ALAMO HEIGHTS
Texas

PROPOSED ANNUAL FY 2026-2027 BUDGET

CITY OF ALAMO HEIGHTS, TEXAS

PROPOSED OPERATING BUDGET

OCTOBER 1, 2026,
THROUGH
SEPTEMBER 30, 2027

AS SUBMITTED TO

THE MAYOR AND THE CITY COUNCIL

MAYOR
ALBERT HONIGBLUM

MAYOR PRO-TEM
LAWSON JESSEE

CITY COUNCIL MEMBERS
TREY JACOBSON
KARL P. BAKER
BLAKE M. BONNER
LYNDA BILLA BURKE

CITY MANAGER
BUDDY KUHN

CITY OF ALAMO HEIGHTS
MISSION STATEMENT

Alamo Heights will continue to be a vibrant village in which to live and work by protecting and enhancing its native beauty, promoting its special sense of community and providing excellent city services.

CITY OF ALAMO HEIGHTS, TEXAS
PROPOSED ANNUAL OPERATING BUDGET
FOR FISCAL YEAR 2026-27

This budget will raise more revenue from property taxes than last year's budget by an amount of $________ which is a ________% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is $___________. The City of Alamo Heights proposes to use the increase in total tax revenue for the purpose of providing essential services to the community, replacement of capital equipment, maintaining competitive employee compensation and paying debt service on bonds issued for drainage improvements approved by the voters. *

Tax Rate	**FY 2025-26**	**FY 2026-27**
Property Tax Rate	0.370147	
No New Revenue Tax Rate	0.367873	
No New Revenue M&O Tax Rate	0.305302	
Voter Approval Tax Rate	0.475767	
Debt Rate	0.062571	

The total outstanding municipal debt secured by property taxes for the City is $14,688,604. The total municipal debt payment for FY 2026-2027 is $1,933,032 of which $1,338,863 is secured by FY 2027 property tax.

*At the time of the proposed budget submittal the 2026 property tax information was not available and will be after July 29, 2026

VISION

To continuously cultivate an efficient and effective customer-driven model city that is innovative and responsive to the needs of the community.

CORE VALUES

- Safety
  The health, safety and general welfare of our citizens, employees and visitors is our utmost concern and highest priority.

- Service
  We constantly endeavor to improve the delivery of consistent and reliable service going beyond customer satisfaction.

- Integrity
  We exhibit the highest levels of honesty and integrity in everything we do.

GOALS

- Governance and Communication
  Promote honest and open government through civic engagement and informative and responsive communication with residents and customers.

- Infrastructure and Services
  Properly maintain and strategically improve infrastructure and provide excellent city services.

- Neighborhood Character and Commercial Revitalization
  Enhance and protect the unique character of neighborhoods and support the development of a vibrant and attractive commercial district.

- Accountability and Management
  Be responsible stewards of public resources and utilize best management practices for our administrative and financial systems.

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CITY OF ALAMO HEIGHTS
6116 BROADWAY
SAN ANTONIO, TEXAS 78209
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FAX 210-822-8197

August 10, 2026

City of Alamo Heights
6116 Broadway
Alamo Heights, Texas 78209

To the Honorable Mayor and City Council:

I am pleased to present to the City Council and citizens of the City of Alamo Heights the Proposed Fiscal Year 2026-27 Operating Budget. The Budget has been developed to be consistent with the established mission, vision and goals of the City of Alamo Heights and provides a fiscal plan to accomplish the action steps adopted by the City Council in the 2026-2027 Strategic Action Plan.

The Proposed FY 2026-27 Budget has been developed to allocate resources by City department to provide excellent municipal services to citizens and visitors. The Budget is organized into a variety of major category sections to provide the reader with a broad overview of the budget and to highlight how the allocation of City financial, human and capital resources are targeted to achieve the established mission, vision and prioritized goals of the City of Alamo Heights.

PRINCIPAL BUDGET ISSUES

The principal budget issues for Alamo Heights relate to the ability of the city to continue its 20-year plan for street infrastructure improvements and reserve funds needed for capital.

Alamo Heights is landlocked and does not benefit from the new development of vacant property. To sustain its tax base, the City depends on continuous rehabilitation and renewal of existing developed properties. Since 82% of the City's property values are residential, the City's tax base benefits most from the regular renovation of existing homes and the construction of new homes. Property valuations this year decreased by 1.99% in net taxable values for the year 2026. The City also benefits from the improvement and renewal of its established commercial district.

PLANNING PROCESSES

To address its challenges and identity priorities for operating budgets, the City has undertaken a number of planning processes to establish short-and long-term goals.

Strategic Action Plan - Each year, the City Council and City's Leadership Team create for consideration and approval, a Strategic Action Plan that establishes action steps that are Adopted to be accomplished during the next fiscal year. The Strategic Action Plan serves as a baseline for the formulation of the Annual

Budget and each action step is assigned to individual city departments to be accomplished. This year's Strategic Action Plan is included in the Budget Information section of this document.

Capital Improvement Program (CIP)
Alamo Heights voters approved the issuance of $13,250,000 Taxable Bonds Series 2021 for the city's portion of stormwater drainage improvements along Lower Broadway and Austin Hwy. This project is a collaboration between Texas Department of Transportation, the Metropolitan Planning Organization, Bexar County and San Antonio River Authority. The city continues to meet with Bexar County officials for their possible participation in this important storm water drainage project. City Officials have also coordinated with other entities including City of San Antonio and CPS Energy.

The City established governmental funds in 2011 for street maintenance and capital replacement. Street maintenance projects were funded with a one-quarter cent sales tax and transfers made from the general fund. The voters approved an additional one-quarter cent sales tax for street maintenance in May 2017. The total sales tax dedicated to Street Maintenance is one-half cent beginning October 2017. Reauthorization of the street maintenance dedicated one-half cent sales tax is authorized by voters every four years. Alamo Heights voters reauthorized the sales tax at the May 2025 ballot. Transfers are made to the capital replacement fund from the General Fund for purchases of vehicles, fire trucks, ambulances and heavy equipment.

Comprehensive Plan
The City of Alamo Heights Comprehensive Plan was adopted by the City Council on May 26, 2009. The FY 2026-27 Budget includes $1,198,722 to support beautification, recreation, and grant opportunity opportunities. This amount is comprised of improvements related to beautification and park improvements for $295,306, $50,000 to support public art display for the Kellyanne park, $33,125 to finish the designs for a potential new park adjacent to the Little League Fields, $25,000 for a community fall event, and $620,291 to support the revenue loss in the SRO program.

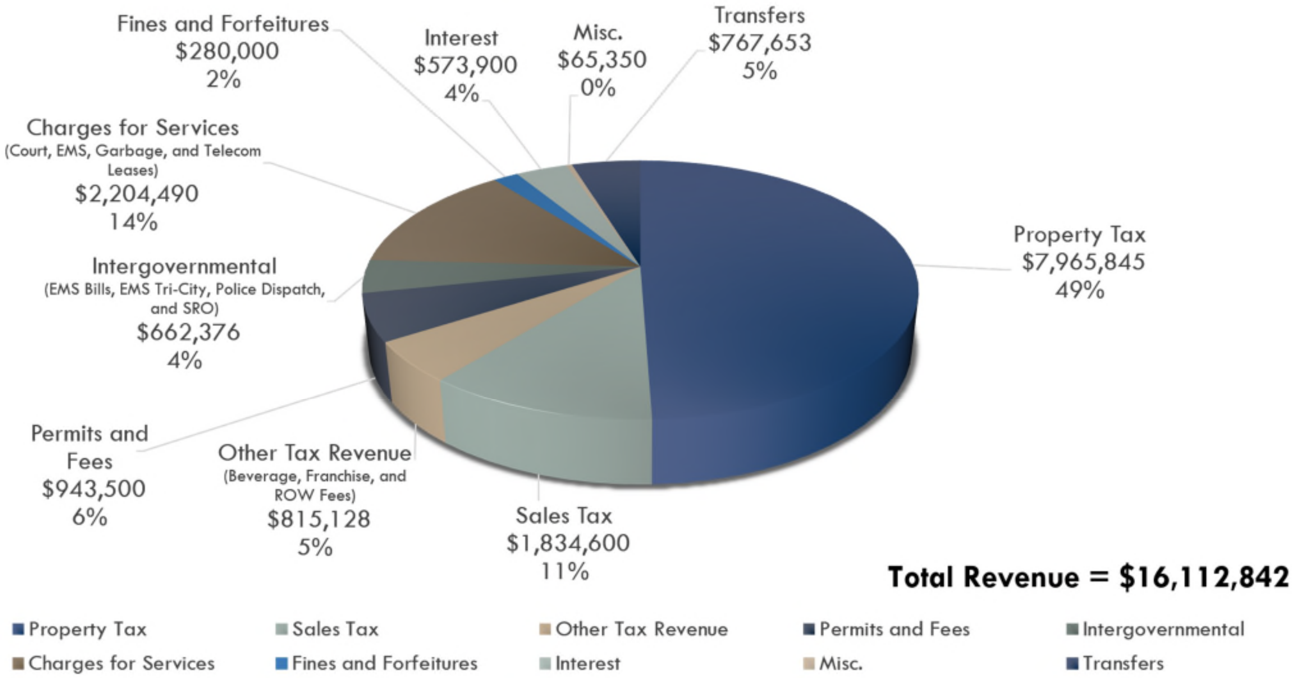
DEBT

The Constitution of the State of Texas limits the total ad valorem taxes levied by a city to $2.50 for each $100 of assessed valuation. There is no limitation within the $2.50 rate specifically for debt service; however, the Texas Attorney General prohibits the issuance of debt if the debt service requirements exceed the amount that can be paid from $1.50 tax rate calculated at 99% collections. Currently approximately 16.9 percent ($0.062571) of the total property tax rate is currently dedicated to debt service payments. This debt amount is significantly below the state limits. The City's Policy is to limit debt to 1% of its current ad valorem tax valuation.

MAJOR REVENUES

The City derives revenue from a variety of sources to support the provision of municipal services. Major general fund revenues include property taxes, sales taxes, charges for services, permits and fees, intergovernmental, other taxes and fines and forfeitures. Property taxes constitute the majority of general fund revenues, representing 49 percent of the General Fund revenues. A further summary and additional details about each City revenue source are included in the Revenue Section of this document.

FY 2026-27 PROPOSED GENERAL FUND REVENUES



REVENUE TRENDS

General Fund revenues are subject to several economic factors. For instance, property taxes are based on the appraised value of real property in the community. A more detailed discussion of property tax is included later in this message.

During the FY 2026-27 Strategic Action Plan and Budget Work Session meetings, City council approved increasing the garbage collection fees beginning October 1, 2026, to cover operating costs for garbage and recycling collection and disposal. Fees would increase by $5/month to a total of $34/month for residential customers and decrease $11/month to a total of $34/month for commercial customers along with adding an additional cart fee of $20/month per additional cart beginning October 1, 2026. The fee increases are needed to keep up with increased costs for personnel, landfill fees, fuel and maintenance of solid waste equipment. Garbage is collected twice a week, and recycling is collected on Wednesdays.

Permits and fees, sales tax and interest are typically more closely tied to the relative health of the economy. Interest rates took a slight dip in FY 2026 but remained constant and leveled as Inflation rates continue to rise above market expectations. Even with the tight market, many Alamo Heights residents are taking advantage of the current economy to make improvements to their homes or building new homes. Sales tax and interest earned on investments are typically a direct result of economic activity and growth, respectively. Both permit and sales tax revenue streams remain stable.

Fortunately, most other tax revenues, charges for services, intergovernmental revenues and fines and forfeitures are largely based on policy changes and tend to remain relatively constant during periods of economic downturn. However, a prolonged economic recession or depression will eventually affect these revenue streams as well.

The City's Utility Fund is an enterprise fund that operates like a business. As a result, the City Council establishes water and sewer rates to cover the costs of operating and maintaining the water distribution and sanitary sewer systems. The water and sewer rates are informed by periodic water/sewer rate studies, recently conducted in 2018 and again in 2023. As a result of the 2023 updated study, the City Council adopted a five-year water and sewer rate increase beginning October 1, 2023. Due to rising material, equipment, and capital costs due to inflation and other factors, a new rate study is currently being finalized in FY 2026 to become effective October 1, 2026.

Utility revenue streams are not as affected by the economy but are most impacted by the amount of rainfall received throughout the system each year. A lack of rainfall typically increases water usage for landscaping, which increases water revenue and typically sewer revenue, which is established by water usage in the winter months. More rainfall, conversely, typically leads to less conservation of water but lower water and sewer revenues to support the system. Moreover, the City encourages the conservation of water as a precious resource, but such conservation actually reduces the revenue available to operate and maintain the utility systems and increases such rates over time. Periods of drought, like those experienced in south and central Texas since 2023, have reduced the City's water capacity due to limits placed by the body overseeing the City's water source, Edwards Aquifer Authority (EAA). To encourage conservation measures and increase the City's ability to meet reduction thresholds required by EAA, the City adopted a Drought Surcharge Fee beginning February 2024 for users that exceed certain water consumption thresholds. Proceeds from this fee are reserved for capital and programmatic needs of the water utility.

PROPERTY TAX

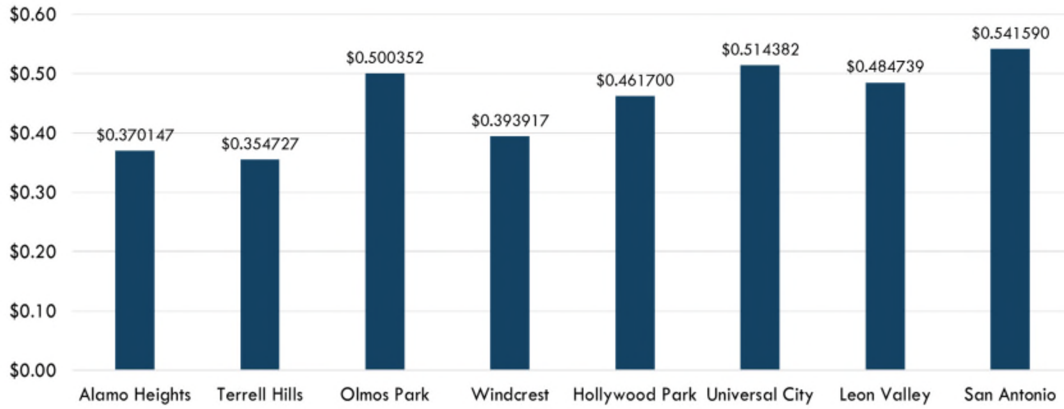
Property tax revenues comprise the majority of the resources for the General Fund. For this Budget, a projected $7,965,845 or 49 percent of General Fund revenues come from property taxes. This concentration of revenues from property taxes is consistent with the fact that 91 percent of the city's taxable property values are from residential properties.

The 2025 tax rate is $0.370147 per one hundred dollars valuation and is composed of the Maintenance and Operating Rate (M & O) of $0.307576 and Interest and Sinking (I & S) tax rate of $0.062571.

The City of Alamo Heights voters approved an initiative in November 2007 to freeze property tax values for property owners that are disabled or over 65 years of age. This exemption decreases the amount of property taxes paid by qualifying property owners by freezing the amount of property taxes paid for their property in the year that the owner qualifies for the exemption. The Bexar Appraisal District estimates that 925 property owners will qualify in the 2026 tax year, which is an increase of 23 property owners from the 2025 tax year. Properties qualifying for the freeze decreased the total taxable value by $794,114,663, and the City will forgo approximately $787,016 in FY 2026-27 as a result of the approved property tax freeze.

The City of Alamo Heights has one of the lowest municipal tax rates in the larger metropolitan area and currently has a relatively low portion of property tax revenue devoted to debt service compared to other area municipalities as demonstrated by the following graph and table:

ADOPTED 2025 PROPERTY TAX RATE FOR ALAMO HEIGHTS
COMPARED TO OTHER MUNICIPALITIES 2024 RATES (PER $100)



The following is a sample property tax statement that demonstrates the portion of local taxes that are due from a typical resident of the City of Alamo Heights. This is a sample statement for a typical taxpayer under the age of 65, comparing the current property tax rates for a $887,627 home, which is the 2026 average market home value. City taxes represent $3,286 or 19 percent of the total property taxes due with the 2025 tax rate of $0.370147.

Taxing Unit	Average Market 2026	2026 Homestead Exemptions	Taxable Value	2025 Rate per $100	Tax Levy	% of Total Tax
Alamo Heights I.S.D	$887,627	$140,000	$747,627	$0.957200	$7,156	41%
City of Alamo Heights	$887,627	$ -	$887,627	$0.370147	$3,286	19%
Bexar County	$887,627	$177,525	$710,102	$0.276331	$1,962	11%
Hospital District (University Health)	$887,627	$177,525	$710,102	$0.276235	$1,962	11%
Alamo Community College Dist.	$887,627	$ 8,876	$878,751	$0.149150	$1,311	7%
County Road & Flood	$887,627	$177,525	$710,102	$0.236680	$1,681	10%
S.A. River Authority	$887,627	$ 35,505	$852,122	$0.018300	$156	1%
Total				**$2.284043**	**$17,513**	**100%**

Sales tax paid by consumers upon the purchase of taxable items within the city limits of Alamo Heights has a strong correlation to local and national economic conditions. The sales tax for Alamo Heights is 8.25 percent. In May 2008, voters approved a ¼ of a cent (.25) dedication to street maintenance. In May 2017, an additional ¼ of a cent (.25) was approved. A total of one-half (.50) of a cent is now dedicated for street maintenance since October 2017. The reauthorization of one-half (.50) for street maintenance was passed in May 2025. The remainder of the current sales tax rate is divided between the State of Texas at 6.25 cents, the City of Alamo Heights at one (1) cent and VIA Metropolitan Transit at one-half (.50) of a cent. For this Budget, $2,751,900 is projected to be collected by the City from sales tax. This total amount includes $917,300 dedicated for the Street Maintenance Fund and $1,834,600 for the General Fund, which represents 11 percent of the total General Fund revenue.

