



# City of South Padre Island **FY 2025 Budget**





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# INTRODUCTION

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## **Distinguished Budget Presentation Award**

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of South Padre Island, Texas, for its Annual Budget for the fiscal year beginning October 1, 2023. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award. This is the ~~twelfth~~ consecutive year the City has received this award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

### *Distinguished Budget Presentation Award*

PRESENTED TO

**City of South Padre Island  
Texas**

For the Fiscal Year Beginning

**October 01, 2023**

*Christopher P. Morill*

**Executive Director**

## Mayor, City Council, and Staff

Patrick McNulty, Mayor

Ken Medders, Jr., City Council Member, Place 1

Kerry Schwartz, City Council Member, Place 2

Joe Ricco, Mayor Pro-Tem, Place 3

Rees Langston, City Council Member, Place 4

Lisa Graves, City Council Member, Place 5

Edmund K. Cyganiewicz, City Attorney

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Willian Randall Smith  
City Manager

Wendi Delgado  
Director of Operations

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Angelique Soto  
City Secretary

Blake Henry  
Convention and Visitors  
Bureau Executive Director

Carlos Sanchez  
Public Works Director

Claudine O 'Caroll  
Chief of Police

Darla Lapeyre  
Economic  
Development Corporation  
Director

James Pigg  
Fire Chief

Jesse Arriaga  
Transit Director

Kristina Boburka  
Shoreline Director

Rodrigo Gimenez  
Chief Financial Officer

Victor Baldovinos  
Environmental Health  
Services Director

Victor Martinez  
Information Technology  
Director

Wendy Saldana  
Human Resources  
Director

## City Council

Patrick McNulty  
Mayor



Ken Medders Jr.  
Council Member



Kerry Schwartz  
Council Member



Joe Ricco  
Council Member



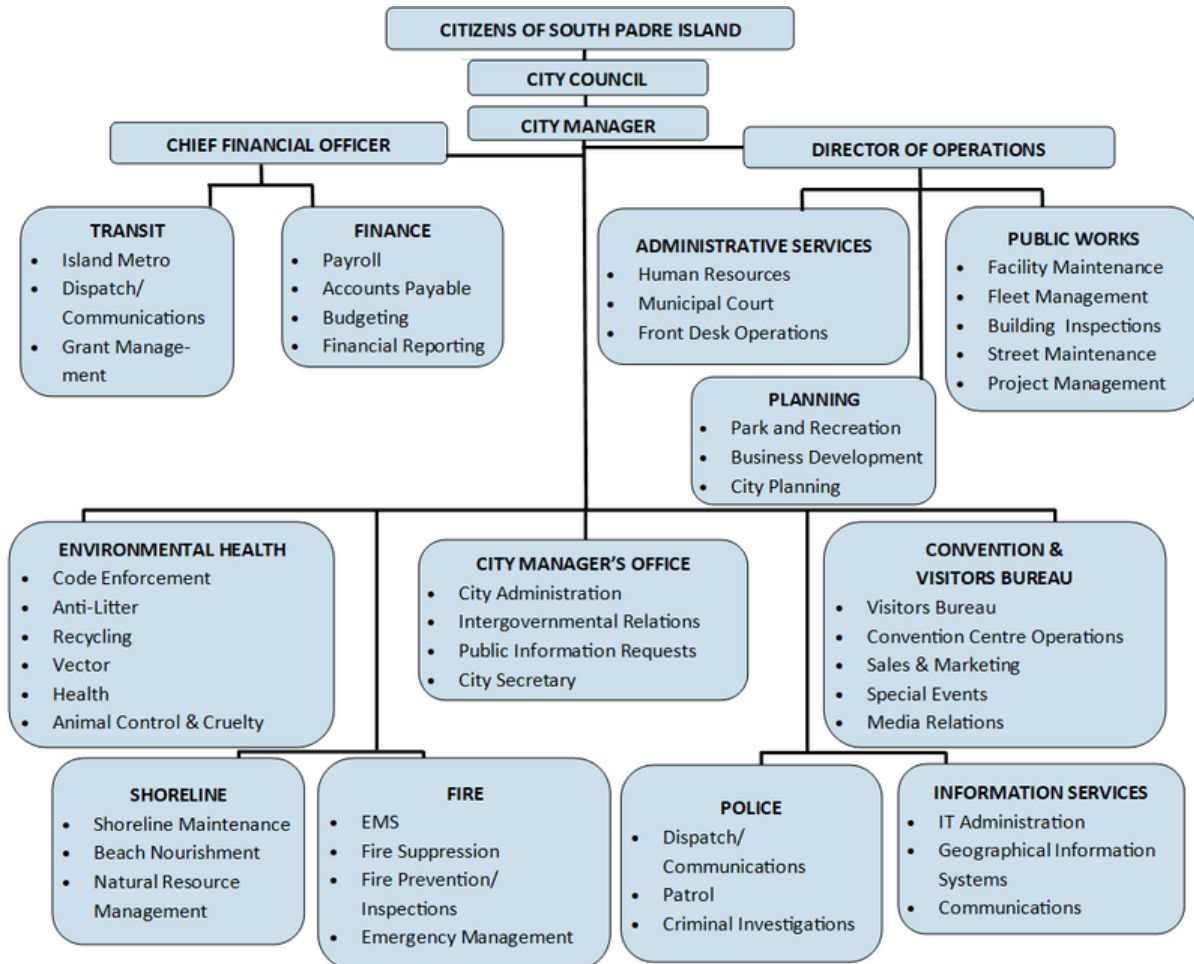
Rees Langston  
Council Member



Lisa Graves  
Council Member



# Organization Chart





## Transmittal Letter

Randy Smith, City Manager

November 15, 2024

### Fiscal Year 2024-2025 Budget Message

It is our pleasure to present the 2024-2025 Annual Budget. The Annual Budget outlines the programs and services provided by the City to the citizens of South Padre Island. As such, the budget is one of the most important decisions that the City Council makes every year. It determines projects to be funded, service levels provided to citizens, and the costs associated with providing those services. We believe this budget is realistic, cost-effective, meets the existing level of services provided to our citizens, and addresses the matters that arose during the budget process.

The Annual Budget coordinates and incorporates components of the City's Comprehensive Plan. The purpose of the Comprehensive Plan is to establish the City's vision for its future physical and economic development. It is designed to specify the essential steps to achieve the City's mission and attain tangible results that are in line with the City's vision.

### Economic Environment

During 2024, the Texas economy continues to expand. Second to California, Texas yields 9.3% of U.S. GDP. Texas' large and diverse workforce encompasses 15.4 million workers. Notably, Texas' job growth (2.3%) continues to outpace the nation's (1.5%). Texas growth is expected to continue but at a slower pace. Risks to consider include weather conditions, energy prices (oil & natural gas), labor markets, domestic policy, interest rates, and inflation.

Despite increased interest rates, declining manufacturing production, and recession fears, Texas continues to experience job growth. The unemployment rate, as of September 2024, for Texas and the Rio Grande Valley area are 4.1% and 5.4%, respectively. Furthermore, Texas job growth has risen to an annualized 4.1%. During the year, job gains were noted across most sectors. Texas continues to experience a robust employment expansion with significant gains in construction (6.1% growth). Texas initial unemployment claims ticked up but remain low. The Texas labor market seems to be stabilizing after experiencing strong growth in the past couple of years. The Dallas Fed's Texas employment forecast predicts a 2024 employment growth rate of 2.2%. As of September 2024, the average hourly earnings was at a noteworthy rate of \$33.34. However, businesses continue experiencing difficulty finding skilled workers in openings ranging from entry-level to upper-level management positions.

Since Texas' inflation peaked in mid-2022, inflation has trended down but remained elevated. Texas Consumer Price Index growth slowed from 3.9% in June to 2.5% in August. Texas businesses' selling prices year to date have eased from 3.2% in May to 3% in September. Although wage growth is slowing, wages are rising faster than prices.

During 2024, manufacturing indexes reflected a contracted pace of expansion. Growth in fabricated metals, electronics, and machinery manufacturing slowed while nondurable goods declined and durable goods were flat. The service industry, which accounts for over 73% of the private sector, makes up the bulk of the Texas economy. Hurricane Beryl and the subsequent power outages contributed to disruption in production. Revenue growth was steered by professional and business services. Leisure and hospitality reported widespread revenue declines this summer, which was significantly impacted by inclement weather.

Furthermore, Texas remains the number one producer of oil and natural gas in the U.S., producing 30% of the nation's refinery capacity and 75% of the nation's petrochemicals. Refineries in the Gulf increased the production of crude oil.

Texas accounts for 22% of U.S. exports, making it the top exporting state. Texas' combination of strategic location, vast ports of entry, the largest United States (U.S.) rail and road infrastructure, immense multilingual workforce, and concentration of financial and corporate resources continues to make Texas an international trade leader. The Texas economy remains most vulnerable to tariffs, energy price volatility, and changes in trade policies. These issues increase trade uncertainty, especially with Mexico, and may obstruct economic growth. Mexico currently receives 27% of Texas' exports, making Mexico Texas' top trading partner. In addition, the Texas-Mexico border ports process over 50% of Texas' exports.

Although in 2022, the Texas housing market was fueled by economic growth and high migration to the state, the housing market has slowed and stabilized. From 2022 to 2023, approximately 315,000 people migrated to Texas. Since peaking in early 2022, home sales have decreased in Texas and inventories have increased. During 2024, Texan median home prices declined from record highs, averaging between \$301,000 and \$433,000.

In terms of the City's economy, South Padre Island strongly relies on the Texas economy as well as that of Mexico. Located only 26 miles from the nearest international bridge, South Padre Island is a popular vacation spot among Mexican tourists. All business and economic activity on the Island centers on tourism.

South Padre Island continues to establish itself as a premier visitor destination, with its unique setting, pristine beach environment, and abundant water and outdoor activities. As the area gains more recognition as a year-round vacation retreat, there will be a growing need to preserve, improve, and add to the amenities and attractions sought by the rising tide of tourists.

## **The Fiscal Year in Review**

Before discussing the 2024-2025 Budget, let us first look at the City's major accomplishments during the past year. The following are a few of the departments' highlights.

### *Parks*

The City of South Padre Island is committed to growing the parks system on the Island to bring a variety of recreational activities to residents and visitors. The Parks Department currently maintains six parks and hosts several community events.

Phase III of the John L. Tompkins project was completed in April 2024. This project is part of a Texas Parks and Wildlife Small Community Recreational Grant for constructing a 6,100 sq. ft. pavilion over the basketball court and installation of solar lighting throughout the park.

At Pickleball Park the existing 4 courts have been painted and a nonslip surface has been applied. Pickleball rules signage and paddle racks have been installed at the request of the players. There are plans for additional amenities in the future.

The Parks Department hosted the Annual 4th of July Walking Beach Parade. The parade is a summer highlight for residents and visitors. In addition, the City of South Padre Island received a \$10,000 reimbursement grant from AEP for the SPI Christmas Parade and Holiday Events. The 34th Annual Christmas parade was held on December 1, 2023. The parade featured wonderfully decorated floats, a marching band, and specialty units with over 50 groups participating in this festive holiday event. Furthermore, the SPI Community Center located at 4501 Padre Blvd. hosts a variety of activities and events throughout the year.

## *Infrastructure*

In 2017, the City embraced a comprehensive approach to assessing all City streets through the Master Thoroughfare Plan. This plan was finalized in October 2018 and included Laguna Boulevard as the top priority. The initial 2019 concept was to improve lanes, drainage, and all intersections while incorporating low-impact development to make the City more resilient. In 2020, preliminary engineering commenced with in-house staff. This would be the City's first major improvement that has been designed in-house, saving approximately \$478,000 on the project design with a total construction cost of approximately \$6,500,000. Multiple workshops and open houses were held throughout the design process. Construction of the reconstruction of Laguna Boulevard began on February 25, 2022. During the fiscal year, progress was made on installing the storm water drainage system and the widening of Laguna Boulevard was finalized between West Retama to West Corral. Very little is pending for full completion of the project, which is anticipated to be completed by early January 2025.

In early 2023, the City continued improving additional streets and finalized the design of three side streets, Phase 1, including the remainder of East Mars Lane, Laguna Circle South, and West Morningside. The plan was also done in-house, saving approximately \$110,000 on design with a total construction cost of approximately \$1,200,000. Construction of these streets commenced in late July 2023, with East Mars Lane completing the three streets in May 2024. Construction plans for Phase 2 were done in-house with savings of approximately \$125,000. They were completed in November 2023, which included East Bahama Street, E Retama Street, and West Lantana Street, with an approximate construction cost of \$1,300,000. East Bahama Street was substantially completed in October 2024, and the remaining two streets are estimated to be completed by July 2025.

## *Transit*

During the 2023-2024 fiscal year, the Transit Department made significant investments in both staff development and infrastructure improvements to enhance service delivery and long-term sustainability. Key achievements included leadership training for the department's administrative team, all completing the Texas Transit Leadership Institute Certification, funded by Texas Department of Transportation (TxDOT) scholarships. The department also prioritized the maintenance and longevity of critical infrastructure, investing in a cosmetic overhaul of the Multimodal A/C Scroll Chiller System and the Emergency Facility Generator. This \$47,500 project, completed in February 2024, was fully funded by grants, ensuring no local match was required. Another significant investment was the purchase of eight infotainment digital monitors and remote software, improving customer communication and public engagement. This \$86,991 project, completed in May 2024, was also 100% grant-funded. Throughout the fiscal year, the department relied on TxDOT funding, receiving a total of approximately \$850,000 in federal funds and \$712,000 in state funds to support ongoing transit services. As a result, Island Metro provided transit services to 449,898 passengers, underscoring the department's commitment to improving transportation options for the community.

## *Finance*

The City has been awarded with the Triple Crown medallion by the Government Finance Officers Association (GFOA). This award recognizes governments who have received the GFOA's Certificate of Achievement for Excellence in Financial Reporting, the Popular Financial Reporting Award, and the Distinguished Budget Presentation Award. The City is one of only 356 governments that received this special designation.

The City was awarded the GFOA's Certificate of Achievement for Excellence in Finance for the 34th consecutive year for its 2023 fiscal year's Comprehensive Annual Report. The City was also awarded the GFOA's Distinguished Budget Presentation Award for the 13th consecutive year for the 2024 fiscal year's budget document and the GFOA Popular Annual Financial Report for the 4th consecutive year.

During the course of fiscal year 2023-24, the Finance Department worked closely with financial advisors to issue the Series 2024 Tax Notes for \$2,345,000. The proceeds of the tax notes were used to purchase new fire trucks which are expected to be delivered within the next 24 months. The issuance of these notes was

required to raise the necessary capital to purchase this critical equipment for ensuring public safety and efficient emergency response.

The launch of a new short term rental program that requires property owners to obtain licenses has proven to be highly successful in increasing compliance and occupancy tax collections. This program has streamlined the process of identifying and registering short-term rentals, making it easier to monitor their activity. At the end of the fiscal year, the city had 2,425 active licenses.

#### *Administrative Services*

The Administrative Services department achieved Silver recognition in 2023 by Lexipol, the nation's leading provider of policy, training and wellness support for first responders and public servants. The City of South Padre Island was recognized for excellence in consistent and effective online training management. The Lexipol Connect program tracks performance on metrics which include training hours assigned and completions tracked, personnel engagement, and external training activities logged.

#### *Convention Center and Tourism*

Visit South Padre Island continues to drive tourism and economic growth through dynamic sales and marketing strategies. This year, the sales team achieved record success, actualizing 38,435 room nights—an impressive 38.65% year-over-year increase. The destination supported 27 special events, generating a significant economic impact. Notable events included Chrome in the Sand Festival (6,500 attendees, \$604,515 economic impact), SPI Crawfish Festival (3,000 attendees, \$300,990 economic impact), and the 2nd Annual Tacos & Tequila Fest (10,000 attendees, \$770,489 economic impact).

Visit South Padre Island also established major marketing partnerships with the San Antonio Spurs and the McAllen Holiday Parade. Our destination was recognized with three Texas Travel Awards: Best Food Festival (Tacos & Tequila Fest), Best Views (Sunset at the Entertainment District), and Best Outdoor Activity (Black Dragon Cruises). Additionally, South Padre Island was featured on Fox News as one of the top 10 travel destinations for spring break.

On the horizon, the expansion of the South Padre Island Convention Center is set to double its current 33,000 square feet of rentable space. The feasibility study by Johnson Consulting outlined the expansion's potential to attract larger conventions, youth sporting events, and tradeshow. Fulton Construction has been selected as the CMAR to provide pre-construction services and finalize the project cost for the next phase.

#### *Shoreline, Boat Ramp, and Wind and Water Sports Park*

South Padre Island is committed to preserving and restoring the local beaches and bay to maintain our quality of life and sustain the local tourism-based economy. It has received many accolades over the years as one of the nation's most desirable coastal communities. The City works extremely hard to protect and maintain our beach to ensure that our citizens and visitors can continue having memorable and enjoyable experiences while increasing resiliency to protect the community and Island from significant storms and tides.

During the 2023-2024 fiscal year, the Shoreline Department continued work on many ongoing projects. The dune restoration project that is partially funded through both the National Fish and Wildlife Fund (\$200,000 in grant funds) as well as through the Coastal Management Program (\$200,000 in grant funds) started in October 2023. Vegetation was planted along a mile stretch of beach along with the placement of sand fencing. The project has shown to be extremely successful over the past year through monthly monitoring showing the accumulation of sand as well as dune growth. This ongoing project is crucial to maintaining a sustainable dune system to protect against tidal surges. The City was honored to receive the Robert L. Wiegel Award from the American Shore and Beach Preservation Association at the national conference in August 2024. This award is given in recognition to a coastal project that has stood the test of time and has shown positive environmental, social, or recreational benefits. The City's efforts on dune restoration and beach renourishment has proved successful in providing all those benefits.

Another grant that started in October 2023 included improvements at Neptune Circle (\$330,000 in grant funds). Throughout the year, the City worked with the General Land Office and our engineering firm to provide final designs for the project. Solicitation for the construction portion of the project was completed at the end of the fiscal year. Improvements to this beach access will include additional amenities as well as transforming the access to be ADA-accessible.

A grand opening for Sea Island Circle Beach Access improvements occurred in April 2024, which was partially funded through the CMP's Cycle 26 (\$200,000 in grant funds). Permanent restrooms, changing rooms, and a rinse station were constructed at this access point.

Access amenity improvements at Fantasy Circle continued through 2024, which is partially funded by CMP's Cycle 27 and 28 (\$360,000 in grant funds). Construction on the access began in 2024, which will include a pedestrian dune walkover, wooden emergency driveover, permeable paver parking lot, a permanent restroom, and rinse stations.

The City is responsible for the maintenance dredging of Tompkins Channel, the recreational boating channel along the byside of South Padre Island. Construction began at the beginning of 2024.

Ongoing engineering and permitting for the City's future boat ramp occurred during the 2023-2024 fiscal year. This project is partially funded through the Texas Parks and Wildlife Department (TPWD) Boating Access Grant (engineering and permitting) as well as the RESTORE Act (land acquisition and construction). This project will not only provide a new boat ramp for the public's use but will also be the first City ramp that will have dedicated truck/trailer parking spots. Final designs and permits were received in 2023. Additional construction funding was requested through the RESTORE Act in 2024.

The South Padre Island Wind and Water Sports Venue is still underway. The project is awaiting permit approval from the USACE, the United States Fish and Wildlife Service (USFWS), and a GLO lease. This project is a component of the Venue Tax Project approved by voters in 2016. The park will provide a dedicated access point for wind and water sports athletes and will decrease the damage to the wetlands that currently occur. The design includes parking areas and a launch area to access the lower Laguna Madre. HDR Engineering was hired by the City in 2024 to take on the permitting of the project. The City purchased a tract of land on the north side of South Padre Island, in hopes to utilize it as mitigation land for the project.

### *Environmental Health Services*

The City's Environmental Health Services Department and the City's Recycling and Education Outreach team are committed to protecting the Island by providing environmentally friendly solutions. This year, Keep Texas Beautiful (KTB) named South Padre Island a Gold Star Affiliate. KTB works with governments, businesses, civic groups, and volunteers to ensure that every Texan has the opportunity to take individual responsibility for making Texas the cleanest, most beautiful state in the nation. The Gold Star recognition is the highest status any community affiliate can achieve.

Over 109,055 pounds of recyclable materials were collected in 2024. Successful programs maintained by the Environmental Health Services Department include the following: weekly recycling, Annual Recycle Land Event, The "I Love SPI" Campaign, Composter Loan Program, Annual E-Waste Event, Utility Easement Enforcement Program, Anti-litter Beach Program, Phone Book Recycling, and beach cleanup. In addition, the Environmental Health Services Department updated its fleet by purchasing and upfitting a new Can-Am Defender UTV for approximately \$25,500.

### *Public Safety*

During the fiscal year, the Police Department purchased forty-three Glock 45 pistols and holsters for \$39,716 as well as ten new rifles for \$12,897. In addition, the department purchased six new police vests for \$6,712 and five new body cameras for \$11,096. In addition, the Police Department updated its fleet by purchasing and upfitting four new Chevrolet Tahoes for approximately \$287,800.

The department received a total reimbursement of \$75,585 from the Homeland Security Grant Program for operations related to Operation Stonegarden. This program provides funding to enhance cooperation and coordination among state, local, tribal, territorial, and federal law enforcement agencies to jointly enhance security along the U.S. land and water borders. In addition, the department received \$65,899 in funding to be allocated to the Local Border Security Program. The purpose of the program is to sustain interagency law enforcement operations and enhance local law enforcement patrols to facilitate directed actions to deter and interdict criminal activity.

The Fire Department spent a total of approximately \$37,000 on fire hydrant repairs funded with funds earned from the American Rescue Plan. Furthermore, the department was awarded funding from the Texas Intrastate Fire Mutual Aid System Grant program in the amount of \$4,500 for training expenses and the Trauma Regional Advisory Council - V grant of \$5,557 for medical supplies.

In addition, The Fire Department purchased a new Honda Pioneer for over \$22,000 for the Beach Patrol Division. The Fire Department hosted an EMT class for SPI Ocean Rescue Lifeguards. Eight lifeguards attended and graduated, with seven of them passing the National Registry of Emergency Medical Technicians exam to become certified EMTs.

#### *Historical Museum of South Padre Island*

The Economic Development Administration awarded the City of South Padre Island, Texas, a \$1.5 million grant in July 2022 to construct the Historical Museum of South Padre Island. This grant is funded by the American Rescue Plan. The project will support the local tourism industry by attracting new visitors to the City and its businesses through this new local attraction on South Padre Island. Keller Construction was awarded the bid, and construction is in progress.

#### *Tax Increment Reinvestment Zone (TIRZ)*

Tax Increment Reinvestment Zones (TIRZs) are special zones created by City Council to attract new investment in an area. The benefits of a TIRZ include building needed public infrastructure in areas lacking sufficient improvement to draw businesses; boosting development, which grows property values and long-term property tax collections; and lessening the cost of private development by providing reimbursement for qualified public improvements.

The Zone presently has 285 accounts and the base year is 2011. Total tax accounts include those accounts that were originally part of the Zone when it was created in 2011 and new accounts annexed into the Zone in 2016. The City contributes incremental revenue to the Zone at 100% of its tax rate. The County contributes 75% of its Maintenance and Operations (M&O) tax rate. During fiscal year 2023-2024, TIRZ funds were allocated for infrastructure expenditures related to engineering of crosswalks to enhance safety on Padre Blvd. The TIRZ fund balance on September 30, 2024 was \$749,700.

#### *Economic Development*

In 2024, the South Padre Island Economic Development Corporation (EDC) continued working with Edgewater Resources on the preliminary engineering for the Sea Ranch Marina expansion. Cameron County has put the project on hold. The EDC is part of a new city ad hoc committee to look at possibly developing the marina on land within the city limits if the county does not want to move forward with the project on their property at the Sea Ranch Marina.

The EDC supported the Friends of RGV Reef artificial reef project for a seventh year. The funding in 2024 was used to assist in the deployment of material to expand the reef. The Fish Aggregating devices the EDC partnered with Visit South Padre Island, the Texas International Fishing Tournament, and Friends of RGV Reef to purchase, were on hold for permitting, but have been given the green light by the National Oceanic and Atmospheric Administration to be placed in the Gulf of Mexico in January 2025. The EDC continues to support projects that solidify South Padre Island as a world-class fishing destination. The EDC contributed to

Fishing's Future ICAN initiative for the third year. The ICAN is a specially equipped boat to provide families with mobility disabilities with an opportunity to get out on the water and fish. Funding from the EDC in 2024 provided a new engine for the ICAN boat and also supported programming expenses.

The Art Business Incubator ("ABI") welcomed a new class of five artists in 2024 including artists from Mexico City, Arkansas, and the Rio Grande Valley. This public-private partnership to establish South Padre Island as an arts destination has exceeded expectations. The ABI is a project of the EDC and an angel investor. In 2024, two more art galleries opened on the Island to bring the total to 11 galleries! The gallery owners get together and host events throughout the year, including First Friday art walks, Art Fests, and individual themed art shows. All the studios and galleries provide classes and workshops for the locals and tourists.

In 2024, the EDC awarded a Façade Improvement Grant to Casa Mariposa Venue and Villas. This is an incentive program that allows businesses to apply for a 50/50 grant to improve the appearance of their storefronts. The EDC will contribute up to \$25,000 for their 50% match.

The EDC provides capital funding for businesses through another grant program: Sand Dollars for Success. Sand Dollars for Success is a business plan competition where a maximum of \$10,000 for new businesses/startups and \$25,000 for existing businesses can be awarded. In 2024, the EDC Sand Dollars for Success grants were awarded to eleven businesses, including the SPI Wine Bar, Upper Deck Hotel, Los Pescadores Coffee and Outfitters, Meridian and Muse art gallery, The Art Lounge, Sommer Sculpt, Jenuine Cello, Laguna Madre Yoga Center, Charmed SPI, SPI Surf Shuttle, and Island Pet Pantry.

### **The Fiscal Year 2024-2025 Budget**

A Budget Committee was formed to evaluate staff budget requests. The City Manager, the Budget Committee, and the Finance Department worked closely with various department directors to create the budget. This process included detailed business plans, based upon analysis conducted by each department to identify internal strengths and weaknesses, as well as external opportunities and threats.

City staff developed replacement programs for computers and vehicles as well as a preventive maintenance program for the City's buildings. These programs were developed through Define, Measure, Analyze, Improve and Control (DMAIC) processes, which is a data-driven improvement cycle used for improving, optimizing and stabilizing processes. The DMAIC improvement cycle is the core tool to drive process improvements. Funding for the eighth year of these programs is included in the FY 2024-2025 budget.

A thorough analysis has indicated a need to replace a few of the City's vehicles. A regularly scheduled replacement program of vehicles will allow for a manageable annual budget. This will help avoid vehicle failure and unavailability. In accordance with the facilities maintenance plan approved by City Council, the City is budgeting \$61,310 for facilities maintenance costs. A few of the major repairs/improvements include the following: Community Center parking lot, City Hall elevators, City Hall parking lot, and City Hall Security Gate.

The budget includes a 4% Cost Of Living Adjustment (COLA). The citywide cost of the COLA is approximately \$461,700, of which \$334,300 is allocated to the General Fund. Citywide payroll costs are approximately \$16,069,000, with \$11,362,000 allocated to the General Fund. In addition, the budget includes a decrease in medical benefits costs of approximately \$108,900. The budgeted medical benefit cost for the City is approximately \$1,627,000, with \$1,118,000 allocated to the General Fund.

The budget for the Beach Maintenance Fund includes \$224,450 for the rental of portable toilets and extra servicing during the summer months, as well as an additional \$25,172 for rent expenses for the use of offices located in the multimodal building.

Major capital outlay purchases include \$75,000 for the replacement of a Police Department vehicle, \$42,000 for the replacement of a Public Works Department vehicle, and \$25,000 for the replacement of an Environmental Health Services Department UTV. Additionally, \$45,000 for the purchase of machinery &

equipment was budgeted for the Convention Center. Furthermore, a total of \$30,000 was budgeted in the Beach Access Fund to replace older beach access mats that have become damaged.

The combined budgets for the Hotel Motel and Convention Center funds reflect revenues in excess of expenditures by approximately \$2,585,000. In order to generate more tourism and promote the hospitality industry, the CVB allocated \$727,039 for event sponsorships, and \$4,625,000 for marketing expenses. The majority of this marketing is for media placement, which accounts for 66% of the marketing budget or approximately \$3,050,000.

South Padre Island is a community with a challenging task of balancing the needs and desires of our permanent residents, along with the need to attract thousands of visitors each year. We feel that with the efforts of exceptional staff and dedicated elected officials, we have achieved our goals of delicately balancing the daily operations to create an environment suitable for all stakeholders. South Padre Island will always be a unique seaside community, our beaches and other amenities attract pleasure-seeking tourists, visitors, permanent and seasonal residents. Our Island offers a number of the cleanest, most scenic beaches in the Gulf and a variety of activities for everyone to enjoy.

We look forward to the coming year and all the great things it will bring to South Padre Island!

Respectfully,



William Randall Smith, City Manager

## History of City



South Padre Island was a beautiful, desolate place where native Karankawa Indians, migratory birds, and sea turtles were the only residents.

The Island was granted to Nicolás Ballí by King Carlos III of Spain in 1759 and later passed to Ballí's grandson, Padre José Nicolás Ballí. Soon after, Padre José brought the first permanent settlers, establishing a church and teaching Christianity to the Karankawa Indians.

When Padre Ballí owned the Island, it was known as the Isla de Santiago. Due to the Padre's reputation as a kind man, the people to whom he ministered affectionately referred to the Island as La Isla Padre – Padre Island.

While the Island's population has grown significantly since then, the sandy, white beaches, and calm ocean waters still attract migratory birds and sea turtles, and the strong sense of community and acceptance Padre Ballí taught continues to live on today. That's one of the many reasons why so many people choose to live on and visit South Padre Island every year.

JOSÉ NICOLÁS BALLÍ  
The Island's founder.



EL CRISTO DE LOS PESCADORES  
This memorial is for the fishermen who were lost at sea.



## HOME RULE CHARTER



The Citizens adopted the Home Rule Charter for the City of South Padre Island Local Government at an election held on November 3, 2009. The benefits of local government outlined in the Home Rule Charter affirm the values of representative democracy, professional management, strong political leadership, citizen participation, and regional cooperation through the Council-Manager form of government.

The City Council, which consists of the Mayor and five Council Members, and the City Manager's Office, which is composed of the City Manager, Director of Operations, City Secretary, Public Information Officer, and Executive Assistant, form the City's strategic team. These two bodies are responsible for the formulation and communication of public policy to meet community needs, assure orderly development in the City, and provide for the general administration of the City.

The City Council appoints the City Manager, City Attorney, Municipal Court Judge, and various citizen boards and commissions. The City Council's public policy activities include:

1. Financial management of the City by adopting the City's annual budget, establishing general objectives, and providing for an annual independent audit of the City's financial records.
2. Reviewing and adopting all ordinances and resolutions.
3. Establishing programmatic goals and strategic direction for the City.

The strategic team has identified two major economic drivers for the local economy, which includes the beach and the Convention Center. The City's efforts to manage the beach is highlighted by the staffing of a Shoreline Director who oversees the delicate balance of maintaining a pristine beach to attract tourists while implementing ecologically sound best practices regarding beach maintenance. The unique organizational structure empowers the Convention and Visitors Bureau Director to implement a progressive marketing plan for the community and to maintain a space to attract conventions to the Island.

A complete version of the City's Home Room Charter can be found at the following link:

[https://www.myspi.org/egov/documents/1319125672\\_948333.pdf](https://www.myspi.org/egov/documents/1319125672_948333.pdf)

# **The Island Way: Vision, Mission, and Strategic Goals**

Beginning in 2002, the Town of South Padre Island convened a series of community forums. The goal of these town hall meetings was to find out from the citizens the concerns and priorities for the Island.

## **Comprehensive Plan - 2008**

In 2005, a twelve-person Comprehensive Plan Advisory Committee (CPAC) was assembled to re-start the community outreach and planning process. The resulting plan was the product of the original community forums and extensive deliberation by the CPAC. The resulting plan consists of the following elements: town profile, land use, mobility (transportation), parks and resources, growth and infrastructure, economic development, implementation. The purpose of developing the Comprehensive Plan was to “set forth the Town of South Padre Island’s vision for its future physical and economic development. It is designed to give form to the general statement of vision by specifying the necessary steps to accomplish the vision and realize tangible outcomes.”

During these meetings and in subsequent meetings with the CPAC a vision statement was developed for the Town of South Padre Island. The original 2008 Comprehensive Plan can be found online at: [https://www.myspi.org/egov/documents/1394143273\\_17709.pdf](https://www.myspi.org/egov/documents/1394143273_17709.pdf). In 2009, the Town of South Padre Island developed their own City Charter, securing the benefits of home rule and changed from the Town of South Padre Island to the City of South Padre Island.

## **Comprehensive Plan - 2014**

In 2014, the City of South Padre Island updated their comprehensive plan. The entire 2014 Comprehensive Plan can be found online at: [http://www.myspi.org/egov/documents/1410380968\\_9678.pdf](http://www.myspi.org/egov/documents/1410380968_9678.pdf).

## **The Island Way – South Padre Island’s Comprehensive Plan - 2022**

In early 2018, South Padre Island began the process of creating a plan for its future, “The Island Way – South Padre Island’s Comprehensive Plan.” The plan will be the result of a collective effort between residents, City Council, staff and all associated stakeholders who will contribute to charting the course for South Padre Island’s future. The resulting Comprehensive Plan will be the official statement of South Padre Island’s long-term vision for its future. Community members have expressed a desire to plan for the challenges and opportunities that lie ahead for South Padre Island. This plan, The Island Way, outlines a path for achieving the shared vision for the City described by community members through the visioning and goal-setting process. In addition, to addressing current and future land use decisions, it will coordinate and incorporate components associated with business, the economy, tourism & marketing, parks and recreation, shoreline management & protection, city facilities, infrastructure, and mobility & transportation.

This plan succeeds, updates, and replaces the Town of South Padre Island, Texas Comprehensive Plan 2014. The Island Way synthesizes a series of component master plans into one, seamless document that will guide the growth and evolution of the City between the writing of this plan and its horizon of 2050. It will be updated every 5 to 10 years. The component plans included in the document are: land use plan, business, economy, & tourism plan, master thoroughfare plan, parks and recreation master plan, city facilities master plans, shoreline master plan, storm drainage master plan, and implementation plan.

The complete 2022 The Island Way – South Padre Island’s Comprehensive Plan can be found online at: [https://www.myspi.org/egov/documents/1652818643\\_26716.pdf](https://www.myspi.org/egov/documents/1652818643_26716.pdf).

## Vision Statement

The Vision Statement captures the shared aspirations of residents, business owners, workers, and other stakeholders in South Padre Island over the coming years. It answers the question, “Where would we like our community to be by the year 2050?” The Vision Statement for the City of South Padre Island in 2050 is as follows:

In 2050, South Padre Island will be a vibrant and attractive tropical community that welcomes people from all walks of life to its shores. Characterized by its active, walkable community and diverse ecosystem, South Padre Island will be a destination where people come to make memories that last a lifetime.

The vision statement represents the City’s desire to maintain a high quality living environment for the City’s permanent residents, protect and enhance neighborhoods, invest in infrastructure, provide public transportation and safe roads, protect and conserve the environment and natural resources, and provide appropriate public facilities and services.



Word art depicting common themes in the Vision Statement process.

## Mission Statement

Developed by the CPAC, the City’s mission statement is:

The City of South Padre Island is a unique, friendly, seaside resort community that values its residents and tourists, preserves and protects the natural environment, and provides for quality sustainable growth and development that is highly diverse and responsive to changing economic conditions.



## Community Profile



South Padre Island lies on the southernmost tip of Texas and is situated on the south end of Padre Island, the longest Barrier Island in the world and the largest stretch of undeveloped ocean beach in North America. It sits just 30 miles north of Mexico and is linked to the mainland by a two and a half mile long bridge, the Queen Isabella Memorial Causeway.

Nestled between the Lower Laguna Madre and the Gulf of Mexico, South Padre Island sits at the southernmost tip of Texas. Once you're here, you'll instantly fall into the tropical island experience. With the widest point of the Island just a half-mile long, you're never too far from the white, sandy beach and crystal clear ocean.

Known for its clean, wide, white beaches, South Padre Island holds the title of Sand Castle Capital of the World, Fireworks Capital of Texas, and the Kiteboarding and Windsurfing Capital of Texas. The Island also hosts the Texas International Fishing Tournament (TIFT), the largest saltwater fishing tournament in the state, attracting fishing enthusiasts and visitors from all over the world.

South Padre Island boasts nightly firework shows which are displayed all summer weekends. Hundreds of hours of brilliant nighttime entertainment rack up thousands of annual visitors.



According to the last census, the City of South Padre Island is home to an estimated 2,386 people, and based on statistics provided by the Convention and Visitors Bureau, over 1 million people visit the Island every year. It is a hotspot for retirees from northern regions to stay throughout the winter months. These residents are known throughout the Rio Grande Valley as "Winter Texans."

At South Padre Island, it's never business as usual. With a variety of meeting and convention space available to fit large and small groups, first-class hotel, and dining accommodations as well as shopping, and of course, the cleanest, widest beach in Texas, South Padre Island is the perfect place to host your next conference or meeting.



With 45,000 square feet of meeting/conference space and plentiful parking, the South Padre Island Convention Centre is the ideal place to host events. The Centre includes 22,500 square feet of exhibit hall space with a clear ceiling height of 36 feet for concerts, large meetings, and sporting events, as well as a large, media-ready conference auditorium that seats 250 people.

The South Padre Island Birding & Nature Center is a five (5) story tower with spectacular views of the Laguna Madre, beaches & dunes of South Padre Island, the Gulf of Mexico, & the South Padre Island Skyline.



The Island Metro is a fare-free system which runs 365 days a year on South Padre Island, with connections to the Laguna Madre and surrounding areas. It provides unlimited hop-on hop-off access, free Wi-Fi, and the best 'Island Friendly' service in Texas.

## Climate

South Padre Island is a year-round vacation destination located at the same latitude as Fort Lauderdale, Florida. The Island enjoys a sub-tropical environment with mild, dry winters and warm, breezy summers. Weather is one of the major attractions for people visiting and living on South Padre Island. Enjoying a nice walk on the beach in the middle of winter in a short sleeve shirt and shorts is a common indulgence. And during the summer, a constant ocean breeze makes even the hottest of days enjoyable.

Climatic Profile	
Winter Average Temp.	65 degrees
Summer Average Temp.	82 degrees
Average Daily Temp.	74 degrees
Average Sunshine Days	253 days
Average Growing Season	336 days
Average Annual Rainfall	27 inches

## Economic Factors

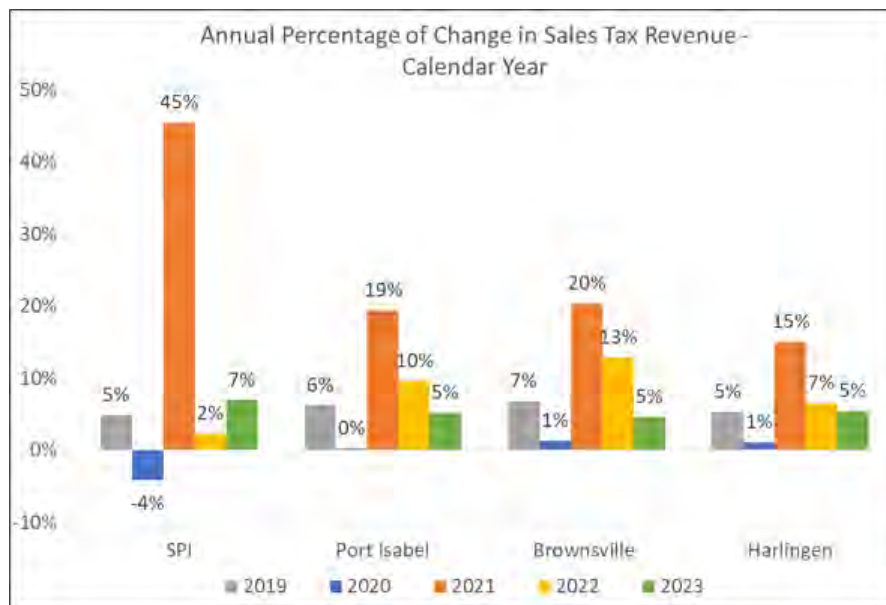
Assessed Value and Actual Value of Taxable Property: The City of South Padre Island has experienced stable assessed property values for the past ten years.

Fiscal Year Ended September 30,	Net Taxable Assessed Value		Less: Exempt Property & Homestead Cap	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2014	2,629,536,569	31,256,298	77,229,580	2,583,563,287	0.25438
2015	2,574,041,045	32,621,783	90,276,002	2,516,386,826	0.26275
2016	2,535,461,500	34,181,366	91,123,668	2,478,519,198	0.28564
2017	2,553,862,437	33,883,054	91,934,403	2,495,811,088	0.30564
2018	2,579,281,031	35,135,283	90,801,714	2,523,614,600	0.31564
2019	2,613,444,214	39,663,066	94,519,162	2,558,588,118	0.31564
2020	2,707,741,919	34,551,698	97,017,507	2,645,276,110	0.31564
2021	2,578,066,179	36,207,138	102,167,898	2,512,105,419	0.31564
2022	2,707,741,919	36,792,988	102,874,275	2,655,714,976	0.31374
2023	3,250,219,105	38,735,320	155,338,926	3,133,615,499	0.31374

Source: Cameron County Appraisal District

Note: Property in the City is reassessed each year at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value. Values are displayed in thousands.

The City of South Padre Island has experienced a slight increase in sales tax revenue recently, as did other cities in Cameron County.



