

An aerial photograph of a city at sunset, with a prominent water tower in the center. The water tower has the word 'SCHERTZ' written on its side. The sky is a warm orange color, and the city below is bathed in the same light. The text 'City Council Budget Adoption' is overlaid in large white letters.

# City Council Budget Adoption

August 19, 2025

**SCHERTZ**  
COMMUNITY • SERVICE • OPPORTUNITY

# BUDGET OVERVIEW & UPDATE



# Budget Priorities

Goal 1: Staff Compensation

Goal 2: Street Maintenance & Repair

Goal 3: Capital Improvement Program

Goal 4: Increase Staffing Levels

Goal 5: New/Remodeled Facilities

**FY 2025-26**

**OPERATING BUDGET**



# FY 2025-26

## Budget Highlights – All Funds

- Health Insurance
  - City sought RFPs
  - No anticipated cost increase to the City
  - Slight modifications to plan design
- Merit/Step - \$784,000
  - Merit 0-4%
  - Step 4%
  - ECI/COLA not funded

# GENERAL FUND - EXPENDITURES



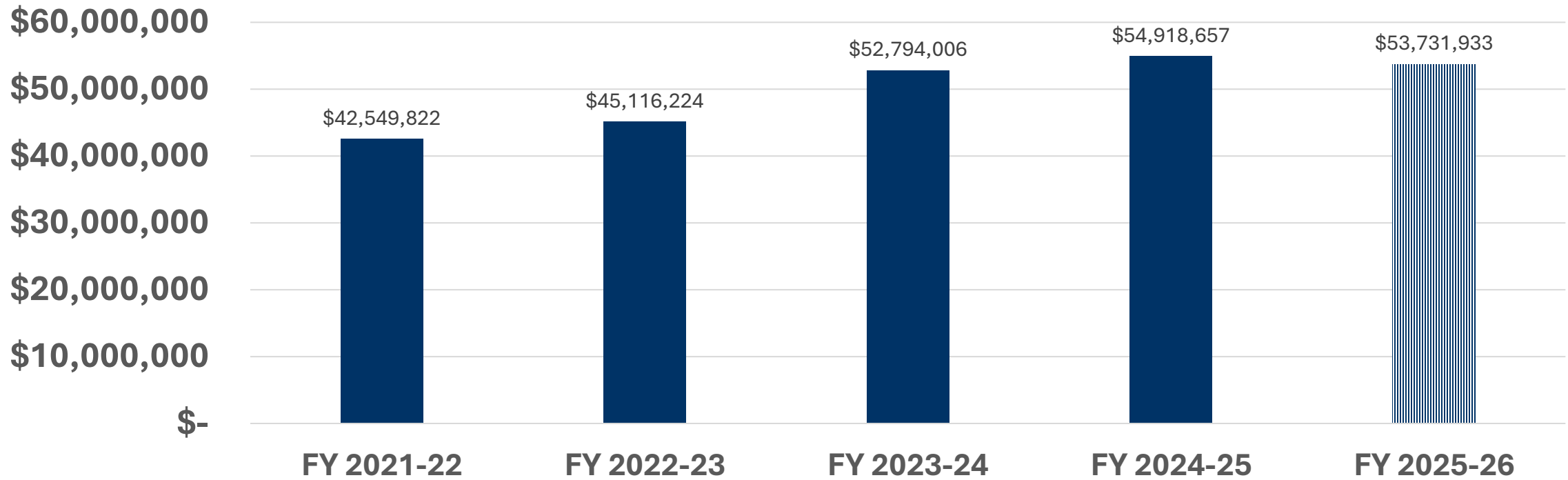
# FY 2025-26

## General Fund - Expenditures

- General Fund Proposed Budget \$53,731,933
  - Increase of \$1,142,155 or 2.2% from FY 2024-25 Original Budget
  - Decrease of \$1,186,724 or 2.2% from FY 2024-25 Amended Budget
  - Full year funding of positions and merit/step updates
  - Supplemental Requests
  - Offset by lower capital expenditures
    - Fewer replacements
    - FY 2024-25 budgeted a Fire Engine replacement
    - FY 2024-25 budgeted additional street maintenance funds

