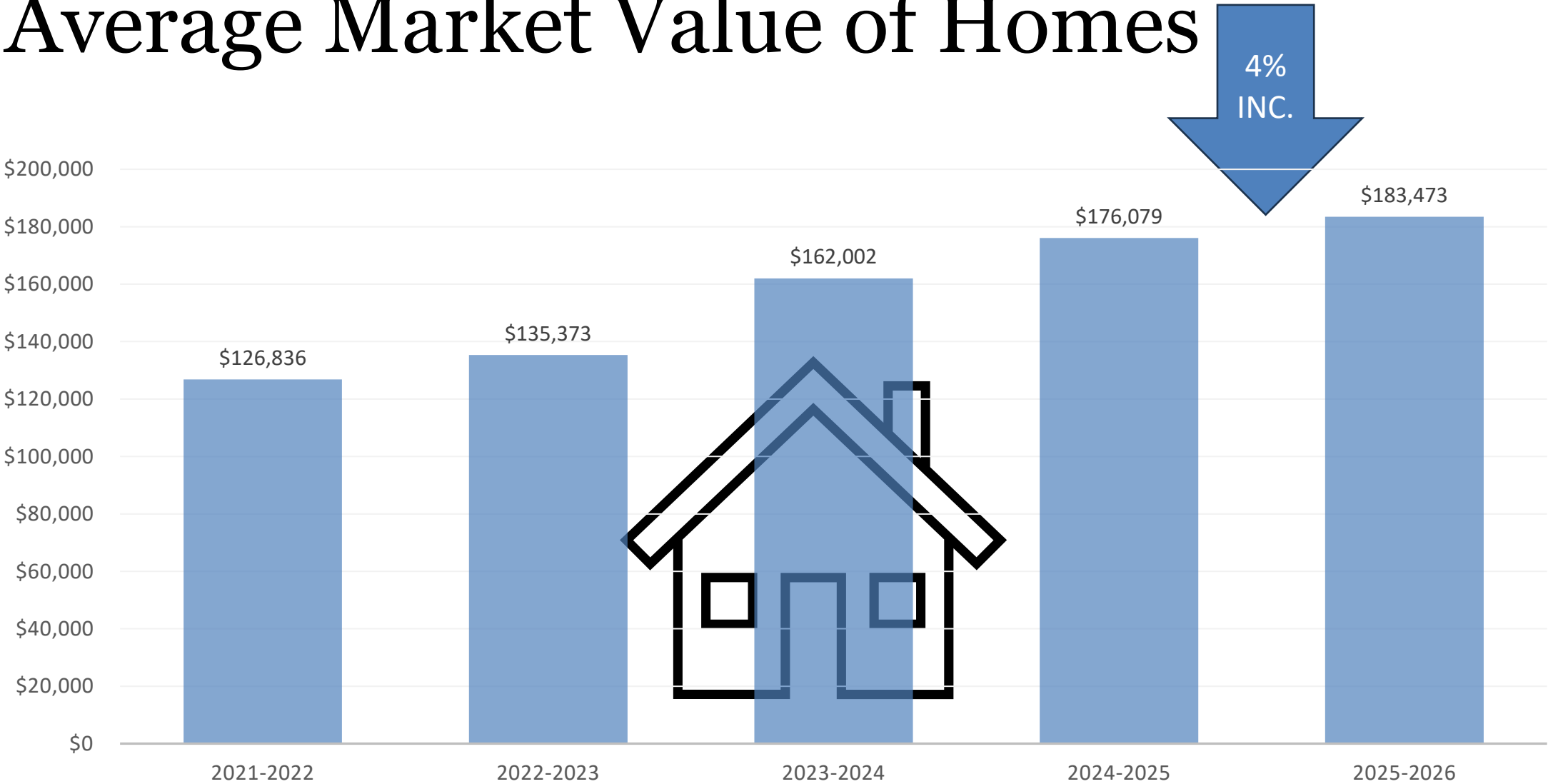
# Property Values



# Property Tax Levy



# Average Market Value of Homes

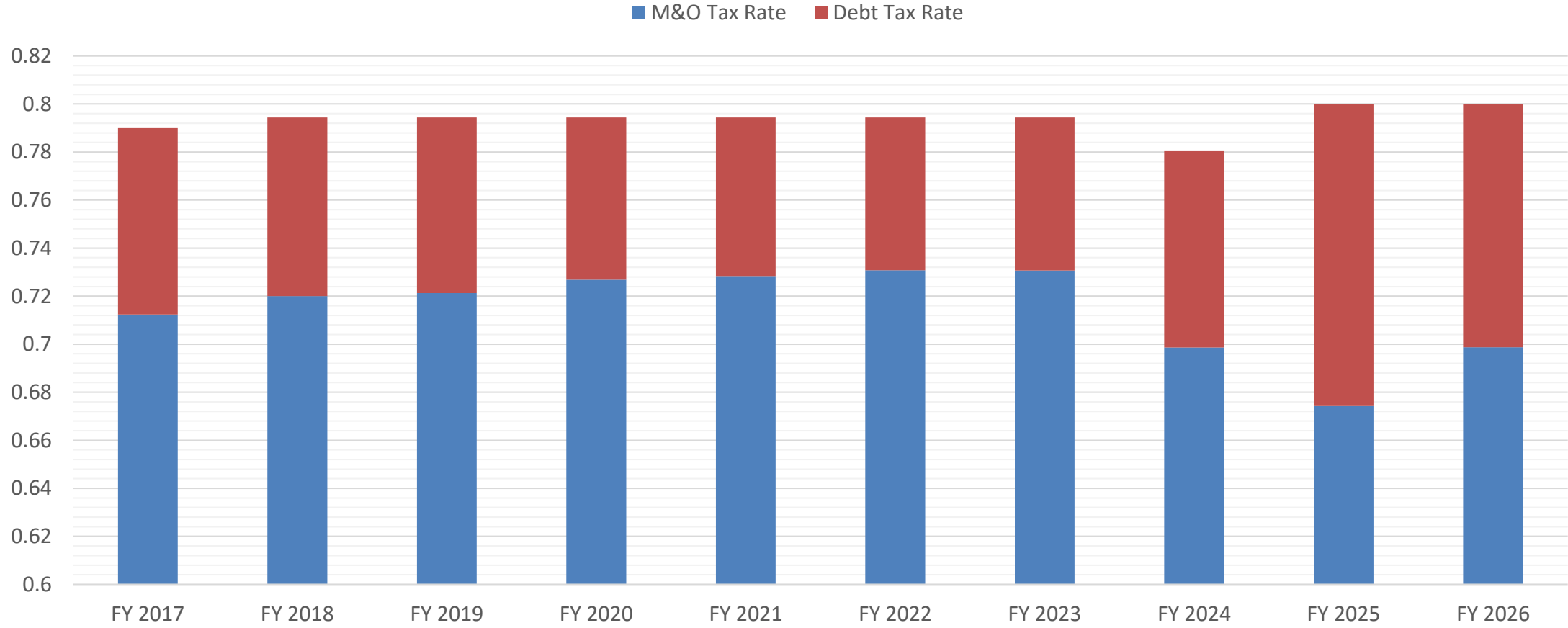


# Property Tax Comparison

- Once published, Council can always lower the proposed rate but cannot raise.
- Must take a Record Vote to Propose
- Publication will note the City is raising more taxes