Source: Texas Comptroller of Public Accounts

## Principal Property Taxpayers

Taxpayer	Taxable Assessed Valuation
Hosp Soutx Marg LLC	\$29,808,184
Modern Resort Lodging LLC	\$26,819,903
SPI Management Co.	\$22,892,677
Affiliated Hospitality LLC	\$22,000,000
SPI Oleander Ltd.	\$16,666,849
SPI La Copa Ltd.	\$15,746,575
Innjoy Hospitality LLC	\$14,600,000
Peninsula Island Resort & Spa LLC	\$12,912,876
ICS Management Company	\$12,482,773
Agora USA LP	\$11,299,078

Source: Cameron Appraisal District – 2023 Top Taxpayers



**Percentage of Employees by Governmental Activity**



# Population Overview



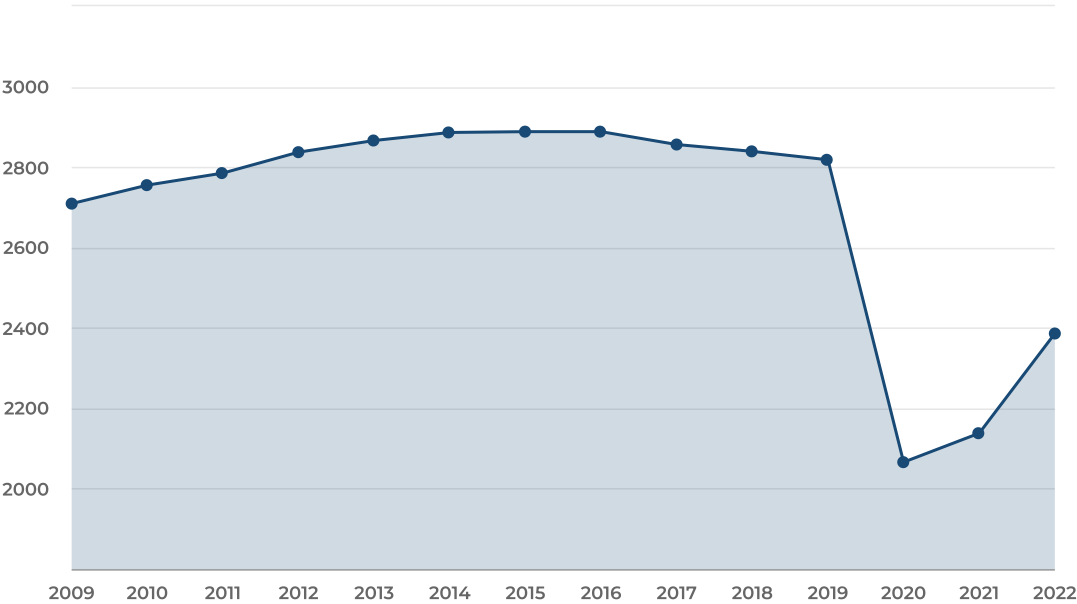
TOTAL POPULATION

2,386

▲ 11.6%  
vs. 2021

GROWTH RANK

111 out of 1222  
Municipalities in Texas



*\* Data Source: U.S. Census Bureau American Community Survey 5-year Data and the 2020, 2010, 2000, and 1990 Decennial Censuses*



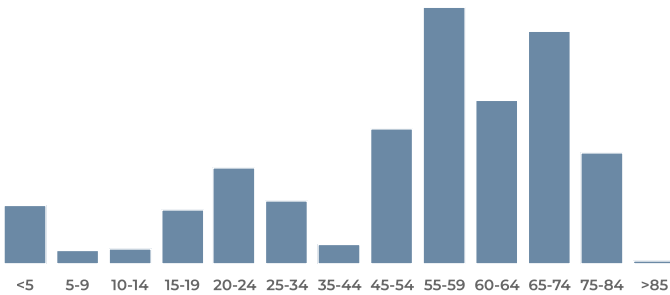
DAYTIME POPULATION

4,364

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

*\* Data Source: American Community Survey 5-year estimates*

## POPULATION BY AGE GROUP



*Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.*

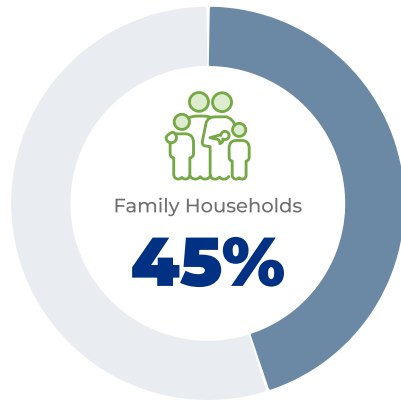
*\* Data Source: American Community Survey 5-year estimates*

## Household Analysis

TOTAL HOUSEHOLDS

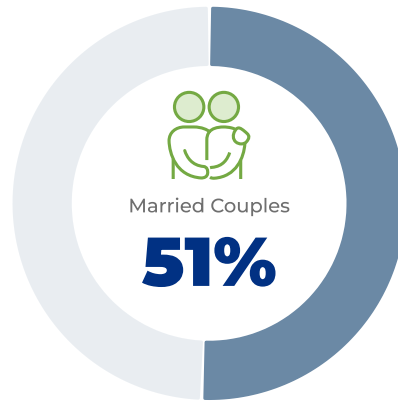
**1,233**

Municipalities must consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the municipal tax base.



▼ 9%

lower than state average



▲ .4%

higher than state average



▲ 52%

higher than state average



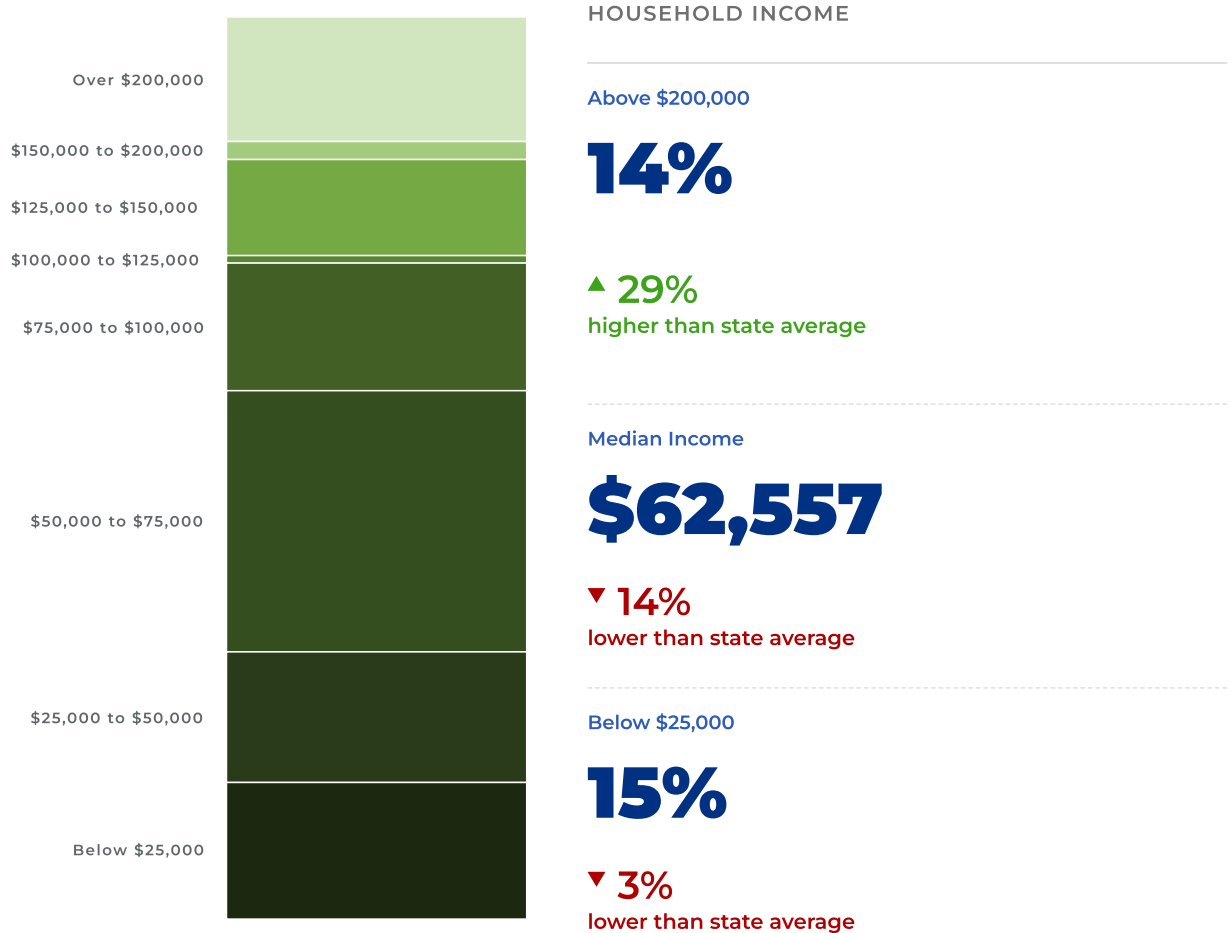
▼ 32%

lower than state average

*\* Data Source: American Community Survey 5-year estimates*

## Economic Analysis

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.



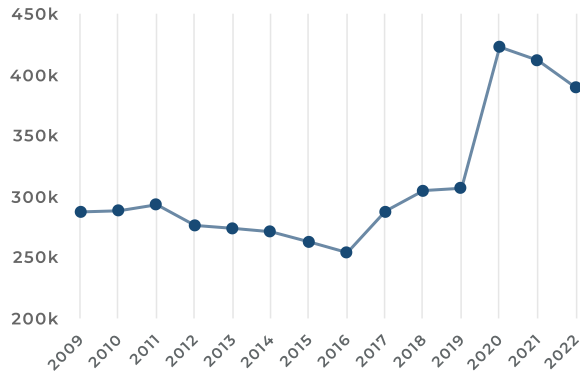
*\* Data Source: American Community Survey 5-year estimates*

## Housing Overview



2022 MEDIAN HOME VALUE

**\$389,400**



\* Data Source: 2022 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

### HOME OWNERS VS RENTERS

South Padre Island State Avg.



### HOME VALUE DISTRIBUTION



\* Data Source: 2022 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

\* Data Source: 2022 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

## Financial Policies

The following sections encompass the City's financial policies, which include (but are not limited to) (1) financial planning policies, (2) revenue policies, and (3) expenditure policies.

The policies support a financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets, budget policies, and cash management and investment policies.

### Overview and Statement of Purpose

The City of South Padre Island assumes an important responsibility to its citizens and customers to carefully account for public funds, to manage City finances wisely, and to plan for the adequate funding of services desired by the public. The City Council formally adopts all the financial policies to emphasize the importance of these guidelines.

The broad purpose of the Fiscal and Budgetary Policy is to enable the City to achieve and maintain a Long Term stable and positive financial condition, and provide guidelines for the day-to-day planning and operations of the City's financial affairs. The City's financial management, as directed by this Policy, is based upon the foundation of integrity, prudent stewardship, planning, accountability and full disclosure.

Policy scope generally spans areas of accounting and financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment management, expenditure control, asset management, debt management and planning and forecasting concepts. This is done in order to:

- A. Demonstrate to the citizens of the City of South Padre Island, the City's bond holders and other creditors and the bond rating agencies that the City is committed to a strong fiscal operation;
- B. Provide a common vision for financial goals and strategies for current and future policy-makers and staff;
- C. Fairly present and fully disclose the financial position of the City in conformity to Generally Accepted Accounting Principles (GAAP); and
- D. Demonstrate compliance with finance-related legal and contractual issues in accordance with the Texas Local Government Code and other legal mandates.

## Five Year Financial Plan

Budgeting is an essential element of the financial planning, control and evaluation process of municipal government. Multi-year budgeting provides a means to identify the impact of implementing new programs and projects on future budgets. The Five Year Financial Plan is the City's long range operations and capital plan. The plan includes all of the operating departments of the General Fund as well as the capital improvement funds of the City. The plan is reviewed and updated annually.

A. **Capital Improvement Plan** – The plan outlines the major utility infrastructure, streets and drainage, facilities, parks and other improvements needed to serve the citizens, meet growth related needs and comply with state and federal regulations.

1. **Preparation** – The Director of Operations coordinates the annual update and adoption of the five-year Capital Improvement Plan (CIP) as a part of the annual budget process. The Director of Operations will lead an administrative committee established to review and prioritize capital projects. This committee shall prioritize and rank projects according to the criteria listed in the Project Criteria Section. The CIP includes all costs associated with the design, rights of way, acquisition and construction of a project, as well as the estimated operating and maintenance costs, which impact future operating budgets. The following guidelines will be utilized in developing the CIP:

- Needed capital improvements and major maintenance projects are identified through system models, repair and maintenance records and growth demands.
- A team approach will be used to prioritize CIP projects, whereby City staff from all operational areas provide input and ideas relating to each project and its effect on operations.
- Citizen involvement and participation will be solicited in formulating the capital budget.

2. **Financing Programs** – Where applicable, impact fees, assessments, pro-rata charges or other fees should be used to fund capital projects which have a primary benefit to specific, identifiable property owners. Recognizing that long term debt is usually a more expensive financing method, alternative financing sources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives which equal or exceed the average life of the debt issue.

3. **Control** – All capital project expenditures must be appropriated in the capital budget. The Chief Financial Officer or City Manager must certify the availability of resources before any capital project contract is presented to the City Council for approval.

4. **Reporting** – Periodic financial reports will be prepared to enable the Department Directors to manage their capital budgets and to enable the Finance Department to monitor and control the budget as authorized. Capital project status reports will be presented to City Council.

B. **Operations Plan** – Each Department Director will provide a plan for each division in the department for each of the upcoming five years. The plan will include estimated operating expenses, the cost of new programs being contemplated and staffing needs for the five-year period.

C. **Revenues and Financing Plan** - The Finance Department will develop conservative, five-year revenue forecasts based upon current and known future revenue streams. The Plan will illustrate the impact of the Capital and Operations Plan on the property tax rate and other fees.

D. **Performance Measures** - Department Directors will develop program performance measures to evaluate the impact of new programs and growth on the departments. Existing programs will also be evaluated as a part of the five-year planning process and annual budget process to determine whether certain programs should continue to be funded.

## Annual Operating Budget

Budgeting is an essential element of the financial planning, control and evaluation process of municipal government. The “operating budget” is the City’s annual financial operating plan. The annual budget includes all the operating departments of the general fund, hotel/motel fund, Convention Centre fund, police forfeiture fund, street improvement fund, debt service fund, transportation fund, construction-in-progress fund, capital replacement fund, bay access fund, beach maintenance fund, municipal court technology fund, municipal court security fund, beach access fund, beach nourishment fund, and economic development corporation fund.

A. **Planning** – The budget process will include City Council participation in the identification of major policy issues. The budget process will be a part of an overall strategic planning process for the City. The process will also allow for citizen input.

B. **Preparation** – The *Charter (Section 5.02)* requires “On or before sixty (60) days prior to the beginning of each fiscal year, the City Manager shall submit to the City Council a budget for the ensuing fiscal year. The budget shall be adopted not later than the last day of the last month of the fiscal year currently ending per Charter Section 5.05(c).

1. Proposed Budget – A proposed budget shall be prepared by the City Manager with the participation of all the City’s Department Directors within the provision of the *Charter*.

a) In accordance with the *Charter (Section 5.03)* the budget shall provide a complete financial plan for the ensuing fiscal year, in a form the City Manager or City Council deems desirable, and the budget shall include goals and objectives, staff plan, methods to measure outcomes and performance and appropriations.

b) In accordance with *Charter Section 5.05(d)*, the City will publish, in the contemporary means of information sharing including the city’s website if available, a general summary of the budget, as well as the times and places that the budget is available for public inspection; and after the publication, the time and place for a public hearing on the budget.

c) A copy of the proposed budget will be filed with the City Secretary when it is submitted to the City Council.

2. Adoption – Upon finalization of the budget appropriations, the City Council will hold a public hearing, and subsequently adopt by ordinance the final budget. The budget will be effective for the fiscal year beginning October 1<sup>st</sup>.

3. Standards for publication - The City will utilize the criteria outlined in the Government Finance Officers Association (GFOA) Distinguished Budget Program for the presentation of the budget document. The budget document will be submitted annually to the Government Finance Officers Association (GFOA) for evaluation and consideration for the Distinguished Budget Presentation Award.

C. **Revenue Estimates** – In order to maintain a stable level of service, the City shall use a conservative, objective and analytical approach when preparing revenue estimates. The process shall include the analysis of probable economic changes and their impacts on revenues, historical collection rates and trends in revenues. This approach should reduce the likelihood of actual revenues falling short of budget estimates during the year, which could otherwise result in mid-year service reductions.

D. **Balanced Budget** – The goal of the City is to balance the operating budget with current revenues, whereby current revenues match and fund ongoing expenditures/expenses. Excess balances in the operating funds from previous years may be used for non-recurring expenditures/expenses or as capital funds.

E. **Reporting** – Summary financial reports will be presented to the City Council monthly, at a minimum. These reports will be in a format appropriate to enable the City Council to understand the overall budget and financial status. The City Manager will also present a mid-year report to the City Council within 60 days following the end of the second fiscal quarter which updates the status of projects and related financial goals set forth in the budget.

F. **Control and Accountability** – Each Department Director, appointed by the City Manager, will be responsible for the administration of his/her departmental budget. This includes accomplishing the goals and objectives adopted as part of the budget and monitoring each department's budget for compliance with spending limitations. Department Directors may request a transfer of funds within a department budget. All transfers of appropriation or budget amendments require City Manager approval as outlined in Section V.C. The City Manager shall report such transfers to City Council in writing per Charter Section 5.07(d). Further expenditure control guidance is located in Section V of this policy.

G. **Budget Amendments** – The *Charter (Section 5.07)* provides a method to amend appropriations. The City Council may authorize:

1. **Supplemental Appropriations** – If the City Manager certifies that revenues are available in excess of those estimated in the budget, an amendment ordinance may be prepared for City Council approval. In general, the supplemental appropriations will be evaluated using the following criteria:

- a) Is the request of such an emergency nature that it must be done immediately?
- b) Why was the item not budgeted in the normal budget process?
- c) Why can't a transfer be made within the Department to remedy the condition?

2. **Emergency Appropriations** – To meet a public emergency affecting life, health, property or public peace, the City Council may adopt an emergency appropriation in accordance with Section 5.047(b) of the Home Rule Charter.

3. **Reduction of Appropriations** – If at any time during the fiscal year it appears probable that expected revenues will be insufficient to finance expenditures for which appropriations have been authorized, the City Council may adopt an ordinance to reduce appropriations.

H. **Contingency Appropriations** – The budget may include contingency appropriations within designated operating department budgets. These funds are used to offset expenditures for unexpected maintenance or other unanticipated expenses that might occur during the year, including insurance deductibles, unexpected legal expenses and equipment repairs.

I. **Outside Agency Funding** – The City Council may fund a number of outside agencies and organizations that provide core services for the citizens of City of South Padre Island. The amount of funding received by each agency depends upon City Council direction and the availability of funds. All agencies shall have a standardized process for application, review, monitoring and reporting. All agencies are required to submit applications for funding to the City during the budget process. Funding of non-profit agencies through public funds requires enhanced guidelines for spending and operations, which shall include:

1. Funding will be used for specific programs, rather than for general operating costs, and demonstrate the program's sustainability beyond a three-year funding period.
2. Funded agencies will be required to post their meeting agendas at least 72 hours in advance, in the spirit of transparency to the public about the way funds are spent.
3. Funded agencies will allow a City Council Member or a City Council appointed representative to be a member of its board of directors.

An Outside Agency Funding Review Committee will be appointed by the City Council to review requests from other agencies and develop a recommendation to City Council based upon available funding. Applications will be evaluated on the following criteria:

1. Number of South Padre Island citizens served by the organization;
2. Type of service provided and whether other organizations in the community provide the service;
3. Availability of other funding sources for the organization;
4. Demonstration of the ability to adhere to the guidelines outlined by this policy.
5. All funded agencies shall be required to submit quarterly reports with performance measures to the City Manager.

J. **Periodic Program Reviews** – The City Manager and Department Directors will periodically review programs for efficiency and effectiveness. Programs not meeting efficiency or effectiveness objectives shall be brought up to required standards, or be subject to reduction or elimination.

K. **Budget Contingency Plan** – This policy is intended to establish general guidelines for managing revenue shortfalls resulting from factors such as local and economic downturns that affect the City's revenue streams.

L. **Immediate Action** - Once a budgetary shortfall is projected, the City Manager will take the necessary actions to offset any revenue shortfall with a reduction in current expenses. The City Manager may:

- a) Freeze all new hire and vacant positions except those deemed to be a necessity.
- b) Review all planned capital expenditures.
- c) Delay all "non-essential" spending or equipment replacement purchases.

M. **Further Action** - If the above actions are insufficient to offset the revenue deficit and the shortfall continues to increase, the City Manager will further reduce operating expenses to balance the variance. The City Manager may ask Department Directors for recommendations on reductions in service levels in order to reduce expenditures to balance the budget. Any resulting service level reductions, including workforce reductions, will be finalized by the City Council.

# Revenue Management

A. **Optimum Characteristics** – The City will strive for the following optimum characteristics in its revenue system:

1. **Simplicity** – The City, where possible and without sacrificing accuracy, will strive to keep the revenue system simple in order to reduce compliance costs for the taxpayer or service recipient.
2. **Certainty** – A knowledge and understanding of revenue sources increases the reliability of the revenue system. The City will understand its revenue sources and enact consistent collection policies to provide assurances that the revenue base will materialize according to budget and plans.
3. **Equity** – The City shall make every effort to maintain equity in its revenue system; i.e., the City should seek to minimize or eliminate all forms of subsidization between funds.
4. **Revenue Adequacy** – The City should require there be a balance in the revenue system; i.e., the revenue base will have the characteristics of fairness and neutrality as it applies to cost of service, willingness to pay, and ability to pay.
5. **Realistic and Conservative Estimates** – Revenues will be estimated realistically, and conservatively, taking into account the volatile nature of various revenue streams.
6. **Administration** – The benefits of a revenue source should exceed the cost of levying and collecting that revenue. Where appropriate, the City will use the administrative processes of State, Federal or County collection agencies in order to reduce administrative costs.
7. **Diversification and Stability** – A diversified revenue system with a stable source of income shall be maintained.

B. **Other Considerations** – The following considerations and issues will guide the City in its revenue policies concerning specific sources of funds:

1. **Non-Recurring Revenues** – One-time or non-recurring revenues should not be used to finance current ongoing operations. Non-recurring revenues should be used only for non-recurring expenditures and not for budget balancing purposes.
2. **Property Tax Revenues** – All real and business personal property located within the City will be valued at 100% of the fair market value for any given year based on the current appraisal supplied by the Cameron County Appraisal District. Reappraisal and reassessment shall be done a minimum of once every three years as determined by the Appraisal District.

Conservative budgeted revenue estimates result in a projected ninety-five percent (95%) budgeted collection rate for current ad valorem taxes. Two percent (2%) of the current ad valorem taxes will be projected as the budget for delinquent ad valorem tax collection. For budgeting purposes, the City will forecast the current year's effective tax rate at the current collection rate of 95%, unless directed otherwise by the City Council.

3. **Investment Income** – Earnings from investments will be distributed to the Funds in accordance with the equity balance of the fund from which the monies were provided to be invested.
4. **User-Based Fees and Service Charges** – For services associated with a user fee or charge, the direct or indirect costs of that service will be offset by a fee where possible. The City will review fees and charges no less than once every three years to ensure that fees provide adequate coverage for the cost of services. The City Council will determine how much of the cost of a service should be recovered by fees and charges.

5. **Intergovernmental Revenues** – All potential grants will be examined for matching requirements and must be approved by the City Council prior to submission of the grant application. It must be clearly understood that operational requirements (on-going costs) set up as a result of a grant program could be discontinued once the term and conditions of the program have been completed.

6. **Revenue Monitoring** – Revenues as they are received will be regularly compared to budgeted revenues and variances will be investigated. Any abnormalities will be included in the monthly general fund revenue report as posted on the City's web-site.

## **Expenditure Policies**

A. **Appropriations** – The point of budget control is at the department level budget for all funds. The Department Directors shall manage budgets to ensure that appropriations are not exceeded. Budgets are approved by the City Council within a department (personnel costs, supplies, maintenance, operations/maintenance and capital.)

B. **Central Control** – No recognized or significant salary or capital budgetary savings in any Department shall be spent by the Department Head without prior authorization from the City Manager. This control will realize budget savings each year that will be available for transfer by the City Manager, without further City Council action.

C. **Budget Transfers** – The *Charter (Section 5.07(d))* provides that the City Manager may transfer balances within departments and programs. A Department Director may request a transfer between line items, or categories of items through the City Manager. Finance will make the adjustment upon approval from the City Manager.

D. **Purchasing** – All City purchases of goods or services will be made in accordance with the City's current Purchasing Policy and Procedures and with State law.

E. **Prompt Payment** – All invoices approved for payment by the proper City authorities shall be paid within thirty (30) calendar days of receipt of goods or services or invoice date, whichever is later, in accordance with State law. The City will take advantage of all purchase discounts, when possible.

## Staffing

The City's goal as an employer is to attract and retain quality employees who provide exemplary public service to our community in an effective and efficient manner.

A. **Adequate Staffing** – Staffing levels will be adequate for the operations and programs of the City to be conducted efficiently and effectively. In order to provide continuing services to a developing community, as well as add new services, staffing levels will be evaluated regularly to determine workloads. Workload allocation alternatives, such as contract labor and contracted services, will be explored before adding additional staff.

B. **Market Adjustments** – The City shall utilize the Texas Municipal League (TML) salary survey data, specific municipalities, as well as data from other sources and consultants, as a reference for making market-based adjustments. Market based adjustments are based upon the job duties and job descriptions of the position, not on performance of the employee within the position.

C. **Merit Adjustments** – The City utilizes a merit-based pay plan as a part of the overall compensation system. City Council may fund merit increases annually during the budget process to aid in retaining and rewarding quality employees for productivity and job performance. These merit-based adjustments are recommended by the employee's immediate supervisor and reviewed by both the Department Director and the City Manager. Employees may receive a merit increase upon approval of the City Manager based upon performance, or when other situations warrant this type of increase, such as a reclassification due to additional job duties.

D. **Cost of Living Adjustment (COLA)** - In order to sustain employee compensation levels within the competitive job market, the City may fund an annual COLA for all regular employees not included in a defined pay plan. The COLA will be based on the Consumer Price Index-Urban Wage Earners and Clerical Workers for the south urban area.

## Economic Development

The City shall initiate, encourage and participate in economic development efforts to create job opportunities and strengthen the local economy and tax base. The City is committed to the promotion of quality development in all parts of the City. Each economic development incentive will be considered separately by the City Council.

A. **Cost/Benefit of Incentives for Economic Development** - The City will use due caution in the analysis of any incentives that are used to encourage development. A cost/benefit (fiscal impact) analysis will be performed as part of the evaluation.

B. **Commitment to Expansion and Diversification** – The City shall encourage and participate in economic efforts to expand the City of South Padre Island's economy and tax base, to increase local employment and to invest when there is a defined, specific long-term return to the community. These efforts shall focus on new areas, as well as other established sections of the City where economic development can generate additional jobs, sales tax, property tax and other economic benefits.

C. **Tax Exemptions** - The City Council may authorize an exemption from ad valorem taxes in accordance with the Code of Ordinances, Chapter 17, Section 5.

D. **Increase Non-residential Share of Tax Base** – The City's economic development program shall seek to expand the non-residential share of the tax base to decrease the tax burden on residential homeowners.

E. **Coordinate Efforts with Other Jurisdictions** – The City's economic development program shall encourage close cooperation with other local jurisdictions to promote the economic well-being of this area.

## Intergovernmental Relations

The City shall coordinate efforts with other governmental agencies to achieve common policy objectives, share the cost of providing government services on an equitable basis and support appropriate favorable legislation at the state and federal levels.

A. **Interlocal Cooperation in Delivery of Services** – In order to promote the effective and efficient delivery of services, the City shall work with other local jurisdictions to share on an equitable basis the cost of services, to share facilities and to develop joint programs to improve service to its citizens.

B. **Legislative Program** – The City shall cooperate with other jurisdictions to actively oppose any state or federal regulation or proposal that mandates additional City programs or services and does not provide the funding necessary for implementation.

## Capital Maintenance and Replacement

The City recognizes that deferred maintenance increases future capital costs. Therefore, a portion of all individual funds for infrastructure should be budgeted each year to maintain the quality within each system.

A. **Infrastructure Maintenance** - On-going maintenance and major repair costs are generally considered system repairs and are not capitalized for accounting purposes. They include such items as street seal coats and other general system maintenance.

B. **Streets capital maintenance and replacement** - It is the policy of the City to annually provide funding for the Public Works Department to use for a street maintenance program.

C. **Building capital replacement and maintenance** - It is the policy of the City to annually provide funding for major maintenance on its buildings, such as air conditioning replacements, flooring, painting and other maintenance.

D. **Technology** - It is the policy of the City to fund the maintenance and replacement of its personal computers and network servers. Major replacements for computer systems will be anticipated for a five-year period and included with capital project presentations in the annual budget process.

E. **Fleet and equipment replacement** - The City will anticipate replacing existing cars, trucks, tractors, backhoes, trailers and other equipment as necessary.

1. **Capital Replacement Fund** - The City shall establish a Capital Replacement Fund to provide financial resources to replace aging fleet and equipment. Only fleet and equipment included on the City's Fixed Assets inventory will be included on the replacement schedule.

a) **Funding** - Funding will be set aside each year through the annual budget process to fund the future replacement of fleet and equipment.

b) **Sale of fleet vehicles and equipment** - Any revenue generated from the sale of fleet and equipment may be deposited in the Capital Replacement Fund at the discretion of the City Manager.

## Accounting, Auditing, and Financial Reporting

A. **Accounting** - The City is responsible for the recording and reporting of its financial affairs, both internally and externally. The City's Chief Financial Officer is responsible for establishing the structure for the City's Chart of Accounts and for assuring that procedures are in place to properly record financial transactions and report the City's financial position.

B. **Audit of Accounts** - In accordance with the *Charter Section 5.12*, an independent audit of the City accounts will be performed every year. The auditor is retained by and is accountable directly to the City Council.

C. **External Reporting** - Upon completion and acceptance of the annual audit by the City's auditors, the City shall prepare a written Annual Comprehensive Financial Report (ACFR) which shall be presented to the City Council within 180 calendar days of the City's fiscal year-end. The ACFR 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. If City staffing limitations preclude such timely reporting, the Chief Financial Officer will inform the City Council of the delay and the reasons therefore.

D. **Internal Reporting** - The Finance Department will prepare internal financial reports, sufficient to plan, monitor and control the City's financial affairs.

## Risk and Asset Management

A. **Risk Management** - The City will utilize a safety program, an employee wellness program, and a risk management program to prevent and/or reduce the financial impact on the City due to claims and losses. Transfer of liability for claims through transfer to other entities through insurance and/or by contract will be utilized where appropriate. Prevention of loss through the safety program and the employee wellness program will be used.

B. **Cash Management** - The City's cash flow will be managed to maximize the cash available to invest. Such cash management will entail the centralization of cash collections. The City shall maintain a comprehensive cash management program to include the effective collection of accounts receivable, the prompt deposit of receipts to the City's depository, the payment of obligations, and the prudent investment of idle funds in accordance with this policy.

C. **Investments** - The City Council has formally approved a separate Investment Policy for the City of South Padre Island that meets the requirements of the Public Funds Investment Act (PFIA), Section 2256 of the Texas Government Code. This policy is reviewed annually by the City Council and applies to all financial assets held by the City.

D. **Fixed Assets and Inventory** - The City Council has approved the City's Fixed Assets Policies and Procedures. The basic goal and objective of this policy is to define and describe a set of standard procedures necessary to record and control the changes in the fixed asset system in accordance with Generally Accepted Accounting Principles.

E. **Computer System/Data Security** - The City shall provide security of its computer/network system and data files through physical and logical security systems that will include, but not limited to, a firewall, intrusion prevention appliance, and a two-tier spam/virus protection system.

1. **Physical location** - The location of computer/network systems shall be in locations inaccessible to unauthorized personnel.

2. **Access** - The Information Services department will be responsible for setting up access to the City's network and files. The Chief Financial Officer shall have responsibility for setting security levels for employees within the financial system for internal control purposes. However, these levels may be administered by the IT department.

3. **Remote access** - The Information Services department will set up employees for Virtual Private Network (VPN) access upon approval from their Department Director.

4. **Data backup** - Data backups will be conducted daily. The daily backups will remain on-site on a dedicated storage device.

5. **Inventory** - Records of all computer equipment purchased shall be the responsibility of the Information Services division. Routine inventories will be conducted to ensure safeguarding of these assets.

## Debt Management

The City of South Padre Island recognizes the primary purpose of capital facilities is to support provision of services to its residents. Using debt financing to meet the capital needs of the community must be evaluated according to efficiency and equity. Efficiency must be evaluated to determine the highest rate of return for a given investment of resources. Equity is resolved by determining who should pay for the cost of capital improvements. In meeting the demand for additional services, the City will strive to balance the needs between debt financing and “pay as you go” methods. The City realizes that failure to meet the demands of a developing community may inhibit its continued economic viability, but also realizes that too much debt may have detrimental effects on the City's long-range financial condition.

The City will issue debt only for the purpose of acquiring or constructing capital assets for the general benefit of its citizens and to allow it to fulfill its various purposes as a city.

A. **Usage of Debt** - Long Term debt financing will be considered for non-continuous capital improvements of which future citizens will benefit. Alternatives for financing will be explored prior to debt issuance and include, but not limited to:

- Grants
- Use of Reserve Funds
- Use of Current Revenues
- Contributions from developers and others
- Leases

When the City utilizes long-term financing, it will ensure that the debt is soundly financed by conservatively projecting revenue sources that will be used to pay the debt. It will not finance the improvement over a period greater than the useful life of the improvement, and it will determine that the cost benefit of the improvement, including interest costs, is positive to the community.

### B. **Types of Debt** –

1. General Obligation Bonds (GO's) – General obligation bonds must be authorized by a vote of the citizens of South Padre Island. They are used only to fund capital assets of the general government and are not to be used to fund the operating needs of the City. The full faith and credit of the City as well as the City's ad valorem taxing authority back general obligation bonds. Conditions for issuance of general obligation debt include:

- When the project will have a significant impact on the tax rate;
- When the project may be controversial even though it is routine in nature; or
- When the project falls outside the normal bounds of projects the City has typically done.

2. Revenue Bonds – Revenue bonds will be issued to provide for the capital needs of any activities where the capital requirements are necessary for the continuation or expansion of a service. The improved activity shall produce a revenue stream to fund the debt service requirements for the necessary improvement to provide service expansion. The average life of the obligation should not exceed the useful life of the asset(s) to be funded by the bond issue and will generally be limited to no more than twenty (20) years.

3. Certificates of Obligation, Contract Obligations (CO's) – Certificates of obligation or contract obligations may be used to fund capital requirements that are not otherwise covered either by general obligation or revenue bonds. Debt service for CO's may be either from general revenues (tax-supported) or supported by a specific revenue stream(s) or a combination of both. Typically, the City may issue CO's when the following conditions are met:

- When the proposed debt will have minimal impact on future effective property tax rates;
- When the projects to be funded are within the normal bounds of city capital requirements, such as for roads, parks, various infrastructure and City facilities; and
- When the average life of the obligation does not exceed the useful life of the asset(s) to be funded by the issue.

Certificates of obligation will be the least preferred method of financing and will be used with prudent care and judgment by the City Council. Every effort will be made to ensure public participation in decisions relating to debt financing.

4. Tax Anticipation Notes – The City can issue debt securities with a maximum maturity of seven years to provide immediate funding for a capital expenditure in anticipation of future tax collections.

5. Internal borrowing between City funds – The City can authorize use of existing long-term reserves as “loans” between funds. The borrowing fund will repay the loan at a rate consistent with current market conditions. The loan will be repaid within ten (10) years. The loan will be considered an investment of working capital reserves by the lending fund.

C. **Method of Sale** – The City will use a competitive bidding process in the sale of bonds unless conditions in the bond market or the nature of the issue warrant a negotiated bid. In such situations, the City will publicly present the reasons for the negotiated sale. The City will rely on the recommendation of the financial advisor in the selection of the underwriter or direct purchaser.

D. **Disclosure** – Full disclosure of operating costs along with capital costs will be made to the bond rating agencies and other users of financial information. The City staff, with the assistance of the financial advisor and bond counsel, will prepare the necessary materials for presentation to the rating agencies and will aid in the production of the Preliminary Official Statements. The City will take responsibility for the accuracy of all financial information released.

E. **Federal Requirements** – The City will maintain procedures to comply with arbitration rebate and other Federal requirements.

F. **Debt Structuring** – The City will issue bonds with maturity not to exceed the useful life of the asset acquired. The structure should approximate the level of debt service unless operational matters dictate otherwise. Market factors, such as the effects of tax-exempt designations, the cost of early redemption options and the like, will be given consideration during the structuring of long-term debt instruments.

G. **Debt Coverage Ratio** – Refers to the number of times the current combined debt service requirements or payments would be covered by the current operating revenues. The City will maintain a minimum debt service coverage ratio of 1.0 times.

H. **Bond Reimbursement Resolutions** – The City may utilize bond reimbursements as a tool to manage its debt issues, due to arbitrage requirements and project timing. In so doing, the City uses its capital reserve “cash” to delay bond issues until such time when issuance is favorable and beneficial to the City.

## Other Funding Alternatives

When at all possible, the City will research alternative funding opportunities prior to issuing debt or increasing user-related fees.

A. **Grants** - All potential grants will be examined for any matching requirements and the source of those requirements identified. It must be clearly understood that any resulting operation requirements of the grant could be discontinued once the term and conditions of the project have been terminated. The City Council must authorize acceptance of any grant funding.

**Guidelines** – The City shall seek to obtain those grants consistent with the City’s current and future priorities and objectives.

**Indirect Costs** – The City shall recover indirect costs to the maximum allowable by the funding source. The City may waive or reduce indirect costs if doing so will significantly increase the effectiveness of the grant.

**Grant Review** – The City Manager and Chief Financial Officer shall review all grant submittals to determine the in-kind match, as well as their potential impact on the operating budget, and the extent to which they meet the City’s objectives. If there is a cash match requirement, the source of funding shall be identified and approved by City Council prior to application. Once the application is approved, the City Council sets the grant budget.

**Grant Program Termination** – The City shall terminate grant-funded programs and associated positions as directed by the City Council when grant funds are no longer available, unless alternate funding is identified.

B. **Use of Fund Balance and Reserve Funds** - The City may authorize the use of reserve funds to potentially delay or eliminate a proposed 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 the 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 proposed debt. Unappropriated fund balance in excess of operating reserves may be used for one-time projects, but not ongoing operating expenses.

C. **Leases** - The City may authorize the use of lease financing for certain operating equipment when it is determined that the cost benefit of such an arrangement is advantageous to the City.

## Financial Conditions, Reserves, and Stability Ratios

The City of South Padre Island will maintain budgeted minimum reserves in the ending working capital/fund balances to provide a secure, healthy financial base for the City in the event of a natural disaster or other emergency, allow stability of City operations should revenues fall short of budgeted projections and provide available resources to implement budgeted expenditures without regard to actual timing of cash flows into the City.

A. **Operational Coverage** – The City's goal is to maintain operations coverage of 1.00, such that operating revenues will at least equal or exceed current operating expenditures. Deferrals, short-term loans, or one-time sources will be avoided as budget balancing techniques.

B. **Operating Reserves** – In accordance with Charter Section 5.04, the City will strive to maintain emergency reserves of six (6) months of the City's operating expenses. Reserves are defined as the amount of the unreserved fund balance in the most recent audited financial statements. Operating expenses are defined as the expenses included in the most recent City Council approved annual budget reduced by major one-time expenditures not typical for the maintenance and operations of the City prorated evenly over a six-month period. Excess reserve fund balance equals audited reserve fund balance less six (6) months operating expenses as defined above.

Reserve requirements will be calculated as part of the annual budget process and any additional required funds to be added to the reserve balances will be appropriated within the budget. Funds in excess of the minimum reserves may be expended for City purposes at the will of the City Council for one time projects once it has been determined that use of the excess will not endanger reserve requirements in future years.

C. **Liabilities and Receivables** - Procedures will be followed to maximize discounts and reduce penalties offered by creditors. Current liabilities will be paid within 30 days of receiving the invoice. Accounts Receivable procedures will target collection for a maximum of 30 days of service. The Chief Financial Officer is authorized to write-off non-collectible accounts that are delinquent for more than 180 days, provided proper delinquency procedures have been followed, and include this information in the annual report to the City Council.

D. **Capital Project Funds** – Every effort will be made for all monies within the Capital Project Funds to be expended within thirty-six (36) months of receipt. The fund balance will be invested and income generated will offset increases in construction costs or other costs associated with the project. Capital project funds are intended to be expended totally, with any unexpected excess to be transferred to the Debt Service fund to service project-related debt service.

E. **General Debt Service Funds** – Revenues within this fund are stable, based on property tax revenues. Balances are maintained to meet contingencies and to make certain that the next year's debt service payments may be met in a timely manner.

F. **Investment of Reserve Funds** – The reserve funds will be invested in accordance with the City's investment policy.

## Internal Controls

A. **Written Procedures** –Written procedures will be established and maintained by the Finance Department for all functions involving cash handling and/or accounting throughout the City. These procedures will embrace the general concepts of fiscal responsibility set forth in this policy statement.

B. **Department Directors Responsibility** – Each Department Director is responsible for ensuring that good internal controls and adherence to the City’s Fiscal and Budgetary Policy are followed throughout their department and that all independent auditor internal control recommendations are addressed. Departments will develop and periodically update written internal control procedures.

C. **Fraud Risk Assessment** – The City will conduct bi-annual fraud risk self-assessment exercises with all departments. The exercise will include the identification of opportunities for the misappropriation of assets, which assets are susceptible to misappropriation, and how could the misappropriation of assets be hidden from management.

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## **BUDGET OVERVIEW**

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## Budget Overview

The annual budget is a fiscal plan which presents the programs and services to be provided to the community and describes the resources needed to perform those activities. The overall goal of the budget is to establish and maintain effective management of the City's financial resources. Revenues that support municipal services are derived from four sources: current revenue charges; increases in existing revenue charges; new revenue sources; and unallocated reserves carried forward from prior years. Various policies and processes are used to guide management of the City's financial resources. Under the City's organizational plan, policymaking for responding to the needs of the community is entrusted to the Mayor and Council Members. Administrative or executive authority is vested in the City Manager to develop, implement, and execute programs and policies established by the Council. Under his/her direction and guidance, the annual budget is prepared. State law, City Home Rule Charter, and local ordinances also impact the development of the annual budget.

## Basis of Budgeting

The operating budget is an estimate of revenues and expenditures for one fiscal year. Funds are budgeted using the modified accrual basis of accounting. Only revenues expected to be received in cash during the year or soon thereafter are included in revenue estimates, as well as any fund balance that will be used for one-time expenditures during the coming year. Only amounts which will be spent or encumbered (under contract) by the end of the fiscal year are budgeted as expenditures.

Annual financial reports are prepared under the modified accrual basis for governmental and special revenue funds, while the accrual basis of accounting is used for proprietary funds, as required by Generally Accepted Accounting Principles (GAAP). Proprietary fund type revenues are recognized when earned according to the accrual basis of accounting. The Annual Comprehensive Financial Report compares actual revenues and expenditures to the budget for the purpose of measuring performance. The City of South Padre Island does not have any proprietary funds, which allows modified accrual basis of accounting to be used for both budgetary and financial accounting purposes.

## Budget Process

The City's budget process is driven by the Home Rule Charter, which was adopted in 2009. The Home Rule Charter specifies the following guidelines:

On or before sixty (60) days prior to the beginning of each fiscal year, the City Manager shall submit to the City Council a budget for the ensuing fiscal year.

The budget shall provide a complete financial plan of all City funds and activities for the ensuing fiscal year and, except as required by law or this Charter, shall be in such form as the City Manager deems desirable, or the City Council may require for effective management and an understanding of the relationship between the budget and the City's strategic goals. The budget shall begin with a clear general summary of its contents; shall show in detail all estimated income, indicating the proposed property tax levy, and all proposed expenditures, including debt service, for the ensuing fiscal year; and shall be so arranged as to show comparative figures for actual and estimated income and expenditures of the current fiscal year and actual income and expenditures of the preceding fiscal year. The plan shall provide a complete program of action for the fiscal year. It shall contain the following:

- a. Objectives - established by the City Council.
- b. Goals - City Manager's program to meet the objectives of the Council.
- c. Budget - financial plan to meet the administrative needs of the City for the fiscal year consistent with the objectives and goals set by the City Council and City Manager.
- d. Staff Plan - a summary of the personnel requirements required to provide the services of the City. Additions or deletions of personnel must be specifically identified and justified.
- e. Measurement - methods to measure outcomes and performance of the fiscal year budget.

The Board adopts an "appropriated budget" on a basis consistent with GAAP for the General Fund, certain special revenue funds and the Debt Service Fund. The City is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and expenditures for the General Fund and major special revenue funds at the functional level of detail, as included herein.