PROGRAM CHANGES

In an effort to enhance the City's ability to recruit and retain quality employees, the Budget includes a 3.5% salary adjustment for City staff at a cost of about $315,000. Health insurance costs are budgeted with a 17% increase in premiums.

GENERAL FUND

The General Fund departmental allocations including transfers for FY 2026-27 total $15,746,897 which represents a 12.58% increase from the prior fiscal year adopted budget. Total revenue, including transfers, for FY 2026-27 is $16,112,842 which represents a 10.54% increase from the FY 2025-26 Budget.

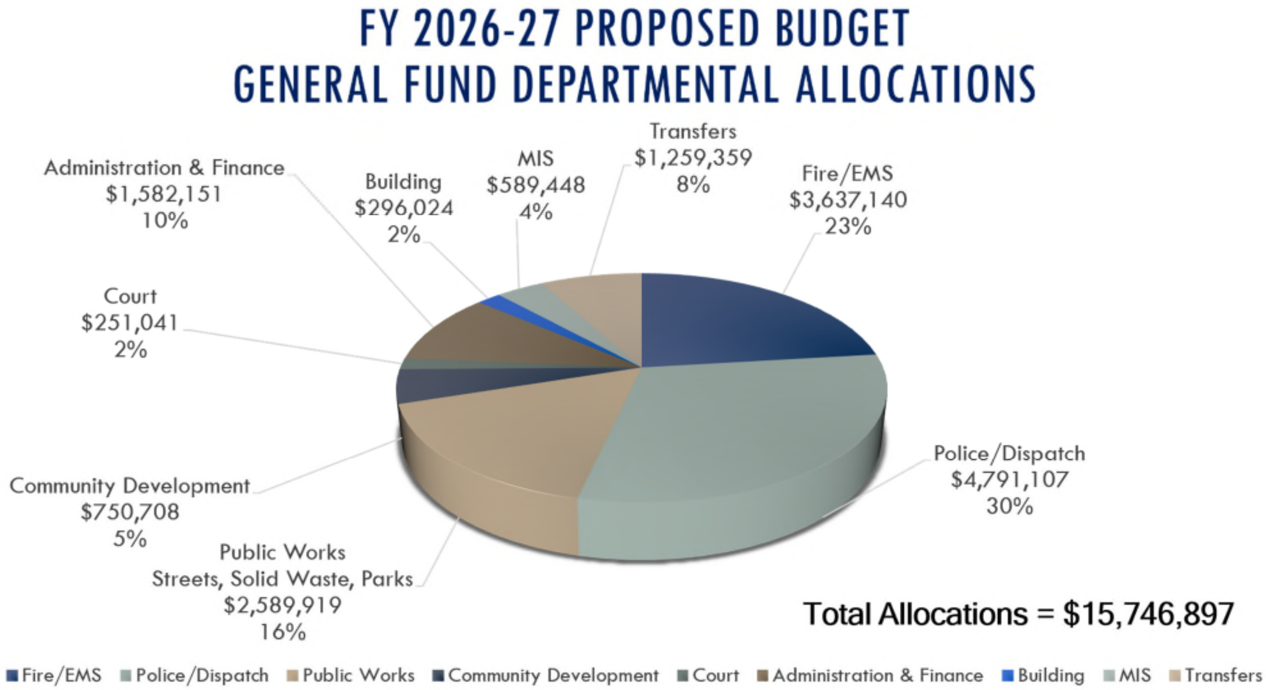
The General Fund Schedule reflects an estimated ending Fund Balance of $9,538,284 at the end of FY 2026-27. The Governmental Finance Officers Association (GFOA) recommends an Operating Reserve equivalent to three (3) months (or 25%) of the total departmental allocations which is $3,621,885 but, City policy requires an Operating Reserves of 35% which is $5,070,639.

Beginning Fund Balance estimated 10-01-26	$ 9,172,340
Operating Revenues	16,112,842
Total Available Funds	$16,112,842
Departmental Allocations and Transfers	-15,746,897
Remaining Funds Available	$ 365,945
Projected Ending Fund Balance 09-30-27	$ 9,538,284

In addition to accounting for revenues and departmental appropriations, the General Fund budget includes a total transfer out of $1,259,359, of which $100,000 is to the Comprehensive Plan Fund, $644,007 to the Capital Replacement Fund, $296,376 to the EMS Replacement Fund, and $218,976 to encumber funds for the Fire & Police Department. The Capital Replacement Fund transfer supports the purchase of a Police vehicle, the SCBA Pacs for the Fire Department, and the purchase of a Garbage Truck for the Solid Waste Department. The City will look at alternate routes of funding to minimize one-time lump sum costs. Additionally, out of the encumbered funds $200,000 will be set aside to build up a down payment for a new Fire Truck to be received in FY 2030

Public safety represents a top priority for the City of Alamo Heights with about 53 percent of the General Fund departmental budget (non-transfers) being allocated to the Police and Fire/EMS Departments. Public Works represents 16 percent of the General Fund budget in FY 2026-27 with Administration and Finance, Municipal Court and Information Technology representing 16 percent, the Community Development Department representing 5 percent and the Administration Building budget representing the remaining 2 percent of the departmental allocations.

Adopted departmental allocations for FY 2026-27 General Fund Budget are represented in the following graph:



INFRASTRUCTURE

Maintenance and improvement of the City's infrastructure is a priority of the City Council and the budget includes funding for the continuation of the 20-year Street Maintenance Plan which will allow for the proper maintenance of every City Street over a 20-year period following the completion of the City's current capital improvement program (CIP). Street Projects totaling $1,200,000 will be budgeted in the Street Maintenance Fund.

The Utility Fund (and 2026 Debt Issuance) Budget includes funding for several new and ongoing water and sewer capital projects. Projects include Water Service Relocation for $3 Million, Water Meter Replacement for $2.4 Million, Sewer Rehabilitation for $1.2 Million, Water Towers Rehabilitation for $570k, and the Water Interconnection Project for $260k. Additional debt issuance may be necessary to continue critical infrastructure improvements.

UTILITY FUND

FY 2026-27 Utility Fund appropriations are $6,541,402, and operating revenues are $5,018,192. The total ending unrestricted Utility Fund balance is projected to be $347,919, which represents a decrease of $733,061 from the beginning equity balance. Due to the Utility Fund utilizing positive balances in the fund balance to support capital improvement needs in prior years it lead to decreasing the overall fund balance. In FY 2025-26 and $8 Million CO was issued to preserve the Utility Fund Balance and to support the following current projects in motion: Water Service Relocation, Water Meter Replacement, Sewer Rehabilitation, Water Towers Rehabilitation, and the Water Interconnection Project.

PROJECTED UTILITY FUND REVENUES/ ALLOCATIONS FOR PROPOSED FY 2026-27

Projected Net Beginning Fund Balance 10-01-26	**$ 4,289,627**
Revenues	$ 5,018,192
Total Available Funds	**$ 5,018,192**
Departmental Allocations and Transfers	- $ 6,541,402
Remaining Funds Available	**-$ 1,523,210**
Projected Gross Fund Balance 09-30-27	**$ 2,766,417**

CAPITAL BUDGET

The City of Alamo Heights has historically had significantly less capital debt than many municipalities its size. In fact, prior to the authorization of $7,500,000 in Certificates of Obligation in August 2007, the City of Alamo Heights had not issued public debt since the construction of the swimming pool near Olmos Basin Park in the late 1940's. This is largely due to the fact that the City had not previously adopted a comprehensive capital improvement plan. The City's infrastructure responsibilities include the maintenance of public streets and parks areas, as well as the maintenance and operation of a water distribution system and a sanitary sewer system. The City has done a much better job in the last 15 years maintaining its streets and park areas, but the City's water and wastewater infrastructure have aged and will need on-going maintenance or replacement for providing high quality services to its customers. The City utilized the 2007 Certificates of Obligation to undertake a number of public infrastructure projects across the city. The purchase of a new fire and rescue apparatus and a 600,000-gallon elevated water tank was completed in 2012 as required by the Texas Commission on Environmental Quality (TCEQ) along with improvements to the City's sanitary sewer system and street and sidewalk improvements.

Impact of Capital Improvements on Operating Budget – The improvement and replacement of water and sewer infrastructure reduce the cost of maintenance for these mains in the short-term. However, as the majority of the City's utility mains continue to exceed their operational lifespan it becomes increasingly important to maintain a proper replacement program to mitigate the costs of deferred maintenance. The Public Works Department has adopted a "pay-as-you-go" funding methodology when it is financially viable. Future street or utility infrastructure improvements needing substantial funding with the life of 20+ years may be best suited for the issuance of debt to coincide with the life of improvements.

MAJOR FUTURE INITIATIVES

The City of Alamo Heights has identified several major initiatives which are likely to have significant fiscal impact on the City in the years to come. The scope of these initiatives has not been fully determined, and their fiscal impact can only be estimated at this time. The following includes a brief description of each of these initiatives and the potential fiscal impact each initiative could have on the City of Alamo Heights.

Storm Water Improvements along Broadway, Austin Highway and N. New Braunfels – Built on natural creek beds that have existed for thousands of years, Broadway and N. New Braunfels are two of very few areas in the center of the metropolitan area in which storm water drainage has not yet been adequately addressed. In November 2020, voters approved the issuance of Taxable Bonds to address some of the stormwater drainage issues along lower Broadway and Austin Hwy. City staff continues working with the San Antonio River Authority (SARA), Bexar County and Bexar Regional Watershed Management (BRWM) to explore options to address the drainage issues. Storm water management is a regional issue that most often requires regional resources to fund improvements. This is especially true for Broadway and N. New Braunfels as continued development to the north of Alamo Heights has contributed significantly to the increased flow rates along these rights of way. The City is committed to working closely with other organizations to study, design and eventually construct drainage improvements which will mitigate flooding without negatively impacting our neighbors downstream.

Comprehensive Plan - In 2016, trees were planted on city right of way along upper Broadway and other areas in the community. A tree beautification program for the Broadway and Austin Highway area was developed in 2016 and will be funded by a combination of funds including the Comprehensive Plan and tree mitigation funding. The city received generous donations from a local resident to plant additional trees within the community.

Every effort has been made within the Budget to allocate resources in a sound manner that enables the effective delivery of municipal services for the safety, health, and welfare of the citizens of the City of Alamo Heights. These recommendations are presented to the Mayor and City Council for your review and consideration.

Finally, I would like to thank my staff for all their hard work in preparing this Budget, especially the work of Finance Director Kristine Horton, Assistant City Manager Phil Laney, and Assistant to the City Manager Jennifer Reyna for their contributions during this process.

Respectfully submitted,

Buddy Kuhn

Buddy Kuhn
City Manager

BUDGET GUIDE

OVERVIEW

This overview is designed to assist the reader in the use and understanding of the City of Alamo Heights' Budget Document. The Annual Operating Budget serves as a policy document, a financial plan, an operations guide and a communications device for the City. It is the foundation for the City's allocation of resources to deliver quality services, targeted investments and continued improvements. It also encapsulates incremental changes addressing service requirements and builds upon initiatives funded in prior years while establishing new direction for existing programs. The Budget Document is also used to evaluate the effectiveness of City programs and services while providing extensive information on municipal operations.

BUDGET SECTIONS

The budget is arranged in six (6) sections that are separated by the following respective tabs:

Budget Message - This section provides the reader with a summary of the annual budget. The Budget Summary provides the reader with a synopsis of the budget and highlights significant funding changes in the Annual Budget. The Capital Budget includes descriptions of projects in the Capital Improvement Program as well the impact of those projects on the City's infrastructure, operations and operating budget.

Budget Information - This section is intended to provide the reader a guide to what information is contained in the budget document and to serve as a reference for the user on the City of Alamo Heights's fiscal and budgetary policies. This section also contains the Strategic Action Plan adopted by the City Council for the fiscal year and the Budget Calendar, an Organizational Chart, Personnel Schedule and a Summary of Program Changes.

Revenues – The revenue section contains a summary of major revenues and information about each revenue source.

Fund Statements – This section includes all the fund statements for the annual budget. Fund schedules for the General Fund, Utility Fund, Debt Service Fund, Capital Projects Fund, Capital Replacement Fund and Designated Revenues Fund.

City Departments – All departmental summaries are included in this section. The departmental summaries include program information, goals and objectives, action steps, performance measures, program changes and a summary of expenditures and positions.

Appendix – This section is designed to assist the user in defining information within the document or in obtaining additional information. It contains the Holiday Schedule, a Glossary and Statistical Data.

FISCAL AND BUDGETARY POLICY

INTRODUCTION

Each year, the City of Alamo Heights develops a Balanced Budget with guidance from the Mayor and City Council, City Departments, and its citizens. In accordance with Texas state law and generally accepted accounting standards, the City of Alamo Heights adopts a balanced budget for each fiscal year.[1] The Adopted Budget is required to cover only those expenditures with revenue for which the City has authority to levy therefore creating a Balanced Budget. The Budget process includes multiples phases, each of which requires a joint effort by government leaders and City staff. This section will explain the City's financial and budget policies, including the budget process, timeline, Budget Document, revenues, and expenditures associated with the budget.

BUDGET PROCESS & TIMELINE

The City of Alamo Heights operates in a fiscal year beginning on October 1 and ending on September 30. Each year, the City Manager, following certain required timelines, decides on key dates that will be used for each phase of the budget process. The phases currently include: 1) establishment of new Strategic Action Plan; 2) an Adopted budget for the upcoming fiscal year; 3) public hearings on the Adopted budget and tax rate; and 4) a final adopted budget for the next fiscal year.

Strategic Action Plan – Each year, the City's Leadership Team, in association with the City Council Committees, creates and presents to the full City Council, for their consideration and approval, a Strategic Action Plan that establishes action steps that are Adopted to be accomplished during the next fiscal year. The Strategic Action Plan serves as a baseline for the formulation of the Annual Budget and each action step is assigned to individual city departments to be accomplished and for City Council review.

Adopted Budget - The City Manager presents the Adopted budget to City Council, demonstrating how the Strategic Action Plan has been addressed. Correspondingly, the Adopted budget, according to the Texas Local Government Code, must be filed with the City Secretary thirty (30) days before the tax levy is made for the fiscal year.[2]

Public Hearing - After presenting the Adopted budget to City Council, at least one (1) public hearing must be held. The first hearing must be held at least 15 days after the Adopted budget was presented, but before the tax levy. Special notice of the public hearing must also be published in the *San Antonio Express-News* no earlier than 30 days and no later than 10 days before the hearing.[3] Through the hearing, City Council and City staff are able to receive feedback from the community concerning the Adopted budget.

Adopted Budget - Before adopting a final budget, City Council may choose to change any aspect of the Adopted budget, as long as the changes result in a balanced budget.

BUDGET AMENDMENTS

At any time during the fiscal year, upon written recommendation of the City Manager, the City Council may transfer any unencumbered appropriation balance or any portion within a department office or agency to another. The expenditures of the City, by Charter, shall not exceed the total appropriation of the fiscal year. The City Charter also gives the City Manager the authority to transfer appropriations within funds. The budget may also be amended by submitting an ordinance to the City Council for approval.

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[1] *Texas Local Government Code Chapter 102, Subsection 002.*
[2] *Texas Local Government Code Chapter 102, Subsection 102.005.*
[3] *Texas Local Government Code Chapter 102, Subsection 102.006.*

BUDGET BASIS

The budget of the General Fund is prepared and accounted for on a modified accrual basis which means that revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred. In contrast, the budget of the Utility Fund is prepared and accounted for on the accrual basis of accounting. Under this basis, revenues are recognized when they are earned and expenses are recognized when they are incurred. In addition, capital outlay is treated as an asset and then written off as an expense through depreciation. The Special Revenue Funds are governmental funds used to account for resources which are legally or contractually restricted to specific expenditures.

BUDGET CONTROLS

Budgetary compliance is a significant tool for managing and controlling governmental activities, as well as ensuring conformance with the City's budgetary limits and specifications. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Levels of budgetary controls, that is the level at which expenditures cannot legally exceed appropriated amounts, are established by function and activity within individual funds. The City utilizes an encumbrance system of accounting as a mechanism to accomplish effective budgetary controls.

ACCOUNTING BASIS

The Annual Comprehensive Financial Report (ACFR) shows the status of the City's finances on a basis of generally accepted accounting principles (GAAP). In most cases, this conforms to the way the City prepares its budget. The accounts of the City are organized by fund. Each fund is considered a separate accounting entity with its own set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. Each fund is included in the ACFR.

General Fund - The General Fund is accounted for using the current financial resources measurement focus and the modified accrual basis of accounting which means that only current assets and current liabilities are generally included on their balance sheets. Revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred. However, compensated absences, debt service expenditures, claims and judgments and arbitrage are recorded only when the liability is matured. Those revenues susceptible to accrual under the modified accrual method are property taxes and other taxes, intergovernmental revenue, and interest revenue. Licenses, permits, fines and forfeitures revenues are not susceptible to accrual because they are generally not measurable until received in cash.

Utility Fund - The Utility Fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and their expenses and related liabilities, including claims, judgments, and compensated absences, are recognized when they are incurred. In addition, capital outlay is treated as an asset and then written off as an expense through depreciation. These funds are accounted for on a cost of services or "economic resources" measurement focus. Consequently, all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.
The Utility Fund Balance represents the fund's equity but includes in its equation of assets less liabilities, non-financial assets and all debt. The fund's equity is also classified in the same manner as the general fund but includes an adjustment for non-monetary assets and liabilities.

The Utility Fund is an enterprise fund which should be self-supporting with user fees and charges for services associated with direct and indirect costs. Cost of service studies are being done periodically to ensure fund balances are maintained at a level necessary to ensure stability in the event of a decline in revenues dedicated to the Utility Fund.

The Fund Balance is the accumulation of revenues over expenditures and provides an indication of financial position. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be recovered, primarily through user fees.