	<u>FY 2025-2026</u>	<u>FY 2024-2025</u>
Adopted and Proposed Tax Rate	\$0.8000	\$0.8000
No New Revenue Tax Rate	\$0.7583	\$0.7689
NNR Maintenance & Operations Tax Rate	\$0.6401	\$0.6897
Voter Approval Tax Rate	\$0.8277	\$0.8564
Debt Tax Rate	\$0.1013	\$0.1257

# Tax Rate





# STRATEGIC PLAN FOCUS AREAS

FY 2025 - 2026



# FY 2025 Accomplishments

## Governance

- Created tax dollar breakdown illustration for the public
- Continued Smoke Detector program within the community
- Provided homeowners information regarding the Lawn Library
- Launched Dropcounter to help Utility Billing customers with water usage knowledge

## Infrastructure & City Facilities:

- Utilized Rotary District grant plus funds from fundraiser to construct Music Park in City Park
- Repaired storm shutters at City Hall and Police Department
- Completed City Hall improvements phases for Utility Billing
- Completed Rehab of Schooley, Henry, and Bonorden streets
- Replaced all metal frame picnic tables with wood at LHB
- Repainted bathroom at Bayfront park and installed new LED lights
- Replaced broken valves in distribution system when identified by valve audit
- Completed Water System & WWTP improvement projects

# FY 2025 Accomplishments

## Business Development

- Completed breakwater project at Nautical Landings Marina
- Started marketing Port Properties

## Community

- Partnered with Calhoun County and CCISD to complete improvements to the Half Moon Reef Lighthouse
- Hosted successful Bird Watching event that brought in numerous tourists

## Quality of Life

- Centralized/combined dispatch center (County Wide effort)
- Installed speed radar sign on Smith Rd.
- Installed additional speed table at LHB

# Emphasis on Focus Areas for FY 2026

## Governance:

- Complete Redesign of City Website for better Functionality and Accessibility for Citizens
- Performing an update to the comprehensive plan & adopting a zoning plan with GLO Resilient Communities Program Grant funds
- Install information monitor in City Hall to scroll any events and information from around the City

## Infrastructure & City Facilities:

- City Hall Security Upgrades
- Multiple Active & Planned Street Reconstructions
- Multiple Improvements to Parks
- 12" Link between water towers (Connecting Village & George)
- Lynns Bayou WWTP expansion
- Repairs to Evelyns Seafood Dock
- Renovate Southern Pacific Depot

# Emphasis on Focus Areas for FY 2026

## Business Development:

- Establish a TIRZ that encompasses the HWY35 Area
- Market Port properties for future tenants

## Community:

- Continue to Market Port Lavaca as a Birding Destination
- Complete the design & construction of gateway signs

## Quality of Life:

- Continue to be a resource for USDA and other grants and loans to assist residents in home repairs
- Host neighborhood cleanups by utilizing lawn library
- Install surveillance cameras where needed at various City parks



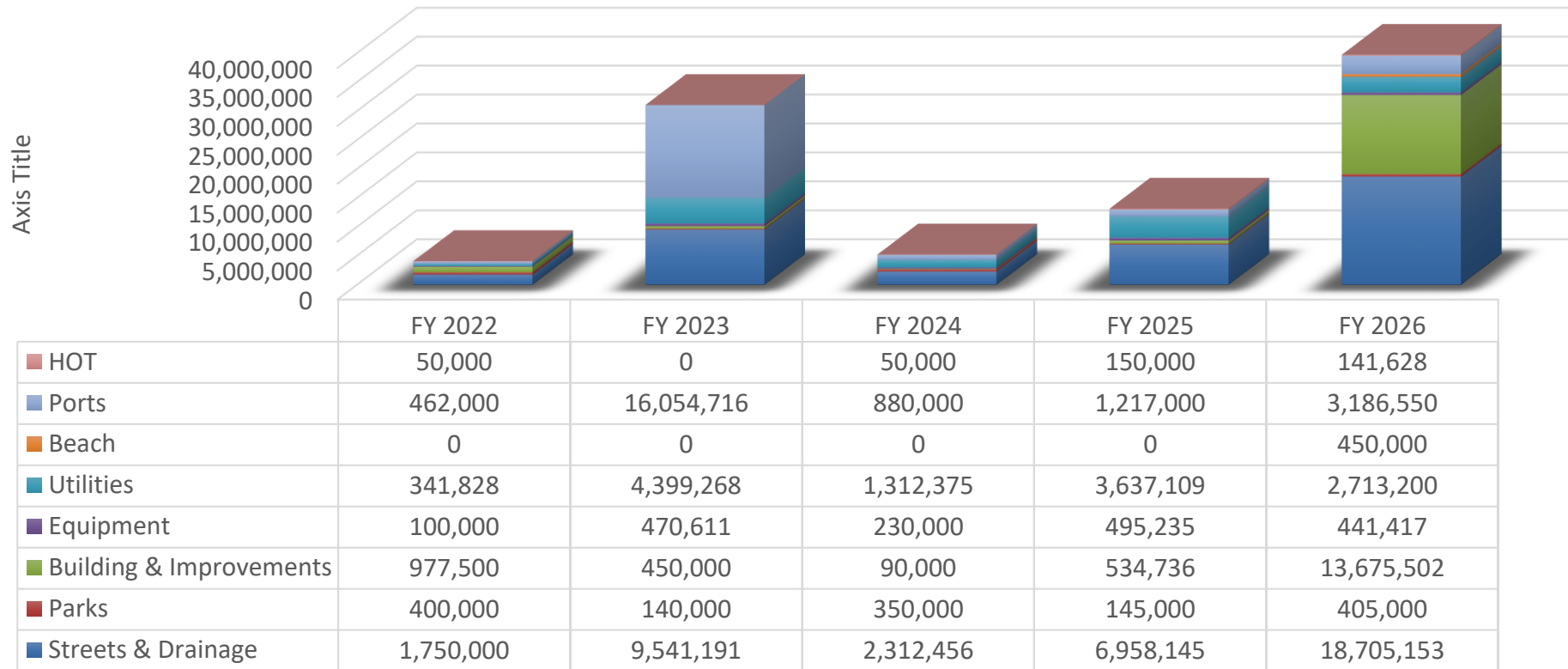


# 5-Year Capital Improvement Program

FY 2025 - 2026



# CIP Program 5 Year History



# Budget Workshop

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FY 2025 - 2026



# Fiscal Year 2026 Proposed Operating Budget

## **FY2026 Proposed \$23.3M\* Expense Budget**

Proposed \$1,544,869 Increase

- General Fund - \$451,129
- Public Utility Fund - \$781,098
- Debt Service Fund - \$349,026
- Hotel/Motel Fund - \$90,000
- Beach Fund – (\$21,973)
- Ports & Harbors Fund- (\$104,412)