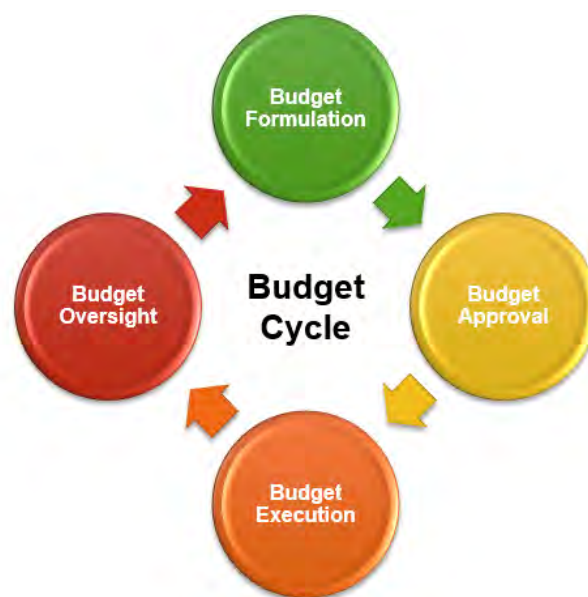
In establishing budgetary data reflected in the financial statements, the City follows these procedures:

1. The City Manager establishes the amount of estimated revenues and other resources available for appropriation for the succeeding budget year.
2. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1<sup>st</sup>.
3. The operating budget includes proposed expenditures for funds, functions, and activities and the means of financing them.
4. Public hearings and workshops are conducted at the City Hall to obtain taxpayer and elected officials' comments. Revisions which alter budgets at the department level within a fund must be approved by the City Council. Actual expenditures and operating transfers may not legally exceed budget appropriations at the individual fund level.
5. Formal budgetary integration is employed as a management control device during the year for the General, certain special revenue, and Debt Service Funds.
6. Annual appropriated budgets are adopted for the General, certain Special Revenue, and Debt Service Funds. All annual appropriations lapse at year-end to the extent they have not been expended or encumbered.
7. Before October 1<sup>st</sup>, the proposed budget is presented to the City Council for review. The City Council holds public hearings and may add to, subtract from, or change appropriations.
8. Budget adjustments between funds must be authorized by City Council. The City Manager may transfer funds between programs in a department, fund, or service and shall report such transfers to the City Council in writing.

## Budget Review

In Section 5.08 of the Home Rule Charter, it calls for the City Council to review at midterm (by the end of April each year), the performance of the City of South Padre Island's budget. Accordingly, workshops are scheduled to occur during April of each fiscal year.

Due to the requirement for the City Council to provide fiduciary oversight of the budget, the Finance Department prepares and provides monthly financial reports detailing both expenses and revenues for each fund for our elected officials. Furthermore, to create transparency, these detailed financial reports are posted on the City's website so that all citizens have easy access to financial information.



## Budget Process Schedule

A budget process schedule is established each year which identifies actions to be completed with associated target dates. This schedule is used to keep the budget preparation process on schedule to provide the City Manager's proposed budget to Council for consideration and final adoption within the legal time frame. The detailed schedule is provided on the following pages.

Dates with one asterisk (\*) represent City Council workshops and meetings.

Dates	Topics
<b>April 4</b> 11:00 am Board Room	Kick-Off Meeting for staff: FY 2024/25 Budget, Business Plan and Fee Schedule.  Forms and instructions are distributed to City departments (Finance).
<b>April 12</b>	Capital Improvement Plan (CIP) forms and instructions are posted on the City's website and distributed to City departments and the public (Director of Operations or her designee).
<b>April 26</b>	Technology requests are due to IT for review. Staffing and personnel budget related items are due to HR for review. Fleet requests are due to PW for review. Fee Schedule, Revenue Projections from departments and Business Plans are due in the shared drive.
<b>May 2</b>	CIP project request forms are due (Director of Operations or her designee).
<b>May 13</b>	Technology requests are reviewed (IT and Budget Committee). Staffing and personnel budget items are reviewed (HR and Budget Committee). Vehicle requests are reviewed by the Fleet Committee (PW Director, Director of Operations, and CFO). Departmental Business Plans and the proposed Fee Schedule are reviewed (Budget Committee).
<b>May 14-15</b>	Departmental budget reviews are conducted by the Budget Committee.
<b>*June 19</b> 03:00 pm Board Room	<b>Budget Workshop</b> Budget Workshop for the following funds: <ul style="list-style-type: none"> <li>◦ General Fund (Fund 01)</li> <li>◦ Venue Tax (Fund 03)</li> <li>◦ Parks, Recreation &amp; Beautification (Fund 09)</li> <li>◦ Municipal Court Technology (Fund 21)</li> <li>◦ Municipal Court Security (Fund 22)</li> <li>◦ Transportation Fund (Fund 30)</li> <li>◦ Padre Blvd Improvement (Fund 41)</li> <li>◦ Street Improvement (Fund 43)</li> <li>◦ General Debt Service (Fund 50)</li> <li>◦ TIRZ (Fund 51)</li> <li>◦ Venue Tax Construction (Fund 57)</li> <li>◦ Beach Maintenance (Fund 60)</li> <li>◦ Beach Access (Fund 61)</li> <li>◦ Bay Access (Fund 62)</li> <li>◦ Capital Replacement Fund (Fund 65)</li> <li>◦ Laguna Blvd. Reconstruction Fund (Fund 66)</li> <li>◦ Beach Nourishment (Fund 81)</li> </ul> Projects for CIP are reviewed (Director of Operations or her designee).  The proposed Fee Schedule is reviewed (Finance) – if necessary.

<b>*June 19</b> 04:00 pm Board Room	<b>Budget Workshop</b> Budget Workshop for the following funds: <ul style="list-style-type: none"> <li>◦ Hotel/ Motel Tax (Fund 02)</li> <li>◦ Convention Center (Fund 06)</li> </ul>
<b>*July 19</b> 05:30 pm Board Room	Agenda item to review the EDC Budget (EDC Director).
<b>July 12</b>	Publish the general summary of the CIP and note where copies of the CIP are available for inspection (Director of Operations or her designee).
<b>July 25</b>	Cameron County Appraisal District certifies the tax roll: By July 25th, the chief appraisers certify the approved appraisal roll for the taxing units.
<b>July 29</b> Noon	Publish notice of meeting to discuss tax rate in Port Isabel Press (at least 72 hours prior to hearing on Aug. 21). <i>Note: The publication deadline is at noon.</i>
	Publish notice of meeting to discuss the FY 2024/25 Budget in Port Isabel Press (Publish the notice no earlier than the 30th day and no later than the 10th day before the hearing on Aug. 21).
<b>*July 29</b> 2:00 pm Board Room	<b>Special Meeting</b> The proposed budget and proposed 5 year CIP are submitted to City Council on or before 60 days from the beginning of the fiscal year (Home Rule Charter Section 5.02).
<b>July 31</b>	Last official day to file the budget with the City Secretary and post on the City's official website (Finance). The budget will be filed on July 29th during the special meeting.  Post notice of the proposed tax rate on the City's official website, continuing until the tax rate is adopted (Comptroller's format).
<b>*August 7</b> 05:30 pm Board Room	Conduct a public hearing for discussion of the 5 year CIP (Director of Operations or designee).
<b>*August 21</b> 05:30 pm Board Room	Conduct a public hearing for discussion of tax rate <i>(only if necessary)</i> .  Conduct a public hearing regarding FY 2024/25 Budget.  Consideration and action on Ordinance No._____ approving and adopting a FY 2024/25 budget for the City of South Padre Island.  Consideration and action on Ordinance No._____ establishing the ad valorem and personal tax rate for 2024 and setting the assessed valuation, providing for discounts, penalty, interest and severability.  Consideration and action on approval of Resolution No._____ adopting the CIP (Director of Operations or her designee).
<b>Sept. 1</b>	Publish notice of the final rate on the home page of any internet website operated by the taxing unit, before imposing the property tax rate for the year. The wording for this notice is set out in Tax Code 26.05(b)(2) (same as ordinance wording). There is not a time frame specified, so a few weeks should be sufficient.

## Executive Overview

The Annual Budget outlines the programs and services provided by the City to the citizens of South Padre Island. As such, the budget is one of the most important decisions that the City Council makes every year as it determines projects to be funded, services to be provided for the citizens and visitors, and the related costs.

The City Manager, the Budget Committee, and the Finance Department worked closely with various department directors to create the budget. This process included the establishment of detailed business plans by each department.

Provided below are some highlights and major projects of the City included in the 2024-25 Budget:

### Revenues

- The 2024 proposed tax rate is \$.232159/\$100. Same as fiscal year 2023-24.
- Year to date (YTD) sales tax collections reflect a decrease of 3.26% compared to FY 2022-23. Considering this information and taking a conservative approach, the City's FY 2024-25 sales tax projection results in a total budgetary amount of \$4,082,393, which reflects a reduction of 2.3% or \$94,659 compared to the current fiscal year.
- The City's Hotel Occupancy tax collections allocated to the Hotel Motel and Convention Center Funds are expected to produce revenues in the amount of \$12,175,284. Total Hotel Motel and Convention Center revenue is anticipated to be \$12,861,284.
- The Beach Nourishment Fund is funded with one-half percent of the local hotel motel tax collected by the City. This fund's projected revenue for the 2024-25 fiscal year is \$760,955.
- State Occupancy Tax, which is allocated to the Beach Maintenance Fund, is projected to be \$3,043,821.
- The Venue Project Fund established in Jan. 2017 to provide for the development of a venue project is projected to collect revenues in the amount of \$3,043,821 for FY 2024-25.

### Expenditures

- The proposed budget includes a 4% cost of living adjustment (COLA). The citywide cost of the proposed COLA is \$461,712, of which \$334,324 is allocated to the General Fund and \$64,971 to the CVB.
- Based on coverage rates available at this time, a decrease of \$108,944 for city-wide group insurance is expected. The total budgeted medical benefit cost for the City is \$1.6 million.
- The City has budgeted for the following payroll related items:
  - A Code Enforcement Officer was added to the Environmental Health Services Department for a total cost of \$48,573 (including benefit costs). This position was reclassified from a part-time position, which resulted in a \$34k budget decrease to the Temporary Employees line item to offset the cost of the addition.
  - A Sales Manager was added to the Sales and Administration Division for a total cost of \$61,683 (including benefit costs). This position will focus on sales efforts in the Austin area and work the association business.
  - A Content & Graphic Design Specialist was added to the Sales and Administration Division for a total cost of \$72,640 (including benefit costs). This employee will create captivating visual content to enhance marketing campaigns, promotional materials, and online presence.
  - The proposed budget notes a significant decrease in personnel related costs for the Public Works Department due to the reclassification of two staff members to the Parks Division. These staff members account for approximately \$103,000 of the budgeted funds for personnel services.
  - Increases of \$5,000 for overtime and \$15,000 for temporary employees in the Beach Patrol Division's budget were proposed to provide further support for the division's safety efforts.

- Furthermore, the Shoreline Department increased overtime by \$37,000 and decreased temporary employees by \$26,000, resulting in a net increase of \$11,000.
- The Information Technology (IT) Department has budgeted the following:
  - \$15,800 for Fleetio, a software requested by the Fleet Division that will provide a more cohesive and efficient way to track vehicle maintenance.
  - \$8,800 for Frontline, a software requested by the Police Department that will allow the department to document, monitor, and track vehicle pursuits, use of force incidents, officer conduct and wellness, as well as manage compliments and complaints. Furthermore, the software will also assist the department in organizing and tracking police personnel training needs as well as manage armory and weapons inventory.
  - \$10,766 for email security for the City's email platform, Google Workspace, requested by IT Department

As part of the annual replacement plan, \$25,000 has been budgeted for the annual computer replacement program.

- The total for City Council is \$26,000 which is unchanged from Fiscal Year 2023-24.
- The City Manager's Office's budget shows an increase of \$4,549, which is mainly due to the residence related stipend and additional dues and memberships.
- The Finance Department's operating expense budget increased by \$3,337 for a total of \$41,545. This increase is mainly associated with professional services.
- The Planning Department budget increased by \$1,000, related to travel expense.
- The Human Resources Department budget increased by approximately \$11,600. The increase is attributed to several expense line items, which include service contracts (\$2k), tuition assistance (\$1.7k), professional services (\$1.5k), advertising (\$1.7k), travel (\$2,3k), and recruitment costs (\$1k).
- The Municipal Court proposed an increase of \$348. The increase is attributed to funding requests for wearing apparel and travel related expenses.
- The Police Department proposed an increase of \$2,514. The increase is mainly attributed to increases in service contracts.
- The Fire Department's operating expense budget (excluding payroll) is \$450,687. The increase of \$29,393 is due to additional funds budgeted for goods and supplies in the amount of \$8,678, a preventative maintenance service contract for medical equipment (stretchers & monitors) for \$13,225, and training in the amount of \$1,900. In addition, the department requested additional funding related to phone allowances for captains and lieutenants, which totaled an increase of \$1,440.
- The Environmental Health Services' budget increased by \$39,560, which is largely attributed to the reclassification of the animal services expense line item, from the Special Projects budget to the Environmental Health Services' Department budget, in the amount of \$57,500. In addition, the current (FY 2023-24) budget has \$16,700 budget funds for the purchases of a mosquito sprayer (\$9,600) and a lift (\$7,100).
- The Fleet Management division's budget (excluding payroll) is \$499,655. There was a significant decrease to this department's budget of \$376,577. This significant decrease related to decreases in repair & maintenance expense line items which totaled a decrease of approximately \$145,000 as well as one-time expenditures budgeted in FY 2023-24 for motor vehicles for approximately \$339,000.

The following vehicle purchases have been approved for Fiscal Year 2024-25:

- Replacement of Police (PD-167) Tahoe - \$75,000
- Replacement of Public Works Ford Ranger (PW-06) - \$42,000

- The Facilities and Grounds Maintenance division's budget (excluding payroll) decreased by \$25,443 from the year prior for a total budget in the amount of \$98,542. The decrease is directly attributed to one-time funds budgeted in FY 2023-24 of approximately \$27,000 for fuel pit renovations.
- The Building Inspections' budget (excluding payroll) is unchanged, in the amount of \$47,983.
- The Public Works' budget (excluding payroll) is \$285,652. There was a significant decrease in this department of \$261,126. This is due to decreased funding on causeway lights (\$30k) as well as one-time costs for the professional services (\$167k), streets/sidewalks (\$50k), and PW yard project (\$15k) expense line items budgeted in the current year.
- The Emergency Management division's budget (excluding payroll) totals \$19,870.
- The General Services budget is to cover the general overhead of the City's shared resources such as electricity, water/sewer, insurance, auditing, and legal services. This division is projected to have an increase of \$8,667 for a total amount of \$1,310,521.

Significant increases include \$25,000 for auto, general, and property insurance, \$15,000 for electricity, and \$9,167 for Cameron County Appraisal District expense line items. However, these significant increases are offset by decreases in windstorm insurance (\$25,000), professional services (\$3,000) and water, sewer, & garbage (\$10,000).

- The Special Project's budget is to cover transfers to other funds for special projects as well as miscellaneous services. Included in this department are transfers to the Transit Department of \$170,000, the Capital Replacement Fund in the amount of \$225,000, as well as the Parks, Recreation and Beautification Fund for \$200,000. The total proposed budget for Special Projects amounts to \$666,000.
- The Venue Tax Fund's proposed budget reflects anticipated revenues of \$3,043,821. An annual debt service transfer associated with the issuance of the 2017 Venue Tax Bond is budgeted in the amount of \$507,288. The 2% venue portion of the local Hotel Occupancy Tax is allocated to provide funding for City venue projects.
- The Parks and Recreation Committee uses the Parks, Recreation, and Beautification Fund to cover expenses related to hosting community events. A total of \$18,225 is budgeted for these types of events. The maintenance and improvement costs associated with park developments are also included in this fund. The proposed budget for parks maintenance is \$15,000.  
The budget notes a significant increase in personnel related costs due to the reclassification of two staff members from the Public Works Department to the Parks Division. These staff members account for approximately \$103,000 of the budgeted funds for personnel services. In addition, funding for cell phone allowance in the amount of \$960 and wearing apparel in the amount of \$2,200 was budgeted in this fund related to the reclassification.
- The Transportation Fund anticipated revenues consist of state and federal funds in the amount of approximately \$1.6 million, along with local funds from the Port Isabel EDC for \$75,000, a \$170,000 General Fund contribution, as well as a \$50,000 CVB contribution. Additionally, \$92,285 has been budgeted for revenue associated with office rental at the Multimodal. The City's General Fund also receives an indirect cost allocation from the Transit Department in the amount of \$120,000 to help finance administrative costs.

The proposed budget reflects a decrease of 7% in anticipated revenues mostly attributed to reductions in state and federal funding, which accounts for \$131,233 in decreased funding. As a result of this, reductions in expenditures are being proposed. Significant decreases include \$211,824 in overall personnel services and \$47,500 in machinery & equipment. These significant decrease were offset with significant increase in fuel & lubricants (29k), buildings & structures (\$25k), motor vehicles (\$16k), radios & communications (\$10k), and audit (\$6k) expense line items.

- Debt Service payments are budgeted for an amount of \$2,515,715 for fiscal year 2024-25, which include the payment for the Venue Hotel Occupancy Tax Revenue Bonds.

<b>Debt Service Payments 2024-25</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Municipal Complex	\$ 350,000	\$ 3,500	\$ 353,500
Fire Station	240,000	51,300	291,300
Street, Sidewalk, Median, & Drainage	150,000	178,750	328,750
Laguna Blvd	825,000	99,925	924,925
Venue Project	215,000	291,288	506,288
Fire Trucks	-	110,952	110,952
<b>Total</b>	<b>\$ 1,780,000</b>	<b>\$ 735,715</b>	<b>\$ 2,515,715</b>

- An annual debt service transfer associated with the issuance of the 2017 Venue Tax Bond is budgeted in the amount of \$507,288. In addition, \$40,000 is budgeted to cover the wind sports venue lease. The land leased is 137 acres of land and is for the purpose of operating a wind sports venue, including but not limited to windsurfing, kite boarding, paddle boarding, kayaking, and ancillary activities such as picnicking, and bird watching.
- The Tax Incremental Reinvestment Zone (TIRZ) 2024-25 Fiscal Year Cameron County contribution is estimated to be \$219,061 while the City's payment is estimated to be \$173,032.
- The proposed budget for the Beach Maintenance Fund includes \$249,622 for the rental of portable toilets and extra servicing on a daily basis, as well as an additional \$25,172 for rent expense for the use of offices located in the new Multimodal building.
  - Expenses for City Council are associated with the attendance of the annual American Shore and Beach Preservation Association (ASBPA) conference for one council member. The proposed budget is a total of \$3,500.
  - Expenses for the City Manager's Office are associated with travel costs to attend the annual ASBPA conference as well as any other meetings related to beach and bay maintenance. The proposed budget is \$4,000.
  - The Police Department's budget (excluding personnel costs) is \$3,000. These funds will be used for professional services that will assist with additional security on the beach during Spring Break.
  - The proposed budget for Fire/Beach Patrol includes goods and supplies, repair and maintenance, and miscellaneous services for a total of \$94,035. In addition, Fund 60 will reimburse a portion of personnel costs (including benefits) for the Fire Chief and the Executive Management Assistant, which results in budgeted funds in the amount of \$55,343 in the transfer to general fund expense line item.
  - Code enforcement and administration of anti-litter beach programs are allocated to the Environmental Health Services division. Repair and maintenance costs for this division's beach vehicles will be budgeted in this department in the amount of \$3,000. Goods and supplies are budgeted for \$7,050, which includes tires & lube, batteries, printing, wearing apparel, and minor tools and equipment. Furthermore, the replacement of an ATV is budgeted for a total of \$25,000 for Fiscal Year 2024-25.
  - The proposed budget for the Beach Maintenance Department (excluding personnel costs) is \$843,014. This amount includes a total transfer of \$120,000 to the General Fund for administrative services as well as \$125,000 for Beach Maintenance Supplies. In addition, increased funding of \$24,000 in machinery & equipment and \$21,000 in radios are included for the maintenance and repair of radios and equipment.
- The Beach Access Fund is used to account for projects to improve access to the beaches of the City. The proposed budget of \$30,000 will be used to replace older beach access mats that have become damaged.

- In accordance with the facilities maintenance plan approved by City Council, the City is budgeting \$61,310 for facilities maintenance costs. These funds are allocated to the following repairs:
  - Community Center - tables: 3,100
  - Community Center Parking - asphalt repairs 2: \$467
  - Community Center Parking - asphalt slurry sealing: \$3,406
  - City Hall Elevators - major repairs: \$34,461
  - City Hall Parking - asphalt slurry sealing: \$12,957
  - City Hall Parking - asphalt repairs 2: \$919
  - City Hall Security Gate - maintenance: \$6,000

As a reminder, the City is contributing \$225,000 to this fund on a yearly basis based on the current facilities maintenance plan. Any funds not spent during the year will be used in future fiscal years for expenses related to the referenced plan.

- The Beach Nourishment Fund is funded with one-half percent of the local Hotel Motel Tax collected by the City for beach nourishment projects. Projected revenue is \$760,955 for Fiscal Year 2024-25. Expenses planned for the Beach Nourishment Fund include Coastal Morphometrics Analysis Toolkit (CMAT) maintenance for \$5,000.
- The total proposed expenditures for both the Hotel Motel and Convention Center funds are \$9,344,974. Of this amount, \$1,893,809 or 20% are personnel costs. The proposed budget includes a 4% cost of living adjustment (COLA). The proposed additional cost associated with this is approximately \$57,000.
- The Visitors Bureau division's budget, less personnel cost, is \$55,948, an increase of \$4,260 from the fiscal year 2024-25 budget related to the lease agreement for an office at the Multi-Modal facility. The budgeted cost associated with the lease at the Multi-Modal Facility is \$24,260. The rental fee includes maintenance and utilities.
- The Sales & Administration division's budget, less personnel costs, is \$1,266,335. The proposed budget less payroll costs reflects a decrease of approximately \$228,054. The decrease is reflected largely in professional services. The FY 2024-25 professional services expense line item budget does not include funding for the Second Causeway Study, which the current (FY 2023-24) budget has in the amount of \$334,000, which was slightly offset by increases in software, promotional items, service contracts, dues & memberships, tradeshow fees, and more significantly transfers to General Fund to reimburse administrative overhead costs.
- The Events Marketing budget includes \$727,039 for sponsorships. The City also allocated local occupancy tax revenue for ecological tourism in the amount of \$100,000, no change from the Fiscal Year 2023-24 budget. Furthermore, known and/or recurring events that have been included in the budget are the choreographed fireworks display shows for three summer holidays, which have been budgeted for \$80,000.
- The proposed Marketing budget for next fiscal year is approximately \$4.6 million. The proposed contractual amount plus estimated travel expenses with the agency is as follows:

Account Services	\$ 648,000
Media Placement	1,200,000
Estimated Travel Expenditures	<u>10,000</u>
Total	<u>\$1,858,000</u>

- In terms of media placement, the total budgetary amount for this line item is \$3,050,000, which includes \$1,200,000 allocated to the marketing agency, \$100,000 for in-house marketing in airlift digital signs, \$300,000 for in-house media placement specifically for the fall and the Rio Grande Valley, and \$600,000

for other media placement (agency or CVB) of Spurs buy year 2 and McAllen La Vuelta Zone. Furthermore, \$400,000 is included for Spring Bring Media placement.

- The SPI Historical Museum division was created to account for expenses related to the existing lease agreement with the South Padre Island Historical Foundation. This includes the payment of utilities, building maintenance, janitorial services, building insurance, and providing landscaping/grounds maintenance related to the building located at 600 Padre Blvd. The total proposed budget for this division amounts to \$41,000, the same as FY 2023-24.
- The Convention Center Fund budget includes a total allocation of \$1,138,345 (excluding payroll). There is an overall decrease of approximately \$1,159,734 in expenses mainly associated with decreases for buildings & structures and machinery & equipment.

## Financial Summary

		<b>Total Funds</b>	
		In thousands	
		<b>2023-24</b>	<b>2024-25</b>
		<b>Final</b>	<b>Adopted</b>
		<b>Budget</b>	<b>Budget</b>
<b>REVENUES AND OTHER SOURCES</b>			
Property Taxes - Incl. Penalty & Interest		\$ 9,562	\$ 9,837
Nonproperty Taxes		27,009	25,943
Fees and Services		1,471	1,352
Fines and Forfeitures		324	326
Licenses and Permits		577	652
Intergovernmental		3,827	2,147
Miscellaneous and Program Revenues		475	730
Other Financing Sources		2,970	2,022
<b>Total Revenues</b>		<b>46,214</b>	<b>43,010</b>
<b>EXPENDITURES</b>			
General Government		5,603	5,080
Public Safety		8,278	8,262
Public works		3,236	2,775
Shoreline		4,075	1,474
Transportation		2,136	2,019
Community Service		1,414	1,145
Convention & Visitors Bureau		10,173	10,180
Capital Outlay		13,391	292
Debt Service		2,832	2,917
Other Financing Uses		2,889	1,930
<b>Total Expenditures</b>		<b>54,028</b>	<b>36,075</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>		<b>\$ (7,815)</b>	<b>\$ 6,935</b>

## Long-Range Revenue Forecast

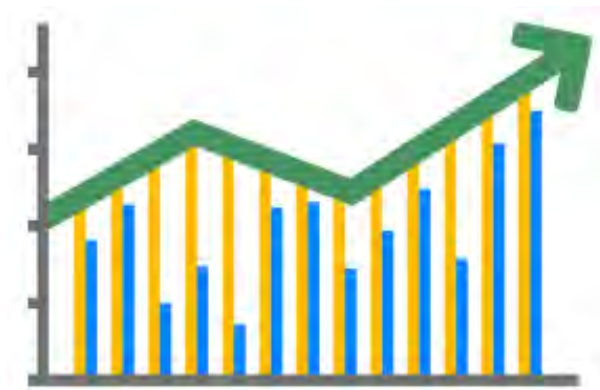
Budgeting is an essential element of the financial planning, control and evaluation process of a municipal government. The annual budget is a dynamic document that will be adjusted as the City proceeds through FY 2024-25. This budget document continues our efforts to establish a strategic approach to align our resources and strategic objectives to the priorities of our citizens.

The City realizes that a long-term financial plan depends strongly on underlying assumptions. Thus, the City embraces a conservative budget philosophy which is the recommendation of the Government Finance Officers Association of Texas. The City purposely underestimates revenues and overestimates expenditures. This increases the likelihood that actual revenues will exceed budgeted and actual expenditures will be less than budgeted. Such a philosophy would ensure that the City does not spend beyond its means.

The City used trend analysis forecasting during the budgeting process. This enables the City to forecast revenue based on growth patterns of past years. Moving average growth rates are used to exclude the effects of abnormally high or low outcomes in prior years. The moving average is determined by calculating the mean growth from the past three to five years.

Projected increases in operating revenues, such as sales, hotel/motel occupancy, and property taxes, will be allocated to fund future increases in operating expenditures. Forecasts reflect a healthy increase in revenues. Furthermore, future capital improvements will be funded as designated in the Capital Improvement Plan. Funding sources for these types of projects include debt issuance, state and federal grants, as well as the venue tax.

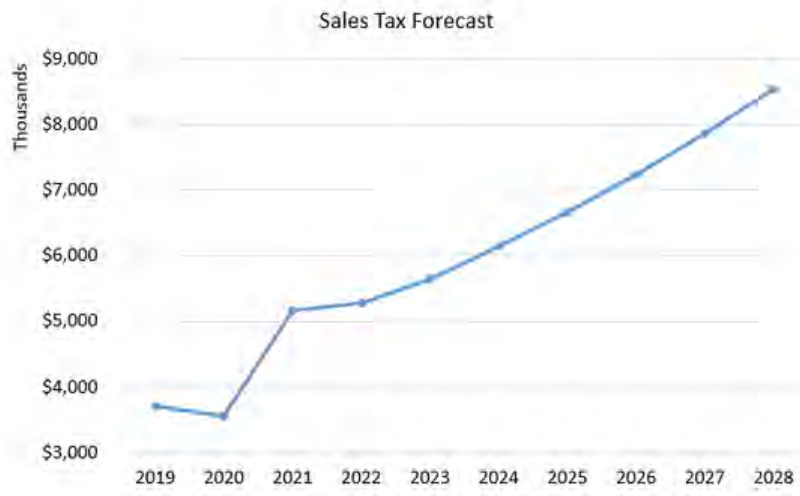
City officials remain committed to a policy of maintaining a six-month reserve level for all operating funds. Based on the proposed budget for FY 2024-25, the General Fund required six months reserve for next fiscal year would be approximately \$8,000,000. It is projected that the unassigned fund balance will be approximately \$11,000,000, leaving excess reserves of \$3,000,000.



## Sales Tax

The greatest contributor of sales tax revenue is our full-service restaurant industry, which is mostly dependent on tourism, as is most of the local economy.

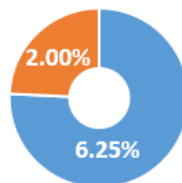
The City has experienced significant increases in sales tax since the significant decrease noted in 2020. The projected increase in sales tax along with property tax collections will ensure the City has sufficient funding for an increase in payroll related expenses directly affected by the cost of living. In addition, the increase will provide funding to cover increases in general overhead expenses (e.g., electricity, water/sewer, insurance, auditing, and legal services).



Sales Tax	
Calendar Year	Amount
2019	3,704,353
2020	3,548,578
2021	5,162,018
2022	5,277,997
2023	5,644,979
2024	6,132,365
2025	6,661,833
2026	7,237,014
2027	7,861,857
2028	8,540,648
	Actual
	Forecast

Forecasting Method:  
Average percentage of change  
over the past 5 years, which was  
calculated as an 8.63% increase.

### 8.25% Sales Tax Rate Breakdown



■ Texas state sales tax   ■ South Padre Island tax

## Hotel Occupancy Tax

Hotel Motel tax collections are used for tourism, advertising and promotion (accounted for in the Hotel Motel Fund), Convention Center operations (Convention Center Fund), nourishment efforts on the beach (Beach Nourishment Fund), and financing future venue projects (Venue Project Fund). The Venue Project Fund was established in Jan. 2017 to provide for the development of a venue project.

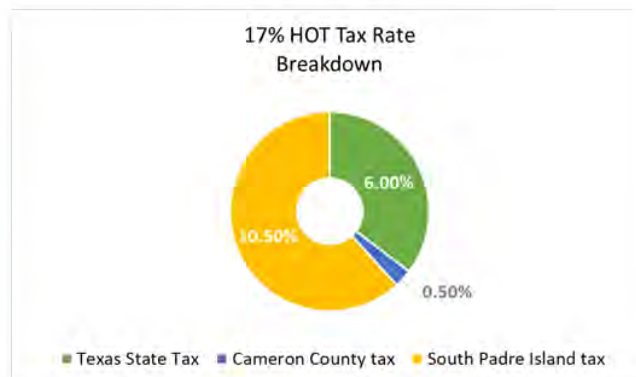
The City experienced significant increases in Hotel Occupancy Tax revenue from 2019 through 2022. However, in 2023 this revenue stream has declined slightly. Due to this slight decrease, the City has tightened budgeted funds for expenditures noted in the Hotel Motel, Venue Project, Convention Center, and Beach Nourishment Funds. The Hotel Occupancy Tax revenue stream ensures sufficient funding exists to cover increases in payroll related expenses directly affected by the cost of living for the CVB staff. Furthermore, the Fiscal Year 2024-25 budget includes a local match of \$50,000 for the Transportation Fund. Other increases in expenses that will be covered by these funds include the following Convention Center overhead expenses: insurance, water, sewer, & garbage, service contracts, etc.



Local Hotel Occupancy Tax	
Fiscal Year	Amount
2019	8,494,475
2020	7,449,334
2021	12,643,649
2022	12,756,876
2023	12,433,377
2024	13,829,773
2025	15,382,999
2026	17,110,668
2027	19,032,373
2028	21,169,904
	Actual
	Forecast

Forecasting Method:

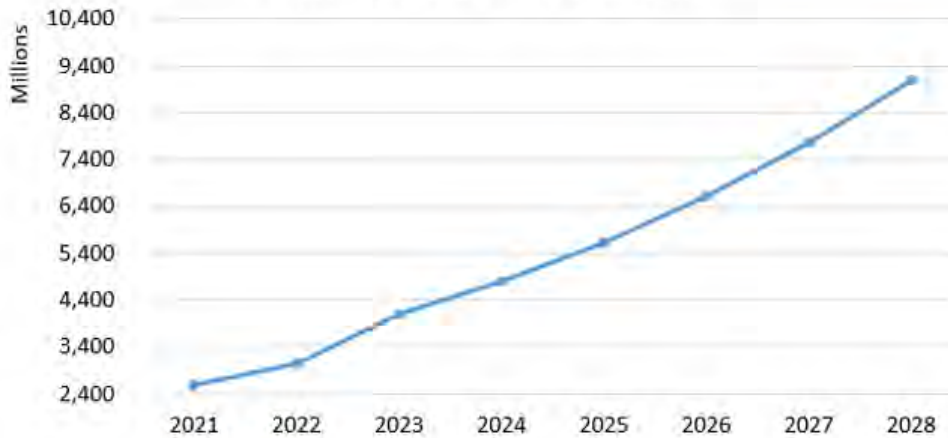
Annual percent increase of 11.23 based on the average change in the last 5 years of collections.



## Property Tax

The City has experienced slight increases in property values for the past few tax years. The 3-year average change in Freeze Adjusted Taxable Values is 6.52%. During the past few years, the property tax rate of the City has experienced slight decreases associated with the debt service tax rate. However, the total property tax rate has decreased slightly. The projected increase in property values and, in turn, revenue will provide funding for infrastructure and maintenance expenditures.

Freeze Adj Taxable Values Forecast

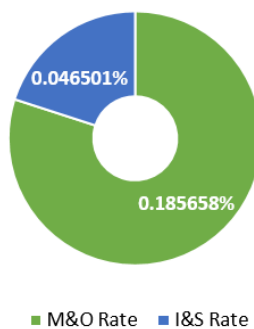


Property Tax	
Tax Year	Freeze Adjusted Taxable Values
2021	2,601,005,264
2022	3,056,665,043
2023	4,092,563,682
2024	4,802,026,707
2025	5,634,478,115
2026	6,611,238,454
2027	7,757,324,282
2028	9,102,088,880
	Actual
	Forecast

### Forecasting Method:

Annual increase of 17.34% based on the average change in the freeze adjusted taxable values of the last 3 tax years.

Property Tax Rate Breakdown



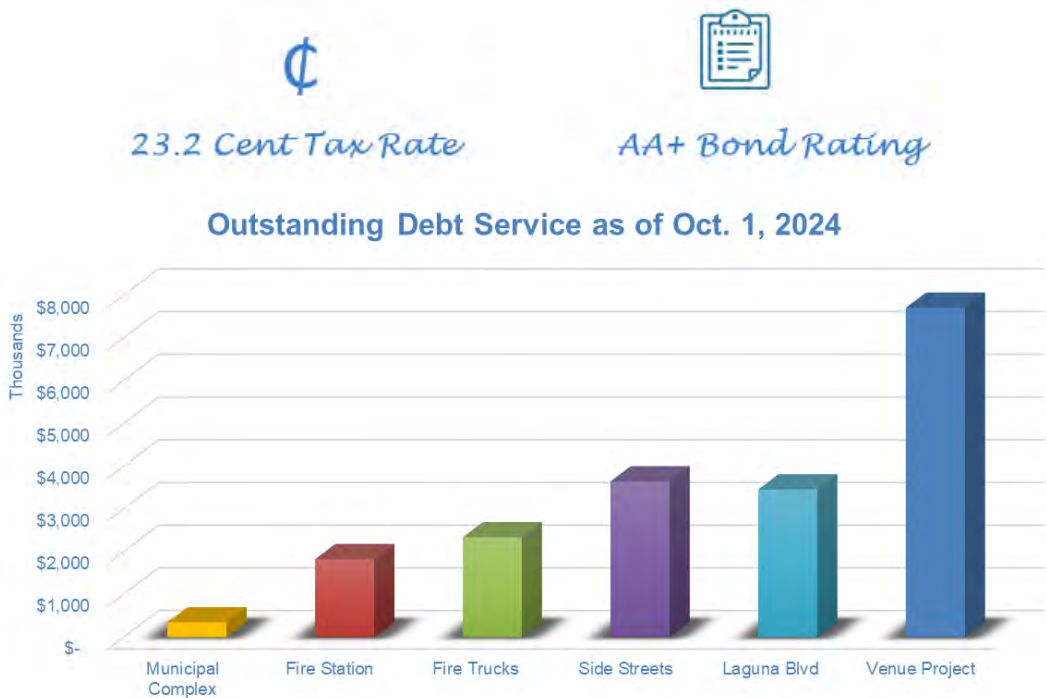
# Property Tax Summary

The 2024/25 property tax rate is \$0.232159 (23.2159 cents per \$100 valuation). This budget will raise more property tax than last year's budget by a total amount of approximately \$276,000, which is a 2.88% increase. The property tax revenue to be raised from new property added to the tax roll this year is approximately \$31,000.

The City property tax rates for the current fiscal year and upcoming fiscal year are as follows:

	Year ending 9/30/2024	Year ending 9/30/2025
	per \$100 valuation	
Total property tax rate	0.232159	0.232159
No-new-revenue tax rate	0.221503	0.227715
No-new revenue maintenance and operations (M&O) rate	0.178391	0.184395
Voter-approval tax rate	0.232159	0.238426
Debt rate	0.047138	0.046501

The total amount of municipal debt obligations as of October 1, 2024, is \$19,350,000, which includes principal only. Of this amount, \$11,635,000 is pledged with property taxes.



# Ad Valorem & Personal Property Tax Rate Ordinance

## ORDINANCE NO. 24-08

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOUTH PADRE ISLAND, TEXAS; ESTABLISHING THE AD VALOREM AND PERSONAL PROPERTY TAX RATE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2025 AND THE TAX YEAR 2024, AND SETTING THE ASSESSED VALUATION AT ONE HUNDRED PERCENT (100%) OF THE FAIR MARKET VALUE AND PROVIDING FOR DISCOUNTS IN THE EVENT OF EARLY PAYMENT, AND PROVIDING FOR PENALTY AND INTEREST IN ACCORDANCE WITH STATE LAW; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Section 26.05 Texas Tax Code provides for the procedures for adoption of the annual ad valorem tax rate for municipalities, and

WHEREAS, THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

WHEREAS, THE TAX RATE WILL EFFECTIVELY BE RAISED BY 0.73% (DIFFERENCE BETWEEN NNR M&O RATE AND PROPOSED M&O RATE) AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$186.

**SECTION 1.** There is hereby established a tax rate of \$0.232159 for each one hundred dollars (\$100.00) of assessed valuation on all ad valorem and personal property taxable under the laws of this State by the City of South Padre Island and said Municipal Tax is levied and fixed for the following purposes, to wit:

**First:** An annual tax of \$0.185658 for each \$100.00 worth of property within the limits of the City of South Padre Island, which is made taxable by law either for State or County purposes, is hereby levied and fixed for the current expenditures of the City of South Padre Island, Texas, and for the general improvements of the City and its property.

**Second:** A tax of \$0.046501 for each \$100.00 worth of all property within the limits of The City of South Padre Island, Texas, which is made taxable by law, either for State or County purposes, is hereby levied and fixed for the purposes of creating an interest and sinking fund for the retirement of general obligation bond.

**SECTION 2.** There is hereby granted a discount for early payment of the 2024 taxes, which discount shall be: three per cent (3%) on 2024 taxes paid during the month of October 2024; two percent (2%) on 2024 taxes paid during the month of November 2024; and one percent (1%) on 2024 taxes paid during the month of December 2024.

**SECTION 3.** Any payment not timely made shall bear such penalty and interest as is provided by state law.

**SECTION 4.** If any section, paragraph, subdivision, clause, phrase or provision of this ordinance shall be adjudged invalid or held unconstitutional, the same shall not affect the validity of this ordinance as a whole or any part or provision thereof, other than the part so decided to be invalid or unconstitutional.

PASSED, APPROVED AND ADOPTED on this 21<sup>st</sup> day of August 2024.

ATTEST:

  
Angelique Soto, City Secretary

**CITY OF SOUTH PADRE  
ISLAND, TEXAS**

  
Patrick McNulty, Mayor



## Summary Position by Department

Fund / Department	2022	2023	2024	2025
<b>General Fund</b>				
City Administration	4.80	4.80	4.90	4.90
Finance	5.80	5.80	5.74	5.74
Planning	1.10	1.10	1.10	1.10
Technology	3.00	3.00	3.00	3.00
Human Resources	3.40	3.40	3.36	3.36
Municipal Court	4.00	4.00	4.00	4.00
Police	37.75	37.75	38.75	39.00
Fire	27.75	27.75	27.75	28.00
Environmental Health Serv.	5.77	5.77	5.77	7.00
Fleet Management	2.00	2.00	3.00	3.00
Building Maintenance	2.00	2.00	2.00	2.00
Inspections	4.00	4.00	5.00	5.00
Public Works	20.75	20.75	20.75	18.90
<b>Hotel Motel Fund</b>				
Visitor's Bureau	2.00	2.00	2.00	2.00
Sales & Administration	11.00	11.00	9.00	12.00
Special Events	1.00	1.00	2.00	1.00
<b>Convention Center</b>				
Convention Center	10.00	10.00	11.00	11.00
<b>Parks and Recreation</b>				
Parks and Recreation	1.00	1.00	1.00	3.00
<b>Transportation</b>				
Island Metro	22.00	22.00	22.00	17.00
<b>Shoreline</b>				
Police/Beach Patrol	0.25	0.25	0.25	0.00
Fire/Beach Patrol	1.25	1.25	1.25	1.00
Environmental Health Serv.	0.23	0.23	0.23	0.00
Public Works	0.15	0.15	0.15	0.00
Shoreline Maintenance	9.00	9.00	10.00	10.00
<b>Total Operating Budget FTE's</b>	<b>180.00</b>	<b>180.00</b>	<b>184.00</b>	<b>182.00</b>

Source: City of South Padre Island Annual Budget

Note: Full-time budgeted positions are displayed.

## Variances in Position by Department

Fund/Department	FY 23	FY 24	Vacant Positions Eliminated	Positions Added for FY 25	FY 25	Variance FY 25 vs FY 24	See Notes Below:
<b>General Fund</b>							
City Administration	4.80	4.90	0.00	0.00	4.90	0.00	
Finance	5.80	5.74	0.00	0.00	5.74	0.00	
Planning	1.10	1.10	0.00	0.00	1.10	0.00	
Technology	3.00	3.00	0.00	0.00	3.00	0.00	
Human Resources	3.40	3.36	0.00	0.00	3.36	0.00	
Municipal Court	4.00	4.00	0.00	0.00	4.00	0.00	
Police	37.75	38.75	0.00	0.25	39.00	0.25	(1.)
Fire	27.75	27.75	0.00	0.25	28.00	0.25	(1.)
Environmental Health Serv.	5.77	5.77	0.00	1.23	7.00	1.23	(1.) & (2.)
Fleet Management	2.00	3.00	0.00	0.00	3.00	0.00	
Building Maintenance	2.00	2.00	0.00	0.00	2.00	0.00	
Inspections	4.00	5.00	0.00	0.00	5.00	0.00	
Public Works	20.75	20.75	2.00	0.15	18.90	-1.85	(1.) & (3.)
<b>Hotel Motel Fund</b>							
Visitor's Center	2.00	2.00	0.00	0.00	2.00	0.00	
Hotel Motel	11.00	9.00	0.00	3.00	12.00	3.00	(4.) & (5.)
Events Marketing	1.00	2.00	1.00	0.00	1.00	-1.00	(4.)
<b>Convention Center</b>							
Convention Center	10.00	11.00	0.00	0.00	11.00	0.00	
<b>Parks &amp; Recreation</b>							
Parks & Recreation	1.00	1.00	0.00	2.00	3.00	2.00	(3.)
<b>Transportation</b>							
South Padre Island Metro	22.00	22.00	5.00	0.00	17.00	-5.00	(6.)
<b>Shoreline</b>							
Police/Beach Patrol	0.25	0.25	0.25	0.00	0.00	-0.25	(1.)
Fire/Beach Patrol	1.25	1.25	0.25	0.00	1.00	-0.25	(1.)
Environmental Health Serv.	0.23	0.23	0.23	0.00	0.00	-0.23	(1.)
Public Works	0.15	0.15	0.15	0.00	0.00	-0.15	(1.)
Beach Maintenance	9.00	10.00	0.00	0.00	10.00	0.00	
<b>Total Operating Budget FTE's</b>	<b>180.00</b>	<b>184.00</b>	<b>8.88</b>	<b>6.88</b>	<b>182.00</b>	<b>-2.00</b>	

Notes: Variance FY 25 vs FY 24

(1.) For the upcoming fiscal year, 100% of the following positions, which previously were partially covered by the Beach Maintenance Fund, are being covered by the General Fund: Police Chief, Fire Chief & Executive Assistant, EHS Director & Manager, and Assistant Public Works Director. Instead, during the fiscal year, a transfer will be processed from the Beach Maintenance Fund to the General Fund to cover some portion of the salary of these positions.