FUND TYPES

General Fund - The General Fund of the City accounts for all financial resources except those required to be accounted for in another fund. The General Fund is usually referred to as the operating fund and is used to finance the day-to-day operations of the City. It is the largest part of the City's financial operation. Revenues for this fund are obtained from taxes, licenses and permits, intergovernmental revenue, charges for services, fines, and interest.

Utility Fund - The Utility Fund consists of the operating budgets for Water and Sewer operations in the City. These funds account for the operations of the Utility Division of Public Works as if the Division was a separate, self-supporting business. As a cost of service enterprise fund, the Utility Fund obtains its revenues from the water and sewer services. Water and sewer rates must be sufficiently set to pay the total operations, maintenance, debt, and depreciation of the fund.

Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided on a cost-reimbursement basis. The Capital Replacement Fund is an internal service fund that was created as part of the FY 2008-09 Budget to account for the financing of substantial capital equipment and vehicles, with the exception of Fire apparatus which are capitalized over 20 years. Fund revenues will include transfers from the General and Utility Funds as well as the proceeds from the sale of vehicles and capital equipment. The fund represents the most fiscally responsible way for the City to regularly finance and purchase vehicles and other substantial capital equipment over time.

Debt Service Funds – The City's Debt Service Fund was created as part of the FY 2008-09 Budget and accounts for the accumulation of resources and the payment of general long-term debt principal and interest costs.

Capital Projects Funds – The City's Capital Projects Fund was created as part of the FY 2008-09 Budget to account for the expenditure of issued certificates of obligation on capital projects specifically described in the issuance language and approved by the City Council. The City's Capital Project Fund includes capital funds expended on all capital projects except water and sewer projects which are accounted for in the City's Utility Fund.

Special Revenue Funds - The City has a variety of Special Revenue Funds which account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted to expenditures for specified purposes. The City's Street Maintenance Fund for the recurring maintenance of all City streets is an example of a Special Revenue Fund that is supported by a mixture of general fund dollars and the 1/2 cent sales tax approved by the voters initially in November 2008 and re-authorized every four years since 2017, most recently in May 2025.

EXPENDITURES

For each year, the department's actual expenditures, revised budget, estimated budget and adopted budget are compared and tracked in four (4) major spending categories. These categories include:

- **Personnel Services -** This includes the cost of salaries, retirement and health benefits, allowances, insurance and payroll taxes for City employees.

- **Commodities -** This includes the cost of fuel, tires, office supplies, minor equipment, tools, uniforms and protective clothing.

- **Contractual Services -** The cost of travel, storage space rental, purchased utilities and professional services provided by attorneys, consulting engineers, architects, accountants, and other outside firms on a contractual basis. This category does not include purchases of supplies and equipment for which the city enters into contracts on a competitive bid basis.

- **Capital Outlays -** Includes the cost of major equipment, vehicles, and other items, which have a useful life of several years.

Appropriations – The point of budget control is at the department level budget for all funds. Any transfer or appropriation between funds must be approved by the City Council. Transfer of appropriations between departments may be authorized by the City Manager without City Council approval.

Purchasing – All City purchases of goods or services will be made in accordance with the City's current Purchasing Policy and with State law. State law requires all contracts greater than $50,000 be approved by the City Council. Materials and other bid items may be purchased up to the $50,000 limit allowed by State Law without City Council approval.

REVENUES

Services provided by the City of Alamo Heights are funded by a variety of revenue sources, including local, state, federal and grant revenues. The amount of revenue available to the City sometimes depends on economic activity and other factors. The Revenue Section of this budget document includes a summary of all revenues and detailed information about each revenue source.

OPERATING RESERVES

The City of Alamo Height policy is to have an operating reserve in the General Fund equal to 35% of departmental operating allocations. This operating reserve accounts for the seasonal nature of property tax which constitutes a large portion of the City's revenue base. The City has established working capital for the Utility Fund equal to 20% of operating allocations.

PROPERTY TAXES & ROLLBACK

Current Tax Rate **-** Pursuant to current state Truth-In-Taxation guidelines, the No New Revenue, NNR, tax rate is calculated based on generating approximately the same amount of M&O property tax revenue as generated in the prior year on only properties that were on the tax roll in both years (excludes new construction and annexation). Additionally, Truth-In-Taxation guidelines allow a taxing unit to add an additional three and one-half percent (3.5%) to the NNR tax rate. The Voter-Approval tax rate is calculated by adding the No New Revenue Maintenance and Operations tax rate plus three and one-half percent (3.5%), plus the debt service tax rate. If a taxing unit adopts a tax rate that exceeds the Voter-Approval tax rate, the taxing unit must hold an automatic election to approve the adopted tax rate required by Texas Tax Code Sec. 26.07. The city must order its election by the 78th day before the November uniform election date.

DEBT MANAGEMENT

Debt Service - The City issues debt for the purpose of financing long-term infrastructure capital improvements. Some of these projects have multiple sources of funding which include debt financing. Infrastructure, as referred to by the City, means economic externalities essentially required to be provided by government to support a community's basic human needs, economic activity, safety, education, and quality of life. Types of debt issued by the City include ad valorem tax-supported bonds and certificates of obligation. Adherence to conservative financial management has allowed the City to meet its financing needs while at the same time maintaining its excellent financial reputation.

Debt Policy – The City's debt policy is to have a maximum ratio of outstanding bond principal to assessed value of 1%. The 1% limit would not include utility revenue bonds.

Debt Limitations - The amount of ad valorem tax-supported debt that the City may incur is limited by the Constitution of the State of Texas. The Constitution of the State of Texas provides that the ad valorem taxes levied by the City for debt service and maintenance and operation purposes shall not exceed $2.50 for each $100 of assessed valuation of taxable property. There is no limitation within the $2.50 rate for interest and sinking fund purposes; however, it is the policy of the Attorney General of the State of Texas to prohibit the issuance of debt by a city if such issuance produces debt service requirements that exceed the amount that can be paid from $1.50 tax rate calculated at 90% collections.

Long-Term Debt Planning - The City employs a comprehensive multi-year, long-term capital improvement planning program that is updated annually. Debt management is a major component of the financial planning model which incorporates projected financing needs for infrastructure development while at the same time measuring and assessing the cost and timing of each debt issuance.

General Obligation Bonds - The City is authorized to issue bonds payable from ad valorem taxes pursuant to the City Charter, the general laws of the State, and ordinances adopted by the City Council. Major projects that are financed with ad valorem tax-supported general obligation bonds are presented to the electorate for approval. Upon voter approval, the City is authorized to issue ad valorem tax-supported bonds to finance the approved projects. The process for any debt issuance begins with the budget process and planned improvements to be made during the ensuing fiscal year. An election held November 8, 2011, and passed by a majority of the participating voters; and an ordinance passed by the City Council of the City authorized the issuance of $6.3 million in General Obligation Bonds, Series 2012. The bonds were issued February 29, 2012, proceeds from the sale where utilized for the purpose of demolishing and replacing, and in certain cases renovating, the City's existing City Hall facilities in order to construct and equip new City Hall facilities.

Certificates of Obligation - The City is authorized to issue certificates of obligation pursuant to the City Charter, applicable State laws, and ordinances adopted by the City Council. Certificates of obligation are typically secured by a pledge of revenues and ad valorem taxes, do not require voter approval, and are issued for programs that support the City's major infrastructure, facilities and certain of its revenue-producing facilities. On September 27, 2007, the City sold $7,500,000 "City of Alamo Heights, Texas Combination Tax and Revenue Certificates of Obligation, Series 2007," (the "2007 Certificates"). The 2007 Certificates currently represent 100% of the total outstanding ad valorem tax-supported debt and were issued for the purpose of providing funds for the purchase of a fire ladder truck and facility, street and utility improvements. The City issued 2016 Refunding Bonds for the remaining portion of the 2007 Bonds.

Revenue Bonds - The City is authorized to issue revenue bonds under the provisions of the City Charter, applicable State laws, and ordinances adopted by City Council. Revenue bonds are utilized to finance long-term capital improvements for proprietary enterprise and self-supporting operations. Revenue bonds do not require an election and are sold as needed for construction, expansion, and/or renovation of facilities in amounts that are in compliance with revenue bond covenants. Currently, the City has not issued revenue bonds for any purpose.

Refundings - The City reviews the possibility of refunding certain of its outstanding debt to effectively reduce interest cost savings. The City issued 2016 GO Refunding Bonds for the remaining portion of the 2007 Certificates of Obligation which resulted in savings of $195,355. In October 2020, the city issued Refunding Bonds Series 2020 for the remaining portion of the 2012 GO bonds which saved the city $265,781.

OTHER FUNDING ALTERNATIVES

Grants - All potential grants will be examined for any matching requirements and the source of those requirements identified. Grant funding will be reviewed to clearly identify funding sources, outcomes and other relevant information for presentation and approval by the City Council. The City Council must authorize acceptance of any grant awarded.

Use of Reserve Funds - The City may authorize the use of reserve funds to potentially delay or eliminate an Adopted bond issue. This may occur due to higher than anticipated fund balances in prior years, thus eliminating or reducing the need for debt proceeds, or postponing a bond issue until market conditions are more beneficial or timing of the related capital improvements does not correspond with the planned bond issue. Reserve funds used in this manner are replenished upon issuance of the Adopted debt. A reimbursement ordinance will be adopted to authorize replacement of these reserves.

Leases - The City may authorize the use of lease financing for certain assets when it is determined that such an arrangement is advantageous to the city.

AUDITING AND FINANCIAL REPORTING

Audit of Accounts – In accordance with the City Charter, an independent audit of the City accounts is performed every year. The auditor is retained by and is accountable directly to the City Council.

External Reporting – Upon completion and acceptance of the annual audit by the City's auditors, the City prepares a written Annual Comprehensive Financial Report, which is presented to the City Council within 180 calendar days of the City's fiscal year end. It shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and shall be presented annually to the Government Finance Officer Association (GFOA) for evaluation and consideration for the Certificate of Achievement in Financial Reporting.

STRATEGIC ACTION PLAN

Each year, the City develops a Strategic Action Plan including action steps that are to be accomplished during the next fiscal year. The Strategic Action Plan serves as a baseline for the formulation of the Annual Budget and each action step is assigned to individual city departments to be accomplished and to specific City Council Committees for review. The Strategic Action Plan adopted for FY 2025-26 is as follows:

Governance and Communication

- Continue with the School Resource Officer, SRO, cost share agreement with Alamo Heights ISD.
- Continue to develop and expand the City's Wellness Program
- Continue to update the City Personnel Manual to incorporate various law changes to ensure compliance

Infrastructure and Services

- Coordination with several entities for start and completion of the voter approved 2021 Bond Program for Austin Hwy/Lower Broadway Drainage Improvement Project
- Lower Broadway/Austin Hwy. Improvements including design, engineering, landscaping, and replacement of City water and sewer infrastructure
- Olmos Basin Clean-up and Maintenance - Continue to clean up the Olmos Basin creek area along Jones Maltsberger with funding for continued cleanup annually.
- Continue training AHISD students and residents in hands only CPR training
- Continue with tree trimming in right-of-way
- Continue implementation of Texas Fire Chiefs Association Best Practices
- Coordinate with the Fire and Police departments to evaluate two parking issues:
    - Overnight on-street parking for streets primarily consisting of multi-family structures
    - Evaluate roadways in the commercial district having restricted and time limited street parking for future discussion on the need for more or less restrictions
- Stay in communication with A.H.I.S.D plans for local high school and elementary school bond project renovations, offer assistance and recommendations if requested, determine community impacts
- Continue to manage the agreement for the Alamo Heights Swimming Pool
- Oversee the design for the Alamo Heights Swimming Pool Pocket Park
- Oversee the design for intersection and pedestrian improvements at Broadway and Ogden Ln.
- Continue executing efforts to replace all water meters with Advanced Metering Infrastructure (AMI) system that allows Utilities to remotely read water consumption data
- Continue the use of fees to cover the operating expenses associated with garbage and recycling collection
- Street Maintenance Program (SMP)
- Recondition City Hall water towers
- Provide City-issued garbage bins to residential and non-residential customers

Neighborhood Character and Commercial Revitalization

- Commercial District Amendments & Residential Design Standards (SF-AB)
- Building Code Review and Implementation
- Review and modify existing permitting process
- Review and modify existing applications

Accountability and Management

- Continue Cyber Security Vulnerability Scans and Pen Test
- Implement a law enforcement internship program with the University of Incarnate Word criminal justice program
- Plan and initiate the process to transition from the Uniform Crime Reporting System to the Texas based Reporting System
- ADA website enhancements to the City's website

Other Initiatives

- Continue to develop online and mobile applications for internal and external users
- Street Maintenance Program (SMP) funding initiative – at least $1,000,000 annually from dedicated street maintenance sales tax and transfers from the General Fund
- Maintain our S&P AAA Bond Rating
- Maintain property tax rate as low as possible
- Continue funding the Capital Replacement Fund for future capital needs
- Beautify Gateway Areas into the City
- Strategic Economic Development Plan and Marketing
- Continue the neighborhood on-street parking study
- Continue to train the community on Civilian Response to Active Shooter Events Program
- Continue to train on Geriatric Emergency Management Program
- Continue to train the community on Stop the Bleed program
- Continue to develop additional web-based fire prevention programs
- Community traffic enforcement initiative to address dangerous driving and bicycle operation behaviors
- Continue to monitor police reform mandates and adjust operations accordingly; maintain accreditation standards.
- Progressive approach to resolving current and anticipated parking issues in the community impacted by student off-campus parking currently and plan for on-street parking impacts created by a major school construction project.
- Expand non-enforcement driver safety awareness efforts utilizing electronic messaging signs.
- Improve police preparedness through procedure and training for response to critical, life-threatening situations.
- Provide more extensive alley repairs as needed
- Water main replacement as needed ahead of SMP contracts along with yard piping – in-house cost savings
- Continue to resolve TCEQ's 4 x 2 non-compliance issues by year 2030

BUDGET CALENDAR FYE 2027

Budget Estimates	Departments to submit current year FYE 2026 projections	Tuesday, April 7
	Departments send Excel Baseline FYE 2027 Budget w Detail to City Manager	Friday, May 1
	City Manager reviews FYE 2027 baseline budget	Friday, May 8
	Department Directors enter baseline budget into INCODE for FYE 2027	Wednesday, May 13
Strategic Action Plan (SAP)	Departments update FYE 2027 Strategic Action Plan	Thursday, May 14
	City Manager reviews FYE 2026 and proposed FYE 2027 SAPs	Wednesday, May 20
	City Council Strategic Action Plan work session 8:30 a.m. to 12:30 p.m.	Thursday, June 11
Budget Development	City Manager and Department Directors review program changes	Monday, June 22
	City Council budget work session 8:30 a.m. to 12:30 p.m.	Tuesday, July 21
	Departments submit FYE 2027 program changes and performance measures for the Budget Document	Friday, July 24
	FYE 2027 Proposed Budget to be filed with the City Secretary (not less than 30 days before council passes the tax ordinance for current fiscal year).	Monday, July 27
	Send budget Public Hearing notice to SA Express-News to publish Wednesday, August 12	Friday, August 7
	Presentation of FYE 2027 Proposed Budget and Ad Valorem Tax Rate to City Council; Set Public Hearing Date (date may change)	Monday, August 10
	Send proposed tax rate Public Hearing notice to SA Express-News to publish Wednesday, August 19	Friday, August 14
	Public Hearing for Proposed Budget FYE 2027 and Public Hearing for 2026 Ad Valorem Tax Rate; After Public Hearing City Council to vote on adoption of the FYE 2027 Budget and 2026 Ad Valorem Tax Rate	Monday, August 24

SCHEDULE OF AUTHORIZED POSITIONS

	FY 2025-26		FY 2026-27	
Department/Division	Full Time	Part Time	Full Time	Part Time
Administration & Finance	9	-	9	-
Municipal Court	1	3*	1	3*
Community Development	5	-	5	-
Fire	18	-	18	-
EMS	6	1	6	1
Police	27	1	27	1
Communications Center	10	-	10	-
Public Works Administration	1	-	1	-
Parks	4	-	4	-
Streets	4	-	4	-
Solid Waste	10	-	10	-
Utilities (Utility Fund)	10	-	10	-
TOTAL	105	5	105	5

**Two Municipal Court Judges and a Prosecutor*

REVENUE SUMMARY AND DETAIL

Services provided by the City of Alamo Heights are funded by a variety of revenue sources. When preparing revenue estimates for the Budget, staff considers the previous history of the revenue and future factors that may affect the revenue stream in the coming fiscal year. Revenues are categorized by type and described as follows:

Revenue Types:
1. Property Taxes
2. Sales Taxes
3. Other Tax Revenue
4. Permits and Fees
5. Intergovernmental
6. Charges for Services
7. Fines and Forfeitures
8. Interest
9. Miscellaneous

1. **Property Taxes** - All property tax revenues, including delinquent tax payments, penalties, and interest.

2. **Sales Tax -** Receipts from the local sales and use tax. The current Sales Tax rate is 8.25%, of which the State retains 6.25%, the San Antonio Municipal Transit Authority receives 0.5 %, 1% is revenue to the City's General Fund and the remaining 0.50% was approved by the voters for an additional four years in May 2025 for street maintenance.

3. **Other Tax Revenue**
   - **Beverage Tax -** Revenues from mixed beverage tax receipts.
   - **Franchise Tax/PUC Right of Way Fees -** Revenues from fees imposed on investor-owned electric or gas utilities, telecommunication and cable companies, and other private corporations using the city's streets and other rights-of-way. These fees are in addition to and separate from the property taxes levied against such companies. The fees are based upon a percentage of the company's gross receipts and range from 3% to 6%. These fees currently are collected from CPS Energy, Grande Cable, Time Warner, AT&T, and various phone companies. These revenues are one of the most difficult to project due to a number of variables, which can significantly impact these companies' revenues and, consequently, the City's payment.

4. **Permits and Fees -** Revenues collected from permits and privilege fees required by the City. The categories are building permits, electric permits, plumbing permits, use of City right-of-way, liquor and food licenses, alarm permits, Fire and Life Safety Code fees, certificates of occupancy, contractor's license and registration, garage sale permits, and animal licenses.