## **FY26 Proposed \$23.5M\* Revenue Budget**

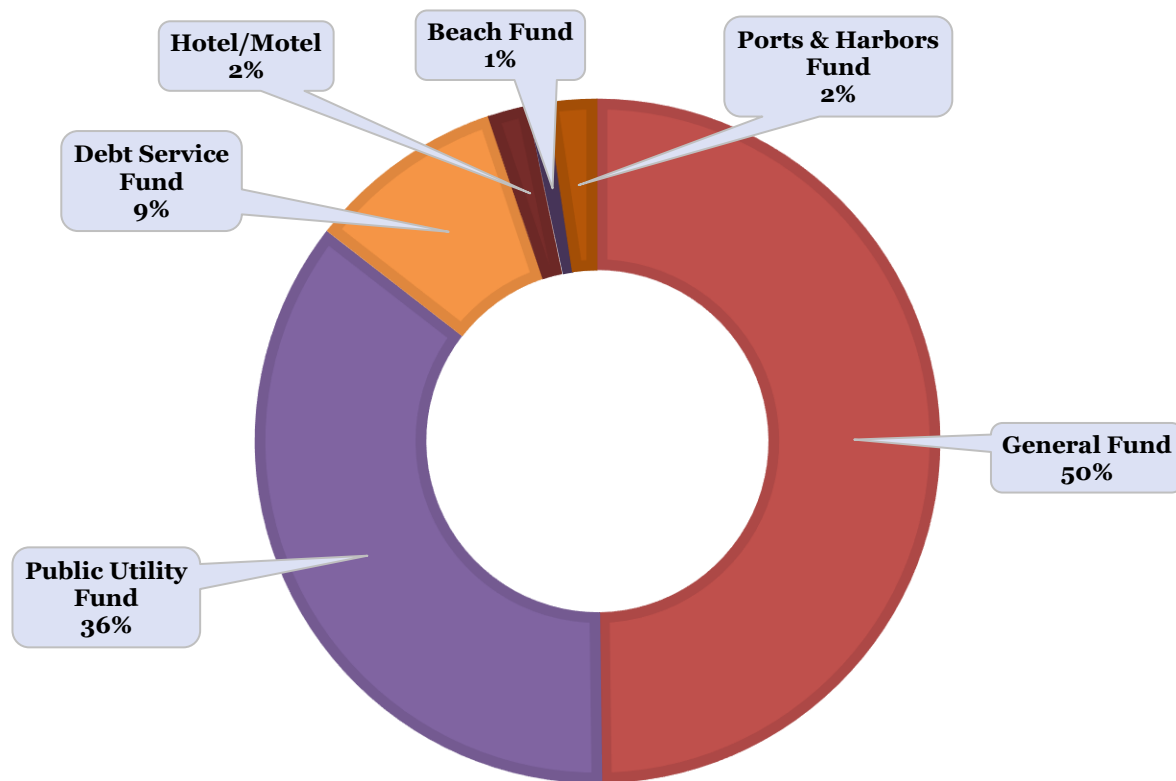
Proposed \$1,463,792 Increase

- General Fund – \$724,893
- Public Utility Fund – \$545,483
- Debt Service Fund – (\$78,472)
- Hotel/Motel Fund - \$100,000
- Beach Fund - \$192,000
- Ports & Harbors Fund – (\$20,111)

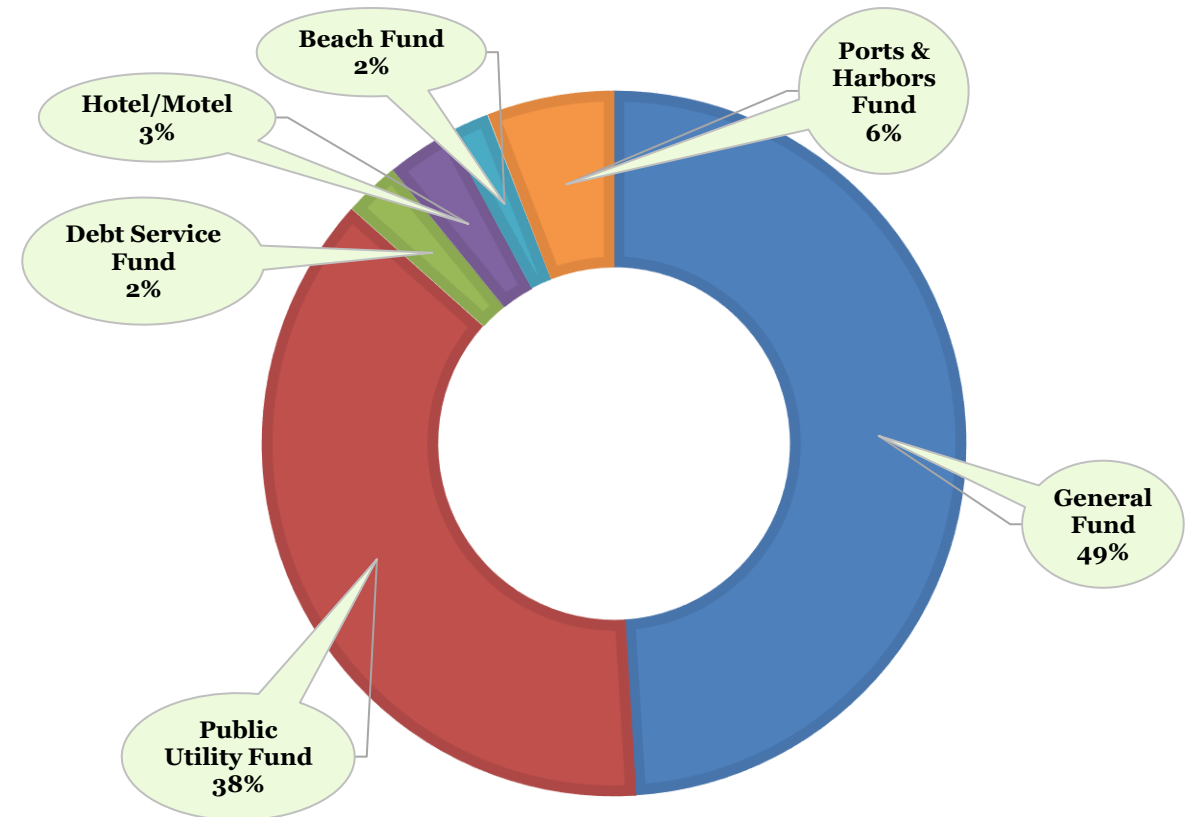
\*Less Capital Expenditures and Internal Transfers