(2.) One Code Enforcement Officer position has been added.

(3.) Two positions (Parks Maintenance Foreman & Technician) have been reassigned from the General Fund to the Parks, Recreation, and Beautification Fund.

(4.) One position (Sr. Marketing & Communications Manager) has been reassigned from the Events Marketing Division to the Hotel Motel Division.

(5.) The following two positions have been added to the Hotel Motel Division: Sales Manager and Content & Graphic Design Specialist.

(6.) Three Vehicle Operator positions are currently vacant and two Communications Specialist positions have been eliminated.

# Budget Resolution

## ORDINANCE NO. 24-07

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOUTH PADRE ISLAND, TEXAS; MAKING APPROPRIATIONS FOR EACH DEPARTMENT, PROJECT, PROGRAM AND ACCOUNTS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024 AND ENDING SEPTEMBER 30, 2025; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of South Padre Island Home Rule Charter provides that the City should by ordinance provide for all appropriations; and

WHEREAS, the City Council has determined that such an ordinance should be enacted to implement and adopt the Budget.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SOUTH PADRE ISLAND, TEXAS:

Section 1. There is hereby appropriated from the funds indicated and for such purposes and other expenditures proposed in such budget, not to exceed for all such purposes for any department, the total amount of the estimated costs of the projects, operations, activities, purchases and other expenditures proposed for each department, fund, service or other organizational unit as follows, to wit:

### GENERAL FUND:

Beginning Fund Balance	\$	10,180,581
Operating Revenue		16,199,045
Total Resources		26,379,626
Expenditures		(16,092,966)
Ending Fund Balance	\$	10,286,660

### HOTEL/MOTEL FUND:

Beginning Fund Balance	\$	20,081,038
Operating Revenue		10,241,666
Total Resources		30,322,704
Expenditures		(8,407,764)
Ending Fund Balance	\$	21,914,940

### VENUE PROJECT FUND:

Beginning Fund Balance	\$	16,486,304
Operating Revenue		3,043,821
Total Resources		19,530,125
Expenditures		(638,128)
Ending Fund Balance	\$	18,891,997

**CONVENTION CENTRE FUND:**

Beginning Fund Balance	\$	5,526,434
Operating Revenue		2,619,618
Total Resources		8,146,052
Expenditures		(1,867,687)
Ending Fund Balance	\$	6,278,365

**PARKS, RECREATION AND  
BEAUTIFICATION**

Beginning Fund Balance	\$	128,366
Operating Revenue		203,750
Total Resources		332,116
Expenditures		(246,712)
Ending Fund Balance	\$	85,404

**MUNICIPAL COURT  
TECHNOLOGY FUND**

Beginning Fund Balance	\$	14,656
Operating Revenue		3,500
Total Resources		18,156
Expenditures		(5,911)
Ending Fund Balance	\$	12,245

**MUNICIPAL COURT SECURITY  
FUND**

Beginning Fund Balance	\$	58,740
Operating Revenue		5,000
Total Resources		63,740
Expenditures		(11,208)
Ending Fund Balance	\$	52,532

**TRANSPORTATION GRANT**

Beginning Fund Balance	\$	784,166
Operating Revenue		2,018,789
Total Resources		2,802,955
Expenditures		(2,018,789)
Ending Fund Balance	\$	784,166

**DEBT SERVICE:**

Beginning Fund Balance	\$	388,540
Operating Revenue		1,898,475
Total Resources		2,287,015
Expenditures		(2,013,428)
Ending Fund Balance	\$	273,587

**TIRZ**

Beginning Fund Balance	\$	825,953
Operating Revenue		392,093
Total Resources		1,218,046
Expenditures		-
Ending Fund Balance	\$	1,218,046

**EDC DEBT SERVICE**

Beginning Fund Balance	\$	413,135
Operating Revenue		397,650
Total Resources		810,785
Expenditures		(392,900)
Ending Fund Balance	\$	417,885

**VENUE DEBT SERVICE**

Beginning Fund Balance	\$	501
Operating Revenue		507,228
Total Resources		507,729
Expenditures		(507,288)
Ending Fund Balance	\$	441

**BEACH MAINTENANCE**

Beginning Fund Balance	\$	4,285,555
Operating Revenue		3,047,321
Total Resources		7,332,876
Expenditures		(2,329,980)
Ending Fund Balance	\$	5,002,896

**BEACH ACCESS FUND**

Beginning Fund Balance	\$	653,845
Operating Revenue		-
Total Resources		653,845
Expenditures		(30,000)
Ending Fund Balance	\$	623,845

**CAPITAL REPLACEMENT PLAN**

Beginning Fund Balance	\$	462,941
Operating Revenue		225,000
Total Resources		687,941
Expenditures		(61,310)
Ending Fund Balance	\$	626,631

**ECONOMIC DEVELOPMENT****CORPORATION**

Beginning Fund Balance	\$	1,993,279
Operating Revenue		1,370,798
Total Resources		3,364,077
Expenditures		(1,370,798)
Ending Fund Balance	\$	1,993,279

**BEACH NOURISHMENT**

Beginning Fund Balance	\$	6,527,044
Operating Revenue		760,955
Total Resources		7,287,999
Expenditures		(5,000)
Ending Fund Balance	\$	7,282,999

**BNC FACILITY MAINTENANCE**

Beginning Fund Balance	\$	258,120
Operating Revenue		75,000
Total Resources		333,120
Expenditures		(75,000)
Ending Fund Balance	\$	258,120

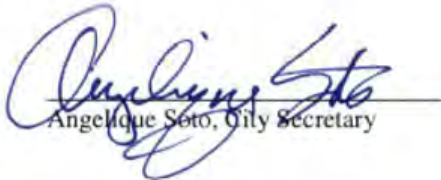
Section 2. This Ordinance repeals all portions of any prior ordinances or parts of ordinances of the Code of Ordinances in conflict herewith and shall not be codified.

Section 3. If for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this Ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this Ordinance for it is the definite intent of this City Council that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

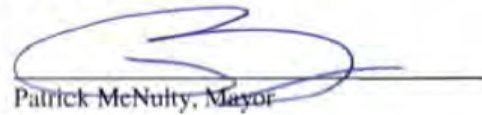
Section 4. This Ordinance shall become effective immediately.

PASSED, APPROVED AND ADOPTED on First Reading, this 21<sup>st</sup> day of August 2024.

**ATTEST:**

  
Angelique Soto, City Secretary

**CITY OF SOUTH PADRE  
ISLAND, TEXAS**

  
Patrick McNulty, Mayor



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## **FUND SUMMARIES**

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## **Fund Descriptions and Fund Structure**

Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges. The City of South Padre Island does not include any business-type activities; therefore, all funds are governmental funds.

### **Fund Descriptions**

#### **Major Governmental Funds**

Major funds represent significant activities of the City. By definition, the General Fund is always considered a major fund. Other governmental funds are reported as major funds if the fund reports at least 10 percent of any of the following: a) total governmental fund assets, b) total governmental fund liabilities, c) total governmental fund revenues, or d) total governmental fund expenditures, excluding other financing sources and uses. The City reports the following fund types and related major governmental funds:

- The General Fund is the primary operating fund for the City. It accounts for all the financial resources of the general government, except those required to be accounted for in another fund. It includes most tax revenues and such services as public safety, inspections, planning, and administration.

#### **Major Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources, other than for major capital projects, that are legally restricted to expenditure for specified purposes. The special revenue funds reported as a major fund are:

- The Hotel/Motel Fund is used to account for occupancy tax collections. This fund is used to account for the portion of collections used for tourism, advertising, and promotion.
- The Venue Project Fund is used to account for monies collected for assessment of hotel/motel tax collected by the City for repayment of venue projects.

#### **Major Capital Project Funds**

Capital project funds are used to account for the acquisition or construction of capital assets. No capital project funds are reported as a major fund.

### **Non-Major Special Revenue Funds**

- The Beach Maintenance Fund is used to clean and maintain the beach. The State of Texas remits to the City 2% of the hotel motel tax collected by the State for these efforts.
- The Beach Nourishment Fund (Shoreline Department) is used to account for nourishment efforts on the beach and is primarily funded by the Hotel Motel Tax revenue.
- The Convention Center Fund is used to account for the portion of occupancy tax collections used for Convention Center operations.
- The Coronavirus Relief Fund is used to account for COVID grant funds received.
- The Municipal Court Security Fund is used to account for monies collected on traffic fines. On each ticket, \$3.00 is collected and used specifically for security needs in the Municipal Court.
- The Municipal Court Technology Fund is used to account for monies collected on traffic fines. On each ticket, \$4.00 is collected and used specifically for technological improvements in the Municipal Court.
- The Parks, Recreation, and Beautification Fund is used to account for funds set aside for upgrades to City parks.
- The Tax Increment Reinvestment Zone (TIRZ) Fund is used to finance the cost of redevelopment and encourage development in an area that would otherwise not attract sufficient market development.
- The Transportation Fund is used to account for proceeds from intergovernmental sources and expenditures associated with the operational costs of the City's public transit system.

### **Non-Major Capital Project Funds**

- The Bay Access Fund was established to account for projects to improve access to Laguna Madre Bay.
- The Beach Access Fund is used to account for projects to improve access to the beaches of the City.
- The Capital Replacement Fund is used to account for preventive maintenance costs for the city's buildings.
- The Laguna Blvd Reconstruction Fund is used to account for the reconstruction of Laguna Boulevard.
- The Padre Boulevard Construction Fund is used to account for expenditures associated with improvements to Padre Boulevard and side streets.
- The Side Streets Project Fund is used to account for projects to improve the streets of the City.
- The Street Improvement Fund is used to account for improvements to the streets of the City.
- The Venue Tax Construction Fund is used to account for bond proceeds received and expenditures associated with future infrastructure of the City.

### Debt Service

- The Debt Service Fund is used to account for the accumulation of resources for the payment of long term debt principal, interest, and related costs. An ad valorem tax rate and tax levy is required to be computed and levied, which will be sufficient to produce the dollars required to pay principal and interest as it comes due.
- The Venue Debt Service Fund is used to account for venue tax debt service payments. A transfer from the Venue Project Fund is also made to support debt service payments.
- The Venue Debt Service Reserve Fund is used to account for the required reserve associated with the issuance of venue tax bonds.
- The Venue Seasonal Reserve Fund is used to account for the required seasonal reserve associated with the issuance of tax bonds.

### Component Unit

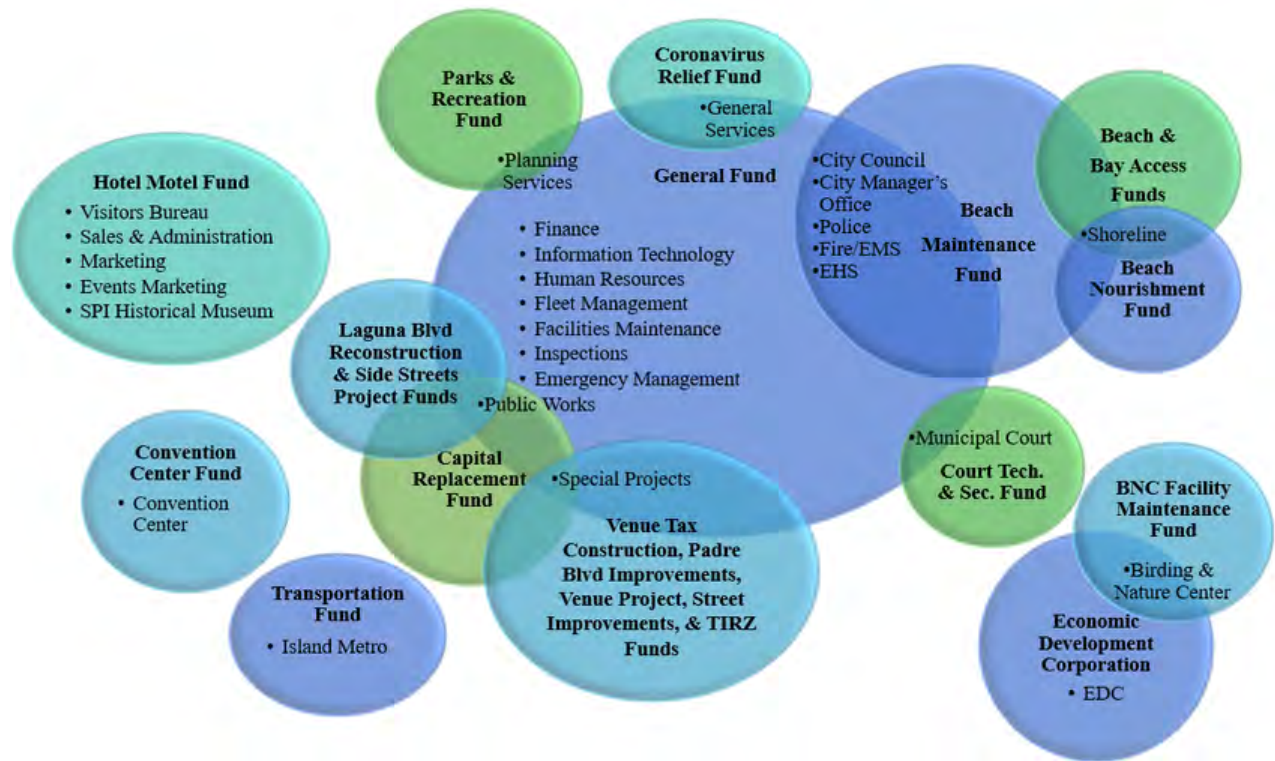
The City of South Padre Island Economic Development Corporation (EDC) is a governmental component unit with a seven-member board of directors, appointed by the City Council. A governmental component unit is a legally separate organization for which the elected officials of the primary government are financially accountable.

- The BNC Facility Maintenance Fund was established to account for preventative maintenance costs associated with the Birding and Nature Center Facility.
- The Economic Development Corporation (EDC) Fund is the operating fund for the EDC. It accounts for all the financial resources of the EDC, except those accounted for in another fund. The EDC is authorized to administer the distribution of the proceeds of any development bonds issued and the proceeds of certain development sales taxes received on behalf of the City.

#### *Debt Service*

- The EDC Debt Service Reserve Fund is used to account for the required reserve associated with the issuance of EDC tax revenue bonds.
- The EDC Debt Service Fund accumulates revenue from sales tax collections to pay for EDC tax revenue bond principal, interest, and debt-related expenses.

## Department/Fund Relationship



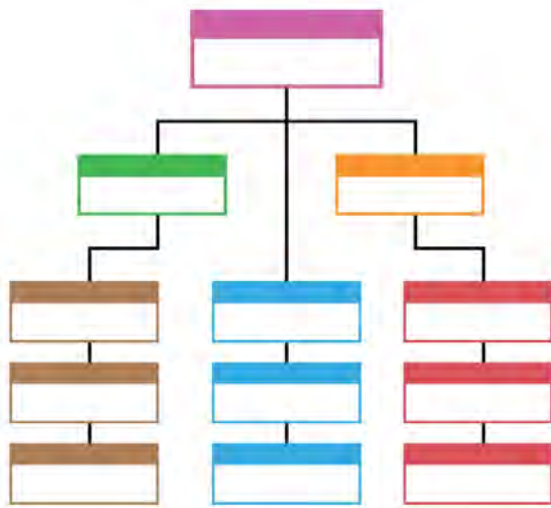
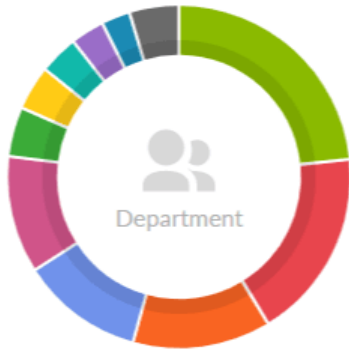
## Use of Funds by Departments

Department(s)	Governmental Funds																
	Major Special Revenue Funds			Major Cap. Proj. Fund	Non-Major Special Revenue Funds							Non-Major Capital Project Funds					
	General Fund	Hotel Motel	Venue Project		Beach Maintenance	Beach Nourishment	Convention Center	Coronavirus Relief	Mun. Court Tech. & Sec.	Parks, Rec. & Beautification	Transportation	Bay Access	Beach Access	Capital Replacement	Laguna Blvd Reconstruction	Padre Blvd Construction	Side Streets Project
City Council & City Manager's Office	X				X												
Finance, Info. Tech., & Human Resources	X																
Planning Services	X									X							
Municipal Court	X								X								
Police, Fire/EMS, & Env. Health Serv.	X				X												
Fleet, Facilities Maint. & Inspections	X																
Public Works	X													X	X		
Emergency Management	X																
General Service	X							X									
Special Projects	X		X											X		X	X
Shoreline					X	X						X	X				
Visitors Bureau, Sales & Adm., Marketing, Events Marketing, & SPI Historical Museum		X															
Convention Center							X										
Transportation											X						

Department	Component Unit	
	Economic Development Corporation	BNC Facility Maintenance
EDC	X	
Birding & Nature Center	X	X

## Departmental Structure

A key element of the City's departmental structure is how certain activities are directed in order to achieve the goals of the City.



- Fund 01 – General Fund
  - 511 City Council
  - 512 City Manager's Office
  - 513 Finance
  - 514 Planning
  - 515 Technology
  - 516 Human Resources
  - 520 Municipal Court
  - 521 Police
  - 522 Fire
  - 532 Environmental Health Services
  - 540 Fleet Management
  - 541 Facilities and Grounds Maintenance
  - 542 Inspections
  - 543 Public Works
  - 544 Emergency Management
  - 570 General Services
  - 572 Special Projects
- Fund 02 – Hotel Motel Tax
  - 590 Visitors Bureau
  - 592 Sales & Administration
  - 593 Events Marketing
  - 594 Marketing
  - 596 SPI Historical Museum
- Fund 03 – Venue Projects
- Fund 06 – Convention Center
- Fund 09 – Parks, Recreation, & Beautification
- Fund 21 – Municipal Court Technology
- Fund 22 – Municipal Court Security
- Fund 30 – Transportation
  - 591 Island Metro
- Fund 43 – Street Improvements
- Fund 50 – General Debt Service
- Fund 51 – TIRZ (Tax Increment Reinvestment Zone)
- Fund 52 – EDC Debt Service
- Fund 53 – Venue Debt Service
- Fund 57 – Venue Tax Construction
- Fund 60 – Beach Maintenance
  - 511 City Council
  - 512 City Manager's Office
  - 521 Police/Beach Patrol
  - 522 Fire/Beach Patrol
  - 532 Environmental Health Services
  - 540 Fleet Management
  - 560 Beach Maintenance
- Fund 61 – Beach Access
- Fund 62 – Bay Access
- Fund 65 – Capital Replacement
- Fund 66 – Laguna Boulevard Reconstruction
- Fund 67 – Side Streets Project
- Fund 80 – Economic Development Corp.
- Fund 81 – Beach Nourishment
- Fund 82 – BNC Facility Maintenance



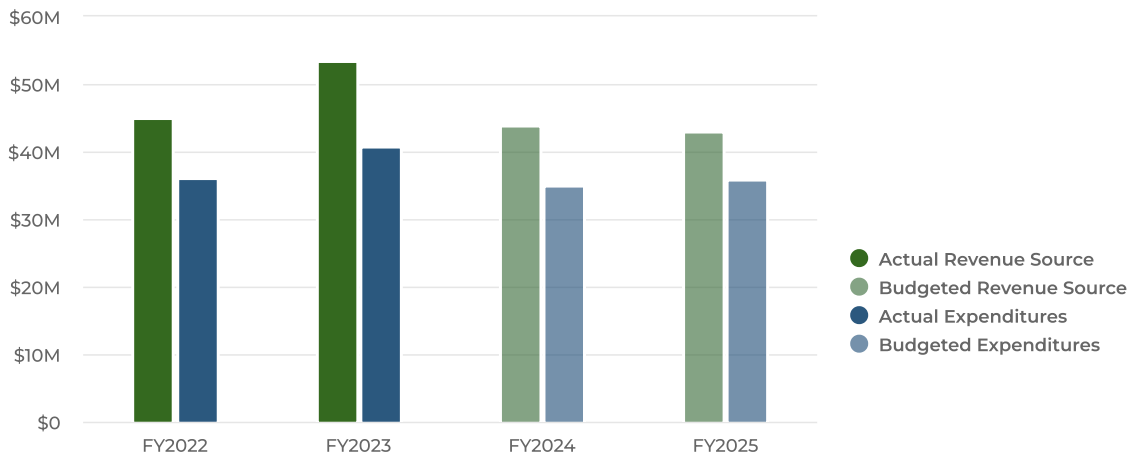
## All Funds Summary

General Governmental Fund Types (General Fund, Special Revenue Funds, and Debt Service Fund) account for a major portion of the City's operating revenues and expenditures. A fourth general governmental fund type is Capital Projects, which was established to account for major city improvements.

This summary outlines the Revenues and Expenses of the City by source, fund type, and department. Please reference the individual fund summary pages found in the Fund & Department Budgets section for more information on each fund.

### Summary

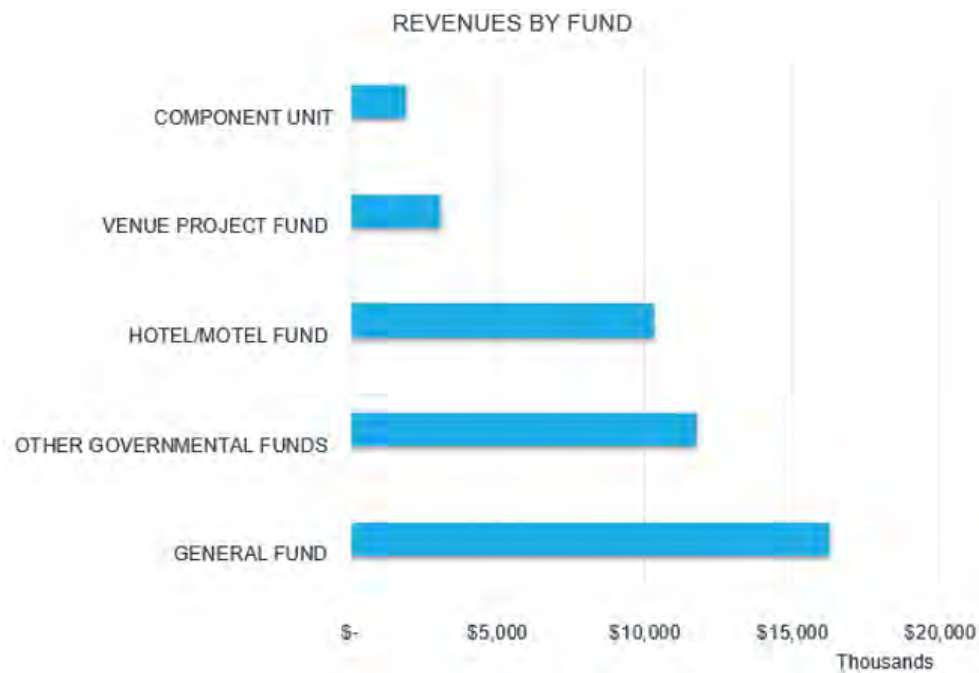
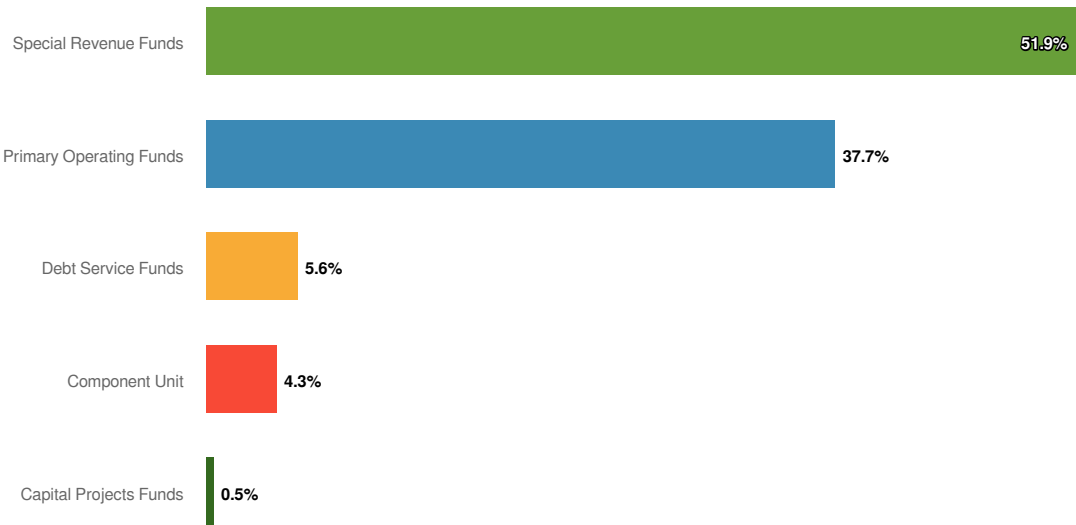
\$43.01M The City of South Padre Island is projecting \$44.01M of revenue in FY 2024-25, which represents a 2.28% decrease compared to the prior year's adopted budget. Budgeted expenditures are projected to increase by 2.91% or \$1.02M to \$36.07M in FY 2024-25.



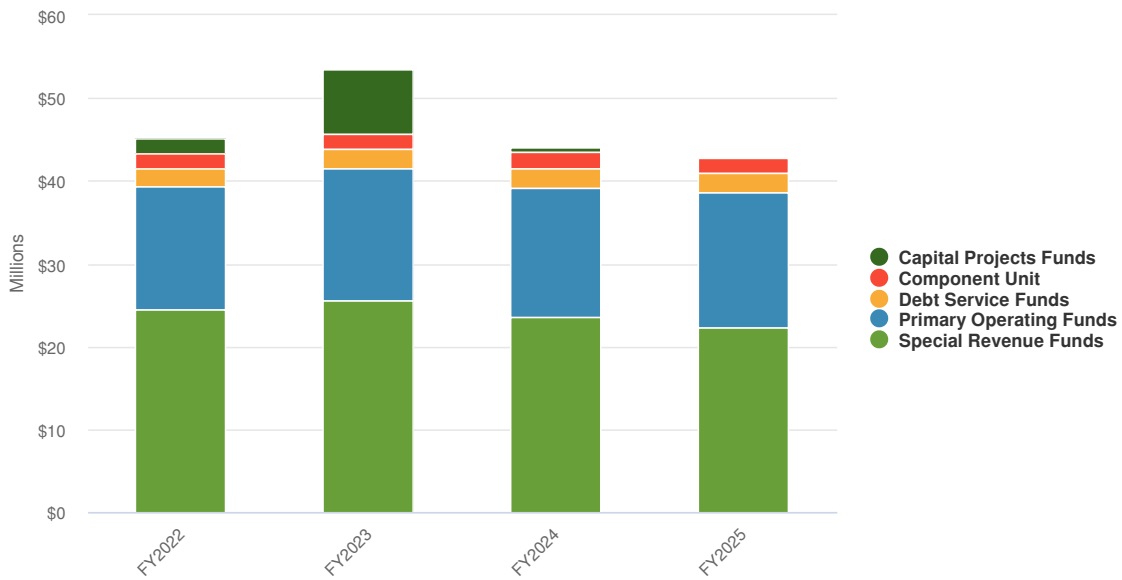
# Revenue by Fund Type

General Fund revenues represent 37.7% of total revenues.

## Budgeted Revenue by Fund Type



## Budgeted and Historical Revenue by Fund Type



General Fund revenues are budgeted to total \$16.2M, including other financing sources. This represents an increase of 3.72% over the FY 2023/24 adopted budget revenues.

The Hotel/Motel Fund and the Convention Center Fund have total projected revenue of \$12.86M, which is a 2.86% decrease from the previous year's adopted budget.

Projected revenues for the Venue Tax Fund total \$3.04M, a 1.43% decrease from the prior year's adopted budget.

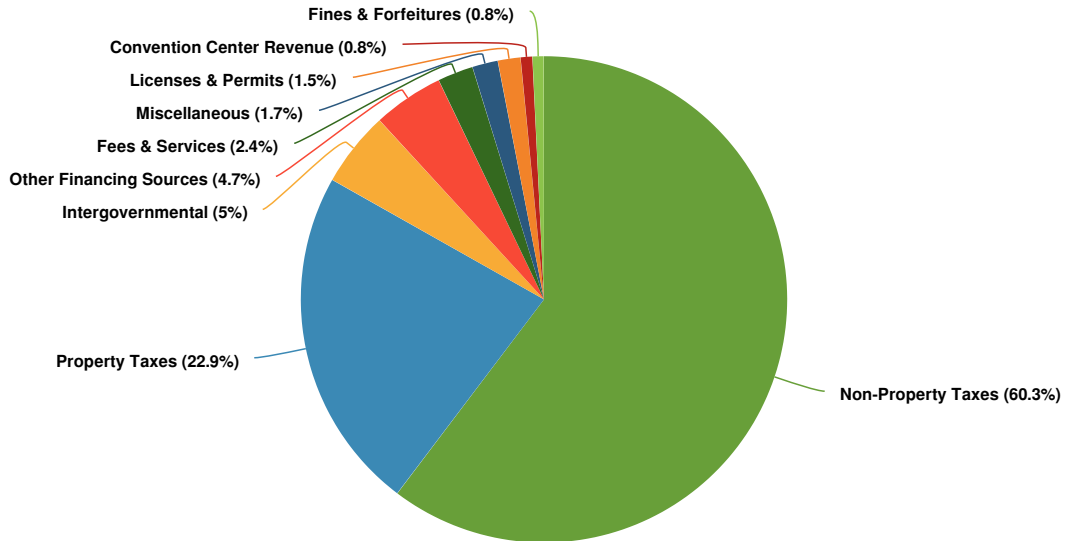
Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget
Primary Operating Funds				
General Fund	\$14,855,278	\$15,943,148	\$15,618,327	\$16,199,045
Forfeited Property Fund	\$103,010	\$16,239	\$0	\$0
<b>Total Primary Operating Funds:</b>	<b>\$14,958,288</b>	<b>\$15,959,387</b>	<b>\$15,618,327</b>	<b>\$16,199,045</b>
Special Revenue Funds				
Hotel/Motel Tax Fund	\$10,502,000	\$10,942,210	\$10,446,904	\$10,241,666
Venue Project Fund	\$3,225,319	\$3,692,655	\$3,193,187	\$3,043,821
Convention Center Fund	\$2,689,359	\$3,171,545	\$2,806,846	\$2,619,618
Parks, Recreation, And Beautification Fund	\$212,873	\$480,656	\$146,993	\$203,750
Municipal Court Technology Fund	\$6,610	\$7,211	\$3,500	\$3,500
Municipal Court Security Fund	\$7,849	\$8,398	\$5,000	\$5,000
Transportation Fund	\$2,342,823	\$2,282,602	\$2,180,577	\$2,018,789
TIRZ Fund	\$112,949	\$217,786	\$354,200	\$392,093
Beach Maintenance Fund	\$3,675,886	\$3,541,085	\$3,196,687	\$3,047,321
Covid-19 Fund	\$689,710	\$344,846	\$0	\$0

Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget
Beach Nourishment Fund	\$973,235	\$946,568	\$1,198,297	\$760,955
<b>Total Special Revenue Funds:</b>	<b>\$24,438,613</b>	<b>\$25,635,561</b>	<b>\$23,532,191</b>	<b>\$22,336,513</b>
Capital Projects Funds				
Padre Blvd Improvement Fund	\$350,348	\$0	\$0	\$0
Venue Tax Construction Fund	\$4,941	\$9,067	\$0	\$0
Beach Access Fund	\$1,181,641	\$947,628	\$330,000	\$0
Bay Access Fund	\$58,553	\$1,253,591	\$0	\$0
Capital Replacement Fund	\$225,000	\$225,000	\$225,000	\$225,000
Laguna Blvd Reconstruction Fund	\$14,821	\$1,192,346	\$0	\$0
Side Streets Project Fund	\$0	\$4,144,554	\$0	\$0
<b>Total Capital Projects Funds:</b>	<b>\$1,835,303</b>	<b>\$7,772,185</b>	<b>\$555,000</b>	<b>\$225,000</b>
Debt Service Funds				
General Debt Service Fund	\$1,667,344	\$1,730,124	\$1,903,025	\$1,898,475
Venue Debt Service Fund	\$510,738	\$509,738	\$508,588	\$507,288
<b>Total Debt Service Funds:</b>	<b>\$2,178,082</b>	<b>\$2,239,862</b>	<b>\$2,411,613</b>	<b>\$2,405,763</b>
Component Unit				
EDC Debt Service Fund	\$396,807	\$395,986	\$398,150	\$397,650
Economic Development Corporation Fund	\$1,342,573	\$1,475,295	\$1,422,000	\$1,370,798
BNC Facility Maintenance Fund	\$34,098	\$50,000	\$75,000	\$75,000
<b>Total Component Unit:</b>	<b>\$1,773,478</b>	<b>\$1,921,281</b>	<b>\$1,895,150</b>	<b>\$1,843,448</b>
<b>Total:</b>	<b>\$45,183,763</b>	<b>\$53,528,276</b>	<b>\$44,012,281</b>	<b>\$43,009,769</b>

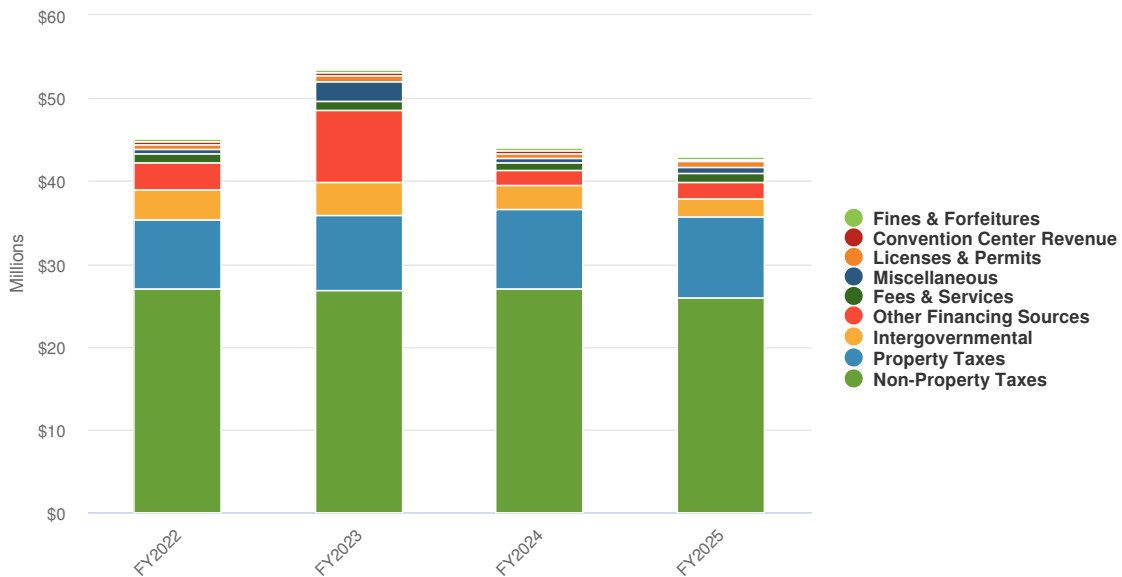
## Revenues by Source

*Non-property taxes are the major source of revenue, representing 60.3%.*

### Projected Revenues by Source



### Budgeted and Historical Revenues by Source

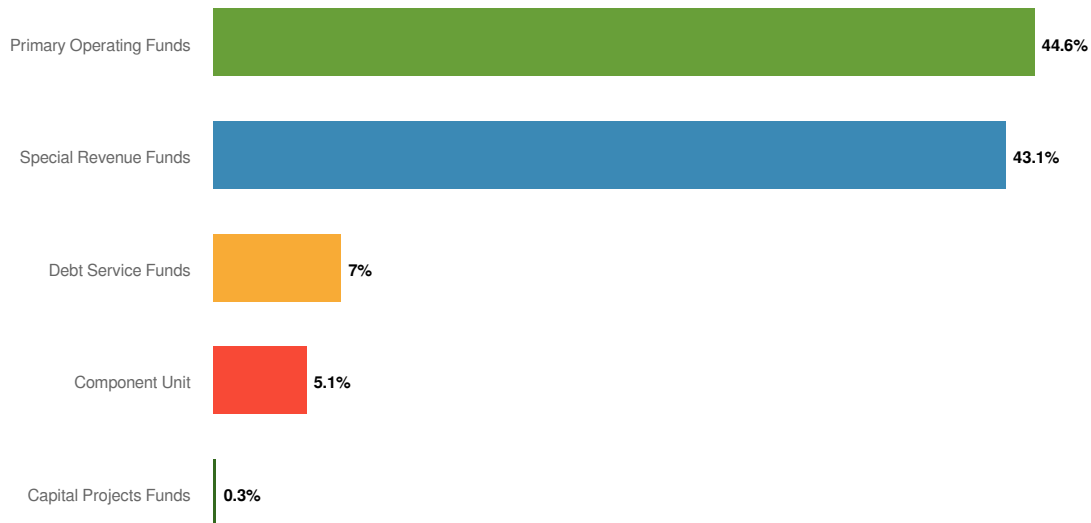


Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget
Revenue Source				
Property Taxes	\$8,245,621	\$8,967,272	\$9,561,563	\$9,837,329
Non-Property Taxes	\$27,094,472	\$26,839,677	\$27,009,261	\$25,942,708
Fees & Services	\$1,066,546	\$1,120,931	\$936,142	\$1,016,452
Licenses & Permits	\$516,608	\$688,105	\$576,500	\$651,500
Intergovernmental	\$3,593,618	\$4,120,750	\$2,971,539	\$2,147,304
Fines & Forfeitures	\$408,840	\$355,141	\$323,700	\$325,700
Miscellaneous	\$678,076	\$2,358,375	\$467,500	\$730,300
Other Financing Sources	\$3,246,909	\$8,658,412	\$1,830,076	\$2,022,476
Convention Center Revenue	\$333,073	\$419,615	\$336,000	\$336,000
<b>Total Revenue Source:</b>	<b>\$45,183,763</b>	<b>\$53,528,276</b>	<b>\$44,012,281</b>	<b>\$43,009,769</b>

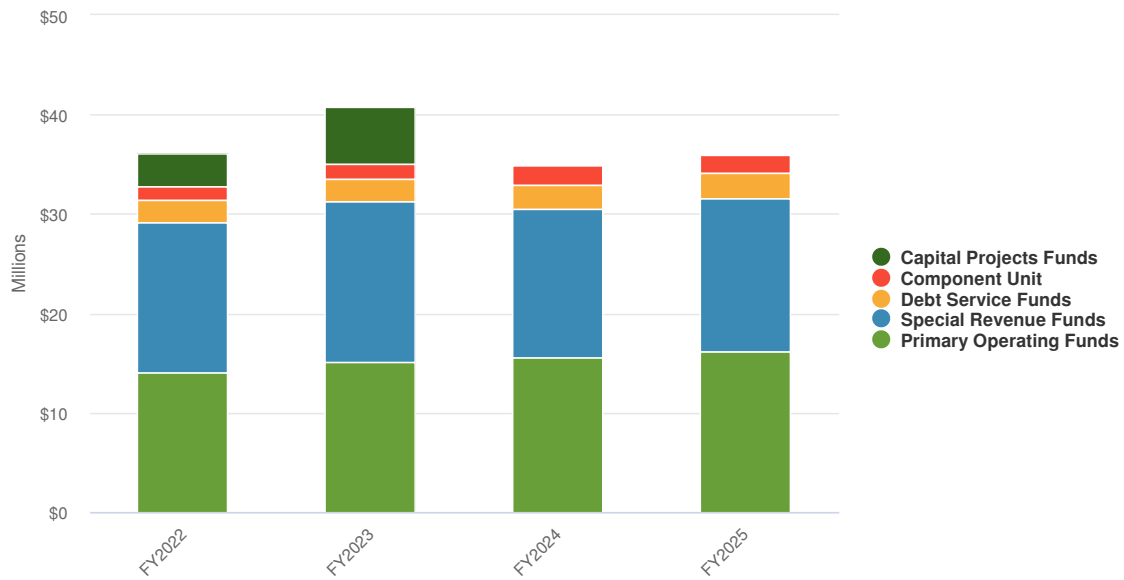
## Expenditures by Fund Type

*General Fund expenditures represent 44.6% of total expenditures.*

### Budgeted Expenditures by Fund



## Budgeted and Historical Expenditures by Fund Type



General Fund expenditures are budgeted to total \$16.09M. This represents an increase of 3.81% over the FY 2023/24 adopted budget expenditures.

The Hotel/Motel Fund and the Convention Center Funds have total projected expenditures of \$10.28M, which is a 9.96% increase from the previous year's adopted budget.

