

Presentation Notes for Finance and Audit Committee Meeting

May 14, 2026

Quarterly Financial Report for Quarter Ended March 31, 2026

Quarterly Financial Report

General Fund (GF) Revenues by Category

- Property Tax
 - Approximately 96.1% of the 2025 tax levy has been collected in FY26.
 - Approximately 96.2% of the 2024 tax levy had been collected in FY25.
- Budgeted revenue transfer included Tax Reinvestment Zone (TRZ) #1 (Loop 110)
 - FY26 budget included \$5.35MM to be transferred back to GF from TRZ #1 as the City's obligations have been met.
- Licenses and Permits
 - Building Permits, Zoning, and Site Development Permits – Volume for FY26 is comparable to FY25, but FY26 permits are for smaller construction projects, such as single-family homes therefore revenue is lower than prior year.

General Fund Expenditures by Category

- Other Charges – Reflect a percentage decrease in comparison to FY25. EMS Contribution budgeted amount increased by \$2MM from FY25, but invoices are being processed based on previous fiscal year budget. EMS has been contacted to correct the invoices.

- Operating Transfers – FY26 reflects a lower amount compared to FY25 due to no one time transfers budgeted for new City Hall and Municipal Court.
- Capital Outlay – Equipment expenses are lower (\$350k) in FY26 compared to last year, due to timing of purchases and an additional budget amendment carryover from FY25.
 - Land – (\$1MM)
 - Radio and Engines (\$1.5MM)

Electric Utility

- FY26 expenditures increased primarily from power costs (Fuel, Transmission, and ERCOT) compared to last year.
- FY26 expenditures increased due to the Capital Improvement Program (CIP) and Information Technology (IT) Internal Service Fund (ISF) operating transfers.

Water/Wastewater Utility

- FY26 total expenditures increased by \$2.6MM due to five new bond issuances' payments compared to last year.
 - 2024C ARWA
 - 2025 Revenue Bonds
 - 2025 Revenue Bonds Treatment Plant
 - 2025 Texas Water Development Board (TWDB)
 - 2025 ARWA
- FY26 Operating Transfers increased by \$1MM (CIP and IT ISF) compared to FY25.

Stormwater Management

- FY26 expenditures on contracted services increased by \$173K compared to FY25, primarily due to repairs and maintenance on Groove St. and Blanco Gardens.
- FY26 CIP budgeted expenditure transfer was completed earlier this year compared to last year.
- FY26 total expenditures increased by \$180K due to a new bond issuance payment compared to last year.
 - Stormwater 2025 Combination CO

Resource Recovery

- No major variances between FY26 and FY25.

Airport Fund

- FY26 City owned facilities rent revenue increased \$45k compared to FY25.
- FY26 Tie down fees increased by \$68k compared to FY25 due to two new flight schools opening.

Hotel Tax Fund

- Two hotels that were months delinquent have submitted the required reports but have not paid the late fees incurred.
 - Late fees total \$73,058 between the two.
- An additional hotel is now delinquent 3 months from not submitting the required reports at an estimated \$20k in total taxes.