# General Fund - Total Budget

## Final Amended General Fund Budgets





# FY 2025-26

## General Fund – Supplementals

- \$2,812,708 in Supplemental Requests:
  - Assistant City Secretary
  - Special Election Costs
  - Utility Rates Increase
  - Postage Increase
  - Credit Card Service Increase
  - EMS Contract
  - SCBA Replacements (Firefighter breathing tanks and equipment)
  - Firefighters for Station 4
  - Merit/Step

# FY 2025-26

## General Fund – Supplementals (Continued)

- \$2,812,708 in Supplemental Requests Continued:
  - Cyber Security Upgrades
  - Library PA System
  - New Security Cameras and Licenses
  - Fire Hose Equipment
  - Soccer Complex Operations
  - Senior Center Operations
  - Police Radio Renewal (Replacements)
  - Replace Network Switches
  - Software for Police Vehicle Computers
  - Upgrade Microsoft and Adobe Licenses
  - A2 Program

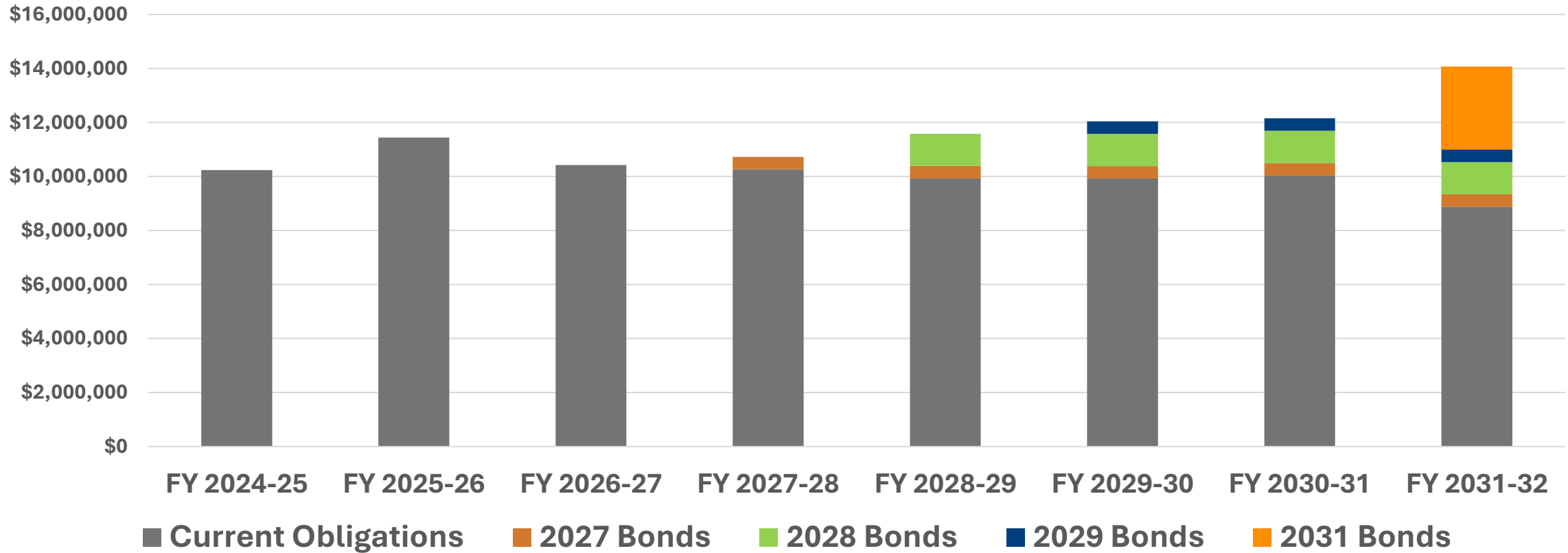
# DEBT SERVICE FUND



# 5 Year Summary – I&S Fund

- At I&S Rate of \$0.1681:
  - Includes the following upcoming debt issuances:
    - FY 2026-27 - \$6,000,000
    - FY 2027-28 - \$14,872,000
    - FY 2028-29 - \$6,000,000
    - FY 2030-31 - \$40,000,000