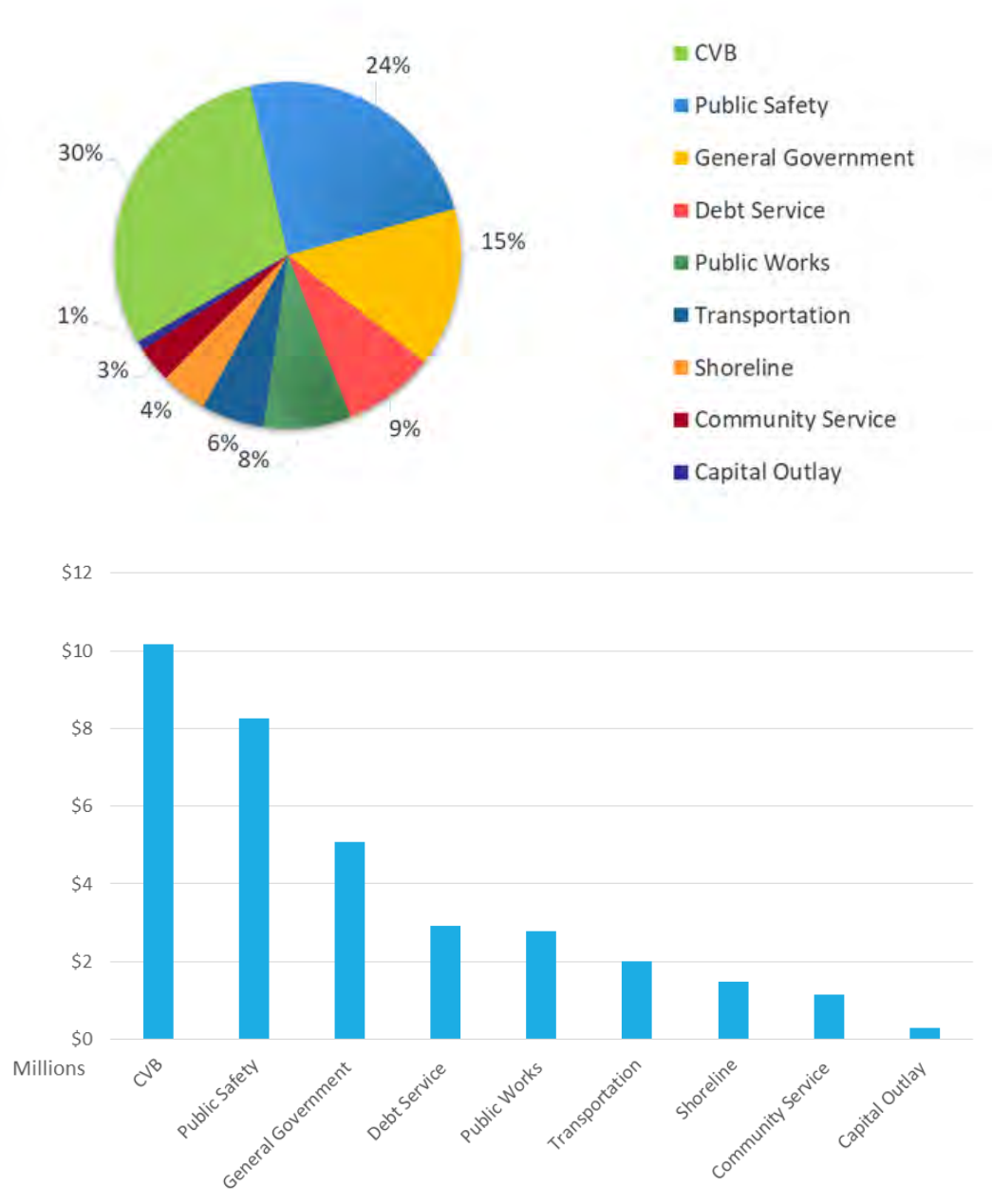
Projected expenditures for the Venue Project Fund total \$638K, a 0.25% increase from the prior year's adopted budget.

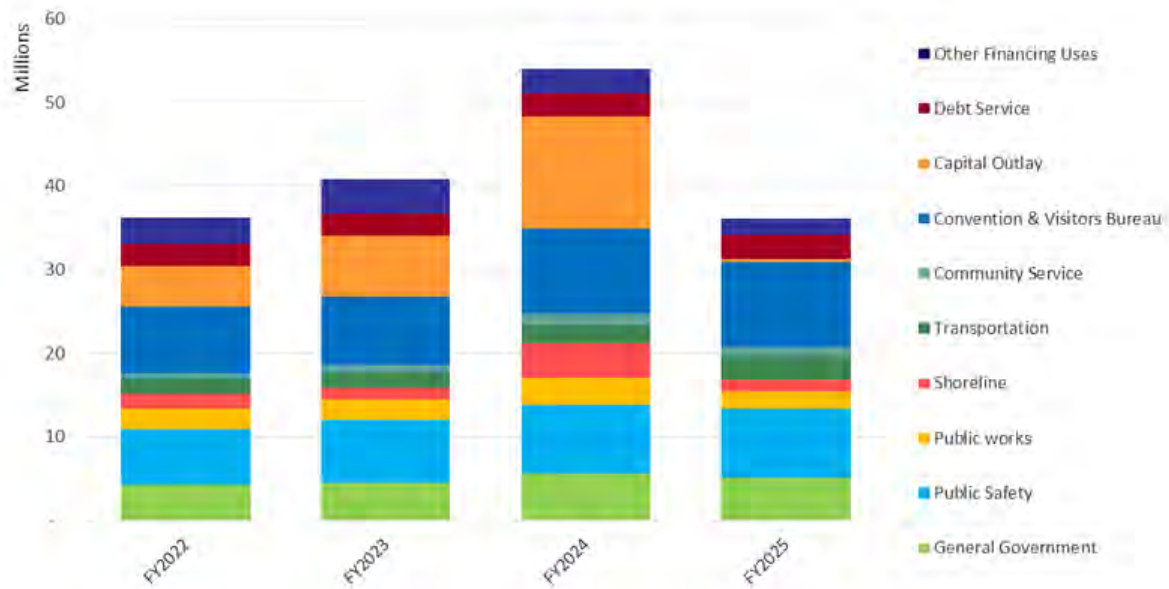
Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget
Primary Operating Funds				
General Fund	\$14,006,630	\$15,005,215	\$15,502,419	\$16,092,966
Forfeited Property Fund	\$18,597	\$34,081	\$0	\$0
<b>Total Primary Operating Funds:</b>	<b>\$14,025,226</b>	<b>\$15,039,297</b>	<b>\$15,502,419</b>	<b>\$16,092,966</b>
Special Revenue Funds				
Hotel/Motel Tax Fund	\$6,599,463	\$6,872,468	\$7,608,842	\$8,407,764
Venue Project Fund	\$604,654	\$589,864	\$636,544	\$638,128
Convention Center Fund	\$1,557,003	\$3,027,760	\$1,736,132	\$1,867,687
Parks, Recreation, And Beautification Fund	\$250,401	\$443,447	\$142,258	\$246,712
Municipal Court Technology Fund	\$5,978	\$1,651	\$5,911	\$5,911
Municipal Court Security Fund	\$850	\$1,766	\$9,693	\$11,208
Transportation Fund	\$2,071,426	\$2,072,982	\$2,183,877	\$2,018,789
TIRZ Fund	\$91,100	\$32,272	\$0	\$0
Beach Maintenance Fund	\$3,074,805	\$3,033,477	\$2,293,279	\$2,329,980
Covid-19 Fund	\$697,702	\$140,423	\$0	\$0

Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget
Beach Nourishment Fund	\$213,653	\$68,972	\$422,000	\$5,000
<b>Total Special Revenue Funds:</b>	<b>\$15,167,035</b>	<b>\$16,285,080</b>	<b>\$15,038,536</b>	<b>\$15,531,179</b>
Capital Projects Funds				
Padre Blvd Improvement Fund	\$0	\$350,348	\$0	\$0
Street Improvement Fund	\$3,348	\$0	\$0	\$0
Venue Tax Construction Fund	\$902,941	\$321,447	\$0	\$0
Beach Access Fund	\$349,956	\$1,138,367	\$30,000	\$30,000
Bay Access Fund	\$80,090	\$55,520	\$0	\$0
Capital Replacement Fund	\$222,304	\$132,462	\$175,160	\$61,310
Laguna Blvd Reconstruction Fund	\$1,889,928	\$2,740,408	\$0	\$0
Side Streets Project Fund	\$0	\$1,077,943	\$0	\$0
<b>Total Capital Projects Funds:</b>	<b>\$3,448,568</b>	<b>\$5,816,496</b>	<b>\$205,160</b>	<b>\$91,310</b>
Debt Service Funds				
General Debt Service Fund	\$1,701,699	\$1,700,825	\$1,909,870	\$2,013,428
Venue Debt Service Fund	\$510,488	\$509,488	\$508,588	\$507,288
<b>Total Debt Service Funds:</b>	<b>\$2,212,187</b>	<b>\$2,210,313</b>	<b>\$2,418,458</b>	<b>\$2,520,716</b>
Component Unit				
EDC Debt Service Fund	\$384,850	\$393,300	\$391,550	\$392,900
Economic Development Corporation Fund	\$924,585	\$1,094,743	\$1,422,000	\$1,370,798
BNC Facility Maintenance Fund	\$5,270	\$11,180	\$75,000	\$75,000
<b>Total Component Unit:</b>	<b>\$1,314,705</b>	<b>\$1,499,223</b>	<b>\$1,888,550</b>	<b>\$1,838,698</b>
<b>Total:</b>	<b>\$36,167,720</b>	<b>\$40,850,408</b>	<b>\$35,053,123</b>	<b>\$36,074,869</b>

# Expenditures by Governmental Activity

The Convention Center and Visitors Bureau, which includes the Convention Center and Marketing activities, is the City of South Padre Island's greatest expenditure due to the fact that all economic activity on the Island centers on tourism.



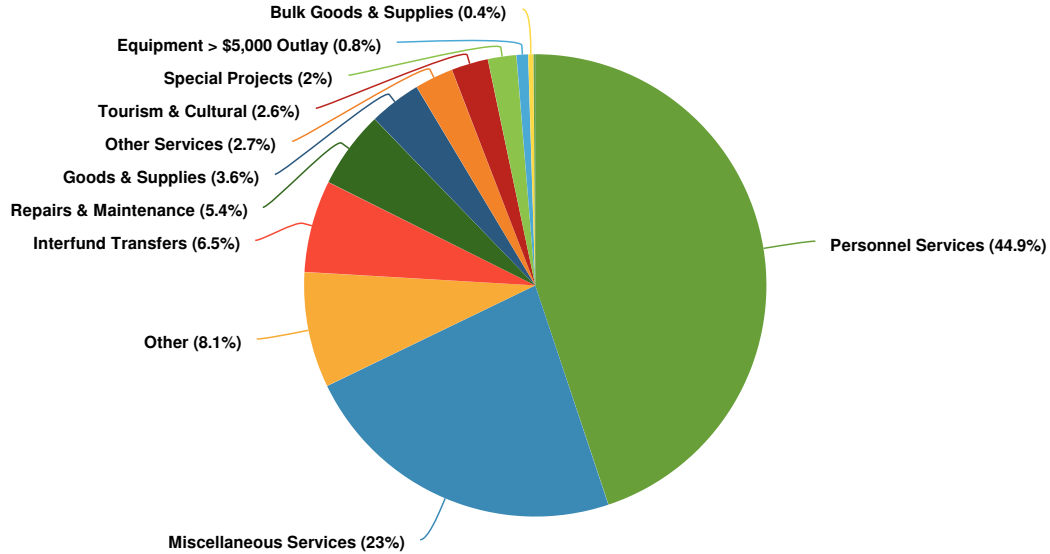


Name	FY2022 Actuals	FY2023 Actuals	FY2024 Final Budget	FY2025 Adopted Budgeted
Expenditures				
General Government	\$4,213,166	\$4,575,131	\$5,603,210	\$5,079,916
Public Safety	6,767,668	7,388,106	8,277,925	8,262,052
Public Works	2,325,124	2,456,361	3,236,478	2,018,789
Shoreline	1,804,836	1,453,648	4,074,995	1,474,328
Transportation	1,825,077	1,844,665	2,136,377	2,775,067
Community Service	591,879	778,035	1,414,108	1,144,860
Convention & Visitors Bureau	8,073,714	8,246,618	10,173,286	10,180,451
Capital Outlay	4,739,687	7,309,344	13,391,406	292,000
Debt Service	2,729,582	2,684,684	2,831,542	2,917,215
Other Financing Uses	3,096,988	4,113,816	2,888,869	1,930,191
<b>Total Expenditures:</b>	<b>\$36,167,720</b>	<b>\$40,850,408</b>	<b>\$54,028,196</b>	<b>\$36,074,869</b>

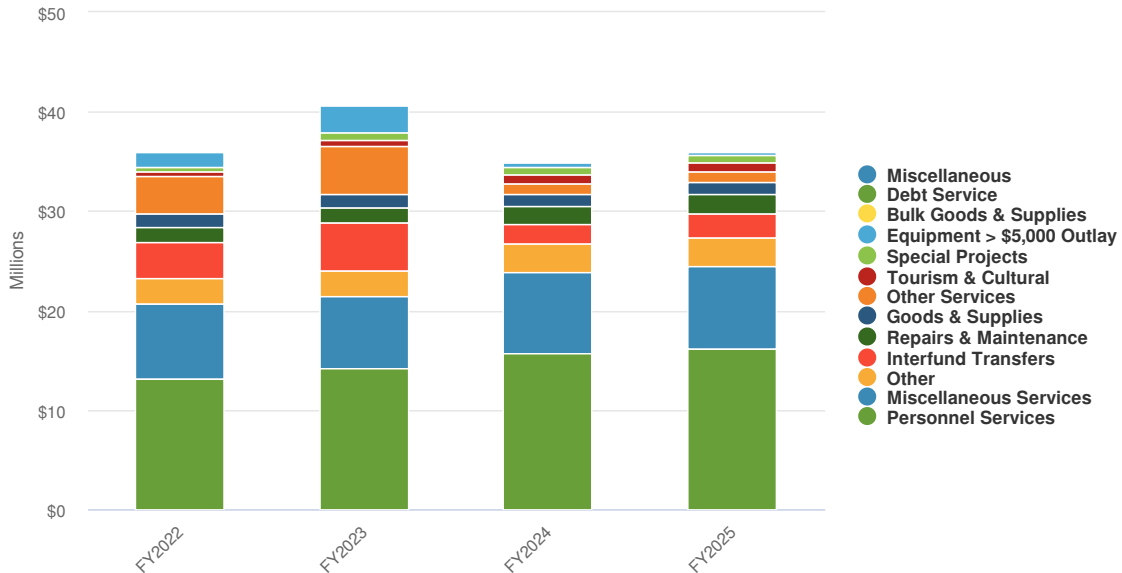
## Expenditures by Expense Type

*Personnel costs are the major expense type, representing 44.9%.*

### Budgeted Expenditures by Expense Type



### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget
Personnel Services	\$13,070,731	\$14,140,826	\$15,716,716	\$16,191,461
Goods & Supplies	\$1,305,916	\$1,257,070	\$1,216,815	\$1,310,555
Bulk Goods & Supplies	\$43,503	\$54,273	\$65,000	\$130,000
Miscellaneous	\$35	\$0	\$1,000	\$500
Repairs & Maintenance	\$1,570,595	\$1,484,656	\$1,780,852	\$1,952,189
Miscellaneous Services	\$7,637,654	\$7,279,626	\$8,145,139	\$8,286,223
Equipment > \$5,000 Outlay	\$1,448,998	\$2,777,412	\$569,180	\$292,000
Tourism & Cultural	\$492,487	\$652,879	\$934,038	\$934,039
Other	\$2,597,037	\$2,603,613	\$2,810,008	\$2,913,616
Interfund Transfers	\$3,573,744	\$4,881,590	\$2,087,353	\$2,327,393
Other Services	\$3,773,785	\$4,910,317	\$959,350	\$976,121
Special Projects	\$484,834	\$705,700	\$722,672	\$717,173
Debt Service	\$168,401	\$102,448	\$45,000	\$43,599
<b>Total:</b>	<b>\$36,167,720</b>	<b>\$40,850,408</b>	<b>\$35,053,123</b>	<b>\$36,074,869</b>



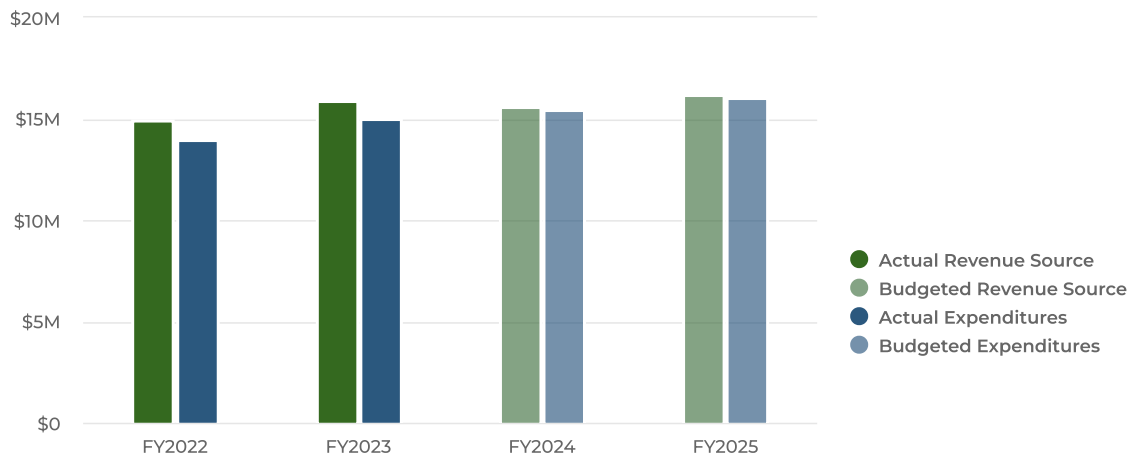
## General Fund

As the General Fund is a major fund of the City, we have highlighted this fund in this section. The General Fund accounts for the resources used to finance the fundamental operations of the City. It is the basic fund of the City and covers all activities for which a separate fund has not been established.

This section details the revenues by source and expenditures by function, department, and expense type. Charts and graphs have been used to illustrate the overall effect the revenues and expenditures have on the total General Fund budget.

### Summary

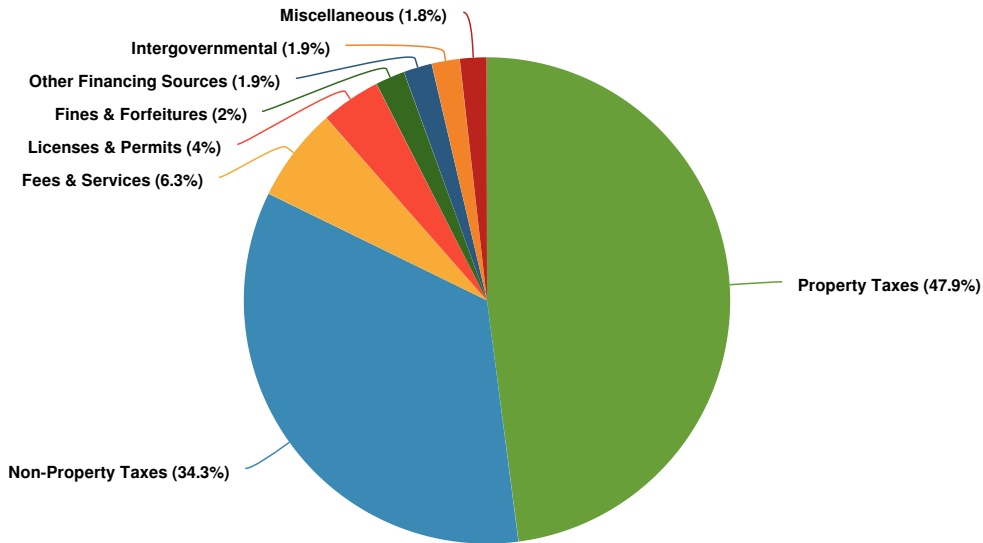
The City of South Padre Island is projecting \$16.2M of revenue in FY 2023/24, which represents an increase of 3.72% over the previous year's adopted budget revenue. Budgeted expenditures are projected to increase by 3.81% to \$16.1M in FY 2024/25.



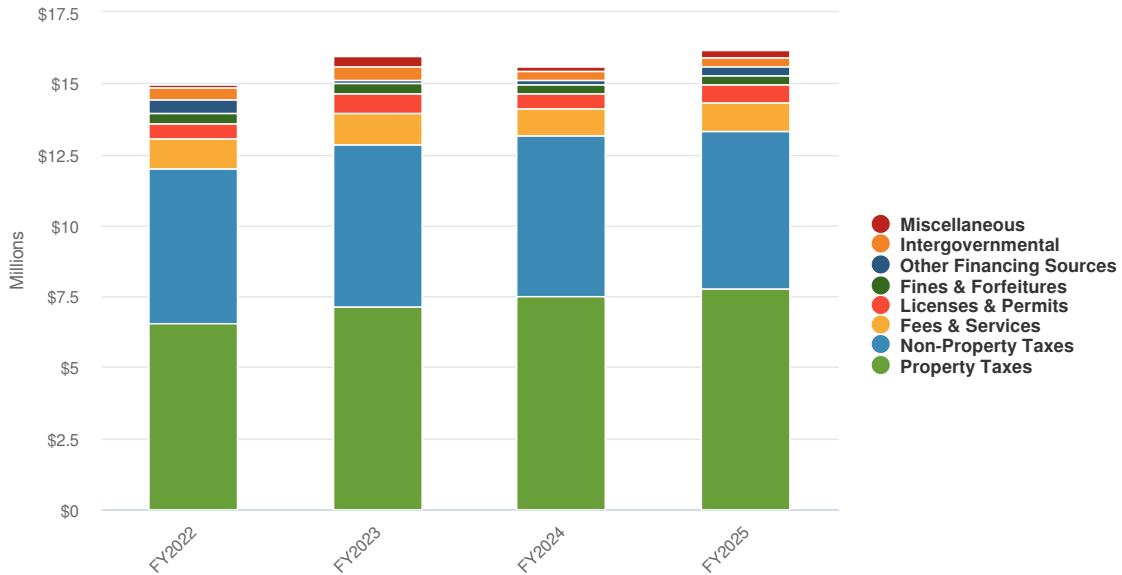
## Revenues by Source

*Property taxes are the major source of revenue, representing 47.9%.*

### Projected Revenues by Source



### Budgeted and Historical Revenues by Source

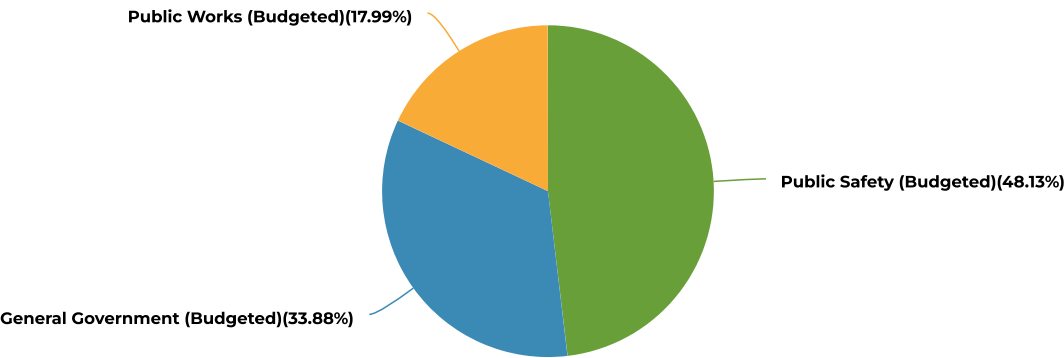


Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
<b>Revenue Source</b>					
<b>Property Taxes</b>					
CURRENT PROPERTY TAXES	\$6,441,779	\$6,976,756	\$7,366,605	\$7,635,822	3.7%
DELINQUENT PROPERTY TAXES	\$44,625	\$69,558	\$60,000	\$60,000	0%
PENALTY AND INTEREST	\$78,097	\$82,797	\$80,000	\$70,000	-12.5%
<b>Total Property Taxes:</b>	<b>\$6,564,501</b>	<b>\$7,129,111</b>	<b>\$7,506,605</b>	<b>\$7,765,822</b>	<b>3.5%</b>
<b>Non-Property Taxes</b>					
SALES TAXES	\$3,988,332	\$4,226,070	\$4,177,052	\$4,082,393	-2.3%
MIX BEVERAGE TAXES	\$532,823	\$543,783	\$534,953	\$558,267	4.4%
ELECTRIC FRANCHISE FEE	\$456,967	\$445,623	\$445,446	\$441,103	-1%
TELEPHONE FRANCHISE FEE	\$20,652	\$17,614	\$19,283	\$15,923	-17.4%
CABLE T.V. FRANCHISE FEE	\$208,604	\$209,114	\$211,059	\$197,077	-6.6%
SOLID WASTE FRANCHISE FEE	\$235,804	\$285,895	\$264,047	\$263,266	-0.3%
<b>Total Non-Property Taxes:</b>	<b>\$5,443,181</b>	<b>\$5,728,100</b>	<b>\$5,651,840</b>	<b>\$5,558,029</b>	<b>-1.7%</b>
<b>Fees &amp; Services</b>					
PUBLIC SAFETY - EVENT	\$176,351	\$180,216	\$0	\$0	0%
EMS REVENUE	\$456,788	\$499,880	\$452,875	\$474,500	4.8%
FIRE DEPT INSPECTION FEES	\$7,025	\$7,475	\$10,000	\$10,000	0%
ADMINISTRATIVE FEES	\$404,510	\$400,303	\$458,517	\$517,202	12.8%
LOT MOWS & LIEN FEES	\$20,747	\$31,306	\$14,000	\$14,000	0%
<b>Total Fees &amp; Services:</b>	<b>\$1,065,421</b>	<b>\$1,119,181</b>	<b>\$935,392</b>	<b>\$1,015,702</b>	<b>8.6%</b>
<b>Licenses &amp; Permits</b>					
BUILDING PERMITS	\$316,856	\$225,922	\$180,000	\$180,000	0%
ELECTRICAL PERMITS	\$10,100	\$7,450	\$8,000	\$8,000	0%
MIX BEVERAGE PERMITS	\$14,468	\$2,138	\$13,000	\$13,000	0%
PLUMBING PERMITS	\$11,050	\$5,150	\$6,000	\$6,500	8.3%
MECHANICAL PERMITS	\$2,050	\$3,600	\$5,000	\$4,000	-20%
TAXI & WRECKER PERMITS	\$2,025	\$2,013	\$2,500	\$3,750	50%
ENV HEALTH & OTHER PERMITS	\$62,000	\$57,515	\$55,000	\$55,000	0%
OTHER PERMITS	\$30,660	\$24,170	\$24,000	\$32,500	35.4%
STR PERMITS	\$11,900	\$3,397	\$0	\$0	0%
SPRING BREAK PERMITS	\$450	\$1,100	\$500	\$250	-50%
STR LICENSES	\$0	\$296,371	\$230,000	\$295,000	28.3%
GOLF CART PERMITS	\$47,325	\$52,875	\$46,000	\$47,000	2.2%
ANIMAL/COMPOSTER SERVICES	\$40	\$150	\$0	\$0	0%
SIDEWALK IN-LIEU FEES	\$0	\$20	\$0	\$0	0%
<b>Total Licenses &amp; Permits:</b>	<b>\$508,923</b>	<b>\$681,870</b>	<b>\$570,000</b>	<b>\$645,000</b>	<b>13.2%</b>

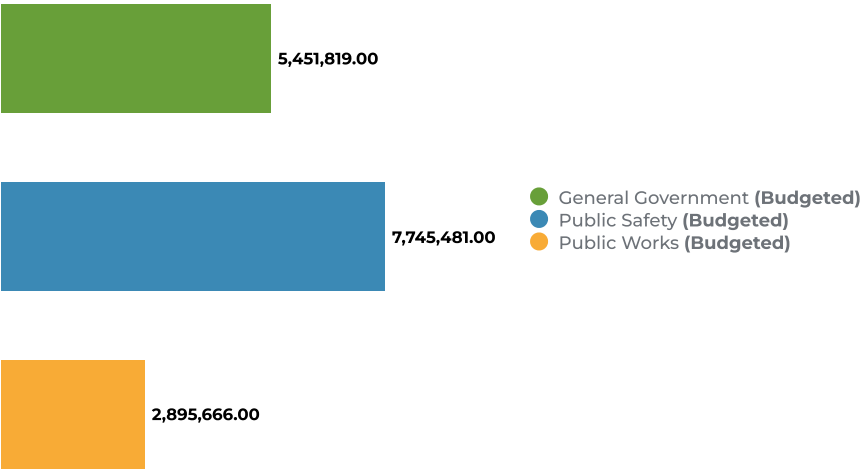
Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
<b>Intergovernmental</b>					
GENERAL LAND OFFICE (BEACH)	\$61,290	\$65,243	\$55,000	\$60,000	9.1%
COUNTY ESD - EMS	\$49,020	\$45,714	\$44,000	\$44,000	0%
COUNTY ESD- FIRE CALL REV.	\$75,735	\$49,846	\$44,000	\$44,000	0%
LEOSE TRAINING FUNDS	\$2,515	\$2,363	\$2,500	\$2,650	6%
OPD ABATEMENT SETTLEMENT FUNDS	\$0	\$9,615	\$2,650	\$0	-100%
GRANT REVENUE	\$205,794	\$287,012	\$133,185	\$150,889	13.3%
<b>Total Intergovernmental:</b>	<b>\$394,354</b>	<b>\$459,793</b>	<b>\$281,335</b>	<b>\$301,539</b>	<b>7.2%</b>
<b>Fines &amp; Forfeitures</b>					
FINES & FORFEITURES	\$283,162	\$309,937	\$300,000	\$300,000	0%
ONLINE CREDIT CARD FEE	\$2,925	\$3,123	\$2,200	\$2,200	0%
WARRANT COLLECT FEES	\$5,285	\$10,233	\$13,000	\$15,000	15.4%
FORFEITURES - FEDERAL	\$51,553	\$12,547	\$0	\$0	0%
FORFEITURES - STATE	\$51,457	\$3,692	\$0	\$0	0%
<b>Total Fines &amp; Forfeitures:</b>	<b>\$394,382</b>	<b>\$339,532</b>	<b>\$315,200</b>	<b>\$317,200</b>	<b>0.6%</b>
<b>Miscellaneous</b>					
INTEREST REVENUE	\$49,366	\$312,411	\$150,000	\$250,000	66.7%
CASH OVER/SHORT	\$0	\$15	\$0	\$0	0%
MISCELLANEOUS REVENUE	\$46,756	\$46,228	\$35,000	\$35,000	0%
INSURANCE PROCEEDS	\$7,006	\$11,699	\$0	\$0	0%
COPIES	\$7	\$31	\$0	\$0	0%
FUEL REBATE	\$5,620	\$10,312	\$5,500	\$5,500	0%
<b>Total Miscellaneous:</b>	<b>\$108,754</b>	<b>\$380,696</b>	<b>\$190,500</b>	<b>\$290,500</b>	<b>52.5%</b>
<b>Other Financing Sources</b>					
HOTEL/MOTEL TAX FROM FND 60	\$86,851	\$56,937	\$120,000	\$120,000	0%
LEASE PROCEEDS	\$3,263	\$9,038	\$0	\$0	0%
SALE OF FIXED ASSETS	\$41,854	\$21,645	\$0	\$0	0%
TRANSFERS IN	\$346,803	\$33,485	\$47,455	\$185,253	290.4%
<b>Total Other Financing Sources:</b>	<b>\$478,771</b>	<b>\$121,105</b>	<b>\$167,455</b>	<b>\$305,253</b>	<b>82.3%</b>
<b>Total Revenue Source:</b>	<b>\$14,958,288</b>	<b>\$15,959,387</b>	<b>\$15,618,327</b>	<b>\$16,199,045</b>	<b>3.7%</b>

# Expenditures by Function, Department, and Expense Type

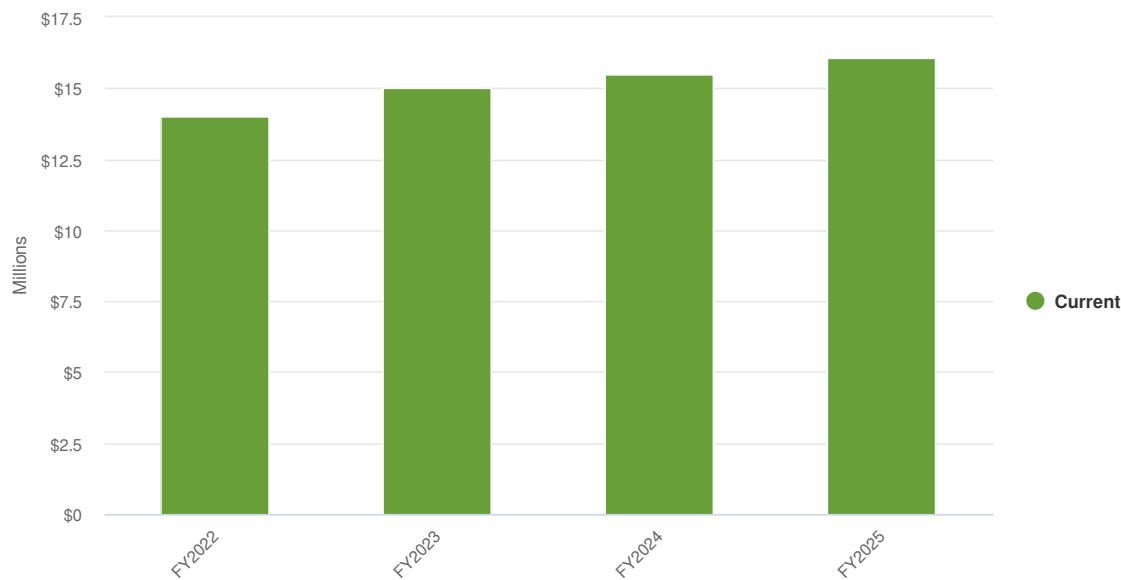
Budgeted Expenditures by Function



Budgeted Expenditures by Function



### Budgeted and Historical Expenditures by Function

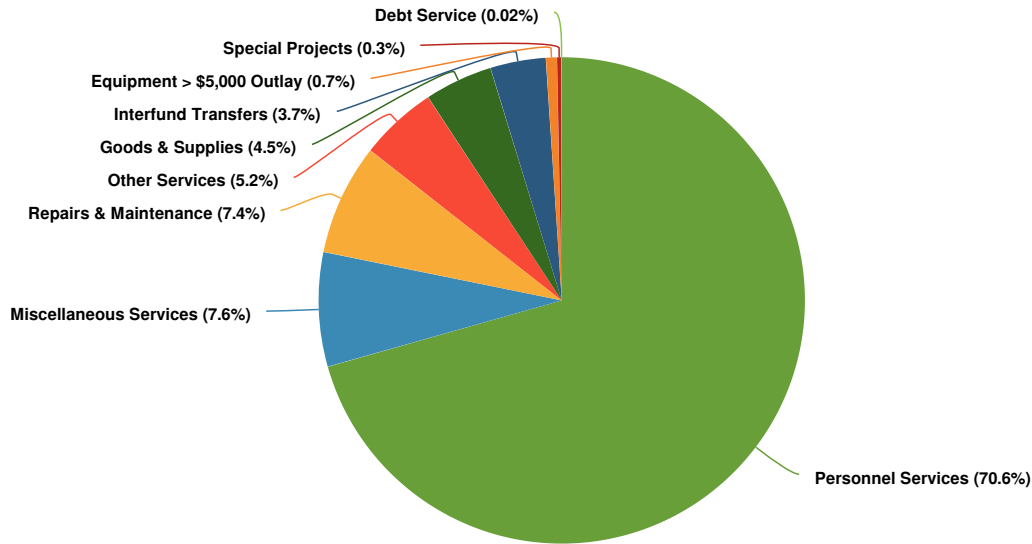


Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
City Council	\$6,448	\$14,231	\$26,000	\$26,000	0%
City Manager'S Office	\$620,747	\$687,302	\$811,697	\$844,028	4%
Finance	\$479,632	\$533,942	\$573,608	\$602,273	5%
Planning	\$87,110	\$93,970	\$104,472	\$106,994	2.4%
Information Technology	\$779,778	\$760,503	\$803,070	\$841,751	4.8%
Human Resources	\$288,711	\$318,009	\$368,204	\$403,736	9.7%
Environmental Health Services	\$459,348	\$502,819	\$558,123	\$650,516	16.6%
General Services	\$1,016,903	\$1,135,902	\$1,297,000	\$1,310,521	1%
Special Projects	\$769,649	\$1,336,573	\$677,143	\$666,000	-1.6%
Municipal Court	\$289,804	\$300,423	\$357,308	\$369,220	3.3%
Police	\$3,477,029	\$3,663,838	\$3,858,628	\$4,066,926	5.4%
Fire	\$2,675,593	\$3,039,096	\$3,137,968	\$3,289,465	4.8%
Emergency Management	\$15,124	\$10,364	\$19,870	\$19,870	0%
Fleet Management	\$1,116,564	\$659,699	\$718,936	\$721,938	0.4%
Facilities and Grounds Maintenance	\$172,256	\$197,209	\$210,644	\$214,719	1.9%
Public Works	\$1,500,050	\$1,479,631	\$1,568,080	\$1,529,286	-2.5%
Inspections	\$270,481	\$305,788	\$411,668	\$429,723	4.4%
<b>Total:</b>	<b>\$14,025,226</b>	<b>\$15,039,297</b>	<b>\$15,502,419</b>	<b>\$16,092,966</b>	<b>3.8%</b>

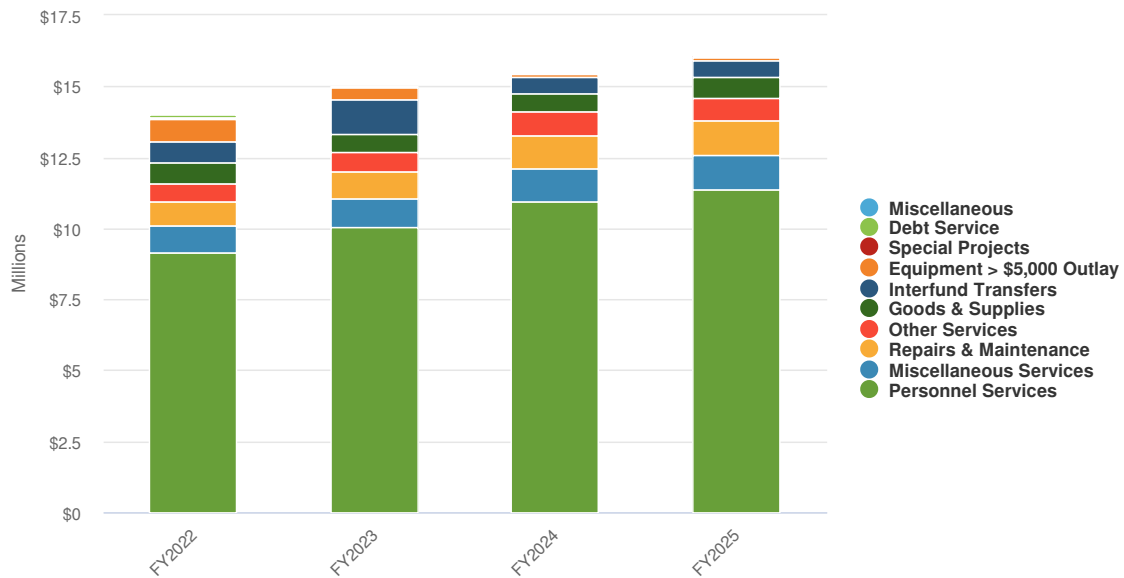
## Expenditures by Expense Type

*Personnel costs are the major expense type, representing 70.6%.*

### Budgeted Expenditures by Expense Type



### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$9,130,511	\$10,050,342	\$10,919,220	\$11,362,960	4.1%
Goods & Supplies	\$741,461	\$656,424	\$681,269	\$726,383	6.6%
Miscellaneous	\$0	\$0	\$1,000	\$500	-50%
Repairs & Maintenance	\$859,089	\$934,027	\$1,151,805	\$1,187,754	3.1%
Miscellaneous Services	\$968,492	\$1,011,830	\$1,204,647	\$1,222,649	1.5%
Equipment > \$5,000 Outlay	\$783,877	\$429,241	\$130,335	\$117,000	-10.2%
Interfund Transfers	\$712,398	\$1,200,916	\$549,643	\$595,000	8.3%
Other Services	\$638,597	\$672,308	\$818,500	\$831,121	1.5%
Special Projects	\$72,832	\$19,232	\$46,000	\$46,000	0%
Debt Service	\$117,972	\$64,976	\$0	\$3,599	N/A
<b>Total:</b>	<b>\$14,025,226</b>	<b>\$15,039,297</b>	<b>\$15,502,419</b>	<b>\$16,092,966</b>	<b>3.8%</b>

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## **FUNDING SOURCES**

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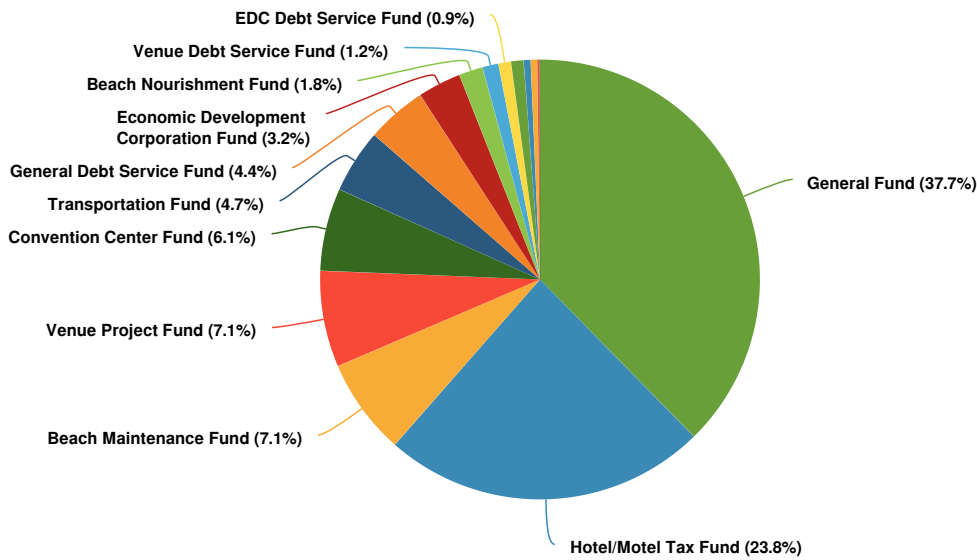
## All Funds : Revenues Summary

Revenue projections are in accordance to the guidance established by the financial policy. Total revenues are budgeted to total \$43.01M, including other financing sources. This represents a decrease of 2.28% over the FY 2023/24 adopted budget revenues.

**\$43,009,769** **-\$1,002,512**  
(-2.28% vs. prior year)

## Revenue by Fund

The General Fund and the Hotel/Motel Funds are the funds with the largest projected revenue, representing a total of 61.5%.

