City Council Special Called Meeting - Budget Workshop Agenda

COUNCIL CHAMBERS - 1209 FIORELLA STREET

Tuesday, July 22, 2025

3:30 PM

The City Council of the City of Castroville will meet in the Special Called Meeting beginning at 3:30 p.m. in the Council Chambers at City Hall on the following items listed on the agenda.

I. Call to Order

II. Citizen Comments

The City Council will hear comments from any citizen or visitor. Speakers must address their comments to the presiding officer rather than individual council members or staff; stand at the podium, speak clearly into the microphone and state your name residential address before speaking. Speakers will be allowed a maximum of 3 minutes for testimony. In accordance with the State Open Meetings Act, the City Council is restricted from discussing or taking action on items not listed on the agenda. Action can only be taken at a future meeting.

III. Presentations

a. Discussion of proposed, historic, and YTD revenues and expenditures for the City of Castroville Enterprise Funds.
Discussion of unfunded operational and capital expenditures in the General Fund.

IV. Adjourn

Accessibility Statement

The City Hall is wheelchair accessible. The exit and parking ramps are located at the rear of the building.

Non-Discrimination Statement

The City of Castroville does not discriminate on the basis of race, color, national origin, sex, religion, or disability in the employment or the provision of services.

The City Council of the City of Castroville reserves the right to adjourn into closed session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Open Meetings Act.

I hereby certify that the above notice of meeting was posted on the bulletin board of City Hall, Castroville, Texas on July 18, 2025 before 4:00 p.m.

/s/ Debra Howe

City Secretary

City of Castroville

Budget Workshop #3

July 22, 2025

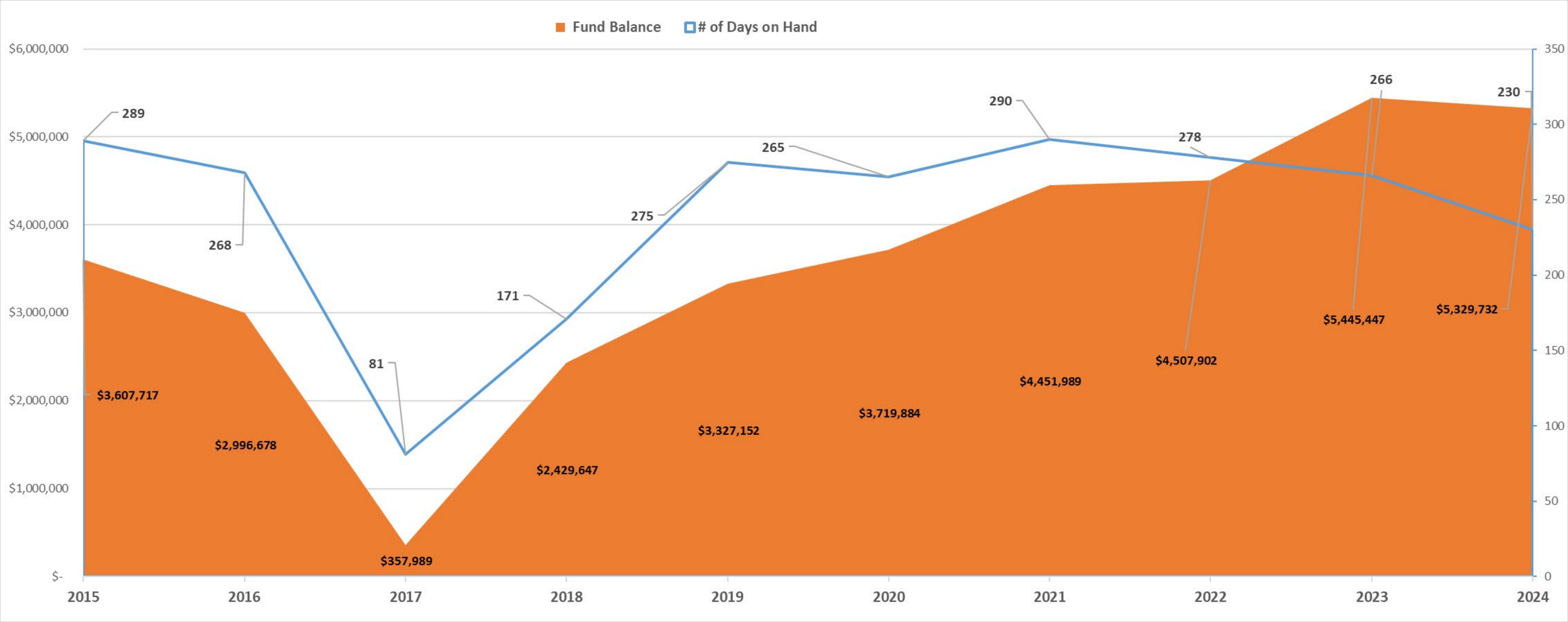
AGENDA

- Review audited 2024 numbers
- Review FY 2025 Adopted vs. YTD
- Proposed 2026 Budgets
  - Utility Fund
  - Airport Fund
- Upcoming Important Dates