# General Fund Debt Service



# WATER/SEWER FUND



# FY 2025-26

## Water/Sewer Fund - Supplementals

- \$944,710 in Supplemental Requests:
  - Utility Rates Increase
  - Merit
  - Utility Billing Operating Cost Increases
  - Training Fund Increase
  - Leak Detector
  - Water/Wastewater Worker 1
  - Mini Excavator Hydro Hammer
  - Light Crew Truck

# FY 2025-26

## Water/Sewer Fund – Supplementals (Continued)

- \$944,710 in Supplemental Requests Continued:
  - Aerial Bucket Truck
  - Zero Turn Mower
  - Heavy Duty Dovetail Trailer
  - 10 Yard Dump Truck
  - Water/Wastewater Crew (3 FTEs)
  - Water/Wastewater Crew Leader
  - Additional Funds to Hydrant & Valve Replacement Program



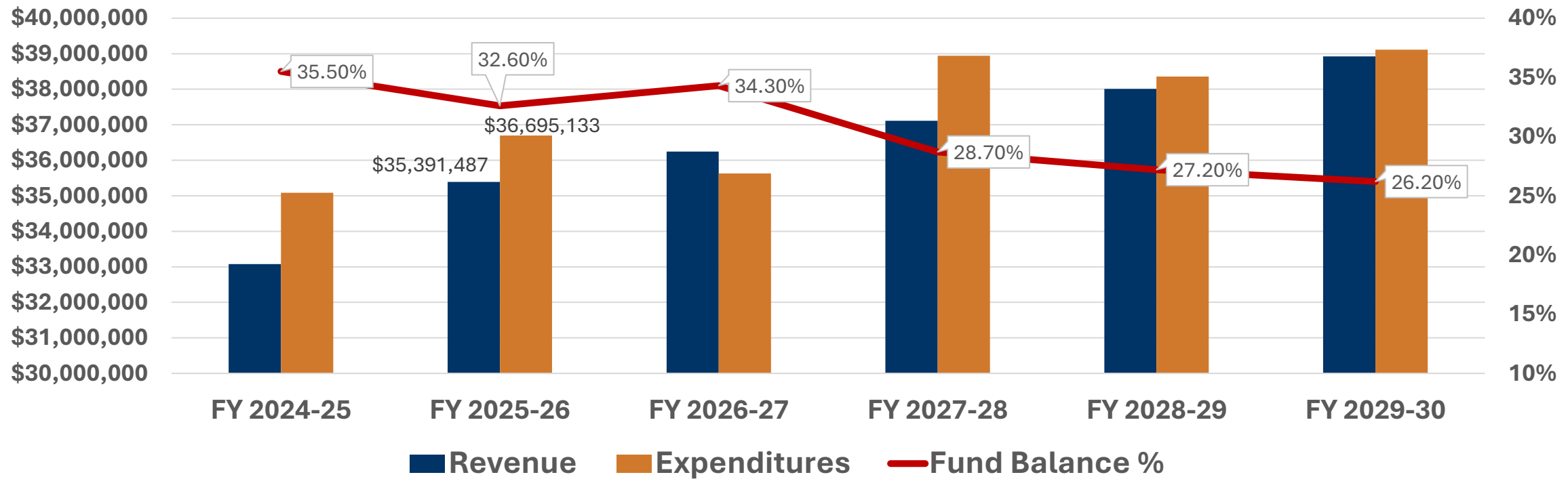
# FY 2025-26

## Water/Sewer Fund – Fee Updates

- Water Rates increase 2% following the 5-year rate model
  - Average increase at \$1.20
- Sewer Rates increase 3% following the 5-year rate model
  - Average increase at \$1.26

# Water & Sewer Fund

## 5 Year Forecast



# EMS FUND



# FY 2025-26

## EMS Fund

- Update on Fee Increases
  - Increase transport fees by \$100 each which will result in \$1 million in additional revenue
- Update on Interlocal Contracts