5. **Intergovernmental -** Revenue from outside sources, including dispatch and EMS service contracts with City of Terrell Hills and City of Olmos Park, and periodically state and federal grants.

6. **Charges for Services -** Revenues generated by various services performed by City staff. The significant portion of this revenue type is from the sale of potable water, charges for sanitary sewer operations and solid waste collection. Other services include Rescue Response fees, EMS services, revenue from the recycling program, and municipal court and administration fees.

7. **Fines and Forfeitures -** Funds received from payments of traffic fines and other fines for violations of City laws or ordinances.

8. **Interest -** Income from interest paid on deposits of City funds.

9. **Miscellaneous -** Revenues from collection of other fees such as vehicle wrecker/impound fees, police auction, return check fees, animal impound fees and leases.

COMBINED SUMMARY OF REVENUES AND EXPENDITURES
ALL FUNDS SUBJECT TO APPROPRIATION

Description:
The Combined Summary of Revenues and Expenditures is used to account for combined revenues and expenditures, excluding transfers, associated with all City funds subject to appropriation.

	ACTUAL FY 23-24	ACTUAL FY 24-25	ADOPTED FY 25-26	PROJECTION FY 25-26	PROPOSED FY 26-27
AVAILABLE FUNDS					
Beginning Balance	**$ 28,545,989**	**$ 31,600,091**	**$ 33,993,376**	**$ 33,993,376**	**$ 41,594,773**
REVENUES					
General Fund	$ 13,874,288	$ 14,775,877	$ 14,576,693	$ 14,907,623	$ 16,112,842
Utility Fund	4,530,290	5,375,039	4,753,775	5,298,878	5,018,192
Debt Service Fund	1,279,049	1,305,921	1,303,838	1,311,603	1,312,840
Capital Projects Fund	818,030	772,473	359,080	543,000	480,000
2026 Bond Fund	-	-	8,000,000	8,013,000	20,000
Capital Replacement Fund	562,382	278,691	285,000	303,958	644,007
EMS Replacement Fund	-	-	-	75,000	433,376
Street Maintenance Fund	938,910	911,898	865,000	908,317	917,300
Comprehensive Fund	2,000	163,375	2,228,686	3,717,206	303,574
Designated Revenues (All Other Funds)	154,471	1,596,763	50,802	276,326	1,173,350
Total Revenues [1]	**$ 22,159,419**	**$ 25,180,037**	**$ 32,422,874**	**$ 35,354,911**	**$ 26,415,481**
TOTAL AVAILABLE FUNDS	**$ 50,705,408**	**$ 56,780,127**	**$ 66,416,250**	**$ 69,348,288**	**$ 68,010,254**
APPROPRIATIONS					
ALLOCATIONS					
General Fund	$ 13,508,640	$ 12,796,437	$ 14,787,265	$ 14,418,212	$ 15,746,897
Utility Fund	3,952,481	4,119,873	6,276,535	5,322,966	6,541,402
Debt Service Fund	1,304,113	1,314,763	1,329,663	1,329,663	1,340,463
Capital Projects Fund	36,579	33,976	25,000	80,000	203,574
2026 Bond Fund	-	-	7,720,000	600,000	7,120,000
Capital Replacement Fund	39,367	950,958	1,321,051	1,513,443	731,007
EMS Replacement Fund	-	-	-	-	497,767
Street Maintenance Fund	77,885	1,644,659	1,200,000	1,200,000	1,200,000
Comprehensive Fund	71,081	343,235	3,561,887	3,156,557	1,198,722
Designated Revenues (All Other Funds)	115,172	1,582,852	105,000	132,673	280,500
TOTAL APPROPRIATIONS	**$ 19,105,318**	**$ 22,786,751**	**$ 36,326,401**	**$ 27,753,515**	**$ 34,860,332**
GROSS AVAILABLE BALANCE	**$ 31,600,091**	**$ 33,993,376**	**$ 30,089,849**	**$ 41,594,773**	**$ 33,149,922**

EXPLANATORY NOTES:

[1] *Total Revenues does not include use of reserves to support department and/or fund allocations.*

GENERAL FUND
SUMMARY OF PROPOSED

	ACTUAL FY 23-24	ACTUAL FY 24-25	ADOPTED FY 25-26	PROJECTION FY 25-26	PROPOSED FY 26-27
AVAILABLE FUNDS					
Beginning Fund Balance	**$ 6,337,842**	**$ 6,703,490**	**$ 8,682,930**	**$ 8,682,930**	**$ 9,172,341**
REVENUES					
Property Tax	$ 6,730,276	$ 6,911,538	$ 7,349,328	$ 7,310,335	$ 7,965,845
Sales Tax	1,677,820	1,823,797	1,730,000	1,816,500	1,834,600
Other Tax Revenue	808,601	797,525	781,185	826,890	815,128
Permits and Fees	1,312,811	1,260,279	875,210	1,002,013	943,500
Intergovernmental	740,286	997,597	1,086,858	911,049	662,376
Charges for Services [1]	1,355,458	1,738,414	1,844,937	1,952,819	2,204,490
Fines and Forfeitures	242,114	277,793	240,300	280,500	280,000
Interest	808,122	755,882	487,900	624,827	573,900
Miscellaneous	106,054	110,357	61,650	63,364	65,350
Total Revenues	**$ 13,781,540**	**$ 14,673,180**	**$ 14,457,368**	**$ 14,788,298**	**$ 15,345,189**
OTHER FUNDING SOURCES					
Proceeds from sale of assets	$ -	$ 9,949	$ -	$ -	$ -
Transfer from Utility Fund [2]	92,748	92,748	119,325	119,325	147,362
Transfer from Comp Fund [3]	-	-	-	-	620,291
Total Other Funding Sources	**$ 92,748**	**$ 102,697**	**$ 119,325**	**$ 119,325**	**$ 767,653**
Total Operating Revenues	**$ 13,874,288**	**$ 14,775,877**	**$ 14,576,693**	**$ 14,907,623**	**$ 16,112,842**
TOTAL AVAILABLE FUNDS	**$20,212,130**	**$21,479,367**	**$23,259,623**	**$ 23,590,553**	**$25,285,183**
APPROPRIATIONS					
DEPARTMENTAL ALLOCATIONS					
Police	$ 2,938,163	$ 3,474,928	$ 3,715,553	$ 3,525,524	$ 3,868,318
Police Dispatch	775,045	802,170	884,206	811,213	922,789
Fire	2,378,912	2,391,522	2,618,989	2,556,682	2,659,604
EMS	852,875	797,438	933,008	882,814	977,536
Public Works Administration	116,640	131,064	135,902	107,961	281,239
Streets	713,989	660,877	838,934	697,699	650,647
Solid Waste [4]	954,605	947,081	1,171,670	1,128,321	1,252,498
Parks	340,841	391,966	504,338	411,349	405,535
Community Development	650,048	610,266	688,797	597,466	750,708
Administration [5]	1,246,828	1,362,806	1,391,679	1,417,854	1,582,151
Municipal Court	193,745	207,277	224,802	229,045	251,041
Information Technology (MIS)	400,222	418,194	477,306	456,336	589,448
Administration Building Maintenance [6]	285,911	255,240	265,181	298,445	296,024
Total Operating Allocations	**$ 11,847,824**	**$ 12,450,830**	**$ 13,850,365**	**$ 13,120,710**	**$ 14,487,539**
Revenues Over (Under) Allocations	**$ 2,026,464**	**$ 2,325,047**	**$ 726,328**	**$ 1,786,913**	**$ 1,625,303**
TRANSFERS					
Operating Transfer Out	$ 1,660,816	$ 345,607	$ -	$ 360,602	$ 218,976
Transfer to Capital Replacement Fund	-	-	217,900	217,900	644,007
Transfer to EMS Capital Replacement Fund	-	-	-	-	296,376
Transfer to Comprehensive Plan	-	-	694,000	694,000	100,000
Transfer to Capital Projects	-	-	25,000	25,000	-
Total Transfers	**$ 1,660,816**	**$ 345,607**	**$ 936,900**	**$ 1,297,502**	**$ 1,259,359**
TOTAL APPROPRIATIONS	**$ 13,508,640**	**$ 12,796,437**	**$ 14,787,265**	**$ 14,418,212**	**$ 15,746,897**
Net Revenues over (Appropriations)	365,648	1,979,440	(210,572)	489,411	365,945
GROSS AVAILABLE BALANCE	**$ 6,703,490**	**$ 8,682,930**	**$ 8,472,358**	**$ 9,172,341**	**$ 9,538,285**
Less: OPERATING RESERVE (35%)	4,146,738	4,357,790	4,847,628	4,592,249	5,070,639
Less: DEBT RESERVE (1 Years)	1,338,863	1,338,863	1,338,863	1,338,863	1,348,863
NET AVAILABLE BALANCE	**$ 1,217,889**	**$ 2,986,277**	**$ 2,285,867**	**$ 3,241,229**	**$ 3,118,784**

EXPLANATORY NOTES:

1 *It includes the suggested increase to solid waste approved by the Council at the Budget Worksession*

2 *Transfer from Utility Fund consists of 25% of Information Technology departmental allocation.*

3 *Transfer from the Comp Fund is funding the cost delta in the SRO revenues*

4 *It includes the costs for Household Hazardous Waste approved in the Budget Worksession*

5 *It includes the costs for a Communit Fall Event approved in the Budget Worksession*

6 *It includes the costs for renovating City Hall Offices*

UTILITY FUND
SUMMARY OF PROPOSED

Description:
The Utility Fund is a self-sufficient enterprise fund established to account for all of the revenues and expenditures associated with the operations and maintenance of the City's water distribution and sanitary sewer systems.

	ACTUAL FY 23-24	ACTUAL FY 24-25	ADOPTED FY 25-26	PROJECTION FY 25-26	PROPOSED FY 26-27
AVAILABLE FUNDS					
Beginning Balance 1	**$2,480,740**	**$3,058,549**	**$4,313,715**	**$ 4,313,715**	**$ 4,289,627**
BB Drought Surcharge Reserve	-	161,315	565,775	565,775	-
REVENUES					
Water Revenue	$ 1,790,438	$ 2,023,250	$ 2,037,206	$ 2,067,800	$ 2,129,834
Meter Connections	9,768	15,862	12,311	10,000	10,000
Water Conservation Fee	63,175	62,487	67,877	64,000	64,000
Drought Surcharge Fee	161,315	404,460	80,000	391,000	0
Federal Stormwater Fees	1,368	2,887	1,966	2,887	2,880
Aquifer Management Fee	204,175	201,935	220,077	213,000	210,000
Interest	31,770	62,763	64,852	70,000	70,000
Late Penalties	26,400	40,147	36,219	46,000	40,000
Service Charges	2,290	3,240	2,747	3,000	2,400
Miscellaneous	10,410	7,862	7,842	23,231	10,000
Return Check Fees	619	420	586	360	310
Total Water Revenue	**$ 2,301,728**	**$ 2,825,312**	**$ 2,531,683**	**$ 2,891,278**	**$ 2,539,424**
Sewer Revenue	$ 2,203,401	$ 2,235,351	$ 2,195,855	$ 2,385,600	$ 2,457,168
Sewer Surcharge	25,161	22,444	26,237	22,000	21,600
Total Sewer Revenue	**$ 2,228,562**	**$ 2,257,794**	**$ 2,222,092**	**$ 2,407,600**	**$ 2,478,768**
TRANSFERS					
Transfers In	$ -	$ 291,933	$ -	$ -	$ -
Total Transfers	**$ -**	**$ 291,933**	**$ -**	**$ -**	**$ -**
Total Operating Revenues	**$ 4,530,290**	**$ 5,375,039**	**$ 4,753,775**	**$ 5,298,878**	**$ 5,018,192**
TOTAL AVAILABLE FUNDS	**$ 7,011,030**	**$ 8,272,272**	**$ 8,501,715**	**$ 9,046,818**	**$ 9,307,819**
APPROPRIATIONS					
OPERATING EXPENSES					
Personnel Services	$ 1,228,194	$ 1,400,313	$ 1,471,953	$ 1,429,664	$ 1,504,449
Commodities	510,062	528,820	621,900	596,436	610,150
Contractual Services	338,650	366,277	442,622	420,874	709,091
Non-Operating Expenses	391,723	449,026	-	-	-
Total Water Expenditures	**$ 2,468,630**	**$ 2,744,436**	**$ 2,536,475**	**$ 2,446,973**	**$ 2,823,690**
Commodities	7,486	22,184	78,000	89,000	88,000
Contractual Services	1,363,474	1,221,197	1,523,000	1,451,628	1,644,300
Total Sewer Expenditures	**$ 1,370,960**	**$ 1,243,382**	**$ 1,601,000**	**$ 1,540,628**	**$ 1,732,300**
Total Operating Expenditures	**$ 3,839,589**	**$ 3,987,817**	**$ 4,137,475**	**$ 3,987,601**	**$ 4,555,990**
Retained Earnings (Loss)Operations	**$ 690,701**	**$ 1,387,222**	**$ 616,300**	**$ 1,311,277**	**$ 462,202**
CAPITAL EXPENDITURES					
Utility Capital Projects & Equipment	-	24,789	1,107,000	663,320	225,000
Debt Principal and Interest	20,144	14,519	34,200	10,200	441,200
Capital Equipment (Replacement)	-	-	378,750	42,735	285,000
Total Capital	**$ 20,144**	**$ 39,307**	**$ 1,519,950**	**$ 716,255**	**$ 951,200**
TRANSFERS TO					
Transfer to General Fund	92,748	92,748	119,325	119,325	147,362
Transfer to Drought Surcharge Fund [2]	-	-	-	-	886,850
Transfer to Comprehensive Plan	-	-	499,785	499,785	-
Total Transfers To	**$ 92,748**	**$ 92,748**	**$ 619,110**	**$ 619,110**	**$ 1,034,212**
TOTAL APPROPRIATIONS	**$ 3,952,481**	**$ 4,119,873**	**$ 6,276,535**	**$ 5,322,966**	**$ 6,541,402**
Net Revenues over (Appropriations)	577,809	1,255,166	(1,522,760)	(24,088)	(1,523,210)
GROSS AVAILABLE BALANCE	**$ 3,058,549**	**$ 4,313,715**	**$ 2,790,955**	**$ 4,289,627**	**$ 2,766,417**
Less: Drought Surcharge Fee (Capital Investment) [2]	161,315	565,775	645,775	956,775	-
NET AVAILABLE BALANCE	**$ 2,897,234**	**$ 3,747,940**	**$ 2,145,180**	**$ 3,332,852**	**$ 2,766,417**
Less: OPERATING RESERVE (25%)	983,084	1,020,141	1,064,200	1,026,732	1,175,838
Less: DEBT RESERVE (2 Years)	-	-	-	622,111	1,242,660
TOTAL NET AVAILABLE BALANCE	**$ 1,914,149**	**$ 2,727,799**	**$ 1,080,980**	**$ 1,684,009**	**$ 347,919**

EXPLANATORY NOTES:
1 Beginning Balance is usually restated due to depreciation costs

2 For FY 2027 a Drought Surcharge Fund in the City's financial software will be created to keep track of revenues & expenditures

DEBT SERVICE FUND
SUMMARY OF PROPOSED

Description:
The Debt Fund was established in FY 2008-09 to account for the accumulation of ad valorem taxes and/or pledged revenues designated for payment of principal and interest on debt issued by the City.

	ACTUAL FY 23-24	ACTUAL FY 24-25	ADOPTED FY 25-26	PROJECTION FY 25-26	PROPOSED FY 26-27
AVAILABLE FUNDS					
Beginning Balance	**$ 310,516**	**$ 285,452**	**$ 276,610**	**$ 276,610**	**$ 258,550**
TAX REVENUE					
Current Property Tax	$ 1,267,419	$ 1,298,312	$ 1,303,836	$ 1,303,836	$ 1,303,836
Delinquent Property Tax	12,533	8,369	-	10,000	10,000
Penalty and Interest on Delinquent Taxes	(903)	(760)	-	(2,236)	(1,000)
Miscellaneous Revenue	-	-	-	-	
Total Tax Revenue	**$ 1,279,049**	**$ 1,305,920**	**$ 1,303,836**	**$ 1,311,600**	**$ 1,312,836**
TOTAL AVAILABLE FUNDS	**$ 1,589,565**	**$ 1,591,373**	**$ 1,580,448**	**$ 1,588,213**	**$ 1,571,390**
APPROPRIATIONS					
ALLOCATIONS					
Debt Principal and Interest	$ 1,302,613	$ 1,313,163	$ 1,328,063	$ 1,328,063	$ 1,338,863
Paying Agent/Registrar Fees	1,500	1,600	1,600	1,600	1,600
TOTAL APPROPRIATIONS	**$ 1,304,113**	**$ 1,314,763**	**$ 1,329,663**	**$ 1,329,663**	**$ 1,340,463**
GROSS AVAILABLE BALANCE	**$ 285,452**	**$ 276,610**	**$ 250,785**	**$ 258,550**	**$ 230,927**

CAPITAL PROJECTS FUND
SUMMARY OF PROPOSED

Description:
The Capital Projects Fund was established in FY 2008-09 to account for capital projects constructed with the proceeds of long-term debt issued by the city. Currently houses the funds for the 2021 Bonds

	ACTUAL FY 23-24	ACTUAL FY 24-25	ADOPTED FY 25-26	PROJECTION FY 25-26	PROPOSED FY 26-27
AVAILABLE FUNDS					
Beginning Balance	**$15,282,104**	**$ 16,063,555**	**$ 16,802,052**	**$ 16,802,052**	**$ 17,265,052**
REVENUES					
Interest Income	$ 793,030	$ 692,473	$ 334,080	$ 518,000	$ 480,000
Transfers from General Fund	25,000	80,000	25,000	25,000	-
Total Revenue	**$ 818,030**	**$ 772,473**	**$ 359,080**	**$ 543,000**	**$ 480,000**
TOTAL AVAILABLE FUNDS	**$ 16,100,135**	**$ 16,836,028**	**$ 17,161,132**	**$ 17,345,052**	**$ 17,745,052**
APPROPRIATIONS					
CAPITAL PROJECTS					
Olmos Basin Cleanup [3]	$ -	$ 6,563	$ 25,000	$ 25,000	$ -
Lower Broadway Improvement Project	2,118	27,413	-	-	-
Swimming Pool & Restrooms Renovation	34,461	-	-		-
Total Capital Projects	**$ 36,579**	**$ 33,976**	**$ 25,000**	**$ 25,000**	**$ -**
TRANSFERS TO					
Transfer to Comprehensive Fund [1 & 2]	$ -	$ -	$ -	$ 55,000	$ 203,574
Total Transfers To	**$ -**	**$ -**	**$ -**	**$ 55,000**	**$ 203,574**
TOTAL APPROPRIATIONS	**$ 36,579**	**$ 33,976**	**$ 25,000**	**$ 80,000**	**$ 203,574**
GROSS AVAILABLE BALANCE	**$ 16,063,555**	**$ 16,802,052**	**$ 17,136,132**	**$ 17,265,052**	**$ 17,541,478**

EXPLANATORY NOTES:

1 Moving $203,574 of the funds left over from the pool project done back in FYE 2020 and the funds from the Olmos Basin Cleanup

2 Moving $55,000 appropriated in FYE 2025 that should have gone into the Comprehensive Fund

3 Moving Expenditures to the Comprehensive Fund

STREET MAINTENANCE FUND
SUMMARY OF PROPOSED

Description:
The Street Maintenance Fund is a special revenue fund established in FY 2009-10 to account for all of the revenues and expenditures associated with the maintenance of city streets. Appropriations are funded through a transfer from the General Fund and a 1/2 cent sales tax approved for a 4-year period by the voters beginning October 2017.