AUDITED 2024 NUMBERS

3

Utility Fund Balance
of Days on Hand and Fund Balance



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YTD (2025) REVENUES

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YTD Utility Fund Revenues

		Budget Forecast	ACTUAL	% Change	Over/Under	Forecast (FLAT)	Forecast (-2%)	Forecast (+9%)
October	7.55%	$ 629,005.97	$ 681,045	8%	$ 681,045	$ 681,045	$ 681,045	$ 681,045
November	7.29%	$ 606,691.59	$ 669,731	10%	$ 669,731	$ 669,731	$ 669,731	$ 669,731
December	7.42%	$ 617,510.61	$ 631,699	2%	$ 631,699	$ 631,699	$ 631,699	$ 631,699
January	8.22%	$ 684,552.45	$ 811,652	19%	$ 811,652	$ 811,652	$ 811,652	$ 811,652
February	8.22%	$ 684,740.90	$ 719,801	5%	$ 719,801	$ 719,801	$ 719,801	$ 719,801
March	7.05%	$ 586,889.22	$ 633,952	8%	$ 633,952	$ 633,952	$ 633,952	$ 633,952
April	7.31%	$ 608,923.47	$ 667,658	10%	$ 667,658	$ 667,658	$ 667,658	$ 667,658
May	8.48%	$ 706,147.45	$ 740,942	5%	$ 740,942	$ 740,942	$ 740,942	$ 740,942
June	8.89%	$ 740,367.46	$ 703,274	-5%	$ 703,274	$ 703,274	$ 703,724	$ 703,724
July	9.41%	$ 783,225.70	$ -	0%	$ -	$ 783,226	$ 767,561	$ 853,716
August	10.01%	$ 833,167.65	$ -	0%	$ -	$ 833,168	$ 816,504	$ 908,153
September	10.15%	$ 845,381.51	$ -	0%	$ -	$ 845,382	$ 828,474	$ 921,466
	100.00%	**$ 8,326,604**	**$ 6,259,754**	**7%**	**$ 6,259,754**	**$ 8,721,529**	**$ 8,672,743**	**$ 8,943,539**

PROPOSED ENTERPRISE FUND REVENUES AND EXPENDITURES FY 2026

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Proposed Enterprise Fund Revenues

Revenue	Actual FY 2024	Adopted FY 2025	Forecast FY 2025	Proposed FY 2026
Utility Sales	$ 7,595,027	$ 8,211,064	$ 8,351,529	$ 8,533,500
Utility Services	127,644	90,470	125,000	88,000
Other Revenue	222,134	25,070	245,000	90,300
Use of Fund Balance	0	376,188	0	587,058
TOTAL REVENUES	**$ 7,944,805**	**$ 8,702,792**	**$ 8,721,529**	**$ 9,298,858**

ENTERPRISE FUND 5-YEAR HISTORICAL OPERATIONAL BUDGET

	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024	Adopted FY2025
Administration	$ 662,375	$ 872,983	$ 1,468,519	*$ 1,117,395	**$ 1,037,610	$ 1,010,506
General Fund Admin.				$ 340,150	$ 359,704	$ 378,657
Gas	$ 377,369	$ 591,415	$ 550,559	$ 476,432	$ 528,814	$ 539,852
Wastewater	$ 950,855	$ 883,152	$ 1,365,262	$ 1,021,113	$ 1,037,885	$ 1,665,406
Electric	$ 2,489,443	$ 2,540,588	$ 2,503,163	$ 2,825,898	$ 3,047,026	$ 3,246,083
Water	$ 1,005,060	$ 830,692	$ 1,038,004	$ 928,884	$ 1,051,759	$ 1,485,137
Refuse	$ 471,368	$ 554,028	$ 630,845	$ 322,715	$ 401,089	$ 377,152
Total Expenditures	**$ 5,956,470**	**$ 6,272,858**	**$ 7,556,352**	**$ 7,032,587**	**$ 7,463,887**	**$ 8,702,793**

FYRs 2020-2022 does not include depreciation costs in the Administration actual numbers.
**This amount does not include depreciation cost of $702,425 (Audit adjusting Entry)*
***This amount does not include depreciation cost of $856,011 (Audit adjusting Entry)*