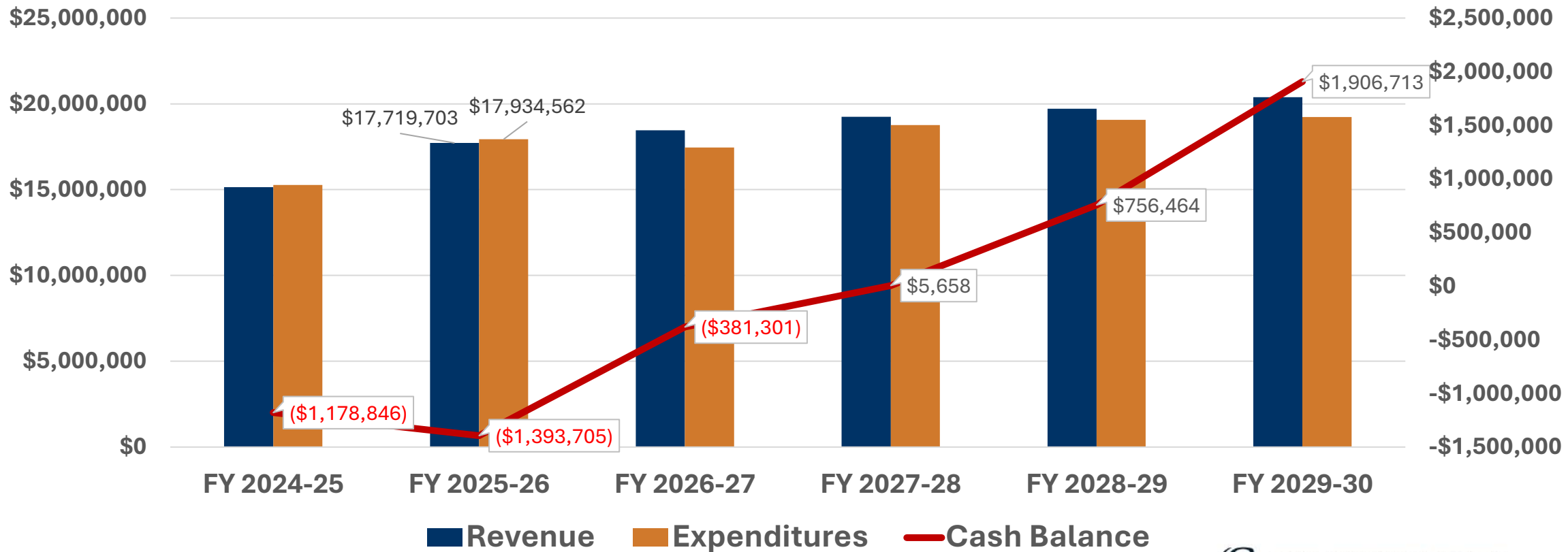
# FY 2025-26

## EMS Fund – Supplementals

- \$523,793 in Supplemental Programs:
  - Billing Server Implementation
  - Utility Increases
  - Merit/Step
  - Two FT EMTs (Medic 8)
  - Maintenance Agreement
  - Two FT EMTs (Medic 9)
  - EMS Consultants