	ACTUAL FY 23-24	ACTUAL FY 24-25	ADOPTED FY 25-26	PROJECTION FY 25-26	PROPOSED FY 26-27
AVAILABLE FUNDS					
Beginning Balance	**$ 825,416**	**$1,686,441**	**$ 953,680**	**$ 953,680**	**$ 661,997**
REVENUES					
Street Maintenance Sales Tax[1]	$ 838,910	$ 911,898	$ 865,000	$ 908,250	$ 917,300
Transfer In from General Fund	100,000	-	-	67	-
Total Revenue	**$ 938,910**	**$ 911,898**	**$ 865,000**	**$ 908,317**	**$ 917,300**
TOTAL AVAILABLE FUNDS	**$ 1,764,326**	**$ 2,598,339**	**$ 1,818,680**	**$ 1,861,997**	**$ 1,579,297**
APPROPRIATIONS					
CAPITAL PROJECTS					
Street Maintenance Projects	$ 77,885	$ 1,644,659	$ 1,200,000	$ 1,200,000	$1,200,000
TOTAL APPROPRIATIONS	**$ 77,885**	**$ 1,644,659**	**$ 1,200,000**	**$ 1,200,000**	**$ 1,200,000**
GROSS AVAILABLE BALANCE	**$ 1,686,441**	**$ 953,680**	**$ 618,680**	**$ 661,997**	**$ 379,297**

2026 BOND FUND
SUMMARY OF PROPOSED

Description:
This is the second bond fund after the Capital Projects fund. It houses the 2026 CO's for Water and Sewer Infrastructure Projects

	ACTUAL FY 23-24	ACTUAL FY 24-25	ADOPTED FY 25-26	PROJECTION FY 25-26	PROPOSED FY 26-27
AVAILABLE FUNDS					
Beginning Balance	**$ -**	**$ -**	**$ -**	**$ -**	**$ 7,413,000**
REVENUES					
Bond Proceeds	$ -	$ -	$ 8,000,000	$ 8,000,000	$ -
Bond Premiums	-	-	-	10,000	-
Interest Income	-	-	-	3,000	20,000
Total Revenue	**$ -**	**$ -**	**$ 8,000,000**	**$ 8,013,000**	**$ 20,000**
TOTAL AVAILABLE FUNDS	**$ -**	**$ -**	**$ 8,000,000**	**$ 8,013,000**	**$ 7,433,000**
APPROPRIATIONS					
Bond Issuance Costs	$ -	$ -	$ 200,000	$ 200,000	$ -
Water Service Relocation	-	-	3,000,000	200,000	2,800,000
Water Meter Replacement	-	-	2,400,000	200,000	2,200,000
Sewer Rehabilitation	-	-	1,290,000	-	1,290,000
Water Towers Rehabilitation	-	-	570,000	-	570,000
Water Interconnection	-	-	260,000	-	260,000
Total Capital Projects	**$ -**	**$ -**	**$ 7,720,000**	**$ 600,000**	**$ 7,120,000**
TOTAL APPROPRIATIONS	**$ -**	**$ -**	**$ 7,720,000**	**$ 600,000**	**$ 7,120,000**
GROSS AVAILABLE BALANCE	**$ -**	**$ -**	**$ 280,000**	**$ 7,413,000**	**$ 313,000**

CAPITAL REPLACEMENT FUND
SUMMARY OF PROPOSED

Description:
The Capital Replacement Fund is an internal service fund established in FY 2008-09 to assist in long term planning for large purchases of vehicles and capital equipment.

	ACTUAL FY 23-24	ACTUAL FY 24-25	ADOPTED FY 25-26	PROJECTION FY 25-26	PROPOSED FY 26-27
AVAILABLE FUNDS					
Beginning Balance	**$1,581,562**	**$2,104,577**	**$ 1,432,310**	**$ 1,432,310**	**$ 222,826**
REVENUES					
Transfer in from General Fund	$ 560,816	$ 215,607	$ 285,000	$ 217,900	$ 644,007
Transfer in from Grants Fund	-	-	-	27,058	-
Sale of Assets	1,566	63,084	-	59,000	-
Total Revenue and Transfers	**$ 562,382**	**$ 278,691**	**$ 285,000**	**$ 303,958**	**$ 644,007**
TOTAL AVAILABLE FUNDS	**$ 2,143,944**	**$ 2,383,268**	**$ 1,717,310**	**$ 1,736,269**	**$ 866,833**
APPROPRIATIONS					
CAPITAL PURCHASES [1]					
MIS	$ 12,467	$ 30,537	$ 14,500	$ 14,500	$ -
EMS	-	65,234	143,000	331,935	-
Fire	-	791,209	-	-	146,000
Police	26,900	63,164	60,400	60,400	128,007
Public Works	-	813	68,000	71,457	370,000
Total Operating Expenses	**$ 39,367**	**$ 950,958**	**$ 285,900**	**$ 478,292**	**$ 644,007**
TRANSFERS TO					
Transfer to EMS Replacement [2]	$ -	$ -	$ -	$ -	$ 87,000
Transfer to Comprehensive Fund	-	-	1,035,151	1,035,151	-
Total Transfers To	**$ -**	**$ -**	**$ 1,035,151**	**$ 1,035,151**	**$ 87,000**
TOTAL APPROPRIATIONS	**$ 39,367**	**$ 950,958**	**$ 1,321,051**	**$ 1,513,443**	**$ 731,007**
GROSS AVAILABLE BALANCE	**$ 2,104,577**	**$ 1,432,310**	**$ 396,259**	**$ 222,826**	**$ 135,826**

EXPLANATORY NOTES:

1 Items to be purchased are as follows: Police (1 Vehicle @ 67,599), Fire (SCBA Pacs @ 146,000), and PW (Garbage Truck @ 370,000)

2 Moving $87,000 to the EMS fund as these funds were a combination of remaining EMS funds in PYs and the sale of assets in FY 2026

EMS REPLACEMENT FUND
SUMMARY OF PROPOSED

Description:
The EMS Replacement Fund is an internal service fund established in FY 2025-26 to assist in long term planning for large purchases of vehicles and capital equipment.

	ACTUAL FY 23-24	ACTUAL FY 24-25	ADOPTED FY 25-26	PROJECTION FY 25-26	PROPOSED FY 26-27
AVAILABLE FUNDS					
Beginning Balance	**$ -**	**$ -**	**$ -**	**$ -**	**$ 75,000**
REVENUES					
Transfer in from General Fund	$ -	$ -	$ -	$ -	$ 296,376
Transfer in from General Fund (Tri-City Credit) [2]	-	-	-	75,000	50,000
Transfer in from Capital Replacement Fd	-	-	-	-	87,000
Total Revenue and Transfers	**$ -**	**$ -**	**$ -**	**$ 75,000**	**$ 433,376**
TOTAL AVAILABLE FUNDS	**$ -**	**$ -**	**$ -**	**$ 75,000**	**$ 508,376**
APPROPRIATIONS					
Capital Purchases [1]	$ -	$ -	$ -	$ -	$ 344,390
Lease Payments	-	-	-	-	153,377
TOTAL APPROPRIATIONS	**$ -**	**$ -**	**$ -**	**$ -**	**$ 497,767**
GROSS AVAILABLE BALANCE	**$ -**	**$ -**	**$ -**	**$ 75,000**	**$ 10,609**

EXPLANATORY NOTES:

1 The purchase of a new ambulance

2 Moving forward the Terrel Hills, Olmos Park, and the City of Alamo Heights will transfer approved amount of their credits received each year

Comprehensive Fund
SUMMARY OF PROPOSED

Description:
The Comprehensive Fund is a special revenue fund established in FY 2009-10 to account for all of the revenues and expenditures associated with the implementation of the Comprehensive Plan which was adopted by the City Council on May 26, 2009.

	ACTUAL FY 23-24	ACTUAL FY 24-25	ADOPTED FY 25-26	PROJECTION FY 25-26	PROPOSED FY 26-27
AVAILABLE FUNDS					
Beginning Balance	**$1,519,556**	**$1,450,475**	**$ 1,270,615**	**$ 1,270,615**	**$ 1,831,264**
REVENUES					
Transfer in from General Fund	$ -	$ -	$ 694,000	$ 694,000	$ 100,000
Transfer in from Utilities Fund	-	-	499,535	499,535	-
Transfer in from Capital Replacement Fund	-	-	1,035,151	1,035,151	-
Transfer in from the Capital Projects Fund [1]	-	-	-	55,000	203,574
Tree Mitigation Fees	2,000	126,400	-	22,900	-
Dog Park Contributions	-	8,500	-	-	-
Garden Contributions	-	1,700	-	1,000	-
Other Sources/Donations	-	26,775	-	1,409,620	-
Total Revenue	**$ 2,000**	**$ 163,375**	**$ 2,228,686**	**$ 3,717,206**	**$ 303,574**
TOTAL AVAILABLE FUNDS	**$ 1,521,556**	**$ 1,613,850**	**$ 3,499,301**	**$ 4,987,821**	**$ 2,134,838**
APPROPRIATIONS					
ALLOCATIONS					
Community Grants	$ 44,500	$ 43,826	$ 50,000	$ 67,101	$ 50,000
Parks Sustainability	-	-	50,000	-	-
AH BLVD Master Plan	-	-	44,000	-	-
Community Events [2]	-	-	15,000	15,000	25,000
Tree & Brush Maint.	12,120	-	-	-	-
Public Art Projects [3]	-	-	50,000	50,000	150,000
Park Design [4]	-	-	50,000	16,875	33,125
Total Operating	**$ 56,620**	**$ 43,826**	**$ 259,000**	**$ 148,976**	**$ 258,125**
Olmos Basin Cleanup [5]	-	-	-	-	25,000
Gazebo & Improvements	14,461	37,382	-	-	-
Ogden Broadway Project	-	-	-	1,409,620	-
Beautification Projects [6]	-	262,028	3,302,887	1,597,961	295,306
Total Capital	**$ 14,461**	**$ 299,409**	**$ 3,302,887**	**$ 3,007,581**	**$ 320,306**
TRANSFERS TO					
Transfer to GF [7]	-	-	-	-	620,291
Total Transfers To	**$ -**	**$ -**	**$ -**	**$ -**	**$ 620,291**
TOTAL APPROPRIATIONS	**$ 71,081**	**$ 343,235**	**$ 3,561,887**	**$ 3,156,557**	**$ 1,198,722**
GROSS AVAILABLE BALANCE	**$ 1,450,475**	**$ 1,270,615**	**$ (62,586)**	**$ 1,831,264**	**$ 936,116**

EXPLANATORY NOTES:

1 *Transfer in from the Capital Projects Fund in the amount of $203,574. The fundswere left over from the pool project done back in FYE 2020 and the funds from the Olmos Basin Cleanup*

2 *The City is looking at hosting a Fall event in FY 2027*

3 *In FY 2026 the City provided funds for a public art project at the Kellyanne Park. Expected to be completed in late summer of 2027.*

4 *The park design project will carry over in FY 2027 as it was completed in FY 2026*

5 *The Olmos Basin Cleanup expenses will be moved to the Comp fund in FY 2027*

6 *The projects approved in FY 2026 are not yet completed but should be completed by the second quarter of FY 2027*

7 *Transfer to the General Fund to cover the delta in the SRO revenues*

DESIGNATED REVENUE FUNDS

The Designated Revenue Funds are a combination of several special revenues received from a variety of sources but restricted by law or purpose to be spent only on designated expenditures. Designated Revenue Funds include:

Community Benefit - Revenue received from child safety fees assessed on certain court fines to be utilized to fund programs designed to enhance child safety, health, or nutrition, including fire prevention, child abuse prevention and intervention and drug and alcohol abuse prevention

Confiscated Property - Revenue obtained as a result of a seizure of property used in a crime, or purchased with dollars obtained from a crime which by law may only be used for police expenditures (except personnel costs) above and beyond the normal budget

Court Security - Revenue available from court fines, specifically restricted by law to provide protection and security to the Municipal Court or the Court Office

Court Technology - Revenue available from court fines designed to help keep Texas courts current with technology and specifically restricted by law for upgrades to software, purchase/maintenance of computer equipment

Public Safety and Service - Revenue received from several sources restricted by law for items that are above and beyond the normal budget:

- Funds seized by the police department and/or property forfeitures awarded to the police department by the courts for specific expenditures (equipment, training, technology, etc.)
- State of Texas LEOSE, the Law Enforcement Officers Standard & Education Fund – for public safety officer educational needs
- STRAC, the South Texas Regional Advisory Council – for improvements or upgrades to EMS
- Texas Department of Health Grants
- Homeland Security Grants

Alamo Heights Rotary designated for Police Department Programs such as the DARE Program, Explorer Post, Risk Watch, Red Ribbon and Youth Academy

Private Contributions - Revenue received by the City and designated for project such as animal services, disaster relief, beautification of traffic islands or hike & bike trail development

Swimming Pool - Revenue available from the lease payment for running the City's Pool. Expenditures will be used for maintenance and/or major pool rehabilitation.

Drought Surcharge - Revenue available from the drought surcharge fines received from utility customers.

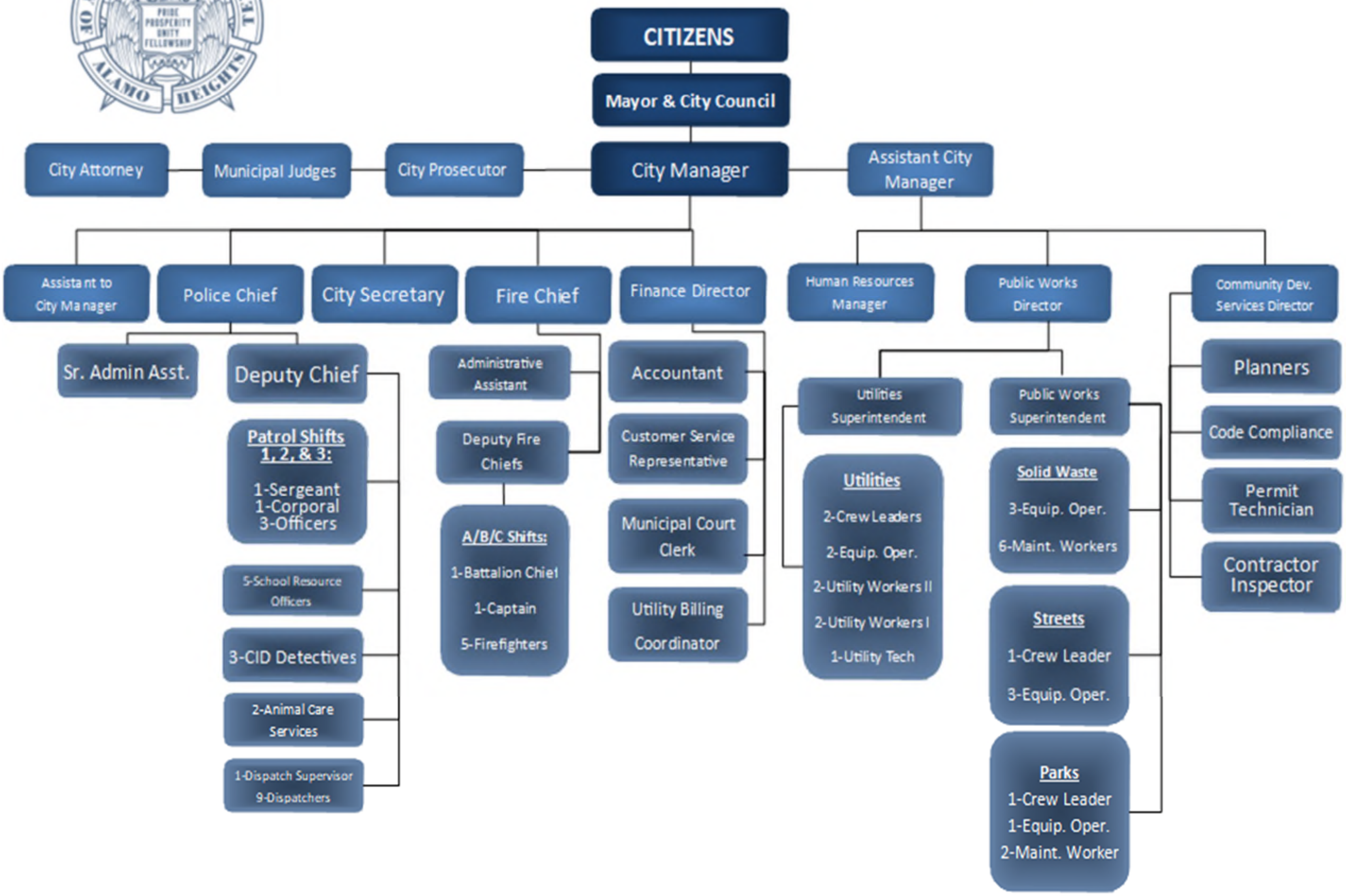
DESIGNATED REVENUE FUNDS
SUMMARY OF PROPOSED

Description:

Designated Revenue Funds are special revenue funds established to account for all of the revenues and expenditures associated with a variety of sources. Expenditures are restricted by law or purpose.