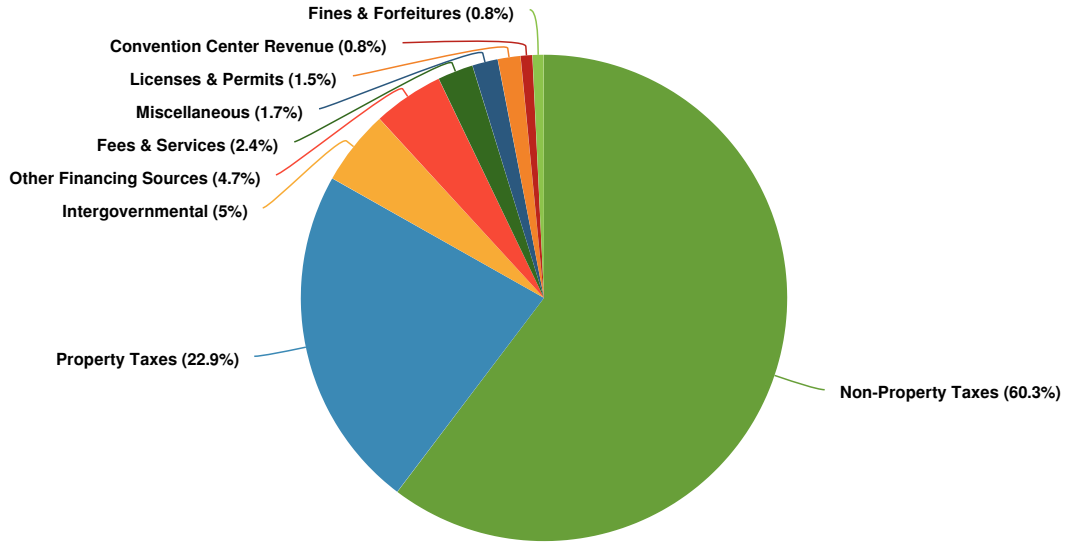


Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
General Fund	\$14,855,278	\$15,943,148	\$15,618,327	\$16,199,045	3.7%
Forfeited Property Fund	\$103,010	\$16,239	\$0	\$0	0%
Hotel/Motel Tax Fund	\$10,502,000	\$10,942,210	\$10,446,904	\$10,241,666	-2%
Venue Project Fund	\$3,225,319	\$3,692,655	\$3,193,187	\$3,043,821	-4.7%
Convention Center Fund	\$2,689,359	\$3,171,545	\$2,806,846	\$2,619,618	-6.7%
Parks, Recreation, And Beautification Fund	\$212,873	\$480,656	\$146,993	\$203,750	38.6%

Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Municipal Court Technology Fund	\$6,610	\$7,211	\$3,500	\$3,500	0%
Municipal Court Security Fund	\$7,849	\$8,398	\$5,000	\$5,000	0%
Transportation Fund	\$2,342,823	\$2,282,602	\$2,180,577	\$2,018,789	-7.4%
TIRZ Fund	\$112,949	\$217,786	\$354,200	\$392,093	10.7%
Beach Maintenance Fund	\$3,675,886	\$3,541,085	\$3,196,687	\$3,047,321	-4.7%
Covid-19 Fund	\$689,710	\$344,846	\$0	\$0	0%
Beach Nourishment Fund	\$973,235	\$946,568	\$1,198,297	\$760,955	-36.5%
Padre Blvd Improvement Fund	\$350,348	\$0	\$0	\$0	0%
Venue Tax Construction Fund	\$4,941	\$9,067	\$0	\$0	0%
Beach Access Fund	\$1,181,641	\$947,628	\$330,000	\$0	-100%
Bay Access Fund	\$58,553	\$1,253,591	\$0	\$0	0%
Capital Replacement Fund	\$225,000	\$225,000	\$225,000	\$225,000	0%
Laguna Blvd Reconstruction Fund	\$14,821	\$1,192,346	\$0	\$0	0%
General Debt Service Fund	\$1,667,344	\$1,730,124	\$1,903,025	\$1,898,475	-0.2%
Venue Debt Service Fund	\$510,738	\$509,738	\$508,588	\$507,288	-0.3%
EDC Debt Service Fund	\$396,807	\$395,986	\$398,150	\$397,650	-0.1%
Economic Development Corporation Fund	\$1,342,573	\$1,475,295	\$1,422,000	\$1,370,798	-3.6%
BNC Facility Maintenance Fund	\$34,098	\$50,000	\$75,000	\$75,000	0%
<b>Total:</b>	<b>\$45,183,763</b>	<b>\$49,383,723</b>	<b>\$44,012,281</b>	<b>\$43,009,769</b>	<b>-2.3%</b>

## Revenues by Source

Non-property taxes is the major source of revenue, representing 60.3%.



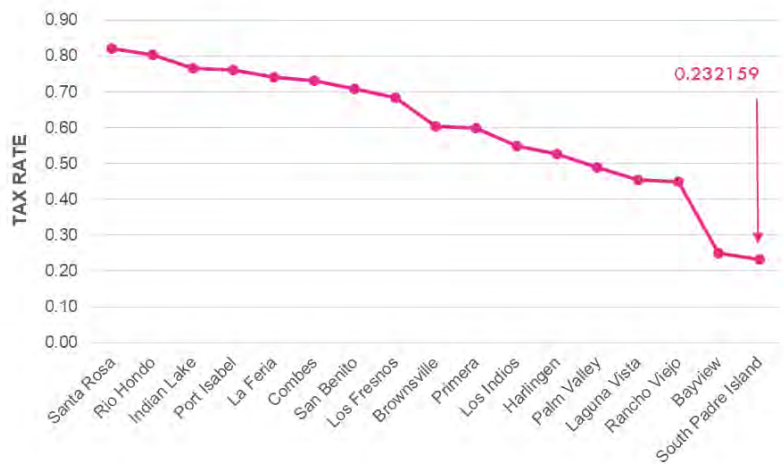
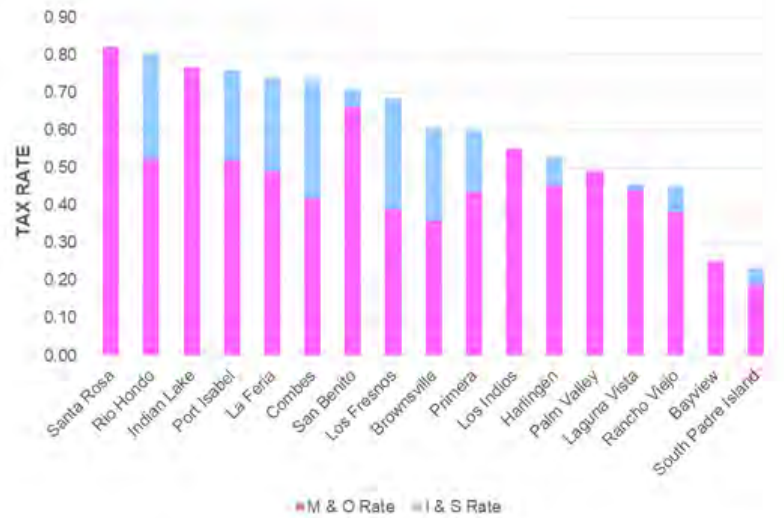
Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Property Taxes	\$8,245,621	\$8,967,272	\$9,561,563	\$9,837,329	2.9%
Non-Property Taxes	\$27,094,472	\$26,839,677	\$27,009,261	\$25,942,708	-3.9%
Fees & Services	\$1,066,546	\$1,120,931	\$936,142	\$1,016,452	8.6%
Licenses & Permits	\$516,608	\$688,105	\$576,500	\$651,500	13%
Intergovernmental	\$3,593,618	\$4,120,750	\$2,971,539	\$2,147,304	-27.7%
Fines & Forfeitures	\$408,840	\$355,141	\$323,700	\$325,700	0.6%
Miscellaneous	\$678,076	\$2,323,840	\$467,500	\$730,300	56.2%
Other Financing Sources	\$3,246,909	\$4,548,393	\$1,830,076	\$2,022,476	10.5%
Convention Center Revenue	\$333,073	\$419,615	\$336,000	\$336,000	0%
<b>Total Revenue Source:</b>	<b>\$45,183,763</b>	<b>\$49,383,723</b>	<b>\$44,012,281</b>	<b>\$43,009,769</b>	<b>-2.3%</b>

## Property Taxes Summary

Property taxes make up the largest single revenue source for General Fund operations. The property tax rate is made up of two segments. The first is the Maintenance and Operations (M&O) rate. This amount is dedicated to daily operations of the City that fall within the General Fund. The second segment of the tax rate is the Interest & Sinking (I&S) rate. This is the tax rate that is pledged to repay long term debt obligations of the City.

Property taxes are assessed on real and personal property based on the value of the property on January 1 of each year. A property tax rate of \$0.232159 was adopted by the City Council. An annual M&O tax of 0.185658 for each \$100 assessed value is levied for current City expenditures and general improvements to the City and its property. An I&S tax of 0.046501 for each \$100 worth of property was levied for the purpose of creating an interest and sinking fund for the retirement of general obligation bonds.

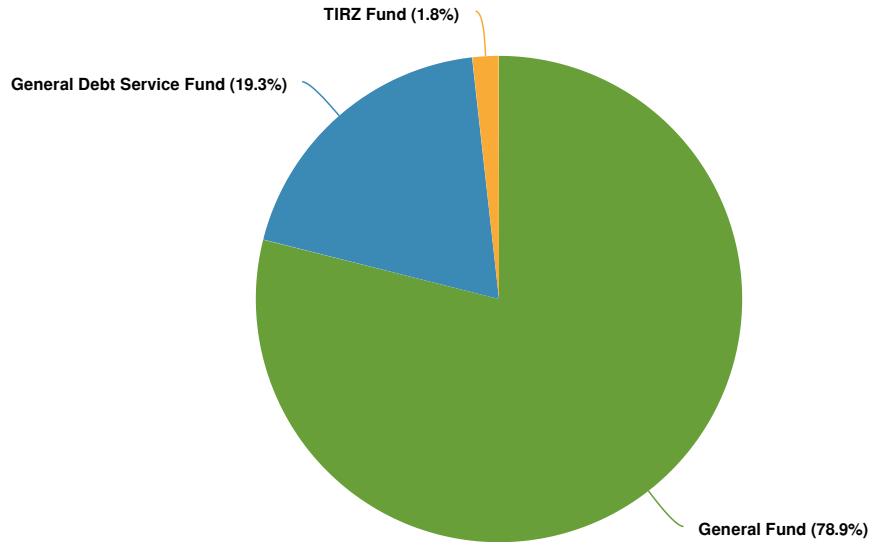
### Municipal Tax Rates in Cameron County



**\$9,837,329**    **\$275,766**  
(2.88% vs. prior year)

## Revenue by Fund

### Projected Revenue by Fund



Current property tax collections are anticipated at \$9,707,329. The property taxes are billed and collected by the Cameron County Tax Assessor based on the Cameron County Appraisal District adjusted taxable property values. Discounts for early payment of current year's taxes apply from October through December of the current calendar year. Any payment not timely made shall bear penalty and interest as is provided by state law.

Council passed a resolution in January 2015 amending a 2011 ordinance that designated an area to be known as a tax increment reinvestment zone (TIRZ). The Cameron County contribution for the 2024 year is estimated to be \$219K while the City's own contribution is estimated to be \$173K.



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
<b>General Fund</b>					
<b>Property Taxes</b>					
CURRENT PROPERTY TAXES	\$6,441,779	\$6,976,756	\$7,366,605	\$7,635,822	3.7%
DELINQUENT PROPERTY TAXES	\$44,625	\$69,558	\$60,000	\$60,000	0%
PENALTY AND INTEREST	\$78,097	\$82,797	\$80,000	\$70,000	-12.5%
<b>Total Property Taxes:</b>	<b>\$6,564,501</b>	<b>\$7,129,111</b>	<b>\$7,506,605</b>	<b>\$7,765,822</b>	<b>3.5%</b>
<b>Total General Fund:</b>	<b>\$6,564,501</b>	<b>\$7,129,111</b>	<b>\$7,506,605</b>	<b>\$7,765,822</b>	<b>3.5%</b>
<b>TIRZ Fund</b>					
<b>Property Taxes</b>					
CURRENT PROPERTY TAXES	\$63,776	\$108,037	\$151,933	\$173,032	13.9%
<b>Total Property Taxes:</b>	<b>\$63,776</b>	<b>\$108,037</b>	<b>\$151,933</b>	<b>\$173,032</b>	<b>13.9%</b>
<b>Total TIRZ Fund:</b>	<b>\$63,776</b>	<b>\$108,037</b>	<b>\$151,933</b>	<b>\$173,032</b>	<b>13.9%</b>
<b>General Debt Service Fund</b>					
<b>Property Taxes</b>					
CURRENT PROPERTY TAXES	\$1,587,950	\$1,694,468	\$1,903,025	\$1,898,475	-0.2%
DELINQUENT PROPERTY TAXES	\$10,870	\$16,577	\$0	\$0	0%
PENALTY & INTEREST	\$18,524	\$19,079	\$0	\$0	0%
<b>Total Property Taxes:</b>	<b>\$1,617,344</b>	<b>\$1,730,124</b>	<b>\$1,903,025</b>	<b>\$1,898,475</b>	<b>-0.2%</b>
<b>Total General Debt Service Fund:</b>	<b>\$1,617,344</b>	<b>\$1,730,124</b>	<b>\$1,903,025</b>	<b>\$1,898,475</b>	<b>-0.2%</b>
<b>Total:</b>	<b>\$8,245,621</b>	<b>\$8,967,272</b>	<b>\$9,561,563</b>	<b>\$9,837,329</b>	<b>2.9%</b>

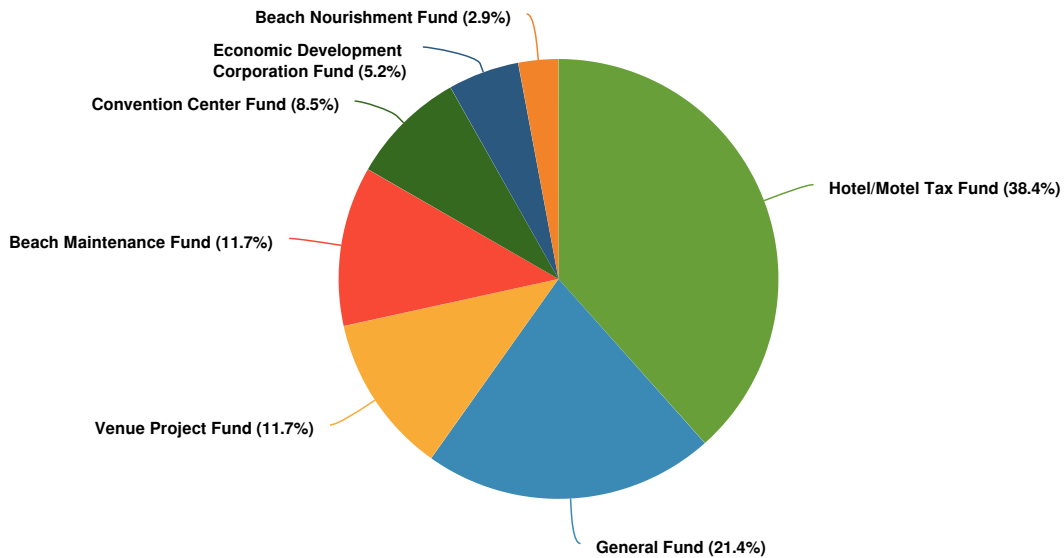
## Non-Property Taxes Summary

Non-property taxes include hotel/motel occupancy, sales tax, mixed beverage tax, and franchise taxes. The projections are based on historical trends analysis and any other relevant information available during the budgeting process.

**\$25,942,708** **-\$1,066,553**  
(-3.95% vs. prior year)

## Revenue by Fund

### Projected Revenue by Fund



## Hotel/Motel Taxes

Hotel/motel taxes are estimated to be \$19,023,811 and are deposited into Hotel/Motel Fund, Venue Project Fund, Convention Center Fund, Beach Maintenance Fund, and Beach Nourishment Funds. This revenue represents 96.5% of the estimated revenue for these funds and 44.2% of city-wide revenues.

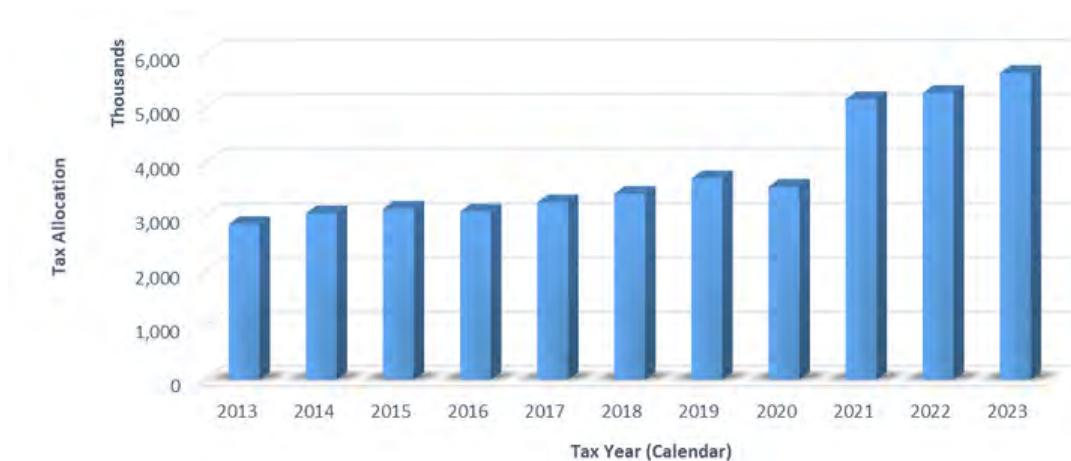
The total Hotel/Motel rate is 17%, including 6% charged by the State of Texas (2% is remitted back to the City to finance the Beach Maintenance Fund), and 0.5% for the Cameron County Venue Project. The remaining 10.5% of Hotel/Motel tax is used by the City in the following manner: 8% is allocated to the Convention Center and Visitors Bureau, 2% is used to finance a local Venue Project, and 0.5% is apportioned to beach nourishment.



## Sales tax

A sales tax is levied on all taxable goods and services sold within the city as defined by state law. The tax is remitted to the State Comptroller of Public Accounts who distributes a portion back to the city each month. The City has a total sales tax rate of 8.25% allocated as follows: 1.5% to City of SPI, 0.5% to EDC, and 6.25% to the State of Texas.

The City's sales tax revenue is anticipated to reach \$5,443,191, which constitutes 21% of total city-wide non-property tax revenue and 12.7% of total city-wide revenue. Sales tax revenue for the General Fund and EDC Fund is projected to decrease compared to the adopted budget revenues for Fiscal Year 2023/24 by approximately 2.3% and 2.8%, respectively.



## Mixed Beverage Tax

The mixed beverage tax is levied by the State Comptroller of Public Accounts. This tax is imposed on the sale, preparation, or service of mixed beverages. A mixed beverage is any alcoholic beverage (beer, wine, ale and distilled spirits), or part of an alcoholic beverage, that a permittee sells or serves to be consumed on the permittee's premises.

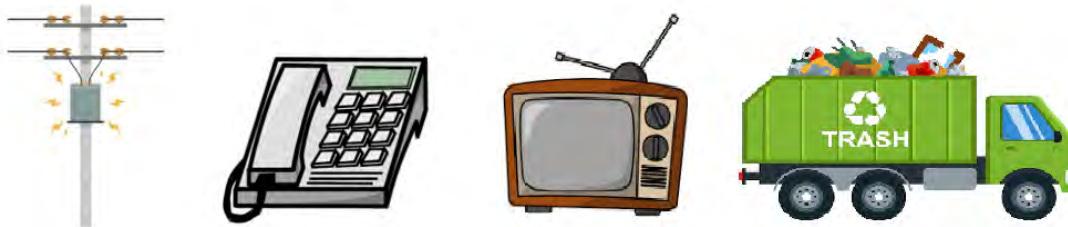
South Padre Island's share of mixed beverage tax collections is 10.7143% and is received from the state comptroller on a monthly basis. Mixed beverage tax revenues are anticipated to reach \$558,267 and are deposited into the General Fund. Mixed beverage tax revenue is projected to be approximately 4.4% more compared to the adopted budgeted revenues for Fiscal Year 2023/24. This revenue source represents 2.2% of total city-wide non-property tax revenue and 1.3% of total city-wide revenue.



## Franchise Taxes

This revenue source is composed of franchise tax or right-of-way fees paid by utility companies that install their service lines within the city right-of-way. These fees are calculated by several methods which include gross receipts basis, per kilowatt-hour of power consumed, per access line, etc.

There are four types of franchise fees; electric, telephone, cable, and solid waste. Franchise Fee revenues are anticipated to reach \$917,369 and are deposited into the General Fund. Franchise Fee revenue is projected to decrease by approximately 2.4%. This revenue source represents 3.5% of total city-wide non-property tax revenue and 2.1% of total city-wide revenue.



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
<b>General Fund</b>					
<b>Non-Property Taxes</b>					
SALES TAXES	\$3,988,332	\$4,226,070	\$4,177,052	\$4,082,393	-2.3%
MIX BEVERAGE TAXES	\$532,823	\$543,783	\$534,953	\$558,267	4.4%
ELECTRIC FRANCHISE FEE	\$456,967	\$445,623	\$445,446	\$441,103	-1%
TELEPHONE FRANCHISE FEE	\$20,652	\$17,614	\$19,283	\$15,923	-17.4%
CABLE T.V. FRANCHISE FEE	\$208,604	\$209,114	\$211,059	\$197,077	-6.6%
SOLID WASTE FRANCHISE FEE	\$235,804	\$285,895	\$264,047	\$263,266	-0.3%
<b>Total Non-Property Taxes:</b>	<b>\$5,443,181</b>	<b>\$5,728,100</b>	<b>\$5,651,840</b>	<b>\$5,558,029</b>	<b>-1.7%</b>
<b>Total General Fund:</b>	<b>\$5,443,181</b>	<b>\$5,728,100</b>	<b>\$5,651,840</b>	<b>\$5,558,029</b>	<b>-1.7%</b>
<b>Hotel/Motel Tax Fund</b>					
<b>Non-Property Taxes</b>					
HOTEL/MOTEL OCCUPANCY TAX	\$10,425,370	\$10,237,366	\$10,326,904	\$9,966,666	-3.5%
PENALTIES	\$17,652	\$15,062	\$0	\$0	0%
INTEREST	\$8,795	\$8,762	\$0	\$0	0%
<b>Total Non-Property Taxes:</b>	<b>\$10,451,817</b>	<b>\$10,261,191</b>	<b>\$10,326,904</b>	<b>\$9,966,666</b>	<b>-3.5%</b>
<b>Total Hotel/Motel Tax Fund:</b>	<b>\$10,451,817</b>	<b>\$10,261,191</b>	<b>\$10,326,904</b>	<b>\$9,966,666</b>	<b>-3.5%</b>
<b>Venue Project Fund</b>					
<b>Non-Property Taxes</b>					
HOTEL/MOTEL OCCUPANCY	\$3,190,884	\$3,065,207	\$3,193,187	\$3,043,821	-4.7%
PENALTIES	\$5,400	\$4,578	\$0	\$0	0%
INTEREST	\$2,691	\$2,664	\$0	\$0	0%
<b>Total Non-Property Taxes:</b>	<b>\$3,198,975</b>	<b>\$3,072,449</b>	<b>\$3,193,187</b>	<b>\$3,043,821</b>	<b>-4.7%</b>
<b>Total Venue Project Fund:</b>	<b>\$3,198,975</b>	<b>\$3,072,449</b>	<b>\$3,193,187</b>	<b>\$3,043,821</b>	<b>-4.7%</b>
<b>Convention Center Fund</b>					
<b>Non-Property Taxes</b>					
HOTEL/MOTEL OCCUPANCY TAX	\$2,331,506	\$2,196,011	\$2,445,846	\$2,208,618	-9.7%
PENALTIES	\$3,949	\$3,249	\$0	\$0	0%
INTEREST	\$1,968	\$1,894	\$0	\$0	0%
<b>Total Non-Property Taxes:</b>	<b>\$2,337,422</b>	<b>\$2,201,154</b>	<b>\$2,445,846</b>	<b>\$2,208,618</b>	<b>-9.7%</b>
<b>Total Convention Center Fund:</b>	<b>\$2,337,422</b>	<b>\$2,201,154</b>	<b>\$2,445,846</b>	<b>\$2,208,618</b>	<b>-9.7%</b>
<b>Beach Maintenance Fund</b>					
<b>Non-Property Taxes</b>					
HOTEL/MOTEL OCCUPANCY TAX	\$3,534,305	\$3,389,196	\$3,193,187	\$3,043,821	-4.7%
<b>Total Non-Property Taxes:</b>	<b>\$3,534,305</b>	<b>\$3,389,196</b>	<b>\$3,193,187</b>	<b>\$3,043,821</b>	<b>-4.7%</b>
<b>Total Beach Maintenance Fund:</b>	<b>\$3,534,305</b>	<b>\$3,389,196</b>	<b>\$3,193,187</b>	<b>\$3,043,821</b>	<b>-4.7%</b>
<b>Beach Nourishment Fund</b>					
<b>Non-Property Taxes</b>					

Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
HOTEL/MOTEL OCCUPANCY TAX	\$797,305	\$777,086	\$798,297	\$760,955	-4.7%
PENALTIES	\$1,350	\$1,144	\$0	\$0	0%
INTEREST	\$673	\$666	\$0	\$0	0%
<b>Total Non-Property Taxes:</b>	<b>\$799,327</b>	<b>\$778,897</b>	<b>\$798,297</b>	<b>\$760,955</b>	<b>-4.7%</b>
<b>Total Beach Nourishment Fund:</b>	<b>\$799,327</b>	<b>\$778,897</b>	<b>\$798,297</b>	<b>\$760,955</b>	<b>-4.7%</b>
<b>Economic Development Corporation Fund</b>					
<b>Non-Property Taxes</b>					
ECON DEV SALES TAX	\$1,329,444	\$1,408,690	\$1,400,000	\$1,360,798	-2.8%
<b>Total Non-Property Taxes:</b>	<b>\$1,329,444</b>	<b>\$1,408,690</b>	<b>\$1,400,000</b>	<b>\$1,360,798</b>	<b>-2.8%</b>
<b>Total Economic Development Corporation Fund:</b>	<b>\$1,329,444</b>	<b>\$1,408,690</b>	<b>\$1,400,000</b>	<b>\$1,360,798</b>	<b>-2.8%</b>
<b>Total:</b>	<b>\$27,094,472</b>	<b>\$26,839,677</b>	<b>\$27,009,261</b>	<b>\$25,942,708</b>	<b>-3.9%</b>

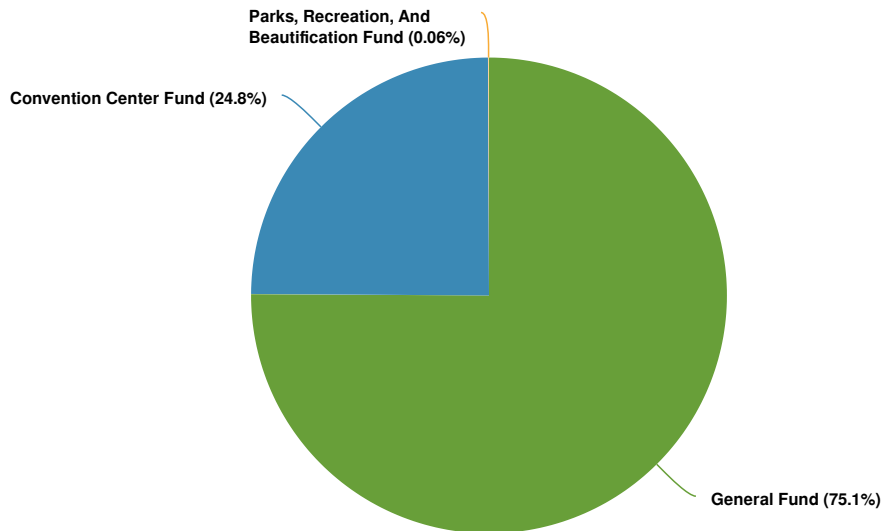
## Fees and Services Summary

Fees and services are generated from emergency medical services, fire department inspection fees, rental of the Convention Center, catering commission, lot mows and lien fees. Fees and Services revenue is projected to be \$1,352,452, which is 3.1% of total revenue.

**\$1,352,452** **\$80,310**  
(6.31% vs. prior year)

### Revenue by Fund

Projected Revenue by Fund



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
<b>General Fund</b>					
PUBLIC SAFETY - EVENT	\$176,351	\$180,216	\$0	\$0	0%
EMS REVENUE	\$456,788	\$499,880	\$452,875	\$474,500	4.8%
FIRE DEPT INSPECTION FEES	\$7,025	\$7,475	\$10,000	\$10,000	0%
ADMINISTRATIVE FEES	\$404,510	\$400,303	\$458,517	\$517,202	12.8%
LOT MOWS & LIEN FEES	\$20,747	\$31,306	\$14,000	\$14,000	0%
<b>Total General Fund:</b>	<b>\$1,065,421</b>	<b>\$1,119,181</b>	<b>\$935,392</b>	<b>\$1,015,702</b>	<b>8.6%</b>
<b>Convention Center Fund</b>					
RENTAL FEES	\$294,324	\$377,810	\$300,000	\$300,000	0%
CATERING COMMISSIONS	\$37,858	\$39,035	\$35,000	\$35,000	0%
EQUIPMENT RENTAL	\$890	\$2,771	\$1,000	\$1,000	0%
<b>Total Convention Center Fund:</b>	<b>\$333,073</b>	<b>\$419,615</b>	<b>\$336,000</b>	<b>\$336,000</b>	<b>0%</b>
<b>Parks, Recreation, And Beautification Fund</b>					
RENTAL INCOME-COMMUNITY CTR	\$1,125	\$1,750	\$750	\$750	0%
<b>Total Parks, Recreation, And Beautification Fund:</b>	<b>\$1,125</b>	<b>\$1,750</b>	<b>\$750</b>	<b>\$750</b>	<b>0%</b>
<b>Total:</b>	<b>\$1,399,619</b>	<b>\$1,540,545</b>	<b>\$1,272,142</b>	<b>\$1,352,452</b>	<b>6.3%</b>

## Intergovernmental Summary

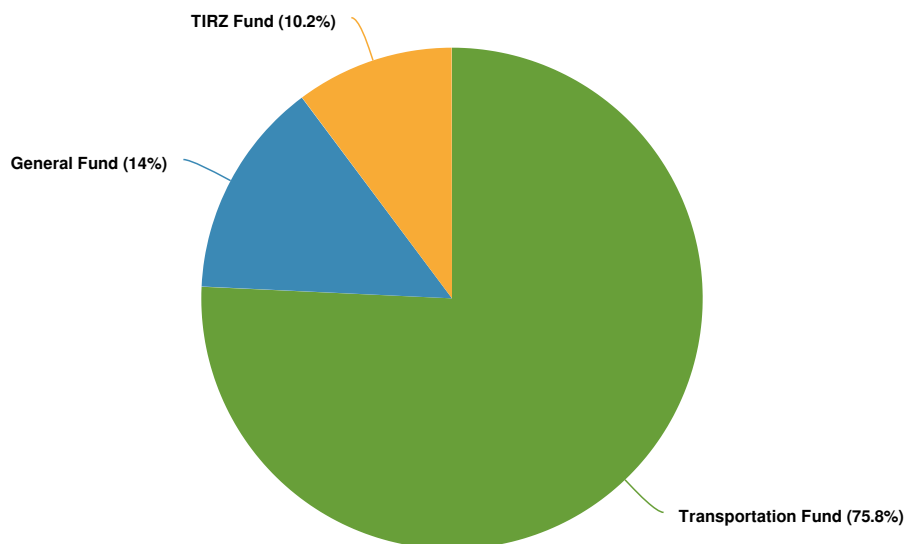
Intergovernmental revenue is composed of federal and state grants as well as funding from Cameron County (TIRZ Fund), which represents 5% or \$2.1M of total revenue. Transportation grants to finance the Island's free public transportation, known as South Padre Island Metro, are expected to reach over \$1.6M.



**\$2,147,304** **-\$824,235**  
(-27.74% vs. prior year)

## Revenue by Fund

### Projected Revenue by Fund



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
<b>General Fund</b>					
GENERAL LAND OFFICE (BEACH)	\$61,290	\$65,243	\$55,000	\$60,000	9.1%
COUNTY ESD - EMS	\$49,020	\$45,714	\$44,000	\$44,000	0%
COUNTY ESD- FIRE CALL REV.	\$75,735	\$49,846	\$44,000	\$44,000	0%
LEOSE TRAINING FUNDS	\$2,515	\$2,363	\$2,500	\$2,650	6%

Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
OPD ABATEMENT SETTLEMENT FUNDS	\$0	\$9,615	\$2,650	\$0	-100%
GRANT REVENUE	\$205,794	\$287,012	\$133,185	\$150,889	13.3%
<b>Total General Fund:</b>	<b>\$394,354</b>	<b>\$459,793</b>	<b>\$281,335</b>	<b>\$301,539</b>	<b>7.2%</b>
<b>Hotel/Motel Tax Fund</b>					
GRANT REVENUE	\$0	\$130,889	\$0	\$0	0%
<b>Total Hotel/Motel Tax Fund:</b>	<b>\$0</b>	<b>\$130,889</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Parks, Recreation, And Beautification Fund</b>					
GRANT REVENUE	\$36,695	\$0	\$0	\$0	0%
<b>Total Parks, Recreation, And Beautification Fund:</b>	<b>\$36,695</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Transportation Fund</b>					
FEDERAL GRANT FUNDS	\$1,410,611	\$1,170,284	\$966,192	\$879,632	-9%
TXDOT GRANT FUNDS	\$676,700	\$742,492	\$791,745	\$747,072	-5.6%
<b>Total Transportation Fund:</b>	<b>\$2,087,311</b>	<b>\$1,912,776</b>	<b>\$1,757,937</b>	<b>\$1,626,704</b>	<b>-7.5%</b>
<b>TIRZ Fund</b>					
CAMERON COUNTY	\$49,173	\$109,749	\$202,267	\$219,061	8.3%
<b>Total TIRZ Fund:</b>	<b>\$49,173</b>	<b>\$109,749</b>	<b>\$202,267</b>	<b>\$219,061</b>	<b>8.3%</b>
<b>Beach Maintenance Fund</b>					
GRANT REVENUE	\$127,525	\$22,475	\$0	\$0	0%
<b>Total Beach Maintenance Fund:</b>	<b>\$127,525</b>	<b>\$22,475</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Covid-19 Fund</b>					
GRANT REVENUE	\$689,710	\$0	\$0	\$0	0%
<b>Total Covid-19 Fund:</b>	<b>\$689,710</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Beach Nourishment Fund</b>					
GLO REVENUES	\$143,482	\$0	\$400,000	\$0	-100%
<b>Total Beach Nourishment Fund:</b>	<b>\$143,482</b>	<b>\$0</b>	<b>\$400,000</b>	<b>\$0</b>	<b>-100%</b>
<b>Beach Access Fund</b>					
GENERAL LAND OFFICE	\$53,690	\$251,478	\$330,000	\$0	-100%
<b>Total Beach Access Fund:</b>	<b>\$53,690</b>	<b>\$251,478</b>	<b>\$330,000</b>	<b>\$0</b>	<b>-100%</b>
<b>Bay Access Fund</b>					
GRANT FUNDS - FEDERAL	\$11,678	\$1,233,591	\$0	\$0	0%
<b>Total Bay Access Fund:</b>	<b>\$11,678</b>	<b>\$1,233,591</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Total:</b>	<b>\$3,593,618</b>	<b>\$4,120,750</b>	<b>\$2,971,539</b>	<b>\$2,147,304</b>	<b>-27.7%</b>

## Fines and Forfeitures Summary

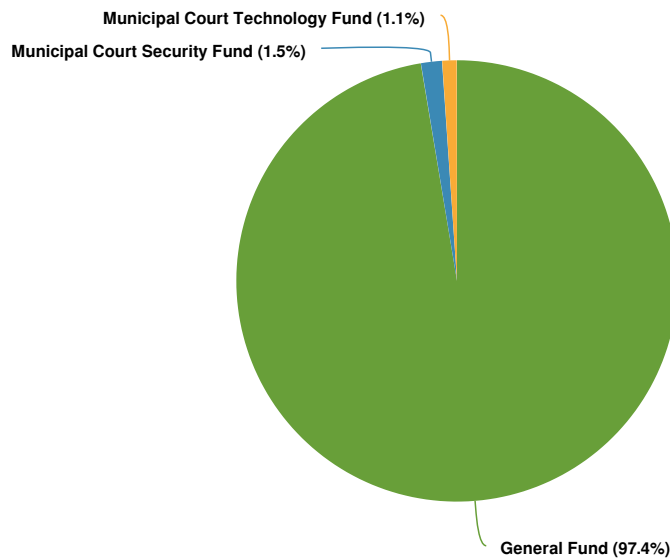
Fines and forfeitures resulting from municipal court activity are projected to reach \$326K. This projected revenue includes \$8,500 from Municipal Court fees collected in accordance with state law to enhance court security, technology, and training.



**\$325,700** **\$2,000**  
(0.62% vs. prior year)

## Revenue by Fund

### Projected Revenue by Fund



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
<b>General Fund</b>					
FINES & FORFEITURES	\$283,162	\$309,937	\$300,000	\$300,000	0%
ONLINE CREDIT CARD FEE	\$2,925	\$3,123	\$2,200	\$2,200	0%
WARRANT COLLECT FEES	\$5,285	\$10,233	\$13,000	\$15,000	15.4%
<b>Total General Fund:</b>	<b>\$291,372</b>	<b>\$323,293</b>	<b>\$315,200</b>	<b>\$317,200</b>	<b>0.6%</b>
<b>Forfeited Property Fund</b>					
FORFEITURES - FEDERAL	\$51,553	\$12,547	\$0	\$0	0%
FORFEITURES - STATE	\$51,457	\$3,692	\$0	\$0	0%
<b>Total Forfeited Property Fund:</b>	<b>\$103,010</b>	<b>\$16,239</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Municipal Court Technology Fund</b>					
FINES & FORFEITURES	\$6,610	\$7,211	\$3,500	\$3,500	0%
<b>Total Municipal Court Technology Fund:</b>	<b>\$6,610</b>	<b>\$7,211</b>	<b>\$3,500</b>	<b>\$3,500</b>	<b>0%</b>
<b>Municipal Court Security Fund</b>					
FINES & FORFEITURES	\$7,849	\$8,398	\$5,000	\$5,000	0%
<b>Total Municipal Court Security Fund:</b>	<b>\$7,849</b>	<b>\$8,398</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>0%</b>
<b>Total:</b>	<b>\$408,840</b>	<b>\$355,141</b>	<b>\$323,700</b>	<b>\$325,700</b>	<b>0.6%</b>

## Licenses and Permits Summary

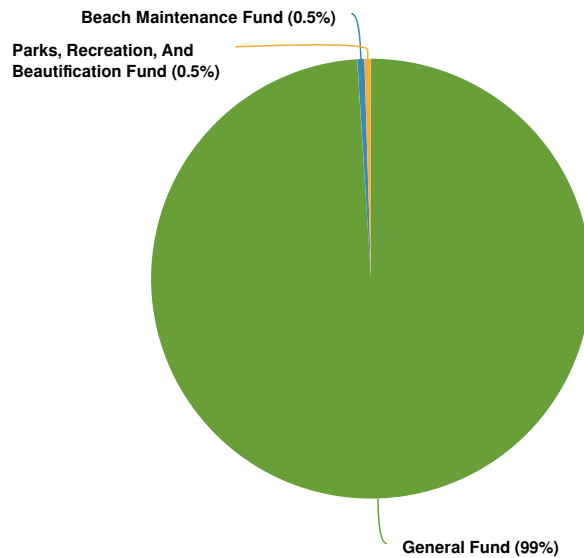
Licenses and Permits are generated from construction related permits, mixed beverage permits, taxi & golf cart permits, STR permits, environmental related permits, beach related permits, and other misc. permits. Licenses and Permits revenue is projected to be \$652K.

**\$651,500** **\$75,000**  
(13.01% vs. prior year)



## Revenue by Fund

Projected Revenue by Fund



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
<b>General Fund</b>					
BUILDING PERMITS	\$316,856	\$225,922	\$180,000	\$180,000	0%
ELECTRICAL PERMITS	\$10,100	\$7,450	\$8,000	\$8,000	0%
MIX BEVERAGE PERMITS	\$14,468	\$2,138	\$13,000	\$13,000	0%
PLUMBING PERMITS	\$11,050	\$5,150	\$6,000	\$6,500	8.3%
MECHANICAL PERMITS	\$2,050	\$3,600	\$5,000	\$4,000	-20%
TAXI & WRECKER PERMITS	\$2,025	\$2,013	\$2,500	\$3,750	50%
ENV HEALTH & OTHER PERMITS	\$62,000	\$57,515	\$55,000	\$55,000	0%
OTHER PERMITS	\$30,660	\$24,170	\$24,000	\$32,500	35.4%
STR PERMITS	\$11,900	\$3,397	\$0	\$0	0%
SPRING BREAK PERMITS	\$450	\$1,100	\$500	\$250	-50%
STR LICENSES	\$0	\$296,371	\$230,000	\$295,000	28.3%
GOLF CART PERMITS	\$47,325	\$52,875	\$46,000	\$47,000	2.2%
ANIMAL/COMPOSTER SERVICES	\$40	\$150	\$0	\$0	0%
SIDEWALK IN-LIEU FEES	\$0	\$20	\$0	\$0	0%
<b>Total General Fund:</b>	<b>\$508,923</b>	<b>\$681,870</b>	<b>\$570,000</b>	<b>\$645,000</b>	<b>13.2%</b>
<b>Parks, Recreation, And Beautification Fund</b>					
SPECIAL EVENTS PMTS	\$4,350	\$4,650	\$3,000	\$3,000	0%
<b>Total Parks, Recreation, And Beautification Fund:</b>	<b>\$4,350</b>	<b>\$4,650</b>	<b>\$3,000</b>	<b>\$3,000</b>	<b>0%</b>
<b>Beach Maintenance Fund</b>					
PERMITS	\$3,335	\$1,585	\$3,500	\$3,500	0%
<b>Total Beach Maintenance Fund:</b>	<b>\$3,335</b>	<b>\$1,585</b>	<b>\$3,500</b>	<b>\$3,500</b>	<b>0%</b>
<b>Total:</b>	<b>\$516,608</b>	<b>\$688,105</b>	<b>\$576,500</b>	<b>\$651,500</b>	<b>13%</b>

# Miscellaneous Summary

Miscellaneous revenue is mostly composed of interest income. In addition, insurance proceeds, rebates, and other miscellaneous revenue are included in this revenue source. Miscellaneous revenue is projected to be \$730K.