# EMS Fund

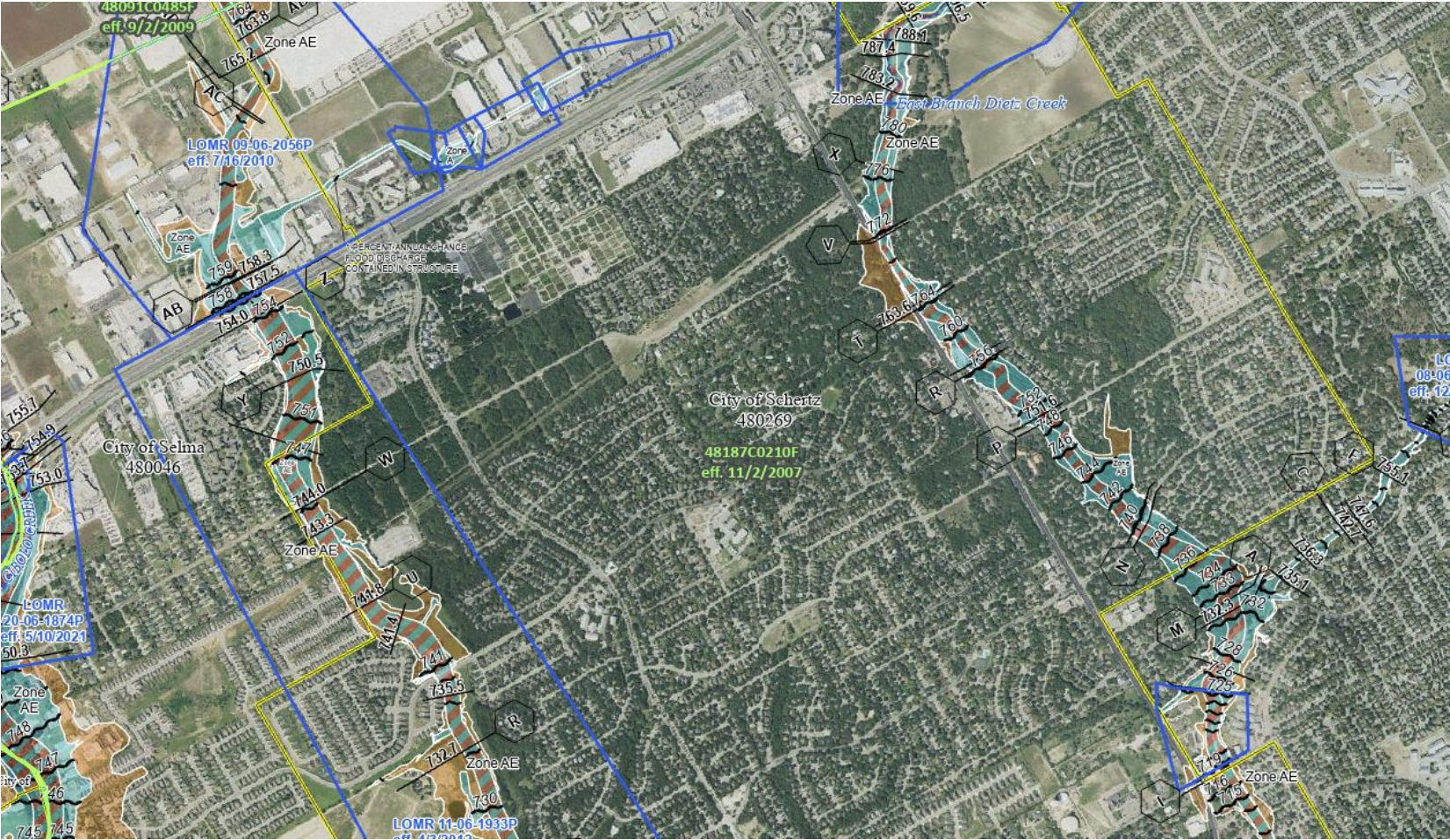
## 5 Year Forecast



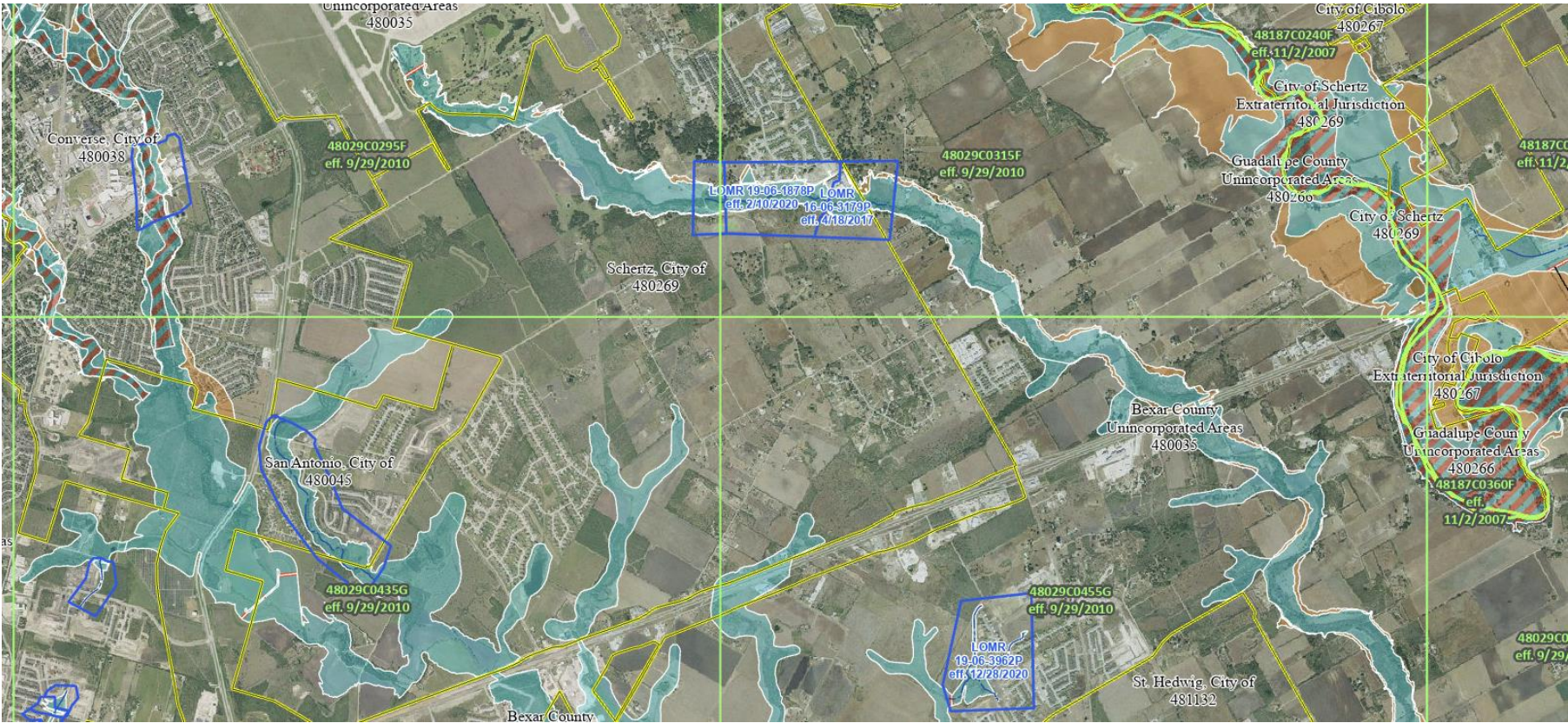
# DRAINAGE FUND



# Areas that Flood in Schertz



# Areas that Flood in Schertz



# Drainage Rate Discussion

Fee History	
FY 2002-03 to FY 2007-08	\$2.10
FY 2008-09 to FY 2011-12	\$3.80
FY 2012-13 to Present	\$5.20
Proposed Fee for FY 2025-26	\$8.00



# Drainage Rate Discussion

- The proposed fee increase, from \$5.20 per month to \$8.00 per month is per Land Use Equivalent (LUE). A single-family home counts as one LUE
- The annual impact on each single-family home of the increase is an additional \$33.60 (increasing the annual fee from \$62.40 to \$96.00)
- This fee also applies to commercial properties. The increase from \$5.20 to \$8.00 is a 54% increase and that is the increase businesses will see. As examples:
  - A fast-food restaurant may pay around \$25.20 per month and would start paying \$38.08.
  - An 8.6 acres industrial site with a 140,000 sq. ft. building and parking might currently pay \$237 per month and would pay \$365 per month



# Drainage Fund

- If the fee is increased, the proposal is to first build up capacity in personnel and equipment
- This will allow staff to better manage routine tasks, like mowing, develop a master drainage plan and add a floodplain administrator to better engage in regional efforts to solve flooding issues
- Increases in the fee in future years will fund more capital projects



# FY 2025-26

## Drainage Fund – Supplementals

- \$1,195,353 in Supplemental Requests:
  - Merit
  - MS4/Floodplain Administrator
  - Master Drainage Plan
  - Cibolo Creek Tree Removal
  - Railroad ROW Cleanup
  - Drainage Worker I (3 FTE)
  - Drainage Crew Leader
  - Drainage Worker II & Vehicle