Enterprise Fund Expenditures

Expenditures	Actual 2024	Approved 2025	Forecast Fy 2025	Proposed 2026	% Change
Utility Administration	*$1,037,610	$1,010,506	$ 1,428,109	**1,043,345	
General Fund Admin.	359,704	378,657		**$390,016	
Gas Department	528,814	539,852	674,859	1,131,481	110%
Sewer Department	1,037,885	1,665,406	1,487,989	1,969,638	18%
Electric Department	3,047,026	3,246,083	3,011,093	3,879,761	20%
Water Department	1,051,759	1,485,137	1,470,927	1,822,156	23%
Refuse Department	401,089	377,152	438,385	505,822	34%
TOTAL EXPENDITURES	**$7,463,887**	**$8,702,793**	**$ 8,511,362**	**$ 9,298,858**	**7%**

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

***This is shown for illustration purposes. Administrative Expenses are now embedded within the Enterprise Budget by percentage (see next slide)*

Enterprise Fund Expenditures

Expenditures	Operating Budget	Administration	Total Proposed FY 2026
Gas Department	$ 988,145	$ 143,336	$ 1,131,481
Sewer Department	1,687,299	272,339	1,959,638
Electric Department	3,234,749	645,012	3,879,761
Water Department	1,521,152	301,004	1,822,156
Refuse Department	434,152	71,670	505,822
TOTAL EXPENDITURES	**$ 7,865,497**	**$ 1,433,361**	**$ 9,298,858**

Transfers Out

Transfer Out	Amount	Description	Department
	$ 170,000	Right of Way Maintenance	Enterprise
	275,000	Franchise Fee	Enterprise
	159,916	Debt Service Transfer (Bond 22)	Debt Service
Total Transfers	**$ 604,916**		

Major Changes To Proposed 2025 Utility Fund Budget

- Cost of Living Increase
  - 3% for employees (full-time)
- The Administration budget, previously shown as a standalone department with the Enterprise Fund has been eliminated. The total amount of $1,432,221 has been proportionally allocated across the individual Enterprise departments based on their respective revenue. This change better reflects the true cost of services provided by each department and ensures that administrative expenses are more accurately aligned with operational activities.

AIRPORT PROPOSED BUDGET

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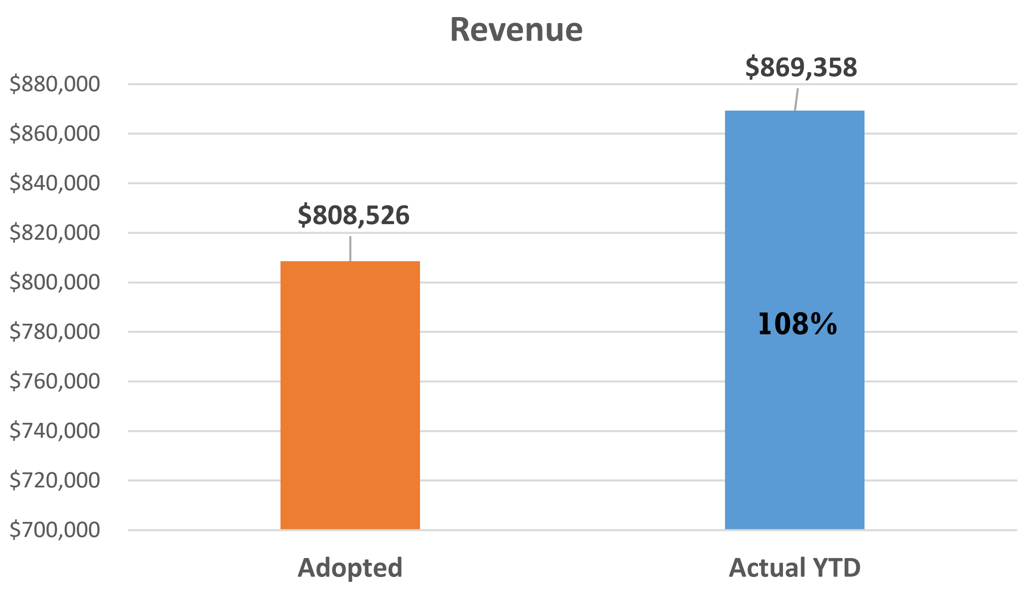
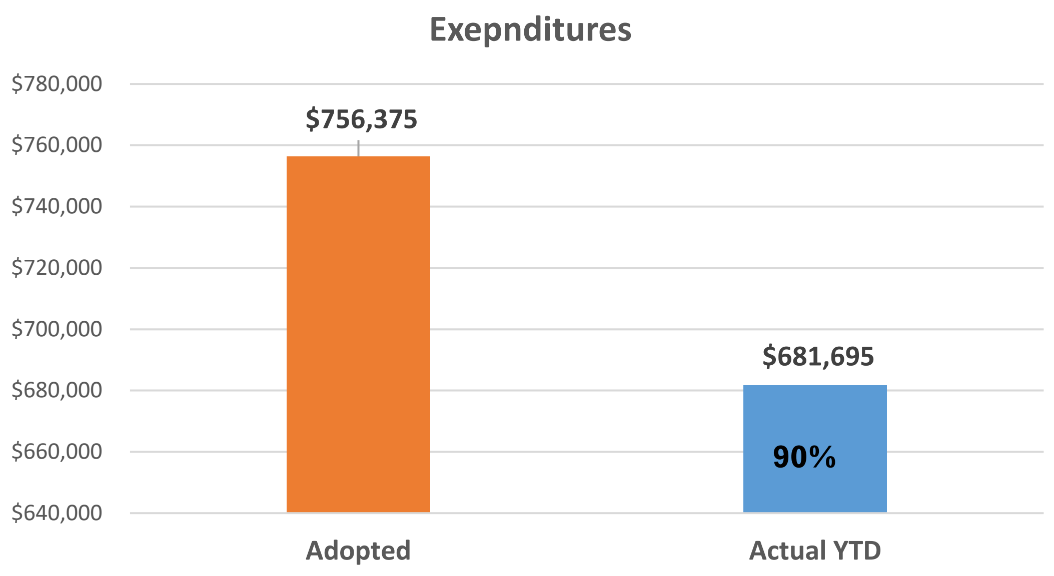
Airport Fund Revenue/Expenditures Adopted vs. Actual