\$730,300

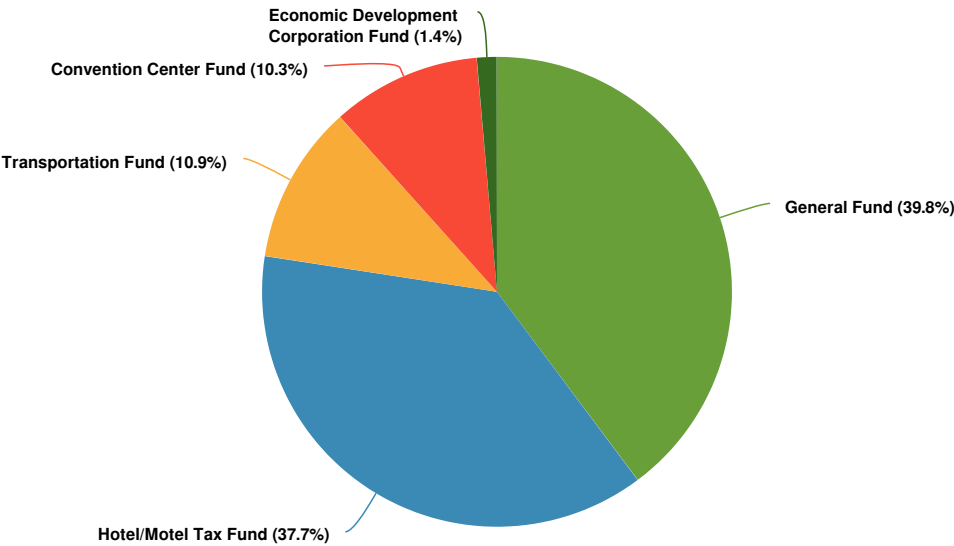
\$262,800

(56.21% vs. prior year)



# Revenue by Fund

Projected Revenue by Fund



Name	FY2022 Actuals	FY2023 Adopted Budget	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2023 Adopted Budget vs. FY2024 Adopted Budget (% Change)
<b>General Fund</b>						
INTEREST REVENUE	\$49,366	\$55,000	\$312,411	\$150,000	\$250,000	172.7%
CASH OVER/SHORT	\$0	\$0	\$15	\$0	\$0	0%
MISCELLANEOUS REVENUE	\$46,756	\$35,000	\$46,228	\$35,000	\$35,000	0%
INSURANCE PROCEEDS	\$7,006	\$0	\$11,699	\$0	\$0	0%
COPIES	\$7	\$0	\$31	\$0	\$0	0%
FUEL REBATE	\$5,620	\$4,000	\$10,312	\$5,500	\$5,500	37.5%
<b>Total General Fund:</b>	<b>\$108,754</b>	<b>\$94,000</b>	<b>\$380,696</b>	<b>\$190,500</b>	<b>\$290,500</b>	<b>102.7%</b>
<b>Hotel/Motel Tax Fund</b>						
INTEREST REVENUE	\$33,471	\$10,000	\$520,209	\$100,000	\$250,000	900%
MISCELLANEOUS REVENUE	\$1,052	\$0	\$35	\$0	\$0	0%
ADVERTISING- WEB	\$15,660	\$20,000	\$26,704	\$20,000	\$25,000	0%
<b>Total Hotel/Motel Tax Fund:</b>	<b>\$50,183</b>	<b>\$30,000</b>	<b>\$546,948</b>	<b>\$120,000</b>	<b>\$275,000</b>	<b>300%</b>
<b>Venue Project Fund</b>						
INTEREST REVENUE	\$26,344	\$0	\$327,537	\$0	\$0	0%
<b>Total Venue Project Fund:</b>	<b>\$26,344</b>	<b>\$0</b>	<b>\$327,537</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Convention Center Fund</b>						
INTEREST REVENUE	\$15,845	\$6,000	\$126,301	\$25,000	\$75,000	316.7%
MISCELLANEOUS REVENUE	\$3,019	\$0	\$11,501	\$0	\$0	0%
INSURANCE PROCEEDS	\$0	\$0	\$412,973	\$0	\$0	0%
<b>Total Convention Center Fund:</b>	<b>\$18,864</b>	<b>\$6,000</b>	<b>\$550,776</b>	<b>\$25,000</b>	<b>\$75,000</b>	<b>316.7%</b>
<b>Parks, Recreation, And Beautification Fund</b>						
MISC REVENUE - PARK,REC&BEA	\$0	\$0	\$10,000	\$0	\$0	0%
CONTRIBUTIONS TO CITY PARK	\$200	\$0	\$0	\$0	\$0	0%
<b>Total Parks, Recreation, And Beautification Fund:</b>	<b>\$200</b>	<b>\$0</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Transportation Fund</b>						
MISCELLANEOUS REVENUE	\$3,654	\$0	\$2,003	\$0	\$0	0%
INSURANCE PROCEEDS	\$6,741	\$0	\$8,079	\$0	\$0	0%
ADVERTISING	\$0	\$0	\$400	\$50,000	\$4,800	N/A
PORT ISABEL EDC MATCH	\$50,000	\$50,000	\$75,000	\$75,000	\$75,000	50%
<b>Total Transportation Fund:</b>	<b>\$60,395</b>	<b>\$50,000</b>	<b>\$85,482</b>	<b>\$125,000</b>	<b>\$79,800</b>	<b>150%</b>
<b>Beach Maintenance Fund</b>						
INTEREST REVENUE	\$9,757	\$0	\$93,061	\$0	\$0	0%
MISCELLANEOUS REVENUE	\$77	\$0	\$122	\$0	\$0	0%

Name	FY2022 Actuals	FY2023 Adopted Budget	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2023 Adopted Budget vs. FY2024 Adopted Budget (% Change)
INSURANCE PROCEEDS	\$175	\$0	\$6,134	\$0	\$0	0%
<b>Total Beach Maintenance Fund:</b>	<b>\$10,009</b>	<b>\$0</b>	<b>\$99,316</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Beach Nourishment Fund</b>						
INTEREST REVENUE	\$30,426	\$0	\$167,672	\$0	\$0	0%
<b>Total Beach Nourishment Fund:</b>	<b>\$30,426</b>	<b>\$0</b>	<b>\$167,672</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Padre Blvd Improvement Fund</b>						
MISCELLANEOUS REVENUE	\$350,348	\$0	\$0	\$0	\$0	0%
<b>Total Padre Blvd Improvement Fund:</b>	<b>\$350,348</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Venue Tax Construction Fund</b>						
INTEREST REVENUE	\$4,941	\$0	\$9,067	\$0	\$0	0%
<b>Total Venue Tax Construction Fund:</b>	<b>\$4,941</b>	<b>\$0</b>	<b>\$9,067</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Beach Access Fund</b>						
MISCELLANEOUS REVENUE	\$1,506	\$0	\$750	\$0	\$0	0%
<b>Total Beach Access Fund:</b>	<b>\$1,506</b>	<b>\$0</b>	<b>\$750</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Laguna Blvd Reconstruction Fund</b>						
INTEREST REVENUE	\$14,821	\$0	\$89,955	\$0	\$0	0%
<b>Total Laguna Blvd Reconstruction Fund:</b>	<b>\$14,821</b>	<b>\$0</b>	<b>\$89,955</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>EDC Debt Service Fund</b>						
INTEREST REVENUE	\$157	\$0	\$1,036	\$0	\$0	0%
<b>Total EDC Debt Service Fund:</b>	<b>\$157</b>	<b>\$0</b>	<b>\$1,036</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Economic Development Corporation Fund</b>						
INTEREST REVENUE	\$1,129	\$1,000	\$13,505	\$7,000	\$10,000	600%
STATE OF THE ISLAND TICKETS	\$0	\$0	\$41,100	\$0	\$0	0%
<b>Total Economic Development Corporation Fund:</b>	<b>\$1,129</b>	<b>\$1,000</b>	<b>\$54,605</b>	<b>\$7,000</b>	<b>\$10,000</b>	<b>600%</b>
<b>Total:</b>	<b>\$678,076</b>	<b>\$181,000</b>	<b>\$2,323,840</b>	<b>\$467,500</b>	<b>\$730,300</b>	<b>158.3%</b>

## Other Financing Sources Summary

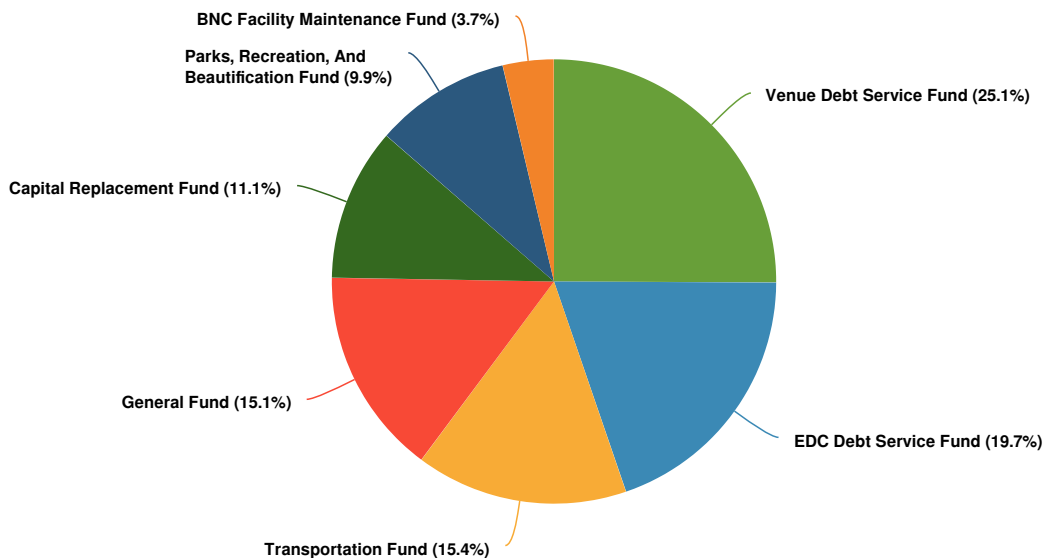
Other financing sources of revenue is mostly composed of funds transferred within City funds. In addition, lease proceeds, and sales of fixed assets are included in this revenue source. Other financing sources revenue is projected to exceed \$2M or 4.7% of city-wide revenue.

**\$2,022,476** **\$192,400**  
(10.51% vs. prior year)



## Revenue by Fund

### Projected Revenue by Fund



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
<b>General Fund</b>					
HOTEL/MOTEL TAX FROM FND 60	\$86,851	\$56,937	\$120,000	\$120,000	0%
LEASE PROCEEDS	\$3,263	\$9,038	\$0	\$0	0%
SALE OF FIXED ASSETS	\$41,854	\$21,645	\$0	\$0	0%
TRANSFERS IN	\$346,803	\$33,485	\$47,455	\$185,253	290.4%
<b>Total General Fund:</b>	<b>\$478,771</b>	<b>\$121,105</b>	<b>\$167,455</b>	<b>\$305,253</b>	<b>82.3%</b>
<b>Hotel/Motel Tax Fund</b>					
LEASE PROCEEDS		\$3,182		\$0	N/A
<b>Total Hotel/Motel Tax Fund:</b>	<b>\$0</b>	<b>\$3,182</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Parks, Recreation, And Beautification Fund</b>					
TRANSFER IN	\$170,503	\$464,256	\$143,243	\$200,000	39.6%
<b>Total Parks, Recreation, And Beautification Fund:</b>	<b>\$170,503</b>	<b>\$464,256</b>	<b>\$143,243</b>	<b>\$200,000</b>	<b>39.6%</b>
<b>Transportation Fund</b>					
LEASE PROCEEDS	\$64,073	\$67,530	\$66,240	\$92,285	39.3%
SALE OF FIXED ASSETS	\$28,019	\$0	\$0	\$0	0%
TRANSFERS IN	\$103,025	\$216,814	\$231,400	\$220,000	-4.9%
<b>Total Transportation Fund:</b>	<b>\$195,117</b>	<b>\$284,344</b>	<b>\$297,640</b>	<b>\$312,285</b>	<b>4.9%</b>
<b>Beach Maintenance Fund</b>					
LEASE PROCEEDS	\$0	\$3,445	\$0	\$0	0%
SALE OF FIXED ASSETS	\$712	\$25,068	\$0	\$0	0%
<b>Total Beach Maintenance Fund:</b>	<b>\$712</b>	<b>\$28,512</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Covid-19 Fund</b>					
TRANSFER	\$0	\$344,846	\$0	\$0	0%
<b>Total Covid-19 Fund:</b>	<b>\$0</b>	<b>\$344,846</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Beach Access Fund</b>					
TRANSFERS IN	\$1,126,445	\$695,400	\$0	\$0	0%
<b>Total Beach Access Fund:</b>	<b>\$1,126,445</b>	<b>\$695,400</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Bay Access Fund</b>					
TRANSFERS IN	\$46,875	\$20,000	\$0	\$0	0%
<b>Total Bay Access Fund:</b>	<b>\$46,875</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Capital Replacement Fund</b>					
TRANSFERS IN	\$225,000	\$225,000	\$225,000	\$225,000	0%
<b>Total Capital Replacement Fund:</b>	<b>\$225,000</b>	<b>\$225,000</b>	<b>\$225,000</b>	<b>\$225,000</b>	<b>0%</b>

Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
<b>Laguna Blvd Reconstruction Fund</b>					
TRANSFERS IN	\$0	\$1,102,391	\$0	\$0	0%
<b>Total Laguna Blvd Reconstruction Fund:</b>	<b>\$0</b>	<b>\$1,102,391</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>General Debt Service Fund</b>					
TRANSFERS IN	\$50,000	\$0	\$0	\$0	0%
<b>Total General Debt Service Fund:</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Venue Debt Service Fund</b>					
TRANSFERS IN	\$510,738	\$509,738	\$508,588	\$507,288	-0.3%
<b>Total Venue Debt Service Fund:</b>	<b>\$510,738</b>	<b>\$509,738</b>	<b>\$508,588</b>	<b>\$507,288</b>	<b>-0.3%</b>
<b>EDC Debt Service Fund</b>					
TRANSFERS IN	\$396,650	\$394,950	\$398,150	\$397,650	-0.1%
<b>Total EDC Debt Service Fund:</b>	<b>\$396,650</b>	<b>\$394,950</b>	<b>\$398,150</b>	<b>\$397,650</b>	<b>-0.1%</b>
<b>Economic Development Corporation Fund</b>					
LEASE PROCEEDS	\$12,000	\$12,000	\$15,000	\$0	-100%
<b>Total Economic Development Corporation Fund:</b>	<b>\$12,000</b>	<b>\$12,000</b>	<b>\$15,000</b>	<b>\$0</b>	<b>-100%</b>
<b>BNC Facility Maintenance Fund</b>					
TRANSFERS IN	\$34,098	\$50,000	\$75,000	\$75,000	0%
<b>Total BNC Facility Maintenance Fund:</b>	<b>\$34,098</b>	<b>\$50,000</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>0%</b>
<b>Total:</b>	<b>\$3,246,909</b>	<b>\$4,255,724</b>	<b>\$1,830,076</b>	<b>\$2,022,476</b>	<b>10.5%</b>

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## **FUND & DEPARTMENT BUDGETS**

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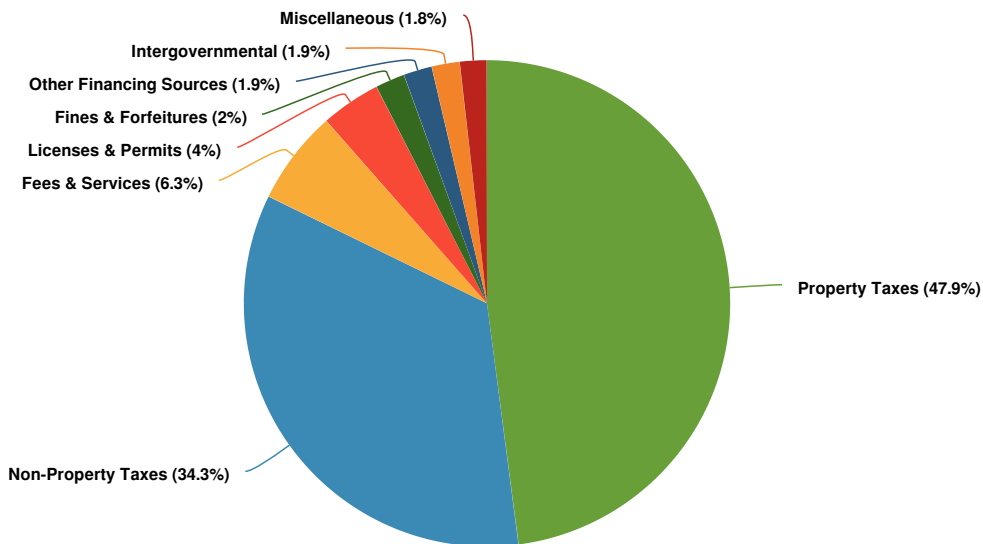
## General Fund Summary

The General Fund is the primary operating fund for the City. It accounts for all the financial resources of the general government, except those required to be accounted for in another fund. It includes most tax revenues and such services as public safety, inspections, planning, and administrative.

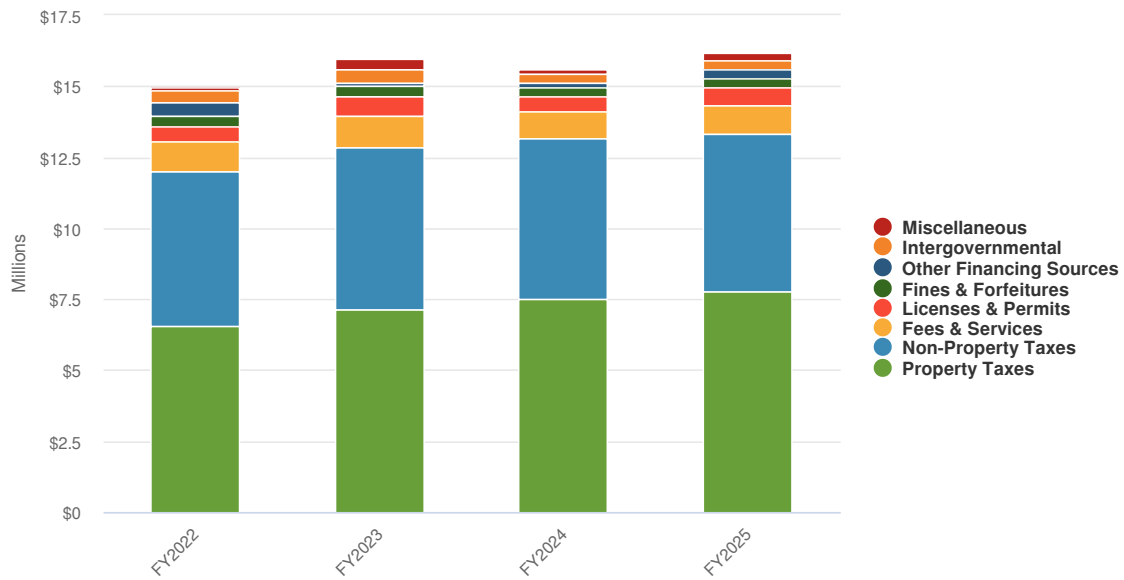
The City of South Padre is projecting \$16.2M of revenue in FY 2024/25, which represents a 3.7% increase over the prior year's adopted budget. Budgeted expenditures are projected to increase by 3.8% to \$16.1M in FY 2024/25.

## General Fund Revenues

### Projected Revenues by Source



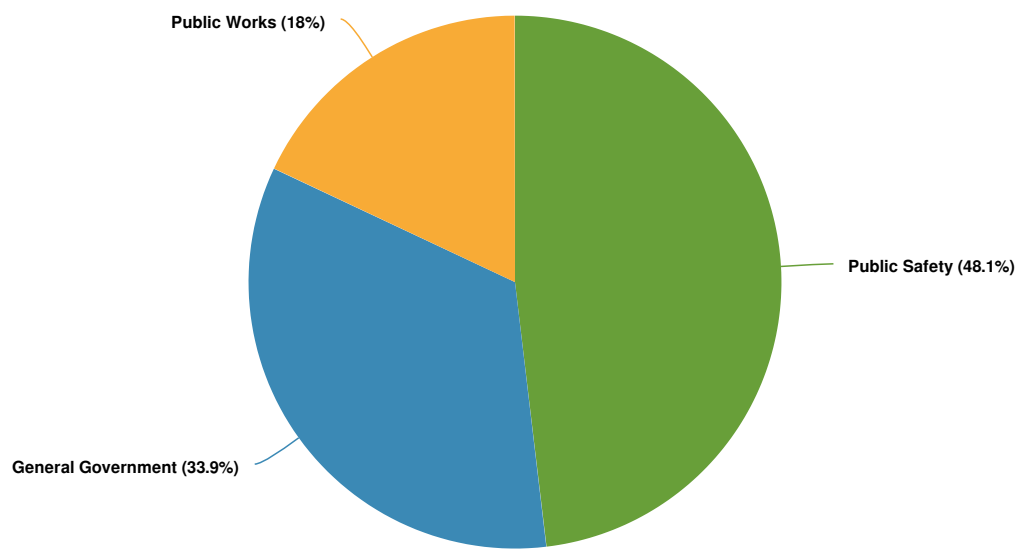
## Budgeted and Historical Revenues by Source



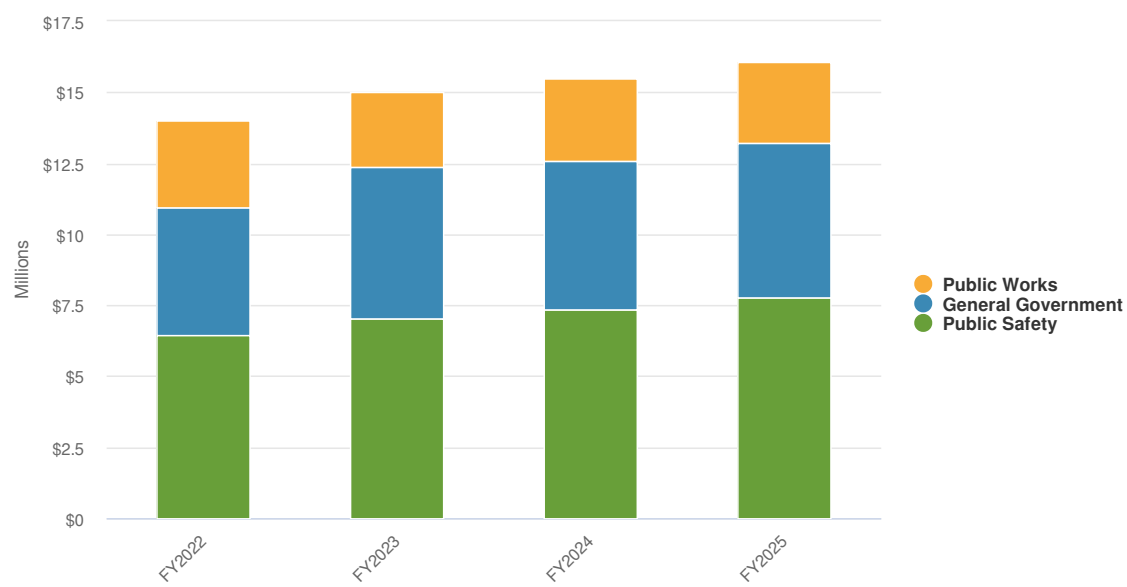
Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Property Taxes	\$6,564,501	\$7,129,111	\$7,506,605	\$7,765,822	3.5%
Non-Property Taxes	\$5,443,181	\$5,728,100	\$5,651,840	\$5,558,029	-1.7%
Fees & Services	\$1,065,421	\$1,119,181	\$935,392	\$1,015,702	8.6%
Licenses & Permits	\$508,923	\$681,870	\$570,000	\$645,000	13.2%
Intergovernmental	\$394,354	\$459,793	\$281,335	\$301,539	7.2%
Fines & Forfeitures	\$394,382	\$339,532	\$315,200	\$317,200	0.6%
Miscellaneous	\$108,754	\$380,696	\$190,500	\$290,500	52.5%
Other Financing Sources	\$478,771	\$121,105	\$167,455	\$305,253	82.3%
<b>Total Revenue Source:</b>	<b>\$14,958,288</b>	<b>\$15,959,387</b>	<b>\$15,618,327</b>	<b>\$16,199,045</b>	<b>3.7%</b>

# Expenditures by Function

Budgeted Expenditures by Function

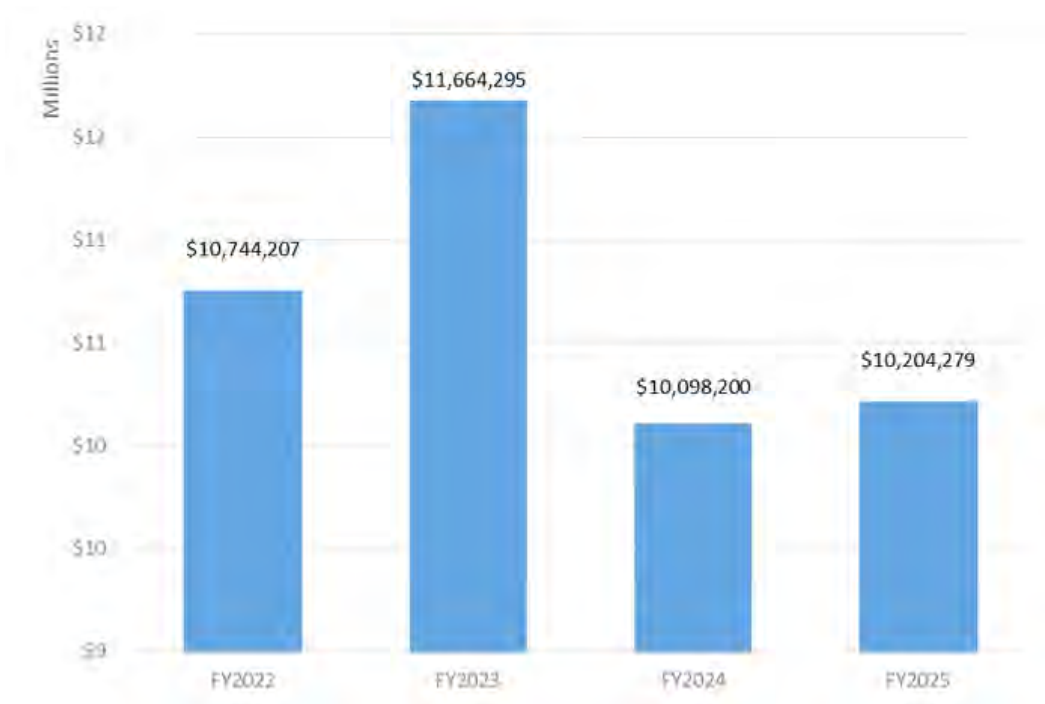


Budgeted and Historical Expenditures by Function



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
City Council	\$6,448	\$14,231	\$26,000	\$26,000	0%
City Manager'S Office	\$620,747	\$687,302	\$811,697	\$844,028	4%
Finance	\$479,632	\$533,942	\$573,608	\$602,273	5%
Planning	\$87,110	\$93,970	\$104,472	\$106,994	2.4%
Information Technology	\$779,778	\$760,503	\$803,070	\$841,751	4.8%
Human Resources	\$288,711	\$318,009	\$368,204	\$403,736	9.7%
Environmental Health Services	\$459,348	\$502,819	\$558,123	\$650,516	16.6%
General Services	\$1,016,903	\$1,135,902	\$1,297,000	\$1,310,521	1%
Special Projects	\$769,649	\$1,336,573	\$677,143	\$666,000	-1.6%
Municipal Court	\$289,804	\$300,423	\$357,308	\$369,220	3.3%
Police	\$3,477,029	\$3,663,838	\$3,858,628	\$4,066,926	5.4%
Fire	\$2,675,593	\$3,039,096	\$3,137,968	\$3,289,465	4.8%
Emergency Management	\$15,124	\$10,364	\$19,870	\$19,870	0%
Fleet Management	\$1,116,564	\$659,699	\$718,936	\$721,938	0.4%
Facilities and Grounds Maintenance	\$172,256	\$197,209	\$210,644	\$214,719	1.9%
Public Works	\$1,500,050	\$1,479,631	\$1,568,080	\$1,529,286	-2.5%
Inspections	\$270,481	\$305,788	\$411,668	\$429,723	4.4%
<b>Total:</b>	<b>\$14,025,226</b>	<b>\$15,039,297</b>	<b>\$15,502,419</b>	<b>\$16,092,966</b>	<b>3.8%</b>

## Fund Balance



Note: FY 2022 & FY 2023 are Actual Ending Fund Balances. FY 2024 Fund Balance is projected, taking into account the final budget numbers for FY 2024. FY 2025 Fund Balance is projected, taking into account the adopted budget numbers for FY 2025.

## Departmental Descriptions, Goals, and Objectives

The City's long range operations and capital plans are included in this section. The plan includes all of the operating departments of the General Fund as well as the capital improvement funds of the City.

It is anticipated that long range operations will be financed with current resources while the projects included in the Capital Improvement Plan will require bond issuance or additional funds from state and federal grants. The following fund and department budget pages provide detailed information regarding department/fund descriptions, goals, and objectives.

## City Council

City Council Members are dedicated to serving the community by volunteering their time and expertise to maintain and improve the quality of life for the citizens. Their contribution is invaluable in shaping the future of South Padre Island.

The Council is proud to represent the citizens and through policy-making and legislative authority, they are vested in a governing council consisting of the Mayor and five Council Members. The Mayor and Council serve three-year staggered terms and are elected at large.

The City Council is responsible for passing ordinances, adopting the budget, appointing committees, hiring the City Manager and the City Attorney.



Contributing to  
the growth of the  
Island



Building  
diversity



Collaborating  
for a better  
Island



Meeting the needs  
and priorities of  
the Island



Making a  
difference



In December 2023, our community mourned the sudden loss of beloved Council Member Eva Jean Dalton.

Council Member Dalton was first elected in November 2018 and diligently served the South Padre Island community. She was very passionate about the Island and will be tremendously missed.

Dalton served on many local, state and national associations.

Eva Jean Dalton  
Council Member Place 5

Expenditures Summary

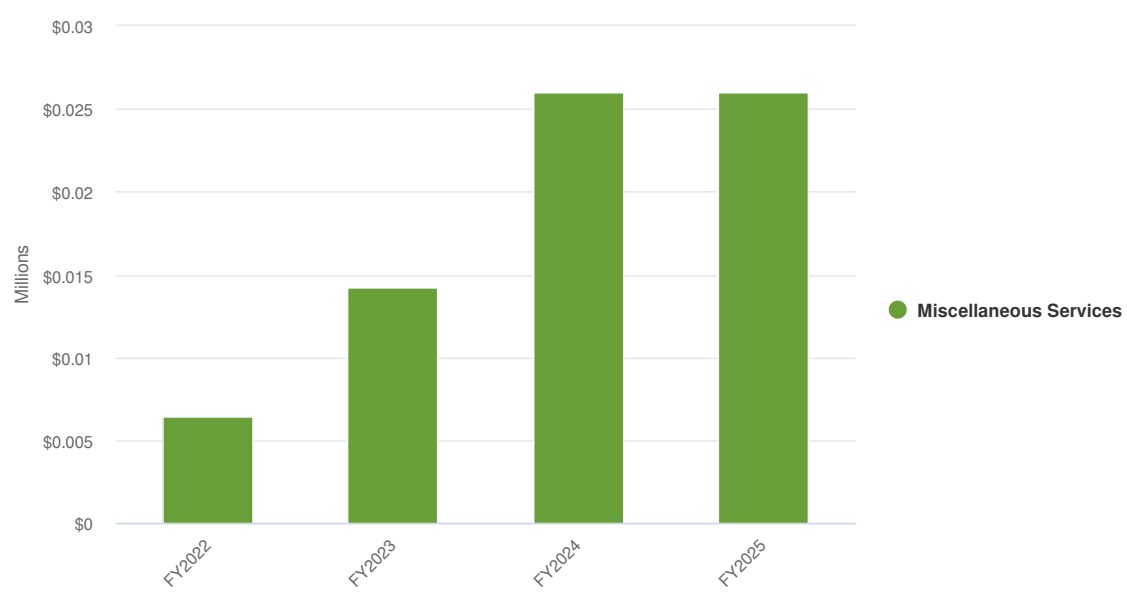
\$26,000

\$0

(0.00% vs. prior year)

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Miscellaneous Services	\$6,448	\$14,231	\$26,000	\$26,000	0%
Total Miscellaneous Services:	\$6,448	\$14,231	\$26,000	\$26,000	0%

## City Manager's Office



**Randy Smith**  
City Manager

The City Manager's Office (CMO) is responsible for the implementation of the South Padre Island City Council's policies and overseeing the operations of the organization and staff. By embracing the use of best practices and performance management, the CMO develops administrative guidelines to ensure the efficient and effective operations of the City. The City Manager's Office has oversight over the following departments:

- Administrative Services
- Convention & Visitors Bureau
- Shoreline
- Planning
- Parks, Recreation, and Beautification
- Environmental Health Services
- Finance
- Information Technology
- Police
- Fire
- Public Works
- Transit

Organizational development is a focal point of the City Manager's Office as ensuring the organization has the capacity to achieve the goals established by Council is critical to quality performance. The CMO also ensures fruitful intergovernmental relationships and participation in the legislative process. The City Manager's Office, through the City Secretary, facilitates and strengthens the City of South Padre Island's governmental process, safeguards and conducts the municipal election process, and protects and preserves official City records. This department also ensures official City activities comply with federal, state, and city policies and practices. Through the Public Information Officer, access to public information is enhanced.

### Major Goals:

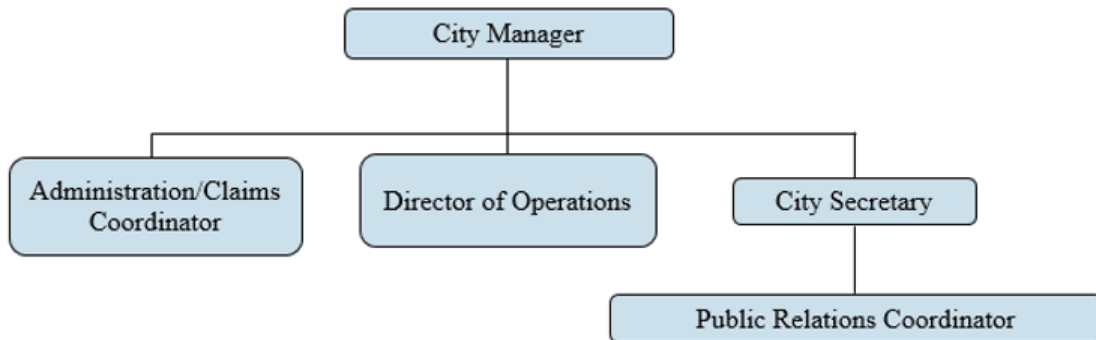
1. Focus on major initiatives that enhance the economic environment, improve the quality of life for citizens, protect the environment, and provide essential services:
  - a. Strive to have a vibrant economy that is diverse and sustainable by investigating potential economic development opportunities, such as the cruise industry.
  - b. Enhance the aesthetic appeal of the community.
  - c. Sustain our beautiful beach and bay and improve access for our recreational visitors via maintenance, beach nourishment, and grant projects.
  - d. Embrace the unique characteristics of our City.
2. Continue evaluating programs for enhancements and benefits to the City.
  - a. Provide additional boat ramp access for the public.
3. Create a strong organizational foundation through policy development and implementation.
  - a. Develop a legislative priority list and work with representatives to achieve SPI goals.
4. Develop and sustain a productive relationship with the City Council to encourage policy development and effective communication.

5. Continue enhancement of the public relations program to improve communication with the public and ensure a constructive relationship with the media.
6. Strive to encourage and facilitate strategic planning (e.g., capital improvement plan, five year operational plan, departmental business plans and metrics, core values for organization, etc.)
7. Encourage effective use of resources by eliminating duplication and streamlining operations (eg. Ad hoc Committee, Process Charts).
8. Improve and expand our involvement with development and quality of life within the Lower Rio Grande Valley region.
9. Create an enjoyable work experience where all involved feel appreciated and valued, and instill the support of core values for the organization to encourage individual accountability.
10. Use technology effectively to operate effectively.

Our Planning Indicators and Focus:

Maintenance of dashboards and with all departments to continuously monitor Key Performance Indicators (KPIs).

## Organizational Chart



## Strategic Objectives and Work Plan for the Next Five Years

Project Description	Fiscal Year Due Date	Project Leader	Budget Impact	Comp Plan Goal	CIP Project
<b>Short Term - FY 2024-25</b>					
Work with the Historical Museum Foundation to create a museum on the Island to preserve the Island's history.	Ongoing	City Manager	HOT funding/ Foundation	Chapter 11	N/A
Enhance financial management and the budget process by continuing business plans for each department that include performance metrics.	Ongoing	Chief Financial Officer, City Manager	Personnel related expenses for hours worked on project	Chapter 11	N/A
Revamp the Capital Improvement Plan.	Ongoing	Director of Operations	Personnel related expenses for hours worked on project	Chapter 11	N/A
Implement Venue Tax projects, including a wind sports venue, sidewalks, medians, and expansion of the convention center.	Ongoing	City Manager, Director of Operations	Resources in Venue Tax	Chapter 11	Approved
Expand boat ramp access on Laguna Madre.	2024-25	City Manager, Shoreline Director	HOT funding/Foundation	Chapter 11	Approved
Expand the use of citizen participation tools to enhance feedback and engagement (including providing training).	Ongoing	PIO	To be determined	Chapter 11	N/A
<b>Mid Term - FY 2025-26 &amp; FY 2026-27</b>					
Embrace the use of technology to enhance operations and communication. Utilize software to monitor compliance with short-term rentals as well as building permits. Add additional cameras for EOC and mass gatherings. Embrace new software for the police and fire departments.	Ongoing	IT Director, City Manager	Resources within Info Technology Department's Budget	Chapter 11	N/A
<b>Long Term - FY 2027-28 &amp; FY 2028-29</b>					
Support initiatives that enhance the quality of life for citizens (music, art in public places, community events, theater productions, etc.).	Ongoing	City Manager	To be determined	Chapter 11	N/A
Continue to evaluate mobility & parking strategies and multi-modal means of enjoying the City. Continue to expand the City's complete street efforts through work, state, and regional organizations.	Ongoing	City Manager, Director of Operations, Transit Director, PW Director, Chief Financial Officer	Resources within Shoreline, Public Works, and Transit Departments	Chapter 11	N/A
Formulate effective economic development strategies and look for opportunities to fund a second causeway (RGV, MPO, etc.).	Ongoing	City Manager	Resources within the EDC budget	Chapter 11	N/A
Identify funding sources and strategies for priority Capital Improvement Projects.	Ongoing	City Manager, Director of Operations	Varies, to be determined	Chapter 11	Approved
Explore opportunities related to the lighting of the causeway and creating a visual landmark for SPI.	Ongoing	City Manager	Unknown, to be determined	Chapter 11	Approved
Develop SOP for Risk Management Processed & Process Maps.	Ongoing	Management Assistant	Unknown, to be determined	Chapter 11	N/A

## Staffing Plan

Position	Current FY	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
City Manager	1	1	1	1	1	1
Director of Operations	0.60	0.64	0.64	0.64	0.64	0.64
City Secretary	1	1	1	1	1	1
Public Information Coordinator	1	1	1	1	1	1
Administration/Claims Coordinator (Management Assistant)	1	0	0	0	0	0
Administration/ Risk Management Coordinator	0	1	1	1	1	1
Chief Financial Officer	0.20	0.26	0.26	0.26	0.26	0.26
<b>Total Positions:</b>	<b>4.80</b>	<b>4.90</b>	<b>4.90</b>	<b>4.90</b>	<b>4.90</b>	<b>4.90</b>



Front Row: Claudine O'Carroll (Police ), Kristina Boburka (Shoreline), Blake Henry (CVB), Carlos A. Sanchez (Public Works), Randy Smith (City Manager's Office), Karin Spinks (City Manager's Office), Victor Baldovinos (Environmental Health), George Martinez (Building), Hilda Delgado (City Manager's Office). Back Row: Jon Wilson (Public Works), Rodrigo Gimenez (Finance), Jim Pigg (Fire), Wendi Delgado (City Manager's Office), Jesse Arriaga (Transit), Victor Martinez (IT), Angelique Soto (City Manager's Office).  
Not Pictured: and Darla Lapeyre (EDC).

The City's key staff ensure that local regulations comply with state and federal laws, enforcing those regulations, and carrying out the more service-oriented aspects of their jobs.

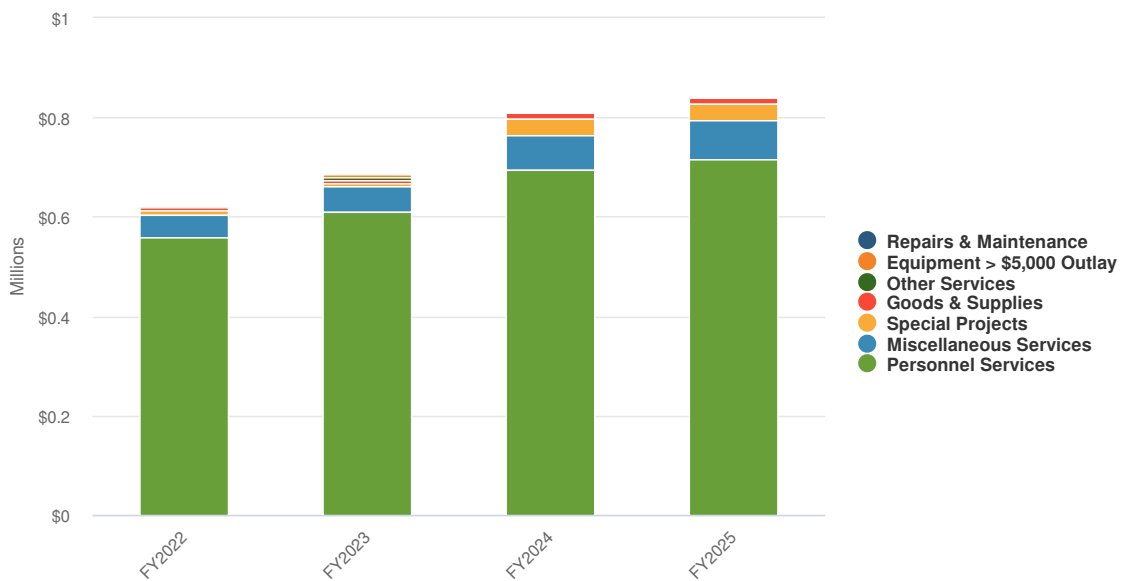
Department heads come together as a team to lead the organization, they understand the critical role their departments play in the City. The work of each of these leaders is vital to providing for the health, safety, and welfare of the community. The leadership team is proud to represent the City.

## Expenditures Summary

**\$844,028** **\$32,331**  
(3.98% vs. prior year)

### Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$557,930	\$610,640	\$694,050	\$716,432	3.2%
Goods & Supplies	\$7,862	\$8,677	\$10,200	\$11,400	11.8%
Repairs & Maintenance	\$169	\$0	\$0	\$0	0%
Miscellaneous Services	\$45,508	\$50,738	\$68,947	\$77,696	12.7%
Equipment > \$5,000 Outlay	\$0	\$9,038	\$0	\$0	0%
Other Services	\$850	\$3,168	\$3,500	\$3,500	0%
Special Projects	\$8,428	\$5,041	\$35,000	\$35,000	0%
<b>Total:</b>	<b>\$620,747</b>	<b>\$687,302</b>	<b>\$811,697</b>	<b>\$844,028</b>	<b>4%</b>

## Finance Department



**Rodrigo Gimenez**  
Chief Financial Officer

The Finance Department plans and directs the City's financial activities, including accounting, budgeting, internal and external financial reporting, and managing debt and investments. The department directs the citywide budgeting process, as well as the preparation of the Annual Comprehensive Financial Report.

### Major Goals:

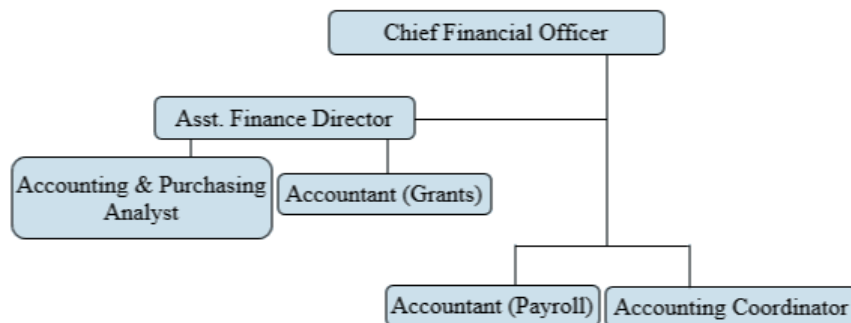
1. Manage resources as efficiently and effectively as possible and communicate the results of these efforts to the public.
2. Evaluate and make recommendations on City operations and procedures to ensure fiscal accountability.
3. Provide financial information in the form, frequency, and timeliness needed for effective decision-making.
4. Monitor and ensure compliance with established policies, procedures, and external reporting requirements.
5. Provide the highest quality of service to the community and City personnel.
6. Support the City departments through purchasing policies and procedures that provide the best value, as well as compliance with state laws.

### Our Planning Indicators and Focus:

The Finance Department is a support department; therefore, much of the planning is based upon the growth in other departments. Finance will provide overall fiscal leadership for the City's long range financial planning, and enhanced collection of data, reporting, and audits of financial records.

Audit results have shown no material weaknesses as well as no significant deficiencies over the past several years due to compliance with fiscal, purchasing, fixed assets, and investment policies. The department is also responsible for monitoring the City's budget.