	ACTUAL FY 23-24	ACTUAL FY 24-25	ADOPTED FY 25-26	PROJECTION FY 25-26	PROPOSED FY 26-27
AVAILABLE FUNDS					
BEGINNING BALANCES					
Confiscated Property	$ 32,611	$ 35,450	$ 22,881	$ 22,881	$ 17,881
Community Benefit (Child Safety)	4,719	12,845	14,923	14,923	11,883
Public Safety and Service (LEOSE)	32,888	33,998	34,289	34,289	33,208
Swimming Pool Fund	-	-	-	-	176,987
Court Technology	21,639	14,216	26,277	26,277	11,277
Court Security	102,013	112,085	115,560	115,560	78,560
Contribution Fund	14,383	25,369	33,945	33,945	44,447
Combined Municipal Tech & Security	-	-	-	-	30,874
Drought Surcharge Fund	-	-	-	-	-
Grants Fund	-	13,589	13,588	13,588	-
Total Beginning Balances	**$ 208,253**	**$ 247,552**	**$ 261,463**	**$ 261,463**	**$ 405,116**
		6,500			
REVENUES					
Confiscated Property	$ 7,670	$ -	$ -	$ -	$ -
Community Benefit (Child Safety)	12,725	13,478	11,788	16,960	15,000
Public Safety and Service (LEOSE)	3,801	3,980	1,500	3,919	3,000
Swimming Pool Fund	-	-	-	195,602	35,000
Court Technology	12,372	12,966	11,393	-	-
Court Security	14,536	15,423	13,121	-	-
Contribution Fund	18,504	12,012	13,000	15,501	3,500
Combined Municipal Tech & Security	-	-	-	30,874	30,000
Drought Surcharge Fund	-	-	-	-	1,086,850
Grants Fund	84,862	1,538,904	-	13,470	-
Total Revenues	**$ 154,471**	**$ 1,596,763**	**$ 50,802**	**$ 276,326**	**$ 1,173,350**
TOTAL AVAILABLE FUNDS	**$ 362,724**	**$ 1,844,315**	**$ 312,265**	**$ 537,789**	**$ 1,578,466**
APPROPRIATIONS					
ALLOCATIONS					
Confiscated Property	$ 4,831	$ 12,569	$ 5,000	$ 5,000	$ 5,000
Community Benefit (Child Safety)	4,599	11,400	20,000	20,000	20,000
Public Safety and Service (LEOSE)	2,691	3,689	5,000	5,000	5,000
Swimming Pool Fund	-	-	-	18,615	135,000
Court Technology	19,795	906	15,000	15,000	10,500
Court Security	4,464	11,949	50,000	37,000	50,000
Contribution Fund	7,518	3,435	10,000	5,000	5,000
Combined Municipal Tech & Security	-	-	-	-	-
Drought Surcharge Fund	-	-	-	-	50,000
Grants Fund	71,273	1,538,904	-	27,058	-
TOTAL APPROPRIATIONS	**$ 115,172**	**$ 1,582,852**	**$ 105,000**	**$ 132,673**	**$ 280,500**
ENDING BALANCES					
Confiscated Property	$ 35,450	$ 22,881	$ 17,881	$ 17,881	$ 12,881
Community Benefit (Child Safety)	12,845	14,923	6,711	11,883	6,883
Public Safety and Service (LEOSE)	33,998	34,289	30,789	33,208	31,208
Swimming Pool Fund	-	-	-	176,987	76,987
Court Technology	14,216	26,277	22,670	11,277	777
Court Security	112,085	115,560	78,681	78,560	28,560
Contribution Fund	25,369	33,945	36,945	44,447	42,947
Combined Municipal Tech & Security	-	-	-	30,874	60,874
Drought Surcharge Fund	-	-	-	-	1,036,850
Grants Fund	13,589	13,588	13,588	-	-
GROSS AVAILABLE BALANCE	**$ 247,552**	**$ 261,463**	**$ 207,265**	**$ 405,116**	**$ 1,297,966**

CITY OF ALAMO HEIGHTS ORGANIZATIONAL CHART



DEPARTMENTAL SUMMARIES

Department summaries consist of a description of services in the form of program information and goals and objectives, departmental action steps derived from the Strategic Action Plan, performance measures, program changes and a summary of expenditures and positions.

Mission Statement – The Mission Statement declares the mission and primary purpose of the department.

Program Information - The Program Information Section provides a brief description of the responsibilities of the department.

Goals and Objectives - The Goals and Objectives Section outlines the key goals and objectives for which the department is responsible.

Action Steps - The Action Steps Section is a listing of the adopted action steps from the Strategic Action Plan approved by City Council for which the department is responsible.

Performance Measures - The Performance Measures Section includes input, output, outcome and efficiency measures adopted by each department to measure their progress in providing the community with the services listed in their program information and goals and objectives.

- *Input measures* show the amount of resources, either financial or otherwise, used for a specific service or program. Input measures include labor, materials, equipment and supplies. Demand for governmental services may also be considered an input indicator.

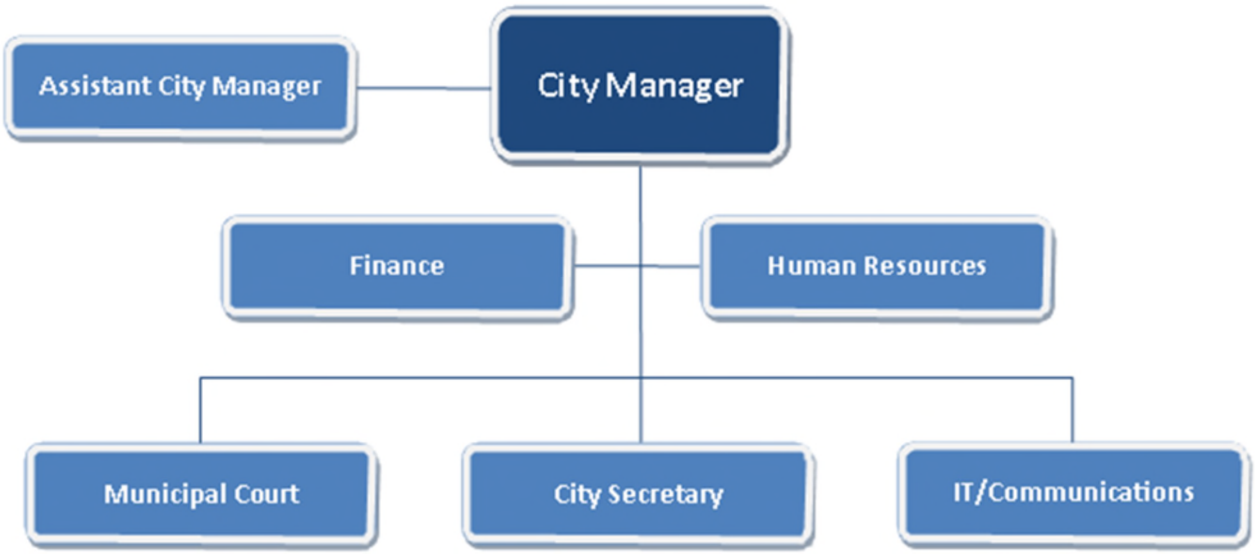
- *Output measures* show units produced or services provided by a service or program. Output measures include the amount of products or services provided, the number of customers served, and the level of activity to provide services.

- *Outcome measures* show results of the services provided. Outcome measures assess program impact and effectiveness and show whether expected results are achieved.

- *Efficiency measures* reflect the cost per unit of output or outcome.

Program Changes - A brief description and dollar amount for each of the department's mandates, improvements, reductions or redirections for the fiscal year are listed in the Program Changes Section.

Summary of Expenditures and Positions - Finally, a table detailing a summary of the department's operating expenditures and staffing levels over a three-year period is provided in the Summary of Expenditures and Positions Section. Included in this table are the department's actual expenditures for the previous year, the budget adopted for current year, an estimate of department expenditure levels in relation to what was budgeted for the current year budget, and the Adopted or adopted budget, which includes all of the program changes for the coming fiscal year. The department's actual expenditures, adopted budget, estimate, and Adopted or adopted budget are compared and tracked in the four major expenditure categories. In addition, the table also shows the number of authorized positions and full-time-equivalent positions in the department's operating budget.



APPROPRIATIONS BY DIVISION	ASSIGNED FTE	BUDGET FY 2027
Administration and Finance	9.00	$2,841,510
Municipal Court	2.50	251,041
MIS Information Technology	0.00	589,448
Administration Building	0.00	296,024
Total Funding	**11.50**	**$3,978,023**

MISSION STATEMENT

The Administration and Finance Department provides exemplary customer service to citizens and minimizes liability through the professional management of city departments and employees, the responsible oversight of fiscal and human resources, the effective administration of city projects and meetings, timely communication with the community and the implementation of cost-effective technology.

PROGRAM INFORMATION

The Administration and Finance Department is responsible for the management of the City's financial assets and resources, the levy and collection of city taxes, administration of the municipal court, utility billing and collections, communications and technological support, administration of elections, City Council meetings, minutes and agendas, the preservation of the City's official papers, records and documents, supervision of the official publication of ordinances, notices and other matters requiring publication, open records requests and provides centralized direction and leadership for the effective administration and operation of the municipal government.

GOALS & OBJECTIVES

- Coordination with several entities for the start and completion of the voter approved 2021 Bond Program for Austin Hwy/Lower Broadway Drainage Improvement Project
- Lower Broadway/Austin Hwy. Improvements include design, engineering, landscaping
- Manage the effective and efficient delivery of municipal services to the citizens of Alamo Heights
- Plan replacement of the city's facility cameras
- Provide financial information and timely reports to the City Council and City departments
- Coordinate the annual Audit and complete the Annual Comprehensive Financial Report
- Process payments, purchase orders, requests for payment, payroll, utility bills, oversee collection of city taxes in accordance with applicable laws and any other account receivables as required in a timely and efficient manner
- Provide a courteous, impartial and expeditious resolution of all municipal court matters
- Increase cross-training to maximize the utilization of staff and improve customer service
- Conduct all municipal elections in accordance with applicable laws, and prepare public notices for elections and certify election results
- Manage and support the direction of City Council meetings in accordance with the Texas Open Meetings Act
- Provide administrative direction for City-wide records management practices in accordance with policy and applicable state laws
- Manage and complete open records requests by processing, retrieving and distributing data and documents in the mandated time frame set by state law
- Provide high-quality administrative services to the organization through researching, analyzing and developing employee policies
- Organize new hire processing, investigate and respond to employee complaints and grievances and coordinate employee appeals process
- Provide consulting services for directors and managers concerning policies, procedures and employment laws

- Coordinating, responding and managing unemployment claims, EEOC claims, and Department of Labor investigations
- Provide remote working capabilities for staff as needed
- Provide communication to the public and staff through the City newsletter, website and by email blast notifications
- Maintain the city's network infrastructure for data, voice communications and audio/visual services

ACTION STEPS

- Continue to explore comprehensive salary surveys using outside sources
- Update the City's Personnel Manual to ensure compliance with legislative changes and best practices
- Continue to review job descriptions to ensure compliance with labor laws
- Continue to provide leadership and training opportunities to staff
- Continue to develop and expand the City's Wellness Program
- Continue with the employee newsletter
- Implement document scanning to provide digital record files
- Continue to explore furniture and artworks purchases for City Hall Public Areas
- Explore maximization of existing and new revenue resources
- Continue with Olmos Basin clean-up

OTHER INITIATIVES

- Continue to develop on-line and mobile applications for internal and external users
- On-line internal employee evaluation system
- Street Maintenance Plan funding goal is at least $1 million annually from dedicated street maintenance sales tax and General Fund transfers
- Continue to obtain funding sources for Broadway TxDOT road and drainage improvements
- Explore redesign of traffic around high school
- Maintain the Capital Replacement Fund for replacing the city's capital assets
- Maintain our S&P AAA Bond Rating
- Maintain the property tax rate as low as possible
- Improve park areas within the city and provide community beautification
- Enhancing cybersecurity tools
- Transform the City's website adding Americans with Disabilities (ADA) features

PERFORMANCE MEASURES

	ACTUAL FY 2024-25	ADOPTED FY 2025-26	PROJECTED FY 2025-26	PROPOSED FY 2026-27
Inputs:				
No. of full-time city employees	103	105	103	105
Number of properties	3,500	3426	3426	3426
No. of water customers	3,120	3,130	3,130	3,130
No. of City Council meetings	23	22	23	22
Output:				
No. of open records requests	437	280	404	404
Property Tax revenue collected	$8,217,458	$8,653,164	$8,621,935	$9,278,681

SUMMARY OF EXPENDITURES AND POSITIONS

	ACTUAL FY 2024-25	ADOPTED FY 2025-26	PROJECTED FY 2025-26	PROPOSED FY 2026-27
PERSONNEL SERVICES	$1,133,942	$1,186,493	$1,214,509	$1,289,083
COMMODITIES	499,137	478,421	486,532	608,743
CONTRACTUAL SERVICES	514,189	634,054	635,303	750,839
TRANSFERS OUT	345,607	936,900	1,297,502	1,259,359
CAPITAL OUTLAY	96,250	60,000	65,336	70,000
TOTAL EXPENDITURES	**$2,589,124**	**$3,295,868**	**$3,69,183**	**$3,978,023**
AUTHORIZED POSITIONS	**13.00**	**13.00**	**13.00**	**13.00**
FULL-TIME EQUIVALENTS	**11.50**	**11.50**	**11.50**	**11.50**

COMMUNITY DEVELOPMENT SERVICES

APPROPRIATIONS BY DIVISION	ASSIGNED FTE	BUDGET FY 2027
Community Development Services	5.00	$750,708
Total Funding	**5.00**	**$750,708**

MISSION STATEMENT

The Community Development Services Department is committed to community-based planning founded on public participation, maintaining the beauty and charm of our natural and developed environment and promoting a livable and sustainable community through the fair and efficient administration of our codes and ordinances.

PROGRAM INFORMATION

The Community Development Services Department is responsible for the regulation of land use, development and construction through planning, plan review, permitting, inspections and code compliance activities.

GOALS & OBJECTIVES

To provide quality customer service by facilitating the development process in an efficient and effective manner while protecting the health, safety and public welfare of the community.

- Facilitate the implementation of the Comprehensive Plan
- Review all submitted plans and provide customers with feedback within twenty-one (21) working days
- Provide all requested inspections within one (1) working day
- Actively maintain compliance with federal, state and city laws to protect the health, safety and public welfare of the community
- Expedite commercial code compliance actions through the proactive issuance of notices of violation or citations
- Provide administrative and technical support to boards and commissions to facilitate the expeditious review of cases

ACTION STEPS

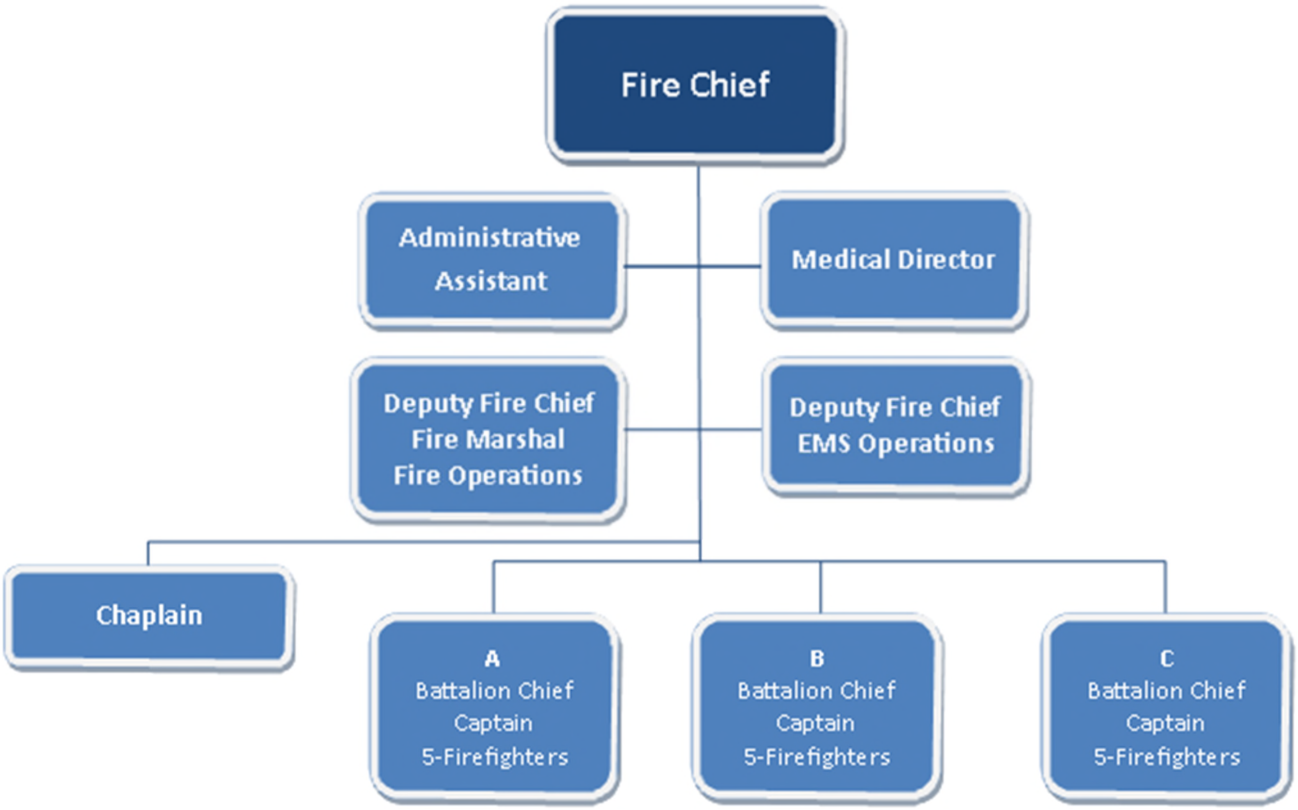
- Evaluate Economic Development opportunities
- Explore revisions to Chapter 3, Zoning Code
- Explore revisions to Chapter 17, Subdivision Code
- Digitize Plan Review Process
- Update & Simplify Permit Applications