# Fiscal Year 2026 Proposed Operating Budget

**FY 2026 Expense Budget:  
\$23.3M**



**FY 2026 Revenue Budget:  
\$23.5M**



# Hotel Occupancy Fund

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FY 2025 - 2026





# H.O.T. Fund Highlights

## Tourism and Events (page 144-148)

- ❑ 16% increase in revenue with projected rise in Hotel/Motel Tax payments from more heads in beds stemming from events & increased STR tax revenue
- ❑ 11% increase in expenditures
  - ❑ \$20,000 proposed increase in contracted services for Avenu 360 compliance for STR's
  - ❑ Gateway Signage sign project - \$141,628
    - ❑ Carry over Capital Project from prior FY 2025
  - ❑ Annual Tourism contract with Chamber of Commerce

Department Head: Jody Weaver, Interim City Manager

Department Representative: Tania French

# Ports & Harbors

FY 2025 - 2026

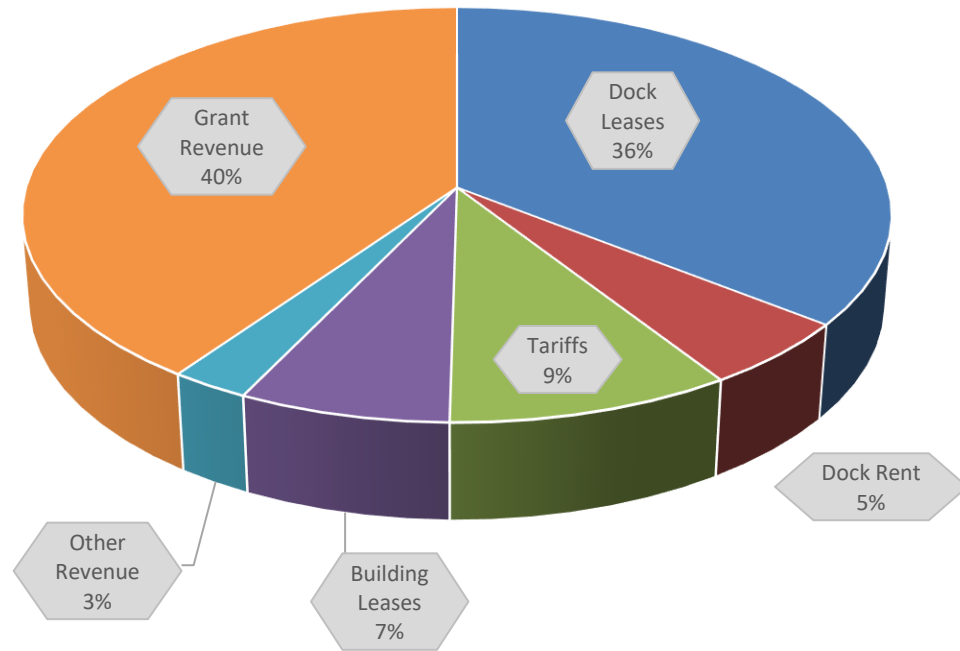


# Port & Harbors Highlights

- ❑ 4% Allowance for Merit Increases which totals \$4,765
- ❑ Proposed TMRS Plan Change to 2:1
  - ❑ \$3,094
- ❑ Includes \$873,000 funding of One-Time Capital Expenditures
- ❑ 525 days or 17.5 months operating reserves
- ❑ Balanced Budget

# Ports & Harbors Highlights

## Revenue



- Total Port Revenues - \$1,481,228
- 3% decrease in revenue over prior year FY 2025
- Harbor of Refuge Daily Dock Rental -
  - 50% decrease due to anticipated decrease in dockage
- Grant Revenue -
  - Reimbursement from TPWL for breakwater
  - Public Access Boardwalk at Smith Harbor reimbursement

# Port & Harbors Fund

❑ Port & Harbors Fund (page 137)