Airport Proposed Revenues

Revenue	Actual FY 2024	Approved FY 2025	Proposed FY 2026
Facility Rentals	$ 352,495	$ 366,076	$ 365,598
Fuel Sales	409,995	351,000	355,000
Capital Contributions	-	-	-
Other Revenue	*417,600	91,450	91,300
Use of Fund Balance	-	-	$ 276,020
TOTAL OPERATING REVENUES	**$ 1,180,090**	**$ 808,526**	**$ 1,087,918**

*This includes water rights purchase from Water Acquisition fund in the amount of $330,400

Airport Expenditures

Expenditures	Actual 2024	Approved 2025	Proposed 2026
Total Operating Expenditures	* $ 342,414	$ 414,850	$ 425,139
Fuel Sales	312,150	296,300	300,000
Debt Service (Bond Series 2021)	43,673	45,225	44,779
CIP Expenses	-	-	312,000
Transfers Out	6,000	6,000	6,000
TOTAL EXPENDITURES	**$ 704,237**	**$ 762,375**	**$ 1,087,918**

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

Airport Fund Summary

Proposed Revenue FY 2026	
Airport Fund Revenues	$ 811,898
Use of Fund Balance	276,020
Total	**$ 1,087,918**

Proposed Expenditures FY 2026	
Airport Fund Expenditures	$ 769,918
CIP	312,000
Transfer Out	6,000
	$ 1,087,918

Major Changes To Proposed 2026 Airport Fund Budget

- Cost of Living Increase
  - 3% for full time employees
- Debt Service payment for USDA Hangar: $45,225
- CIP Expenditures
  - Courtesy Vehicle and UTV
  - Upgrade Electrical and Doors on Hangars A or B
  - Storage Unit for equipment

Upcoming Important Dates

- August 12th - City Council Meeting
  - Tax Rate Public Hearing #1
- August 26th – City Council Meeting
  - Tax Rate Public Hearing #2
  - Budget Public Hearing #1
  - Council to approve proposed tax rate as an action item and submit to Melissa Lutz (Tax Collector)
- September 9th – City Council Meeting, Tax Rate Public Hearing & Budget Public Hearing #2
  - Budget Adoption
  - Tax Rate Adoption
  - Ratify Tax Rate
- September 23rd – City Council Meeting
  - Adoption on Comprehensive Fee Schedule
  - Adoption on Investment Policy
  - Adoption on Financial Policy