PERFORMANCE MEASURES

	ACTUAL FY 2024-25	ADOPTED FY 2025-26	PROJECTED FY 2025-26	PROPOSED FY 2026-27
Output:				
No. of permits issued	1,387	1,250	1,300	1,400
No. of plans reviewed	140	200	150	160
No. of inspections conducted	3,187	2,200	2,500	2,400
Avg no. of working days for plan review	21	15	15	15
No. of Board of Adjustment cases	46	25	35	30
No. of Architectural Review Board	42	45	60	50
No. of Planning and Zoning Commission cases	13	7	24	15

SUMMARY OF EXPENDITURES AND POSITIONS

	ACTUAL FY 2024-25	ADOPTED FY 2025-26	PROJECTED FY 2025-26	PROPOSED FY 2026-27
PERSONNEL SERVICES	$561,610	$637,377	$571,612	$696,734
COMMODITIES	8,073	11,420	6,330	10,545
CONTRACTUAL SERVICES	40,583	40,000	34,988	43,429
CAPITAL OUTLAY	0	0	0	0
TOTAL EXPENDITURES	**$610,266**	**$688,797**	**$612,930**	**$750,708**
AUTHORIZED POSITIONS	**4.00**	**5.00**	**5.00**	**5.00**
FULL-TIME EQUIVALENTS	**4.00**	**5.00**	**5.00**	**5.00**



FIRE/EMS

APPROPRIATIONS BY DIVISION	ASSIGNED FTE	BUDGET FY 2027
Fire	18.00	$2,659,604
Emergency Medical Services (EMS)	6.50	977,536
Total Funding	**24.50**	**$3,637,140**

MISSION STATEMENT

The Fire/EMS Department is committed to minimizing and preventing injury and property loss through the provision of quality professional fire, rescue, emergency medical, fire prevention, educational and safety services to the community.

PROGRAM INFORMATION

The Fire/EMS Department provides fire protection for the City; basic and specialized rescue operations that includes swift water, high angle, automobile extrication, structural collapses and cave-ins; fire prevention inspections; planning surveys; fire and safety public education presentations, courtesy home safety surveys, smoke detector and carbon monoxide detector installations, and other public assistance and community service programs. All firefighters are also cross-trained and assist the EMS Division in patient care and transport when needed.

GOALS & OBJECTIVES

To continuously provide high quality fire, rescue, fire prevention and safety services to the community:

- Focus on long range planning in order to ensure that the highest possible level of fire services are provided to the community
- Optimize the area of coverage and respond under the eight (8) minute national standard for fire response
- Maintain and strive to enhance the departments coordination with cities included in the City's Mutual Aid Agreements
- Actively pursue improvement of the city's insurance services office (ISO) rating – maintain current insurance rating to ensure that homeowners receive maximum insurance discounts
- Ensure appropriate staffing levels are maintained
- Enhance department operations with new and existing technologies
- Provide for the safety and welfare of the community through educational and code enforcement efforts
- Promote the safety and welfare of uniformed firefighting personnel

ACTION STEPS

- Continue tree trimming to accommodate the safe passage of Fire / EMS apparatus as well as other city vehicles ($15K)
- Maintain compliance with Texas Fire Chief Association "Best Practices" Program
- Continue Smoke Detector Awareness Program
- Continue Home Fire Safety Surveys

IMPROVEMENTS

- Continue to evaluate staff wages and benefits for recruitment and retention efforts
- Develop additional web-based fire prevention programs

- Develop “In-Classroom” fire safety interactions with elementary grade level students
- Upgrade fire data software
- Pursue personnel development to obtain Texas Commission on Fire Protection certifications
- Obtain grant assistance for CISM wellness funding

FIRE PERFORMANCE MEASURES

	ACTUAL FY 2024-25	ADOPTED FY 2025-26	PROJECTD FY 2025-26	PROPOSED FY 2026-27
Input:				
National average for fire response time	6 min.	6 min.	6 min.	6 min.
Output:				
Avg. fire response time[1]	3 m 47 s	3 m 44 s	3 m 44 s	3 m 44 s
Outcome:				
% of fire responses in Alamo Heights under national avg.	100%	100%	100%	100%
% of Alamo Heights structures involved in fire incidents[2]	0.08%	0.08%	0.08%	0.08%

EXPLANATORY INFORMATION:

[1] Response time is calculated from the time call is received from dispatch until the arrival of fire apparatus at the scene of the incident.

SUMMARY OF EXPENDITURES AND POSITIONS

	ACTUAL FY 2024-25	ADOPTED FY 2025-26	PROJECTED FY 2025-26	PROPOSED FY 2026-27
PERSONNEL SERVICES	$2,291,691	$2,421,338	$2,418,644	$2,515,078
COMMODITIES	71,392	97,271	71,350	101,791
CONTRACTUAL SERVICES	28,439	100,380	66,688	42,735
CAPITAL OUTLAY	0	0	0	0
TOTAL EXPENDITURES	**$2,391,522**	**$2,618,989**	**$2,556,682**	**$2,659,604**
AUTHORIZED POSITIONS	**18.00**	**18.00**	**18.00**	**18.00**
FULL-TIME EQUIVALENTS	**18.00**	**18.00**	**18.00**	**18.00**

EMS PROGRAM INFORMATION

The Emergency Medical Service (EMS) Division is responsible for responding to 911 medical emergencies in cities of Alamo Heights, Terrell Hills and Olmos Park and provides injury prevention and health awareness programs for the community.

GOALS & OBJECTIVES

To continuously provide high quality emergency medical services to the community:

- Address the emergency medical needs of the community
- Optimize the area of coverage and respond well under the 6 minute national standard for EMS response
- Enhance department operations by applying new and existing technologies
- Provide for the safety and welfare of the community
- Promote the safety and welfare of uniformed EMS personnel
- Recruit and maintain a highly skilled EMS staff

ACTION STEPS

- Train an additional 5% of the community in hands only CPR
- Continue quarterly First Aid / CPR training for citizens and the school setting
- Focus on community education
- Update EMS SMOP Application for cell phone access

IMPROVEMENTS

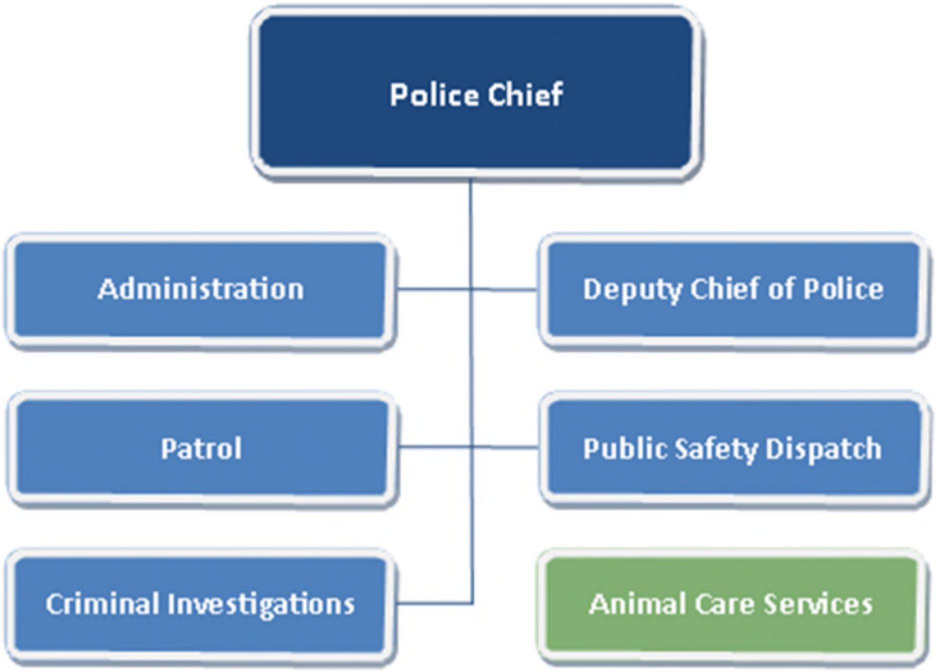
- EMS Integration with law enforcement on MCI/Active attack responses
- Integrate Chaplain in to Behavioral Health Unit
- Obtain grant assistance for CISM wellness funding
- Renew the following:
  - DEA registration
  - Texas Department of State Health Services Continuing Education Program
  - Clinical laboratory Improvement Amendments waiver
  - Controlled Substance registration certificate
  - AHEMS Provider license
- Bexar County Mental Health integration with EMS system

EMS PERFORMANCE MEASURES

	ACTUAL FY 2024-25	ADOPTED FY 2025-26	PROJECTED FY 2025-26	PROPOSED FY 2026-27
Input:				
National average for EMS collections	60%	60%	60%	60%
National average for EMS response	10 min.	10 min.	10 min.	10 min.
Output:				
EMS calls in Alamo Heights	859	730	696	778
EMS calls in Olmos Park	145	177	157	151
EMS calls in Terrell Hills	223	141	212	218
EMS services invoiced	$512,796	$505,959	$499,122	$505,959
Revenues received for EMS services	$363,888	$250,000	$321,333	$250,000
Avg. response time - Alamo Heights	2 m 48 s	3 m 05 s	2 m 42 s	2 m 45 s
Avg. response time - Olmos Park	4 m 92 s	5 m 13 s	4 m 96 s	4 m 95 s
Avg. response time - Terrell Hills	4 m 08s	5 m 15 s	4 m 37 s	4 m 25 s

SUMMARY OF EXPENDITURES AND POSITIONS

	ACTUAL FY 2024-25	ADOPTED FY 2025-26	PROJECTED FY 2025-26	PROPOSED FY 2026-27
PERSONNEL SERVICES	$707,838	$796,785	$774,286	$853,483
COMMODITIES	59,020	94,044	89,532	105,908
CONTRACTUAL SERVICES	30,580	42,179	18,997	18,145
CAPITAL OUTLAY	0	0	0	0
TOTAL EXPENDITURES	**$797,438**	**$933,008**	**$882,814**	**$977,536**
AUTHORIZED POSITIONS	**7.00**	**7.00**	**7.00**	**7.00**
FULL-TIME EQUIVALENTS	**6.50**	**6.50**	**6.50**	**6.50**



APPROPRIATIONS BY DIVISION	ASSIGNED FTE	BUDGET FY 2027
Police	27.5	$3,868,318
Communications Center	10.0	922,789
Total Funding	**37.5**	**$4,791,107**

MISSION STATEMENT

The Alamo Heights Police Department is committed to developing a community partnership with an emphasis on integrity, fairness and professionalism to positively impact the quality of life and promote a safe environment by resolving problems, reducing fear, enforcing the law and preserving peace.

PROGRAM INFORMATION

The Police Department is responsible for the enforcement of the law in a fair and consistent manner, recognizing both the statutory and judicial limitations of its authority and constitutional rights of all persons. The Department presents a deterrent to criminal activities, protects the public, apprehends offenders, recovers and returns stolen property, oversees the safe movement of vehicular traffic within jurisdictional boundaries and addresses domestic and non-domestic animal concerns.

GOALS & OBJECTIVES

To continuously maintain and improve police services through a proactive police presence, heightened patrol availability, and the timely dispatch of professional police officers trained to respond in an effective and efficient manner.

- Improve community relations through positive police/citizen interaction and community crime deterrent strategies
- Receive, process, and prioritize calls for service promptly in the communications center and dispatch police officers or other emergency service providers
- Provide a police response to calls for service and other public needs promptly to resolve problems and protect citizens and property
- Conduct criminal investigations in such a manner as to enhance criminal awareness that the commission of a crime would result in their apprehension and prosecution
- Provide for the safe and lawful movement of vehicular traffic and exercise responsibility for traffic law enforcement in all areas where high levels of vehicular traffic is experienced or citizen concerns are heightened due to unsafe driver behavior
- Develop community-based programs urging citizen and business community members to partner with the Police Department to help themselves become less vulnerable targets for criminals
- Work closely with the Alamo Heights Independent School District and other child learning and development institutions to reduce incidents of juvenile crime
- Provide specialized training opportunities for all police personnel as an investment in the department, as well as to increase staff capabilities and promote professionalism

ACTION STEPS

- Achieve 5th Re-Accreditation
- Multiple training event on local AHISD campuses to include integrated response with police, fire and EMS
- Conduct multi-agency emergency services drill; tabletop, live exercise
- Install electronic speed signs on selected residential streets to calm traffic
- Criminal investigations training initiative for patrol officers

OTHER INITIATIVES

- Continue to monitor police reform mandates and adjust operations; accordingly, maintain accreditation standards.
- Progressive approach to resolving current and anticipated parking issues in the community impacted by student off-campus parking currently and plan for on-street parking impacts created by a major school construction project.
- Expand non-enforcement driver safety awareness efforts utilizing electronic messaging signs.
- Improve police preparedness through procedure and training for response to critical, life-threatening situations.

PERFORMANCE MEASURES

	ACTUAL FY 2024-25	ADOPTED FY 2025-26	PROJECTED FY 2025-26	PROPOSED FY 2026-27
Input:				
No. of police calls for service (CFS) generated 1	6,830	6,830	6,583	6,830
Output:				
Crime prevention contacts [3]	12,676	12,676	14,411	15,729
Traffic/parking enforcement contact [6]	7,490	7,890	8,890	9,110
Patrol Mileage	84,319	84,319	84,863	85,243
Outcome:				
Arrests (all)	247	265	243	265
No. of violent crimes reported [4]	6	7	6	7
No. of property crimes reported [5]	178	194	166	194
Efficiency:				
% of calls initiated by officers	47%	41%	39%	41%

EXPLANATORY INFORMATION

[1] Includes calls dispatched and officer initiated activities; does not include crime prevention contacts, business checks, vacation watch or other miscellaneous activities.
[2] Changed calculation in FY11 to not include citation and release arrests
[3] Crime prevention contacts include residential close-patrol, business checks, crime prevention surveys, school education contacts, and community group contacts, crime prevention reminders, community engagement
[4] Violent crimes include criminal homicide, forcible rape, robbery, and aggravated assault.
[5] Property crimes include burglary, theft, motor vehicle theft, and arson.
[6] Does not represent the number of citations or warnings

PROGRAM CHANGES

- **CAPITAL REPLACEMENT**

  Lease/Buy Payments – Mobile (x10) and body worn cameras (x25)
  $60,408

  One (1) Ford Explorer Police SUVs plus emergency vehicle equipment
  $67,599

SUMMARY OF EXPENDITURES AND POSITIONS

	ACTUAL FY 2024-25	ADOPTED FY 2025-26	PROJECTED FY 2025-26	PROPOSED FY 2026-27
PERSONAL SERVICES	$3,095,220	$3,359,233	$3,207,812	$3,511,666
COMMODITIES	252,758	204,058	189,835	225,777
CONTRACTUAL SERVICES	115,767	152,262	127,877	115,990
CAPITAL OUTLAY	11,184	0	0	14,885
TOTAL EXPENDITURES	**$3,474,928**	**$3,715,553**	**$3,525,524**	**$3,868,318**
AUTHORIZED POSITIONS	**28.00**	**28.00**	**28.00**	**28.00**
FULL-TIME EQUIVALENTS	**27.50**	**27.50**	**27.50**	**27.50**

PROGRAM INFORMATION

The Public Safety Dispatch Division is responsible for receiving both emergency and non-emergency calls and effectively dispatching the appropriate departments from the cities of Alamo Heights, Terrell Hills and Olmos Park to respond.