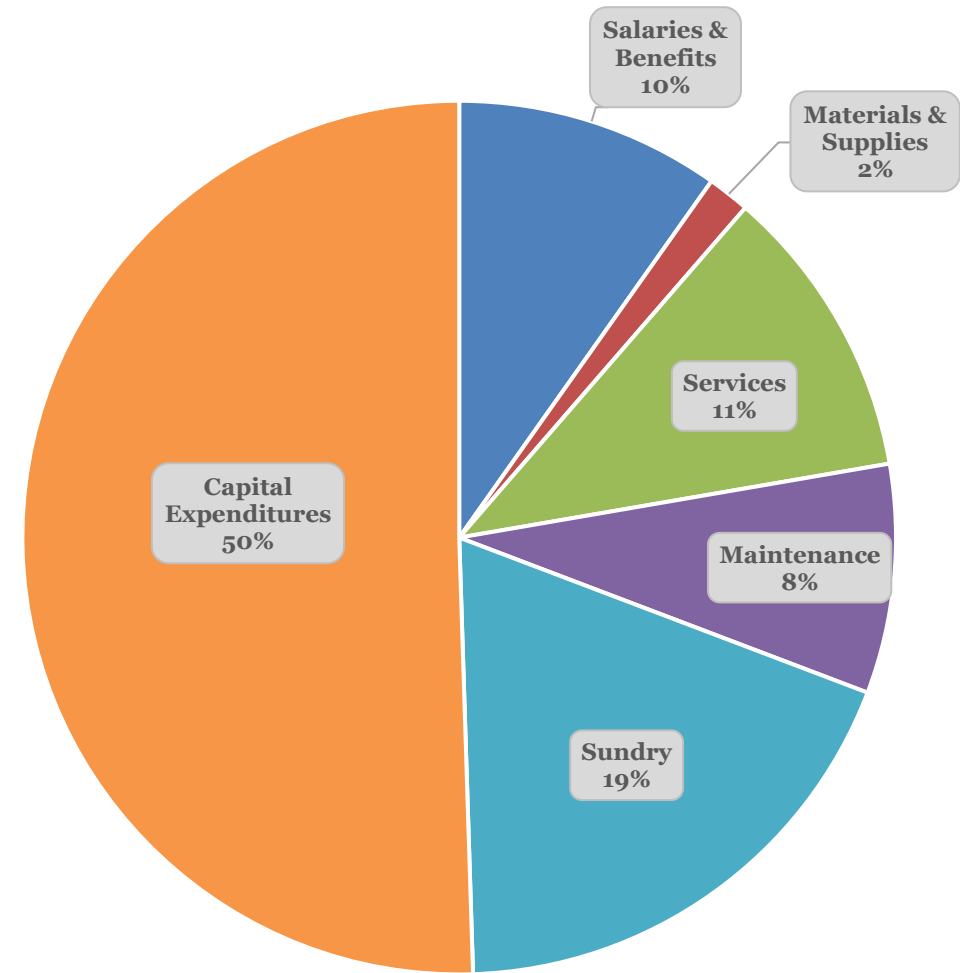
❑ 5% increase in Port expenditures

❑ \$11,000 increase for cameras located at NL Marina

❑ \$200,000 Capital Project for bulkheading along north side of Smith Harbor

❑ \$150,000 Capital Project for repairs to NL parking lot

❑ Department Head: Jim Rudellat, Harbor Master





# FY 2025 - 2026

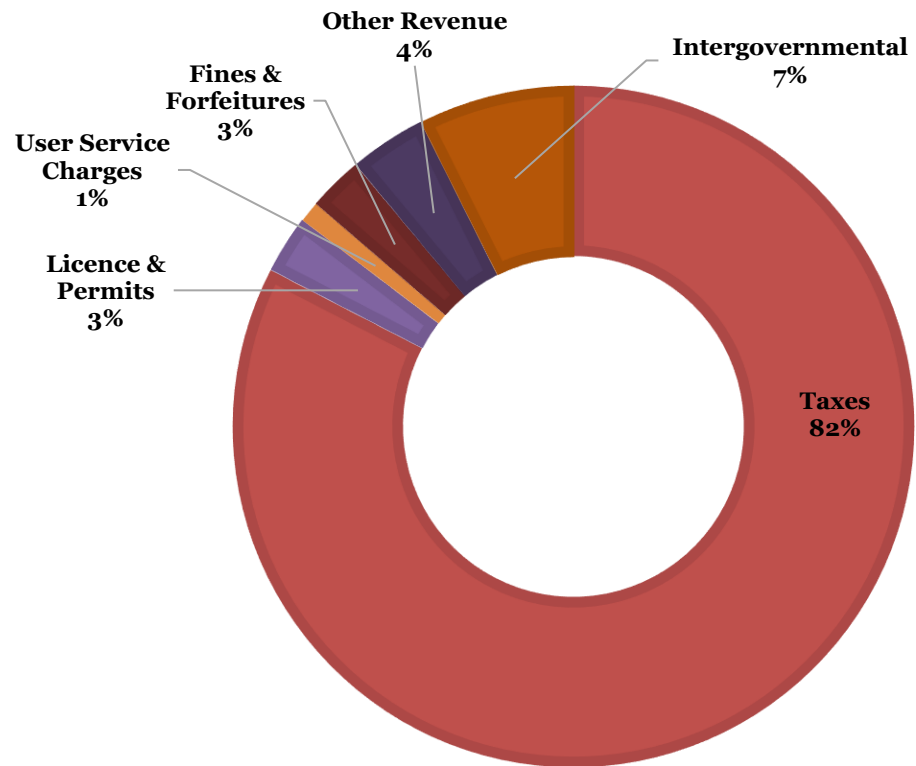


# General Fund – Highlights

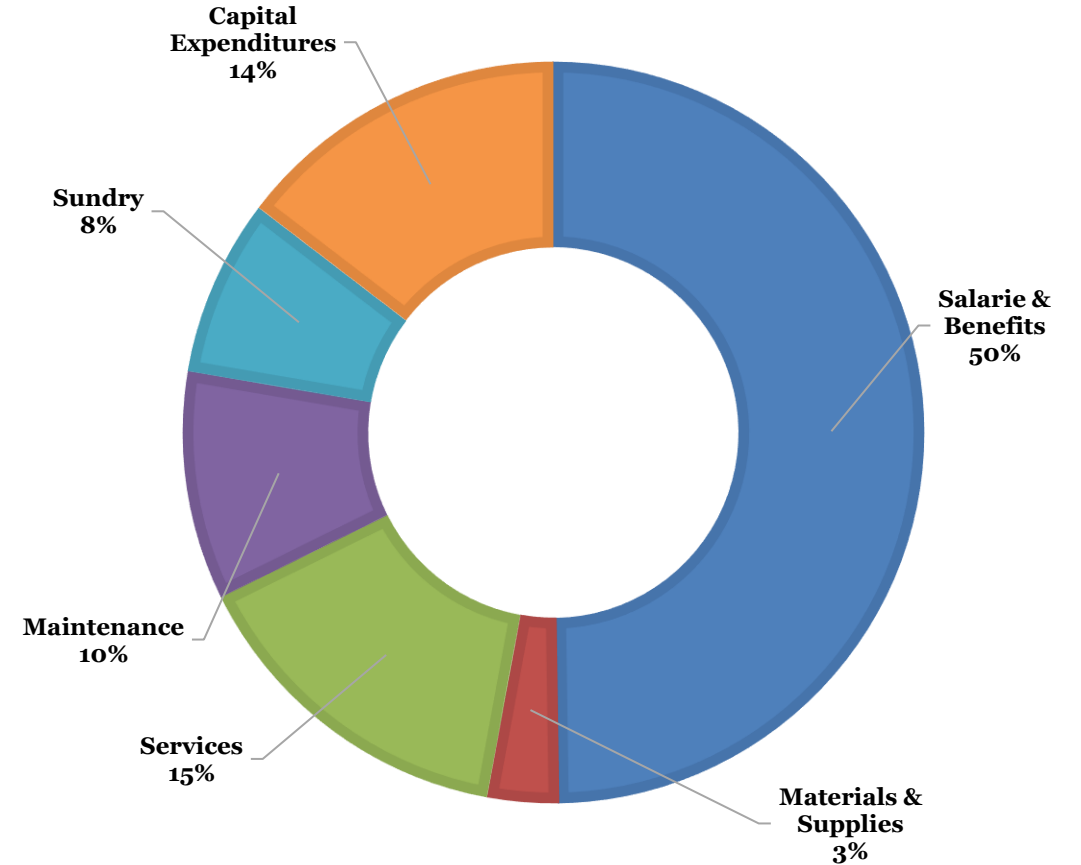
- ❖ 4% Allowance for Merit Increases which totals \$171,491
- ❖ Proposed TMRS Plan Change to 2:1
  - ❖ Totals \$124,451 increase
- ❖ Additional Proposed FTEs:
  - ❖ Police Department : Administrative Assistant
- ❖ Includes \$779,339 funding of One-Time Non-Capital Expenditures of which include merit increases and TMRS Plan Change
- ❖ Includes \$2,091,778 funding of Capital Expenditures
- ❖ 208 days or 7 months operating reserves
- ❖ Balanced Budget