City of Castroville
Unfunded Requests - General Fund

Department	Unfunded Items	Amount	Operational Costs (Tax Rate)	One Time Costs (Fund Balance)
City Council	Increase in Travel and Training	$ 5,500	☑	☐
	Total	**$ 5,500**		
City Administration	Full Time Intern Position w/Benefits	$ 45,371	☑	☐
	Increase in Attorney Fees	$ 10,000	☑	☐
	Building Repairs and Maintenance	$ 30,000	☐	☑
	Total	**$ 85,371**		
City Secretary	Digitalization	$ 120,000	☐	☑
	Total	**$ 120,000**		
Finance	Increase in Audit Services (Single Audit)	$ 6,500	☑	☐
	Increase in Awards/Recognition	$ 7,500	☑	☐
	Incode Cloud Based (Cloud Services)	$ 41,000	☑	☐
	Total	**$ 55,000**		
Library	Outside Services: Tree Trimming, Roof Repair, Plumbing, Furnace and AC Services)	$ 10,000	☐	☑
	Additional Patron Computer	$ 1,500	☐	☑
	Jamex Coin Payment Solutions	$ 3,700	☐	☑
	Meescan Self Check Out Station	$ 2,400	☐	☑
	2 Surface Tablets Upgraded	$ 2,000	☐	☑
	Building Repairs and Maintenance: Paint inside and outside, Repair Walls,	$ 5,000	☐	☑
	Ground Maintenance: Key Upgrade to side door, ADA Door Opener, Keyless Entry	$ 3,500	☐	☑
	Total	**$ 28,100**		
Police	New Detective Position w/Benefits	$ 98,559	☑	☐
	K9 Dog Purchase & Supplies	$ 35,000	☐	☑
	Total	**$ 133,559**		
Community Development	Increase in Engineering Services (Revenue pass thru)	$ 15,000	☑	☐
	Increase in Contracted Services (Revenue pass thru)	$ 35,000	☑	☐
	Total	**$ 50,000**		
Streets	Increase in Travel and Training	$ 1,000	☑	☐
	Equipment Purchase: Scag Mower	$ 15,000	☐	☑
	Equipment Purchase: Attenuator for Dump Truck	$ 20,000	☐	☑
	Increase in Equipment Repairs and Maintenance	$ 5,000	☐	☑
	Traffic Control - Stop Signs	$ 2,000	☑	☐
	Street Signs	$ 2,000	☑	☐
	Total	**$ 45,000**		
Parks and Recreation	Full Time Buildings/Grounds Maintenance Position w/Benefits	$ 54,651	☑	☐
	Utility Expense Increase (Community Center)	$ 22,000	☑	☐
	Uniform Expense Increase for new position	$ 1,000	☑	☐
	Increase in Travel and Training	$ 1,500	☑	☐
	Vehicle Repairs and Maintenance	$ 1,000	☐	☑
	Miscellaneous Park Improvements	$ 1,000	☐	☑
	Total	**$ 81,151**		
RV	Miscellaneous RV Park Improvements @ Rec Hall	$ 2,000	☐	☑
	Building Repairs and Maintenance (Painting)	$ 3,000	☐	☑
	Ground Maintenance (Space Renovations)	$ 3,000	☐	☑
	Total	**$ 8,000**		
Pool	Pool Equipment Upgrades (New Lift Guard Stands)	$ 4,000	☐	☑
	Building Repairs and Maintenance Upgrade	$ 6,000	☐	☑
	Total	**$ 10,000**		
Animal Services/ Code Enforcement	Full Time Shelter Technician w/Benefits	$ 54,651	☑	☐
	Body Cameras	$ 12,000	☐	☑
	Total	**$ 66,651**		

Section III, Item a.

City of Castroville
Unfunded Requests - General Fund

Department	Unfunded Items	Amount	Operational Costs (Tax Rate)	One Time Costs (Fund Balance)
Tourism and Business Development	Office Space Lease @ Chamber of Commerce	$ 14,400	☑	☐
	Total	**$ 14,400**		
Economic Development Corp.	Increase in Promotional Items	$ 600	☑	☐
	Professional Dues (D. Hamm)	$ 700	☑	☐
	Increase in Travel and Training	$ 1,200	☑	☐
	Total	**$ 2,500**		
Information Technology	Telecommunications: Secondary Internet Backup @ City Hall, Public Works, Library, Police and Parks.	$ 13,200	☑	☐
	Contracted Services - VC3 (Onsite Support)	$ 30,000	☑	☐
	Computer Hardware Upgrades and Computer Rotations	$ 21,000	☐	☑
	Total	**$ 64,200**		
Non Departmental	Increase in Unemployment Insurance	$ 5,000	☑	☐
	Copier Lease (overages for color)	$ 4,000	☑	☐
	Total	**$ 9,000**		
	Grand Total	***$ 778,432***		