GOALS & OBJECTIVES

To continuously provide high quality emergency communication services to the community:

- Receive, process, and prioritize calls for service promptly in the communications center and dispatch police officers or other emergency service providers
- Maintain a public safety answering point

PERFORMANCE MEASURES (amended to report COAH activities only)

	ACTUAL FY 2024-25	ADOPTED FY 2025-26	PROJECTED FY 2025-26	PROPOSED FY 2026-27
Input:				
No. of calls recvd [1]	3,618	3,618	3,540	3,619
No. of 911 (emergency) calls recvd [3]	1,328	1,328	1,494	1,515
Output:				
No. of calls dispatched to Police	3,504	3,504	3,547	3,563
No. of calls dispatched to Fire & EMS	1,442	1,442	1,399	1,450

EXPLANATORY INFORMATION

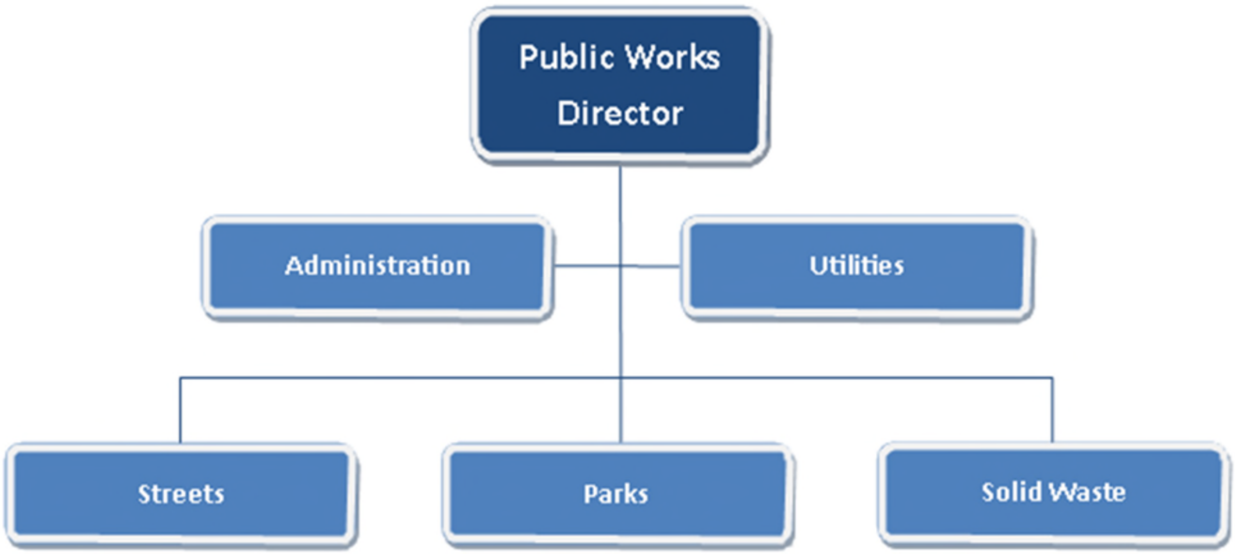
[1] Calls for service received for all services AH only

[3] Includes misdials, duplicate calls, and transfers to other agencies.

SUMMARY OF EXPENDITURES AND POSITIONS

	ACTUAL FY 2024-25	ADOPTED FY 2025-26	PROJECTED FY 2025-26	PROPOSED FY 2026-27
PERSONAL SERVICES	$772,712	$856,911	$786,188	$898,512
COMMODITIES	27,488	25,471	23,199	24,277
CONTRACTUAL SERVICES	1,970	1,824	1,826	0
CAPITAL OUTLAY	0	0	0	0
TOTAL EXPENDITURES	**$802,170**	**$884,206**	**$811,213**	**$922,789**
AUTHORIZED POSITIONS	**10.00**	**10.00**	**10.00**	**10.00**
FULL-TIME EQUIVALENTS	**10.00**	**10.00**	**10.00**	**10.00**

PUBLIC WORKS



APPROPRIATIONS BY DIVISION	ASSIGNED FTE	BUDGET FY 2027
Administration	2.00	$281,536
Streets	4.00	650,647
Solid Waste	9.00	1,252,498
Parks	4.00	405,535
Water	10.00	4,399,102
Sewer	0.00	2,142,300
Total Funding	**29.00**	**$9,131,618**

MISSION STATEMENT

The Public Works Department is committed to providing high quality, well planned, environmentally responsible, cost effective infrastructure and services to promote public health, personal safety, transportation, economic growth and civic vitality.

PROGRAM INFORMATION

The Public Works Department is responsible for the operation and maintenance of the City's street and drainage infrastructure, traffic signals, public signage, park areas and facilities; and for the provision of solid waste, recycling services to its customers.

GOALS & OBJECTIVES

To properly maintain and strategically improve public infrastructure and provide excellent services to our customers in an effective and efficient manner.

- Effectively manage the street, drainage and facility improvements in the City's Capital Improvement Program (CIP)
- Resurface approximately four percent (4%) of the City's streets each year through the oversight of the Street Maintenance Program (SMP)
- Properly maintain the City's traffic signals, signage, storm water lines and facilities
- Coordinate the implementation of the City's Storm Water Management Plan
- Continuously improve and regularly maintain the City's green spaces
- Provide high quality, cost effective solid waste services at a competitive rate
- Provide the highest level of customer service to our customers

ACTION STEPS

- Work to limit numerous utility cuts throughout the City to improve ride is ongoing and utilize preservation applications and methods to extend pavement life
- Work toward solutions to street drainage improvements which have been identified ahead of Street Maintenance Program (SMP)
- Work to increase pedestrian accessibility through enhancements to existing crossings, encourage sidewalk connectivity, and create more pedestrian opportunities.
- Amend City code to reflect modernized best practices for new development and infrastructure restoration for all construction projects.

OTHER INITIATIVES

- Continue to improve public engagement and implement tangible improvements based on community needs.
- Continue to develop proactive maintenance programs based on data and structured funding.
- Look for innovative applications and equipment to maximize efficiency of public funding.

PERFORMANCE MEASURES

	ACTUAL FY 2024-25	ADOPTED FY 2025-26	PROJECTED FY 2025-26	PROPOSED FY 2026-27
Output:				
No. of square yards of street repaired	25,699	26,667	35,645	30,672
Tons of solid waste collected	3,810	4,215.51	4,112	4,317
Tons of materials recycled	551	282.42	436	494
Efficiency:				
Avg. no. of pounds of solid waste collected per effective customer	2958	3,254	3,193	3,353
Avg. no. of pounds of materials recycled per effective customer	463	218	339	401

SUMMARY OF EXPENDITURES AND POSITIONS

	ACTUAL FY 2024-25	ADOPTED FY 2025-26	PROJECTED FY 2025-26	PROPOSED FY 2026-27
PERSONNEL SERVICES	$1,471,159	$1,632,803	$1,454,277	$1,641,939
COMMODITIES	364,268	583,968	581,864	491,846
CONTRACTUAL SERVICES	295,561	366,073	309,188	456,134
CAPITAL OUTLAY	0	68,000	0	0
TOTAL EXPENDITURES	**$2,130,988**	**$2,650,844**	**$2,345,329**	**$2,589,919**
AUTHORIZED POSITIONS	**19.00**	**19.00**	**19.00**	**19.00**
FULL-TIME EQUIVALENTS	**20.00**	**20.00**	**20.00**	**20.00**

PROGRAM INFORMATION

The Utilities Division of the Public Works Department is responsible for the operation and maintenance of the City's water distribution and sanitary sewer systems; and for the provision of water and sewer services to its customers.

GOALS & OBJECTIVES

To continuously maintain and improve public infrastructure and provide the high-quality services to our customers in an effective and efficient manner.

- Maintain the required quality, volume and pressure of the water distribution system
- Routine cleaning of the City's sewer system
- Provide high quality, cost effective water and sewer services at a competitive rate
- Meet all federal, state and local testing and reporting requirements
- Provide the highest level of customer service to our customers
- Explore and enact resiliency measures to maintain high-quality water and sewer service
- Rehab and modernize water and waste water utility assets.

ACTION STEPS

- Implement new digital accurate meters and transition to new billing system.
- Implement manhole lining program to meet regulation and compliance
- Continue to develop proactive maintenance programs based on data and structured funding

OTHER INITIATIVES

- Respond and repair emergency main breaks within 3 hours of initial call.
- Expand continuing education and training to more levels of staff.

PERFORMANCE MEASURES

	ACTUAL FY 2024-25	ADOPTED FY 2025-26	PROJECTED FY 2025-26	PROPOSED FY 2026-27
Input:				
No. of water connections	3,169	3,248	3,205	3,248
No. of sewer connections	2,731	2,716	3,631	3,181
Output:				
No. of gallons of water pumped	597,887,707	564,355,196	598,500,000	598,193,853
No. of water mains leaks repaired	13	8	15	14
No. of water service line leaks repaired	82	73	87	85
No. of sewer line leaks repaired	12	7	14	13
Outcome:				
% of reported water leaks repaired within 3 working days	97%	99%	97%	99%
Efficiency:				
Avg. no. of gallons of water billed per effective connection	143,212	170,097	155,694	165,694

SUMMARY OF EXPENDITURES AND POSITIONS

	ACTUAL FY 2024-25	ADOPTED FY 2025-26	PROJECTED FY 2025-26	PROPOSED FY 2026-27
PERSONNEL SERVICES	$1,400,313	$1,471,953	$1,429,664	$1,504,449
COMMODITIES	565,523	734,100	695,636	1,049,350
CONTRACTUAL SERVICES	1,587,474	1,965,622	1,872,502	2,353,391
OPERATING TRANSFER OUT	541,774	619,110	619,110	1,034,212
CAPITAL OUTLAY	24,789	1,485,750	706,055	600,000
TOTAL EXPENDITURES	**$4,119,873**	**$6,276,535**	**$5,322,966**	**$6,541,402**
AUTHORIZED POSITIONS	**10.00**	**10.00**	**10.00**	**10.00**
FULL-TIME EQUIVALENTS	**10.00**	**10.00**	**10.00**	**10.00**

CITY HOLIDAY SCHEDULE

City Council has approved 14 holidays.

HOLIDAY	DATE
Veteran’s Day	Wednesday, November 11, 2026
Thanksgiving Day	Thursday, November 26, 2026
Day after Thanksgiving	Friday, November 27, 2026
Christmas Eve	Thursday, December 24, 2026
Christmas Day	Friday, December 25, 2026
New Year’s Day	Friday, January 1, 2027
Martin Luther King Day	Monday, January 18, 2027
President’s Day	Monday, February 15, 2027
Good Friday	Friday, March 26, 2027
Battle of Flowers	Friday, April 23, 2027
Memorial Day	Monday, May 31, 2027
Juneteenth	Friday, June 18, 2027 (observed)
Independence Day	Monday, July 5, 2027 (observed)
Labor Day	Monday, September 6, 2027

HISTORY OF ALAMO HEIGHTS

"No one who has lived in Alamo Heights will deny that the mystique exists."

--T.R. Fehrenbach, Historian

The headwaters of the San Antonio River that attracted early nomadic Texas Indians also beckoned two early settlers: George Washington Brackenridge and Charles Anderson in the mid-1800s. Brackenridge acquired an earlier homestead, the Sweet Homestead, on land that had been part of San Antonio and built the mansion Fernridge on his estate that he called Alamo Heights.

Charles Anderson, a Kentucky resident, built the headquarters for his sprawling horse ranch on the Olmos Bluffs where the view of the natural beauty extended in all directions. Later the Anderson mansion became the Argyle Hotel, a place of charm and hospitality and the oldest surviving structure in the city.


The Brackenridge Estate

From these two early endeavors, fueled by their desire to live in an environment of natural beauty, Brackenridge and Anderson set the stage for a city that even today places emphasis on its scenic vistas, towering trees and quiet environment.

The building of Alamo Heights began in the 1890s when the family that had purchased the Anderson ranch property sold it to the Chamberlain Investment Company of Denver. During the same time, the Brackenridge properties were sold to the Order of the Sisters of Charity of the Incarnate Word on the condition that they buy all 280 acres in "Alamo Heights" and preserve the house and grounds.

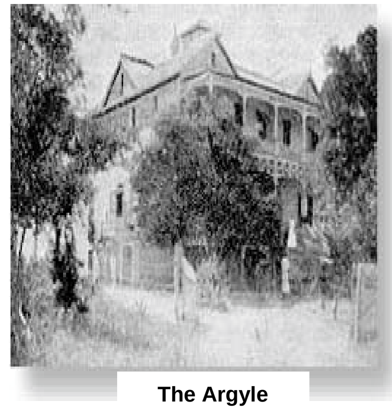
Brackenridge loved the natural beauty of the area and insisted that it be preserved. Records detail that he frequently visited the property to make sure the sisters did not cut down any shrubs or trees.

The Denver Company planned a suburban residential development, turning the Anderson-McLane mansion into the Argyle Hotel and staking out large lots nearby for homesites. Their development plan sited streets that followed the contours of the land, preserved the centuries-old trees even in the middle of streets and retained the headwaters of the river with its associated lake. Beauty and natural charm described their efforts.

But the plans were ahead of their time. Only dusty roads that could be traveled by horseback or carriage connected Alamo Heights to San Antonio. River canoe provided the other transportation alternative at a time when San Antonio's gentry lived south of Commerce Street.

The answer was a road—River Avenue that later became Broadway—and a rail line. But, while those improvements came too late to save Chamberlain Investment Company from financial disaster, the company had left its imprint on Alamo Heights. Following lawsuits, the company was reorganized as the Alamo Heights Company. Owners Judge M.H. Townsend and W.B. Willim decided to open the acreage beyond the original development to other companies. By 1908, building began on more modest homes in Montclair, east of Broadway. Madeleine Terrace, farther south, quickly became the home of sculptor Pompeo Coppini and was better known than the original development around the Argyle. The pattern of scattered building by different developers continued, with the result that Alamo Heights' character emerged. It became a community of varied architectural styles that attracted people of different income groups and ages.

By 1921, the auto had left its mark in many ways, including successful development of Alamo Heights as a residential community.



The Argyle

Earlier desires to be annexed by San Antonio, desires that were rebuffed, turned to fear in 1922 that San Antonio wanted to annex Alamo Heights to increase its tax base without providing services. Community leaders called a citizens' meeting on June 4 and residents voted 289 to 8 to petition Bexar County Judge McCloskey for a city government.

Alamo Heights became a municipality on June 20, 1922, but with no city charter and a government that consisted of a mayor, five aldermen and a town marshal. The population stood at about 3,000 in an area that extended only as far north as Tuxedo Avenue. Bluebonnet Hills was annexed in 1928 and Sylvan Hills completed the current northern boundary when it was annexed in 1944.

From its earliest days, the city government focused on providing modern services without destroying the character of Alamo Heights as a residential area. Ordinances restricted business activity to those that provided convenience for residents and limited businesses to defined districts. Building and zoning codes restricted buildings to two stories and assured open spaces, natural light and greenery.

In 1927, the City Council recommended a $350,000 bond issue to provide modernization. Alamo Heights became the only municipality in the county with all paved streets. The city connected sewer lines to the San Antonio system and purchased the old waterworks and expanded it. Finally, the city officers moved from meeting in the Argyle Hotel to the current building on Broadway.

Later years saw the expansion of recreational facilities with the construction of the swimming pool in 1947 and addition of nature trails in Olmos Basin in 1965. But throughout its development, Alamo Heights maintained its character as a residential community that changed gracefully.

Historian T.R. Fehrenbach characterized the city by saying, "Alamo Heights, whatever else it is, reflects three qualities: good government, stable neighborhoods and a feeling of intimacy." It has a character that goes back to its beginning as the home of George Brackenridge and Charles Anderson who loved its hills, beautiful trees and twisting roads.

GLOSSARY

Accrual Basis Accounting - The basis of accounting whereby revenue projections are developed recognizing revenues expected to be earned in the period, and expenditure estimates are developed for all expenses anticipated to be incurred during the last fiscal year. The budget for the City's proprietary fund type – the Utility Fund uses this basis of accounting.

Appropriation - A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in the amount and as to the time when it may be expended.

Assessed Valuation - A valuation set upon real estate and certain personal property by the appraisal district as a basis for levying property taxes.

Assets - Resources owned or held by a government which has monetary value.

Basis of Accounting - The timing method used in the recognition of revenues and expenditures for financial reporting purposes.

Budget Document - The official written statement prepared by the City's staff and approved by the City Council to serve as a financial and operation guide for the fiscal year end in which it was adopted.

Budgetary Control - The control or management of government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

Capital Assets - Resources having a value of $1,000 or more and a useful life of more than one (1) year.

Capital Outlays - Expenditures which result in the acquisition of or addition of fixed assets.

Cash - Includes currency on hand and demand deposits with banks or other financial institutions.

Cash Basis Accounting - The method of accounting under which revenues are recorded when received and expenditures are recorded when paid.

Current Assets - Cash and other assets or reserves which are reasonably expected to be realized in cash or consumed within one (1) year.

Current Liabilities - Liabilities that must be paid within one (1) year.

Fixed Assets - Resources of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, machinery, and equipment.

Fund - An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance - The excess of fund assets over liabilities. A negative fund balance is sometimes called a deficit.

General Fund - General Operating Fund of the City, accounting for the resources and expenditures related to the generally recognized governmental services provided.

Governmental Funds - Accounting segregation of financial resources for a governmental entity. The City's General and Capital Projects Funds are governmental funds.

Infrastructure - Public domain fixed assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the government unit.

Liabilities - Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

Modified Accrual Basis - Under the basis of accounting, revenues are estimated for the fiscal year if they are susceptible to accrual, e.g. amounts can be determined and will be collected within the current period. Principal and interest on general long-term debt are budgeted as expenditures when due, whereas other expenditures are budgeted for liabilities expected to be incurred during the current period. The budget for the City's General Fund is developed using this accounting basis.

Net Working Capital - The excess of current assets over current liabilities.

Operational Capital - Capital outlays of less than $100,000 included in the operating budget.

Operational Surplus - The excess of revenues over expenditures, less encumbered funds (encumbrances).

Operating Budget - A plan of financial operation embodying an estimate of expenditures for the calendar year and the Adopted means of financing them (revenue estimates).

Ordinance - A formal legislative enactment by the governing body of municipality.

Performance Pay - A component of the City's pay plan that recognizes and financially rewards employees in the performance of assigned job duties and achieving departmental goals and objectives.

Retained Earnings - An equity account reflecting the accumulated earnings of the City's Utility Fund (proprietary).

Revenues - The term designates an increase to a fund's assets which does not represent: 1) a liability increase (e.g. proceeds from a loan); 2) a repayment of an expenditure already made; 3) a cancellation of certain liabilities; or 4) an increase in contributed capital.

Special Revenue Fund - A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes. GAAP only requires the use of special revenue funds when legally mandated.

Tax Levy - The total amount of taxes imposed by the City of taxable property within its boundaries.

Tax Rate - The dollar rate for taxes levied for each $100 of assessed valuation.

Transfer - The movement of money from one fund, activity, department, or account to another. This includes budgetary funds and/or movement of assets.

Utility Fund - The proprietary, or enterprise, fund used to account for the provision of water, sewer and sanitation services to the City's residents on a cost recovery basis through user charges.