# General Fund Highlights

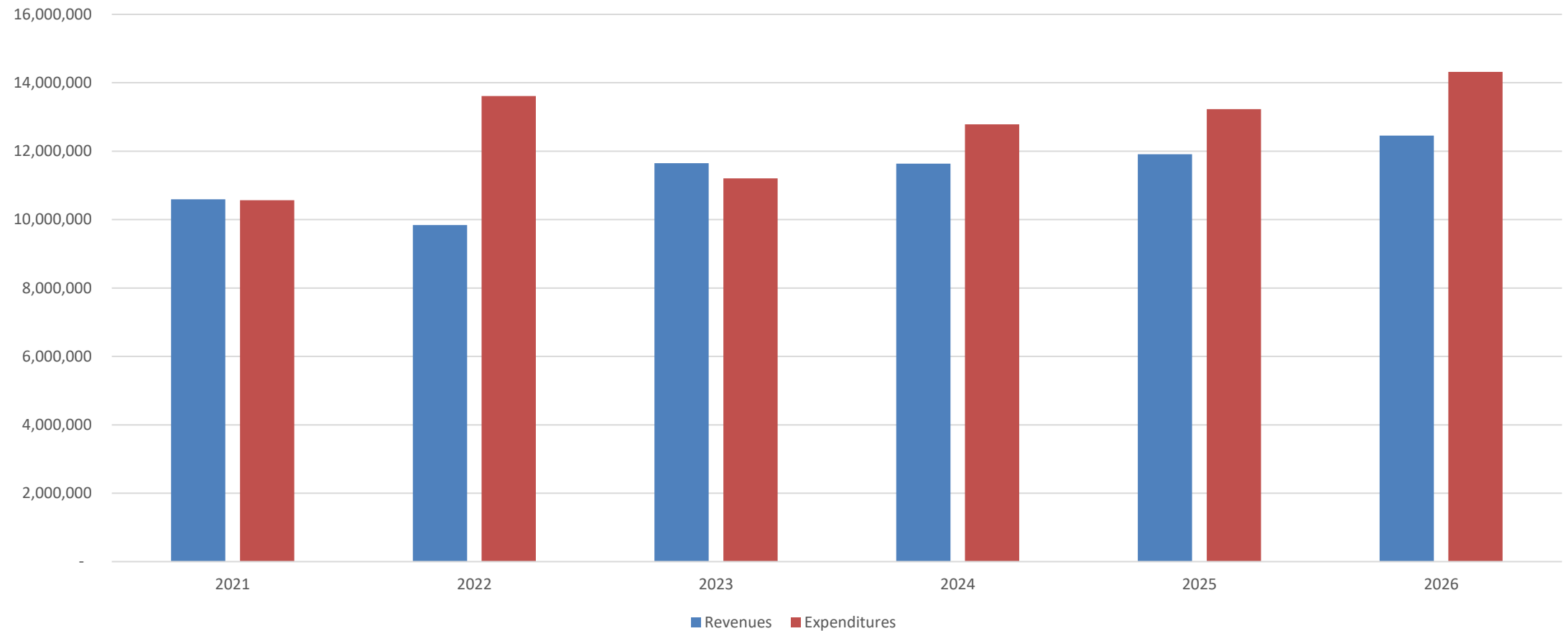
## Revenues



## Expenses



# Revenue Vs Operating Expense



# General Fund Highlights

## Revenue

### Property Tax

Total Tax Roll* -	\$1,050,761,130
Less Exemptions -	\$350,568,355
Total Tax Value -	\$727,477,895
X Tax Rate –	0.8000/100
Estimated Tax Levy -	\$5,819,823
X 98% of Collections =	<b>\$5,703,427</b>

9% increase over FY 2025 Est. Collections

M&O Revenue = \$5,125,670

Debt Revenue = \$577,757

\*Includes ARB Review Tax Roll

### Other Revenue Highlights



Sales Tax- 1.67% decrease due to decline in sales tax revenue, projecting revenues same as actual revenues for FY 2024



Permit Revenue – Increase of 18.81%, largely due to transition to SmartGov platform which allows permits & licenses to be issued online



Interest Income – Decrease of 30%, rates are projected to continue declining. Projected revenues provide a more conservative outlook for the year



Grant Revenue – 64.98% increase due to the anticipated reimbursement from MGBT for the Kitchens property purchase



# General Fund

- ☐ City Council (page 45)
  - ☐ 9% increase in overall budget
    - ☐ Includes Adopted increase of 10% for One Council Member & partial year increase for Three Council Members in May elections
    - ☐ Supplemental Request:
      - ☐ Increase of \$1,500 to Travel & Training budget for anticipated increase in training requests
- ☐ City Secretary (page 52)
  - ☐ 4% decrease in overall budget
  - ☐ Supplemental Requests:
    - ☐ Increase of \$100 in Uniforms for the purchase of City Logo shirts
    - ☐ Increase of \$1,000 in Travel & Training budget for anticipated increase in training opportunities
- ☐ Municipal Court (page 58)
  - ☐ 1% decrease in overall budget
  - ☐ Supplemental Requests:
    - ☐ Increase of \$150 in Postage for anticipated cost of postage increase
    - ☐ Increase of \$250 in Uniforms for the purchase of City Logo shirts
- ☐ Department Head: Mandy Grant, City Secretary

# General Fund

- ❑ City Manager (page 47)
  - ❑ 51% increase in overall budget
  - ❑ Supplemental Requests:
    - ❑ Increase of \$250 in Promotional Advertising for Scenic Texas Annual Fee
    - ❑ Increase of \$50,000 for Contracted Services to complete Parks Master Plan, and fund TIRZ creation agreement
  - ❑ Capital Improvement Requests:
    - ❑ \$150,000 for NL Parking Improvements
    - ❑ \$100,000 for Southern Pacific Depot Improvements
    - ❑ \$529,500 for MGBT Kitchen Property Project
- ❑ Human Resource (page 55)
  - ❑ 3% increase in overall budget
  - ❑ Supplemental Requests:
    - ❑ Increase of \$400 in Office Supplies for increased need of supplies
    - ❑ Increase of \$1,000 in Employee Relations for miscellaneous expense such as service awards, and employee appreciation
    - ❑ Increase of \$1,500 in Contracted Services for fingerprinting, background checks, and other onboarding processes
- ❑ Department Head: Jody Weaver, Interim City Manager
  - ❑ Brittney Hogan, Finance Director