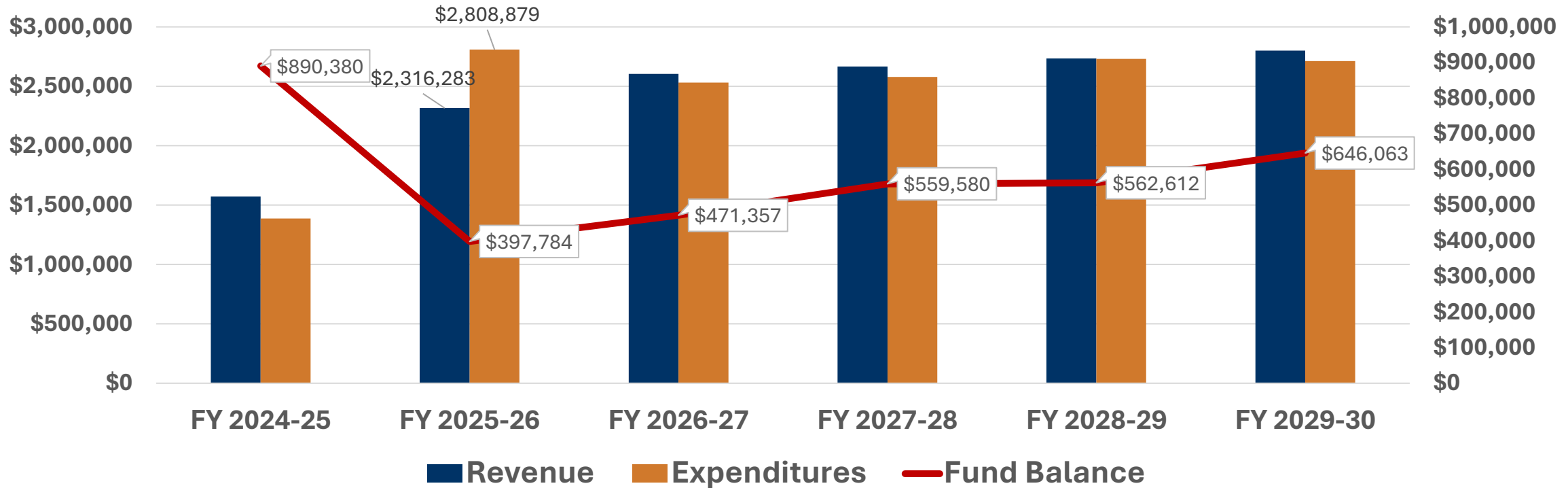
# FY 2025-26

## Drainage Fund – Supplementals (Continued)

- \$1,195,353 in Supplemental Requests Continued:
  - Drainage Haul Trailer
  - Drainage Dump Trailer
  - Drainage UTV

# Drainage Fund

## 5 Year Forecast



# CAPITAL IMPROVEMENT PROGRAM (CIP)

# FY 2025-26 General Government CIP

Category	# Of Projects	FY 2025-26 Capital Budget
Streets	5	\$35,757,000
Parks	2	\$5,392,575
Facilities	3	\$1,200,000
	10	\$43,349,575

General Fund Proposed CIP

# FY 2025-26 Water & Sewer CIP

Category	# Of Projects	FY 2025-26 Capital Budget
Water	13	\$47,706,234
Sewer	7	\$27,661,000
	20	\$75,367,234

[Water & Sewer Proposed CIP](#)

# FY 2025-26 Drainage CIP

Category	# Of Projects	FY 2025-26 Capital Budget
Drainage	2	\$1,145,000
	2	\$1,145,000

[Drainage Proposed CIP](#)

# Budget Options- General Fund



# Tax Rate Options

1. No-New-Revenue Rate – Adding one-time Street and Sidewalk funds
2. Rate to \$0.5118 – Adding Recurring Street and Sidewalk funds
3. Rate to \$0.5118 - Adding 1% COLA with one-time Streets and Sidewalk
4. Rate to \$0.5190 – Adding recurring Streets and Sidewalk with a 1% COLA

# DISCUSSION