# General Fund

- ❑ City Hall (page 67)
  - ❑ 10% decrease in overall budget
  - ❑ Supplemental Requests:
    - ❑ Increase of \$2,500 in Cleaning & Janitorial for increased cost of supplies
    - ❑ Increase of \$1,000 in Water to adjust from previous budgets
  - ❑ Capital Improvement Requests:
    - ❑ \$350,000 for City Hall Renovations
    - ❑ \$54,467 for Drive-thru Awning on Utility Billing Side
- ❑ Non-Departmental (page 98)
  - ❑ 0% increase in overall budget
  - ❑ Supplemental Requests:
    - ❑ Increase of \$8,000 in Public & Employee Relations for miscellaneous supplies for City Events or Meetings held
    - ❑ Increase in \$4,050 in Contracted Services for the addition of a Sales Tax Analytics tool
- ❑ Department Head: Jody Weaver, Interim City Manager
  - ❑ Brittney Hogan, Finance Director

# General Fund

- ❑ Technology Services (page 61)
  - ❑ 13% increase in overall budget
  - ❑ Supplemental Requests
    - ❑ Increase of \$23,082 in Contracted Services All Departments for a complete redesign of the City's website
    - ❑ Increase of \$35,499 in various Equipment line items for migration over to Windows 11 which include replacement of multiple employees' computers
    - ❑ Police Department has supplemental requests that include new switches, rack mounted consoles, and mobile data terminals
- ❑ Finance (page 64)
  - ❑ 14% increase in overall budget
  - ❑ Supplemental Requests:
    - ❑ Increase of \$585 in Certificates & Awards for increased costs and for GFOA Budget Award to be added as a yearly application
    - ❑ Increase of \$3,300 in Travel & Training for more training opportunities and to also notate additional funds for position that was added in FY2023
- ❑ Department Head: Brittney Hogan, Finance Director

# General Fund

- ❑ Police (page 70)
  - ❑ 8% increase in overall budget
  - ❑ Supplemental Requests
    - ❑ \$19,515 increase in R&M Furniture & Equipment for workspace and storage in CID labroom
    - ❑ \$996 for a additional copier lease
    - ❑ \$68,980 for additional FTE Administrative Assistant, this proposed increase includes all benefits
  - ❑ Capital Improvement Requests
    - ❑ \$27,327 for the purchase radios
    - ❑ \$31,960 for the installation of additional cameras around building
- ❑ Department Head: Colin Rangnow, Police Chief



# General Fund

- ❑ Animal Control (page 78)
  - ❑ 4% decrease in overall budget
  - ❑ Supplemental Requests
    - ❑ \$2,500 increase in Non-Capitalized Assets for the purchase of washer, dryer, and freezer
  
- ❑ Department Head: Colin Rangnow, Police Chief

# General Fund

- ❑ Fire Department (page 74)
  - ❑ 14% increase in overall budget
  - ❑ Supplemental Requests
    - ❑ \$5,600 increase in Maintenance Contracts
      - ❑ \$2,310 for vehicle extrication equipment maintenance
      - ❑ \$2,820 for air testing for breathing compressor
    - ❑ \$2,500 increase in Public & Employee Relations
      - ❑ \$540 for personnel portraits for departments page
      - ❑ \$999 for canopy with department logo
      - ❑ \$658 for table covers with department logo
      - ❑ \$199 for firefighter photo prop
    - ❑ \$12,000 increase in Non-Capitalized Assets for the replacement of outdated water supply hoses
- ❑ Department Head: Joe Reyes Jr., Fire Chief

# General Fund

- ❑ Fire Department
  - ❑ Capital Improvement Requests
    - ❑ \$100,000 for roof replacement at station 1
    - ❑ \$75,000 for self contained breathing apparatus
    - ❑ \$15,000 for womens restroom and shower
      - ❑ Carry over from last years CIP
- ❑ Department Head: Joe Reyes Jr., Fire Chief

# General Fund

- ❑ Development Services (page 82)
  - ❑ 4% decrease in overall budget
  - ❑ Supplemental Requests
    - ❑ \$1,000 increase in Non-Capitalized Assets for the purchase of additional mower for lawn library
    - ❑ \$10,000 increase in Demolition Services for the anticipated increase in the need for funds
- ❑ Department Head: Derrick Smith, Director of Development Services

# General Fund

- ❑ Streets (page 87)
  - ❑ 28% decrease in overall budget
  - ❑ Supplemental Requests
    - ❑ \$50,000 increase to R&M Sidewalk
  - ❑ Capital Improvement Requests
    - ❑ \$50,000 for Village Rd. sidewalk rehabilitation
- ❑ Parks (page 91)
  - ❑ 27% increase in overall budget
  - ❑ Capital Improvement Requests
    - ❑ \$15,000 for cabana structure at Butterfly Park
    - ❑ \$40,000 for fencing at Butterfly Park
    - ❑ \$350,000 for covered basketball court at Wilson Park
- ❑ Department Head: Wayne Shaffer, Public Works Director



# General Fund

- ❑ Bauer Center (page 95)
  - ❑ 56% increase in overall budget
  - ❑ Capital Improvement Requests
    - ❑ \$100,000 for replacement of light poles
    - ❑ \$78,523 for generator
    - ❑ \$25,000 for furniture
  
- ❑ Department Head: Wayne Shaffer,  
Public Works Director



# Public Utility Fund

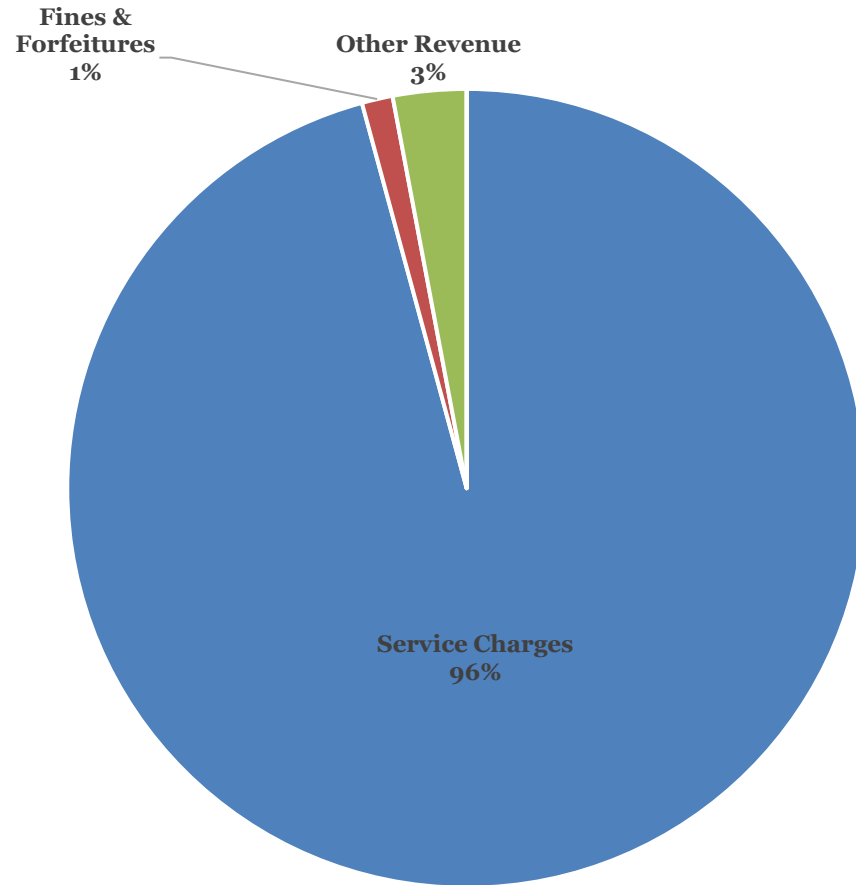
FY 2025 - 2026

# PUF – Highlights

- ❑ 4% Allowance for Merit Increases which totals \$31,571
- ❑ Proposed TMRS Plan Change to 2:1
  - ❑ \$22,817
- ❑ Includes \$124,388 funding of One-Time Non-Capital Expenditures of which include merit increases and TMRs plan change
- ❑ Includes \$975,000 funding of Capital Expenditures
- ❑ 100 days or 3.25 months operating reserves
- ❑ Balanced Budget

# Public Utility Fund Highlights

## Revenue



- Total Public Utility Fund Revenues - \$8,869,953
- 6.55% increase in revenue over prior year FY 2025
- 13% increase in metered water
- 18% increase in GBRA Fees
- 33% increase in service reconnection fees

# Public Utility Fund

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## ☐ Technology Services (page 109)

- ☐ 11% increase in overall budget
- ☐ Supplemental Requests
  - ☐ \$9,300 increase for Windows 11 migration

## ☐ Utility Billing (page 111)

- ☐ 44% decrease in overall budget
- ☐ Decrease is due to the transfer of Meter Technicians to Utility Maintenance Department

## ☐ Non-Departmental (page 122)

- ☐ 14% increase in overall budget
- ☐ Supplemental Requests
  - ☐ 17% increase in water purchases from Undine
  - ☐ 58% increase in raw water from increase in stored water in Canyon Lake and canal delivery charge from GBRA
  - ☐ Xfer to Debt fund for anticipated interest payment for TWDB loan

☐ Department Head: Brittney Hogan, Finance Director

# Public Utility Fund

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## ☐ Maintenance (page 115)

- ☐ 69% increase in overall budget

### ☐ Supplemental Requests

- ☐ \$40,000 increase in Chemicals for new pump booster station

- ☐ \$15,000 increase in Electricity for new pump station

- ☐ \$15,000 increase in I&I Improvements

### ☐ Capital Improvement Requests

- ☐ \$750,000 for 12" link between water towers

- ☐ \$75,000 for sewer line replacement along La Salle & Trinity streets

- ☐ \$150,000 for slope and cover protection at Chocolate Bayou

## ☐ Wastewater (page 119)

- ☐ 3% increase in overall budget

☐ Department Head: Wayne Shaffer, Director of Public Works



# FY 2025 - 2026

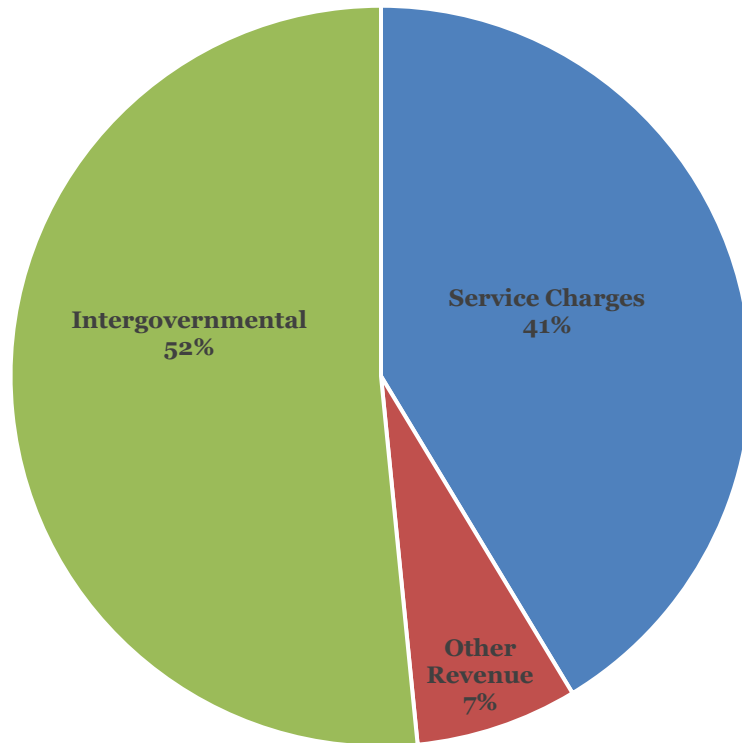


# Beach Operations — Highlights

- ❑ 4% Allowance for Merit Increases which totals \$1,471
- ❑ Proposed TMRS Plan Change to 2:1
  - ❑ \$1,011
- ❑ Includes \$450,000 funding of One-Time Capital Expenditures
- ❑ 265 days or 9 months operating reserves
- ❑ Balanced Budget

# Beach Operations Highlights

## Revenue



- Total Beach Fund Revenues - \$459,500
- 72% increase in revenue over prior year FY 2025
- \$60,000 budgeted for anticipated Gate Fees
- 46% decrease in RV Rental revenue
- Grant Revenue –
  - \$237,000 reimbursement from CEPRA

# Beach Fund

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- ❑ Beach Operations (page 129)
  - ❑ 126% increase in overall budget
  - ❑ Capital Improvement Requests
    - ❑ \$30,000 for raised crosswalk and sidewalk
    - ❑ \$25,000 for new cabanas at splash pad
    - ❑ \$395,000 for shoreline protection CEPRA project
- ❑ Department Director: Wayne Shaffer, Director of Public Works

# FY 2025 - 2026



# Current Debt Obligations Funded



2008 Surplus Harbor Revenue COs - \$126,888 (funded by Port & Harbors)



2018 Surplus Harbor Revenue COs - \$134,351 (funded by Port & Harbors)



2022 Certificates of Obligation Bonds -  
\$544,775

\$191,546 Funded with Public Utility Fund  
\$353,229 Funded with Property Taxes



2024 Certificates of Obligation Bonds -  
\$1,024,400

\$78,778 Funded with Public Utility Fund  
\$500,000 Funded with Streets Fund  
\$445,622 Funded with Property Taxes



2026 TWDB Loan (Unfunded) - \$346,641 (funded by Public Utility Fund)



# What's Next?

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- **September 8**
  - Regular Council Meeting
  - Public Hearings on Budget & Tax Rate
  - Approve CIP
  - 1<sup>st</sup> reading on Budget & Tax
- **September 22**
  - Special Council Meeting
  - 2<sup>nd</sup> reading on Budget & Tax