## Organizational Chart



## Strategic Objectives and Work Plan for the Next Five Years

Project Description	Fiscal Year Due Date	Project Leader	Budget Impact	Associated Metric	Comp Plan Goal	CIP Project
Short Term - FY 2023-24						
Continue to receive the GFOA Distinguished Budget Presentation Award through application of the highest principles of governmental budgeting and satisfying acclaimed guidelines for effective budget presentation.	11/15/2024	Chief Financial Officer, Assistant Finance Director, Accountant I (Procurement / STR&HOT)	\$345	GFOA Budget Award	Chapter 5	N/A
Continue to receive the GFOA Certificate of Achievement for Excellence in Financial Reporting through preparation of annual comprehensive financial reports (ACFR) which enhance transparency and full disclosure.	3/31/25	Chief Financial Officer, Assistant Finance Director, Accountant I (Procurement / STR&HOT)	\$460	GFOA ACFR Award	Chapter 5	N/A
Continue to receive the GFOA Popular Annual Financial Report Award which enhances transparency and full disclosure.	3/31/25	Accountant I (Grants)	\$250	GFOA PAFR Award	Chapter 5	N/A
Provide formal training for all City employees on financial topics including purchase orders, time clock, fixed assets, disaster financial management, and purchasing cards to promote efficiency throughout the organization.	Ongoing	Accountant I (Procurement / STR&HOT)	Personnel related expenses for hours worked on project	SPI Connect Finance Trainings	Chapter 5	N/A
Maximize interest revenue through effective cash management.	Ongoing	Chief Financial Officer, Assistant Finance Director, Accountant I (Grants)	Expense for PFIA Training & Travel Annual \$24k for Investment Consulting	Total Interest Earnings	Chapter 5	N/A
Participate in the Texas Comptroller of Public Accounts' Transparency Stars program and receive all stars. The program recognizes local governments for going above and beyond in their transparency efforts. The program has five stars: Traditional Finances, Contracts and Procurement, Economic Development, Public Pensions, and Debt Obligations.	Ongoing	Chief Financial Officer, Assistant Finance Director, Accountant I (Procurement / STR&HOT), Accountant I (Grants)	\$12k for OpenGov transparency software out of the IT Budget	Transparency Stars	Chapter 5	N/A
Maximize efficiency while embracing the going green initiative by making the Purchase Order Process paperless.	Ongoing	Chief Financial Officer, Assistant Finance Director, Accountant I (Procurement / STR&HOT)	\$2k for TCM feature out of the IT Budget	Reduction of paper and other office supplies	Chapter 5	N/A

Maintain the City up to date with the latest regulations, technology, and best practices and ensure adherence to the City's vision & goals by reviewing and updating Purchasing and Other Financial Policies.	9/30/2025	Chief Financial Officer, Assistant Finance Director, Accountant I (Procurement / STR&HOT)	\$0	N/A	Chapter 5	N/A
Address and mitigate financial risk by formally conducting a financial risk assessment annually. Risk assessment steps include identification of risks, analysis of risks, and response to risks.	9/30/2025	Chief Financial Officer, Assistant Finance Director	\$0	N/A	Chapter 5	N/A
Improve the overall internal control structure and mitigate risk by contracting professionals to conduct an internal control review and test policies and procedures associated with financial operations to identify potential weaknesses and provide practical recommendations.	9/30/2025	Chief Financial Officer, Assistant Finance Director	\$10,000	N/A	Chapter 5	N/A
<b>Mid Term - FY 2024-25 &amp; FY 2025-26</b>						
Centralize purchases by creating a Purchasing Agent position.	9/30/2026	Chief Financial Officer	To be determined	N/A	Chapter 5	N/A
Enhance inventory practices by implementing fixed asset tracking software.	9/30/2026	Chief Financial Officer, Assistant Finance Director, Accountant I (Procurement / STR&HOT)	To be determined	N/A	Chapter 5	N/A
<b>Long Term - FY 2025-26 &amp; FY 2026-27</b>						
Minimize turnover by maintaining employee motivation through professional development, flex time, and fair compensation.	Ongoing	Chief Financial Officer	To be determined	N/A	Chapter 5	N/A
Promote professional development, encourage participation, as well as review current processes.	Ongoing	Chief Financial Officer	To be determined	N/A	Chapter 5	N/A
Enhance cross-training to avoid interruptions in service.	Ongoing	Chief Financial Officer	Personnel related expenses for hours worked on project	N/A	Chapter 5	N/A

## Performance Metrics

### GFOA Budget Award:

Certificate is awarded to government units effectively presenting their budget in accordance with the highest principles of government budgeting.

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Result	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

### GFOA ACFR Award:

Certificate is awarded to government units whose Annual Comprehensive Financial Reports (ACFRs) achieve the highest standards in government accounting and financial reporting.

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Result	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Pending

### GFOA PAFR Award:

Certificate is awarded to government entities whose Popular Annual Financial Reports (PAFRs) are designed to be readily accessible and easily understandable.

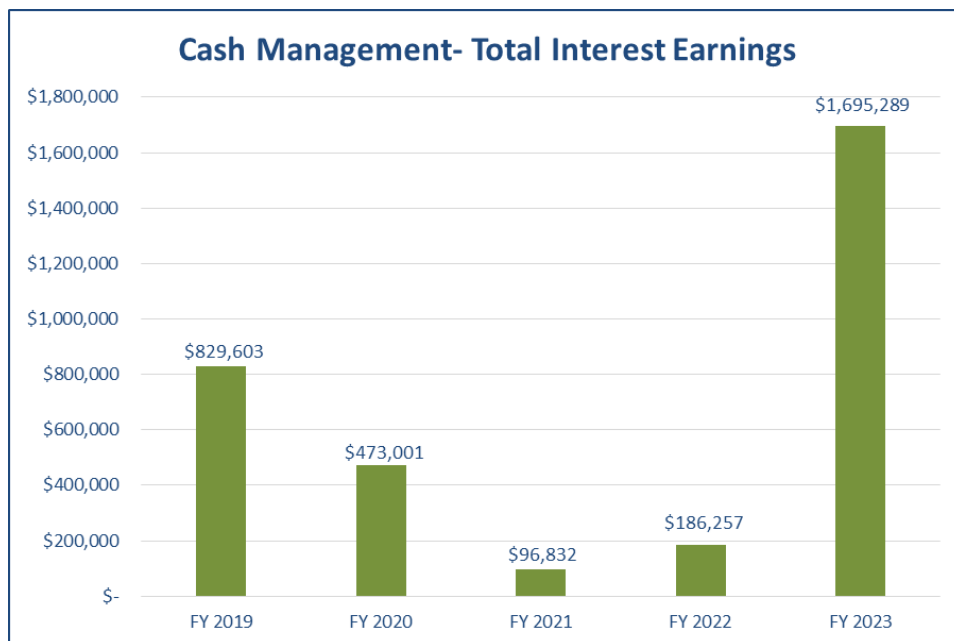
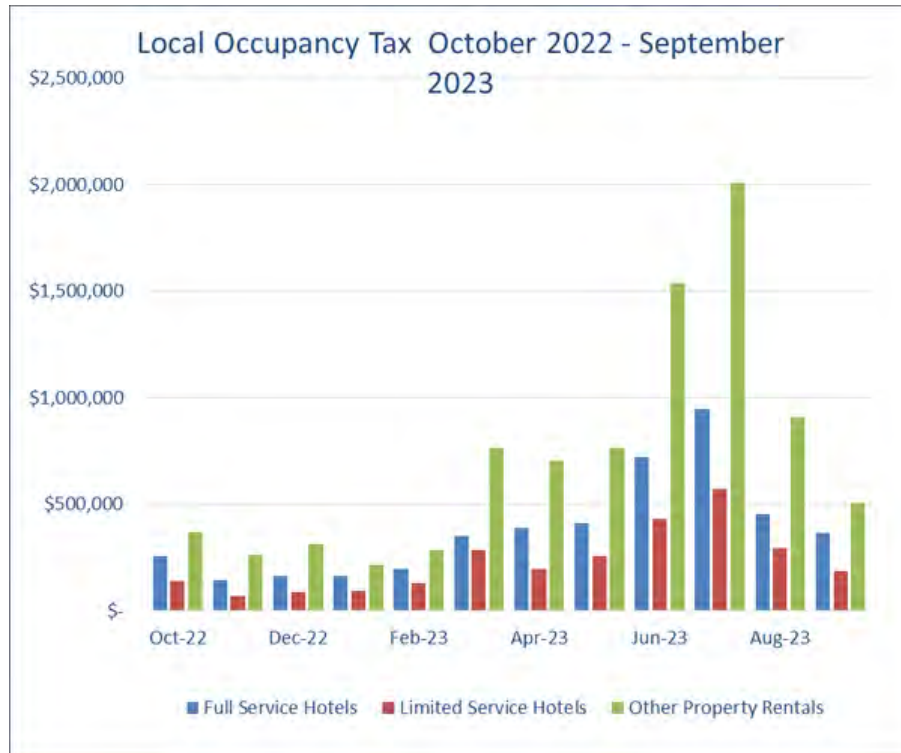
Fiscal Year	2019	2020	2021	2022	2023
Result	Yes	Yes	Yes	Yes	Pending

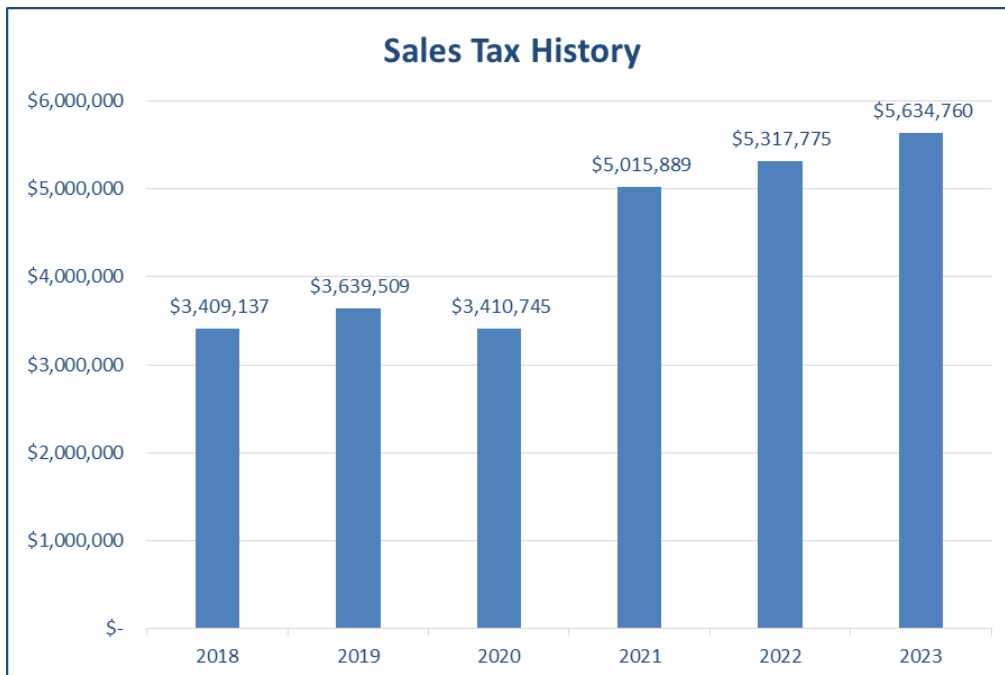
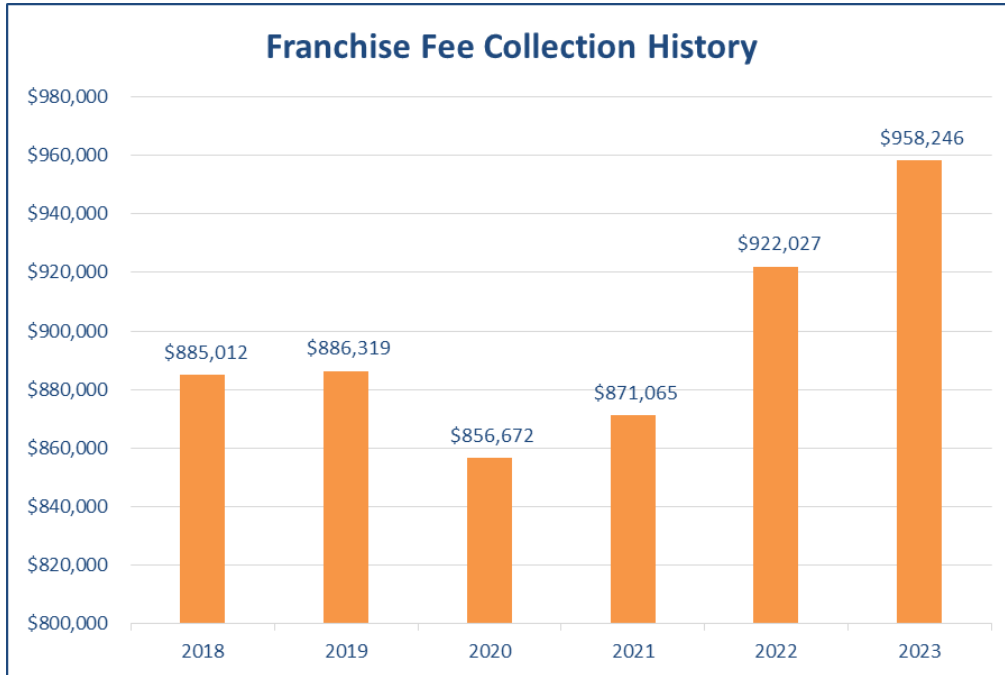
### Bond Ratings:

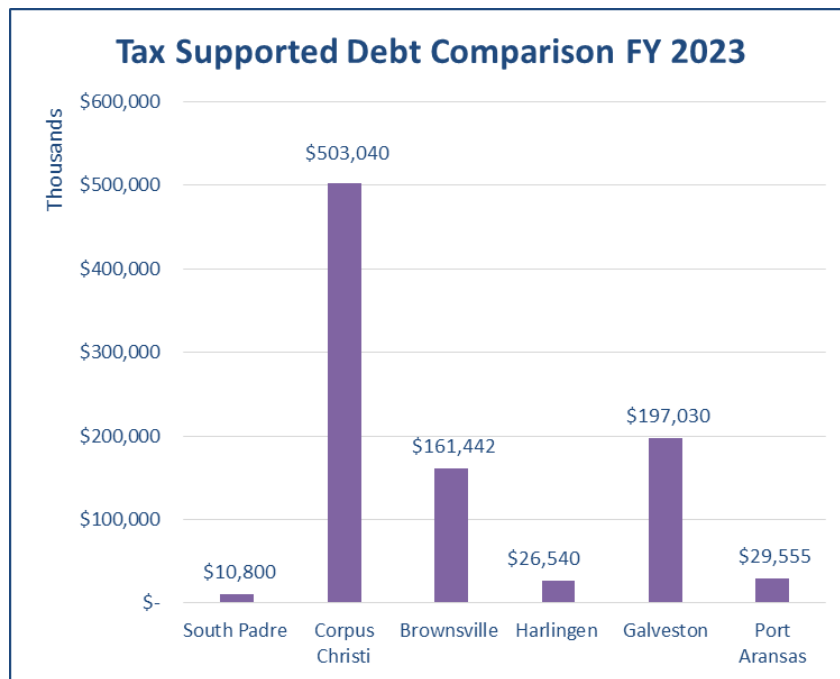
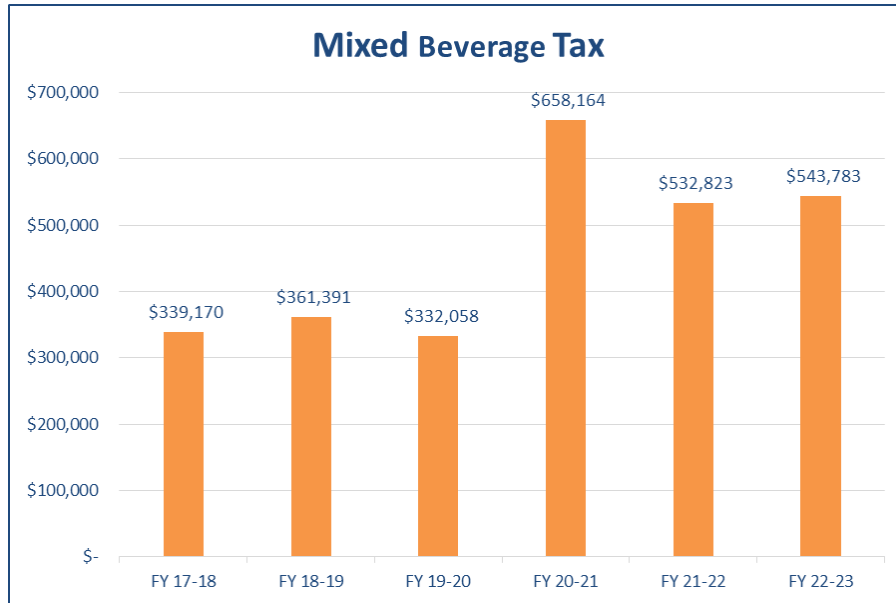
Bond ratings are a measure of the creditworthiness of both debt securities and their issuers. The City has a strong financial position with an AA general obligation bond rating through Standard & Poor's, which is a reflection of strong financial practices. The excellent bond rating allows the City to issue bonds for major projects at an advantageous interest rate.

Bonds Issued	GO Bond Ratings		Revenue Bond Ratings
	S&P	Moody's	S&P
<b>Description</b>			
FY 2012 - Refunding Bonds - Municipal Complex	AA+	Aa2	-
FY 2016 - Tax Notes Series 2016 - Padre Blvd Improvements	AA+	Aa2	-
FY 2017 - Venue Hotel Occupancy Tax Revenue Bonds	-	-	A
FY 2020 - Refunding Bonds - Fire Station	AA+	-	-
FY 2021 - Tax Notes Series 2021 - Laguna Blvd Improvements	AA+	-	-
FY 2023 - Tax Notes Series 2023 - Street Drainage Improvements	AA+	-	-

Financial Trends:







## Staffing Plan

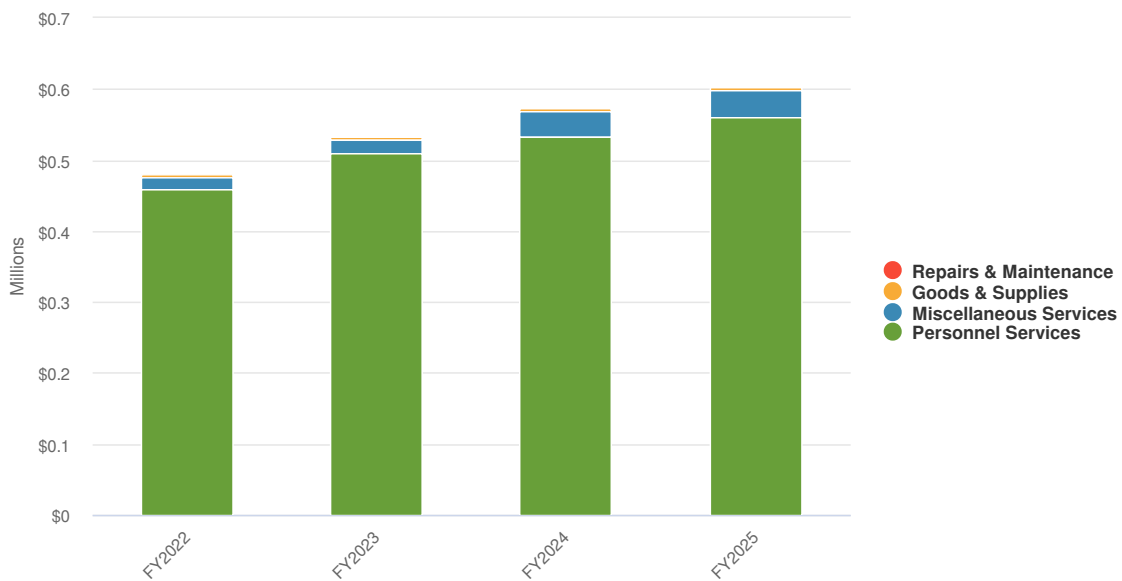
Position	Current FY	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Chief Financial Officer	0.80	0.74	0.74	0.74	0.74	0.74
Assistant Finance Director	1	1	1	1	1	1
Accountant I	1	1	1	1	1	1
Accountant I (Payroll)	1	1	1	1	1	1
Accounting Coordinator	1	1	1	1	1	1
Purchasing & Account Analyst	1	1	-	-	-	-
Purchasing Agent	-	-	1	1	1	1
<b>Total Positions:</b>	<b>5.80</b>	<b>5.74</b>	<b>5.74</b>	<b>5.74</b>	<b>5.74</b>	<b>5.74</b>

## Expenditures Summary

**\$602,273** **\$28,665**  
(5.00% vs. prior year)

### Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$459,543	\$509,337	\$532,348	\$560,728	5.3%
Goods & Supplies	\$3,477	\$4,105	\$4,700	\$4,733	0.7%
Repairs & Maintenance	\$0	\$831	\$0	\$0	0%
Miscellaneous Services	\$16,612	\$19,668	\$36,560	\$36,812	0.7%
<b>Total:</b>	<b>\$479,632</b>	<b>\$533,942</b>	<b>\$573,608</b>	<b>\$602,273</b>	<b>5%</b>

## Planning Department



**Marta Martinez**  
Planning Coordinator

The Planning Department administers the City's Land Planning and Development programs. The Department administers the City's Comprehensive Plan, Zoning Ordinance, Form-Based Codes, Subdivision Regulation, Site Plan Review, Annexation, Landscape Design, GIS and other services as assigned. The Department provides administrative & policy research services to the City Council, Planning and Zoning Commission, Zoning Board of Adjustments, the Development Standards Review Task Force, the City Manager, the Development Industry, and other inter/intra agencies while serving the public.

### Major Goals:

Modernize, streamline and realign the land development regulatory framework to meet today's economy while enhancing the quality of life.

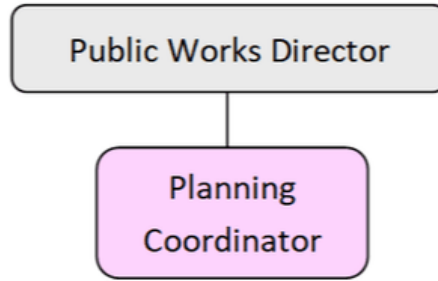
1. To create a predictable, fair, and ethical land development regulatory framework.
2. To create a sustainable and environmentally sensitive development code.
3. To foster an innovative, diverse, and creative urban development environment.
4. To implement the form-based code for Padre Boulevard and the Entertainment District.
5. To develop and administer an annexation plan.
6. To update the City's zoning and subdivision regulations.
7. To develop and administer a Thoroughfare Plan.
8. To implement and update the City's Comprehensive Plan.

### Our Planning Indicators and Focus:

The Planning Department coordinates approximately 48 city committee meetings annually. Meeting coordination includes: drafting and posting agendas, preparing meeting minutes, preparing mail-out notices, preparing Local Government Code required notices, responding to meeting agenda content questions, and processing development applications from the development community. The department prepares a number of zoning & subdivision code amendments and is required to prepare the amendments in accordance with the Texas Local Government Code.

The land development process provides a good indicator of local economic development conditions. Subdivision development is typically the first step in the land development process and platting activity can provide insight into the six-month demand for housing & commercial land development. Demand for housing development in the City has been declining and population growth has become almost zero. Therefore, the future focus of planning should be on enhancing the quality of life while balancing it with economic development strategies.

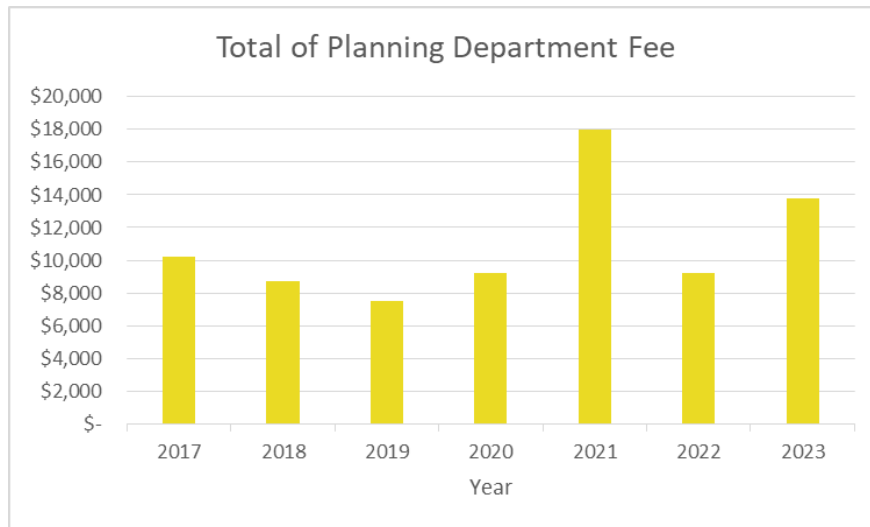
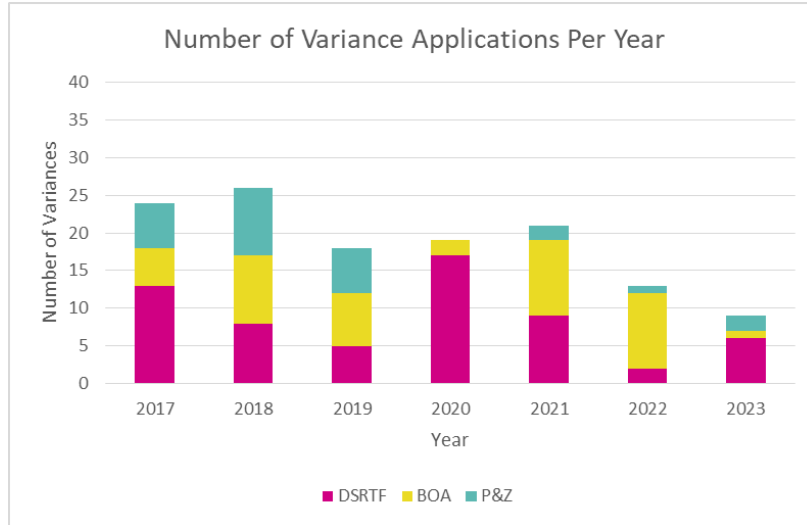
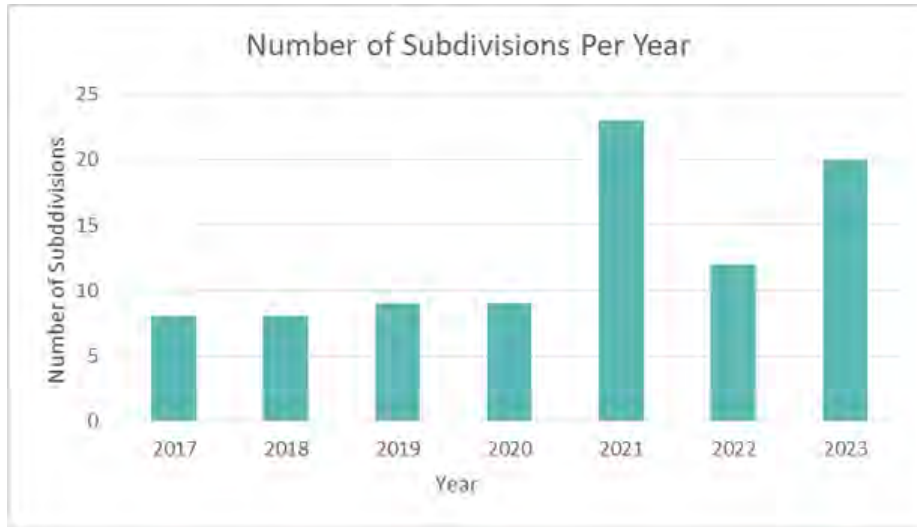
## Organizational Chart



## Strategic Objectives and Work Plan for the Next Five Years

Project Description	Fiscal Year Due Date	Project Leader	Budget Impact	Associated Metric	Comp Plan Goal	CIP Project
<b>Short Term - FY 2024-25</b>						
Promote economic development for sustainability by working with the Economic Development Corporation to identify community needs and economic development opportunities.	2024-25	Public Works Director	To be determined.	Identification of opportunities and execution of such opportunities	Chapter 4	N/A
Conduct annual SWOT analysis and business plan with planning team.	2024-25	Public Works Director	\$250 - Meetings	Completion of SWOT analysis and business plan	Chapter 4	N/A
Evaluate/update/ implement form-based codes/policies/fees to ensure compliance with the Comprehensive Plan.	2024-25	Planning Coordinator	Personnel related expenses for hours worked on project	# of annual subdivisions, variances, and amount of fees	Chapter 4	N/A
Text/Map amendments to provide flexibility & streamline opportunities to promote development & allow for the highest and best use of property while preserving character.	2024-25	Planning Coordinator	\$4,000 Professional Services Expense budgeted to update zoning maps	N/A	Chapter 4	N/A
<b>Mid Term - FY 2025-26 &amp; FY 2026-27</b>						
Promote sustainability by working with the EDC to identify community needs and economic development opportunities.	2025-26	PW Director	Personnel related expenses for hours worked on project	Identification and execution of such opportunities	Chapter 4	N/A
Conduct annual SWOT analysis and business plan with the planning team.	2025-26	PW Director	Personnel related expenses for hours worked on project	Completion of SWOT analysis and business plan	Chapter 4	N/A
<b>Long Term - FY 2027-28 &amp; FY 2028-29</b>						
Assess and re-evaluate the Comprehensive Plan as required every 5 years.	2027-28	PW Director & Planning Coordinator	To be determined	Completion of assessment/ re-evaluation	Chapter 4	N/A

## Performance Metrics



## Staffing Plan

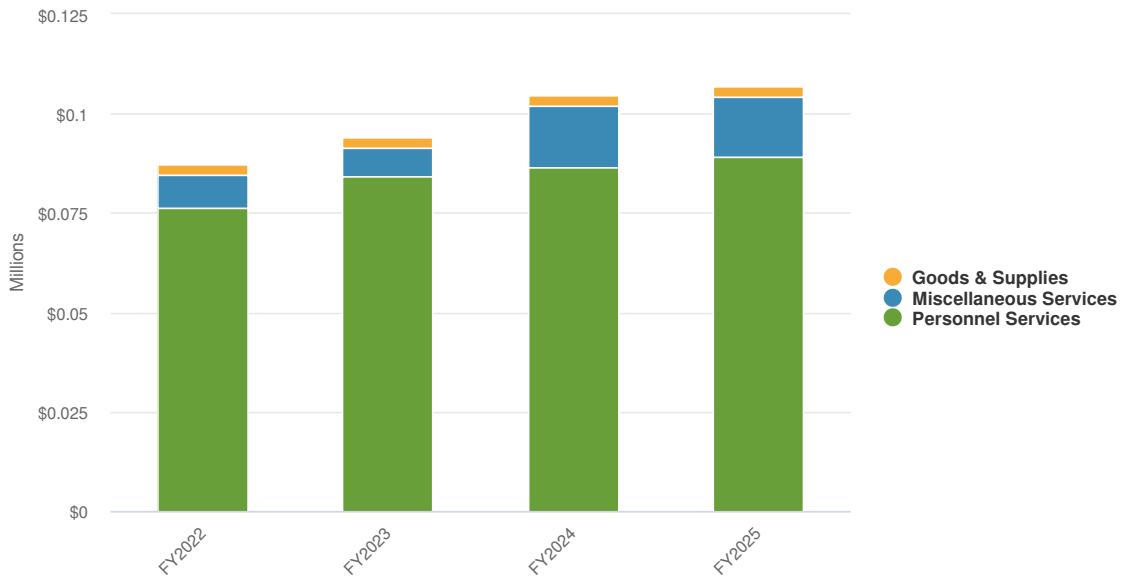
Position	Current FY	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
Planning Coordinator	1	1	1	1	1	1
Public Works Director	0.10	0.10	0.10	0.10	0.10	0.10
<b>Total Positions:</b>	<b>1.10</b>	<b>1.10</b>	<b>1.10</b>	<b>1.10</b>	<b>1.10</b>	<b>1.10</b>

## Expenditures Summary

**\$106,994** **\$2,522**  
(2.41% vs. prior year)

## Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$76,293	\$84,332	\$86,416	\$88,938	2.9%
Goods & Supplies	\$2,454	\$2,399	\$2,603	\$2,602	0%
Miscellaneous Services	\$8,362	\$7,239	\$15,453	\$15,454	0%
<b>Total:</b>	<b>\$87,110</b>	<b>\$93,970</b>	<b>\$104,472</b>	<b>\$106,994</b>	<b>2.4%</b>

## Information Technology Department



**Victor Martinez**

Information Technology Director

The Information Technology (IT) Department is responsible for researching, assessing, acquiring, maintaining, providing, and supporting the systems and processes necessary to access information and communicate, both internally and externally. The IT Department includes Information Technology, Geographical Information Systems (GIS), and Communications.

### Major Goals:

1. Build the systems and processes necessary to enable cross-departmental collaboration and access to shared information.
2. Set strategic direction for the City in relation to technology, communications, GIS, and other information-related processes, products, or projects.
3. Make information available to both the public and staff, to promote government transparency.
4. Reduce costs and better utilize City resources by implementing tools and processes that save time and/or money.
5. Bring South Padre Island to the forefront of the communication and technology fields.

### Information Technology Goals:

1. Manage, maintain, and upgrade the City's technology infrastructure to ensure it meets the needs of the staff and City constituents.
2. Evaluate and purchase technology software and products to meet the needs of the City staff and constituents.
3. Evaluate processes and procedures and determine if there are better ways to do things with the use of technology.
4. Provide technology training, support and assistance to make sure the City is getting the best value out of the products it purchases.

### Our Planning Indicators and Focus:

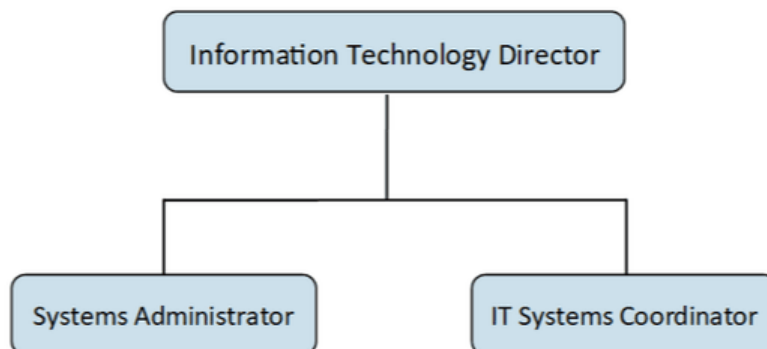
Information is the foundation for an organization. Without information, the organization cannot function and staff cannot do their job. With advances in technology, information has grown exponentially; therefore, we must have the means to manage, communicate, and analyze information to operate at today's standards.

## Strategic Objectives and Work Plan for the Next Five Years

Project Description	Fiscal Year Due Date	Project Leader	Budget Impact	Associated Metric	Comp Plan Goal	CIP Project
<b>Short Term - FY 2024-25</b>						
Improve operations by implementing a secondary domain controller.	2024-25	IT Director	Personnel related expenses for hours worked on project	2	Chapter 8	N/A
Maintain the integrity of City records by implementing NAS storage for Google Workspace terminated accounts.	2024-25	2IT Director	To be determined	2	Chapter 8	N/A
Improve operations by replacing police mobile device units.	2024-25	IT Director	\$10k budgeted in Minor Tools & Equipment	N/A	Chapter 8	N/A
Enhance transparency and communications by making the City website ADA compliant.	2024-25	IT Director	\$5,268 budgeted in Software	2	Chapter 8	N/A
Improve operations by implementing TLET interface with mobile devices.	2024-25	IT Director	\$3,262 budgeted in Service Contracts for mobile device management.	2	Chapter 8	N/A
Improve policies and procedures by creating a risk assessment plan (followed by incident response plan).	2024-25	IT Director	Personnel related expenses for hours worked on project	2	Chapter 8	N/A
Enhance processes by replacing the Spiceworks ticket system.	2024-25	IT Director	To be determined	2	Chapter 8	N/A
Enhance safety and security by upgrading the Police Department's Watchguard server.	2024-25	IT Director	\$10k budgeted in Minor Tools & Equipment	2	Chapter 8	N/A
Improve efficiency by employing Cyber Security Playbook Automation.	2024-25	IT Director	Personnel related expenses for hours worked on project	2	Chapter 8	N/A
<b>Mid Term - FY 2025-26 &amp; FY 2026-27</b>						
Improve operations and embrace green initiatives by implementing Tyler TCM paperless server.	2025-26	IT Director	\$15,000 to obtain software	2	Chapter 8	N/A
Enhance security by upgrading email platform.	2025-26	IT Director	\$10,800 estimated	1	Chapter 8	N/A
Enhance operations by upgrading the firehouse's interface.	2025-26	IT Director	To be determined	1	Chapter 8	N/A
Enhance operations by redesigning EOC room to meet emergency management needs.	2025-26	IT Director	To be determined	1	Chapter 8	N/A

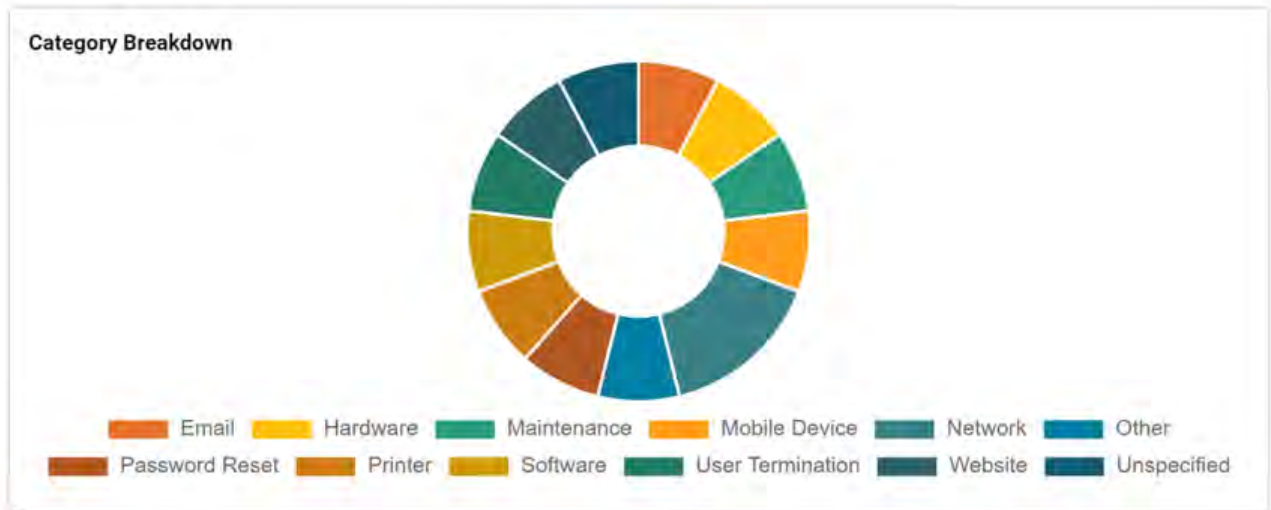
Maintain integrity of information by migrating the police bodycam server to the Cloud.	2025-26	IT Director	Personnel related expenses for hours worked on project	1	Chapter 8	N/A
Increase security by obtaining an end point security upgrade.	2025-26	IT Director	To be determined	1	Chapter 8	N/A
Improve operations by creating and implementing a cybersecurity incident response plan.	2025-26	IT Director	Personnel related expenses for hours worked on project	1	Chapter 8	N/A
Improve communication, operations, and security by implementing Google Workspace VMare migration and entering into a new contract for services.	2025-26	IT Director	To be determined	3	Chapter 8	N/A
Enhance security by creating and implementing a police network cyber security policy.	2025-26	IT Director	Personnel related expenses for hours worked on project	2	Chapter 8	N/A
<b>Long Term - FY 2027-28 &amp; FY 2028-29</b>						
Enhance communications and provide free internet access by implementing city-wide park WIFI access.	2027-28	IT Director	Cost of additional internet	1	Chapter 8	N/A
Enhance security by installing a new CVB surveillance system.	2026-27	IT Director	To be determined	3	Chapter 8	N/A
Enhance security by conducting department building Firewall segmentation.	2026-27	IT Director	To be determined	3	Chapter 8	N/A
Enhance operations by upgrading CVB multimedia technology.	2026-27	IT Director	To be determined	3	Chapter 8	N/A
Enhance operations security through cyber security managed SOC.	2026-27	IT Director	To be determined	3	Chapter 8	N/A

## Organizational Chart

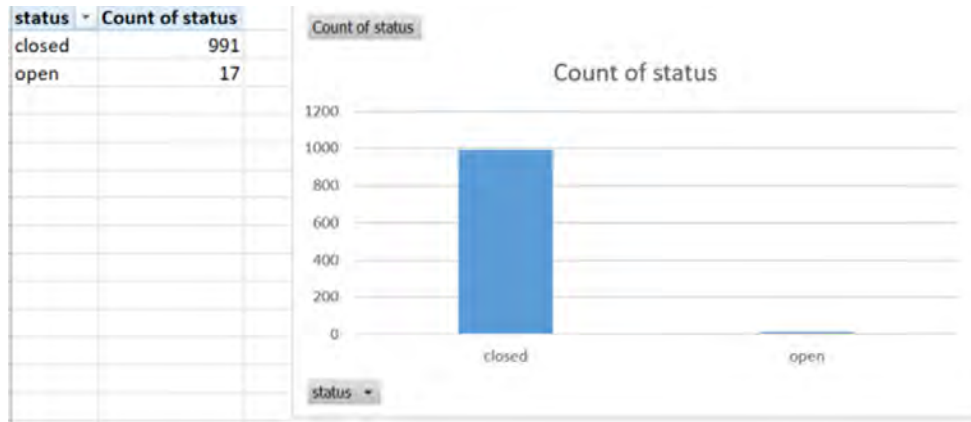


## Performance Metrics

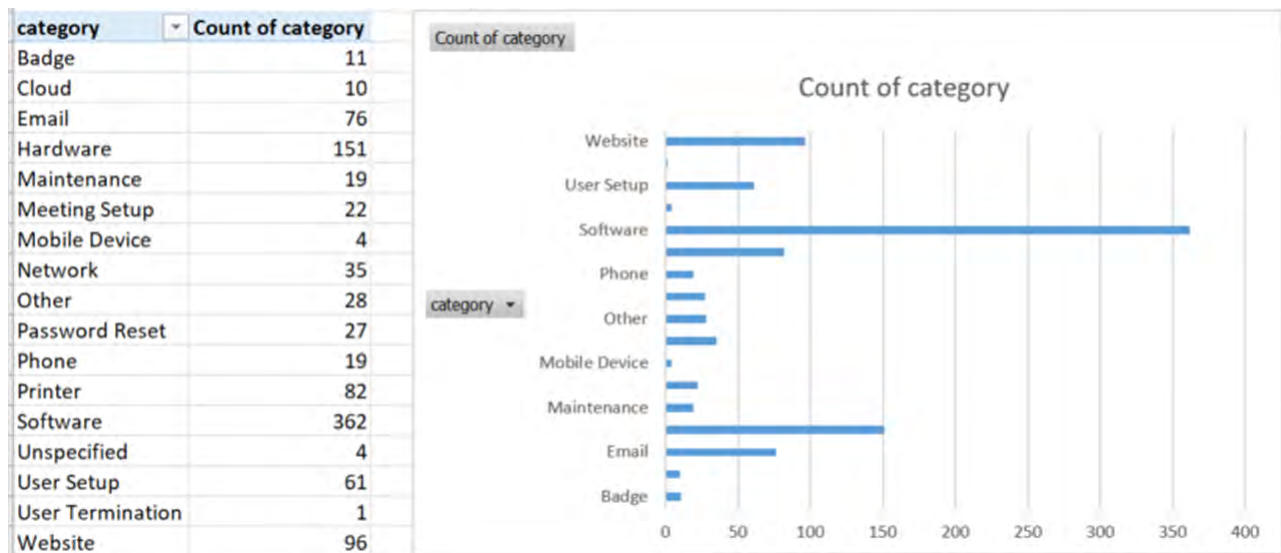
Metric 1:



Metric 2:



Metric 3:



## Staffing Plan

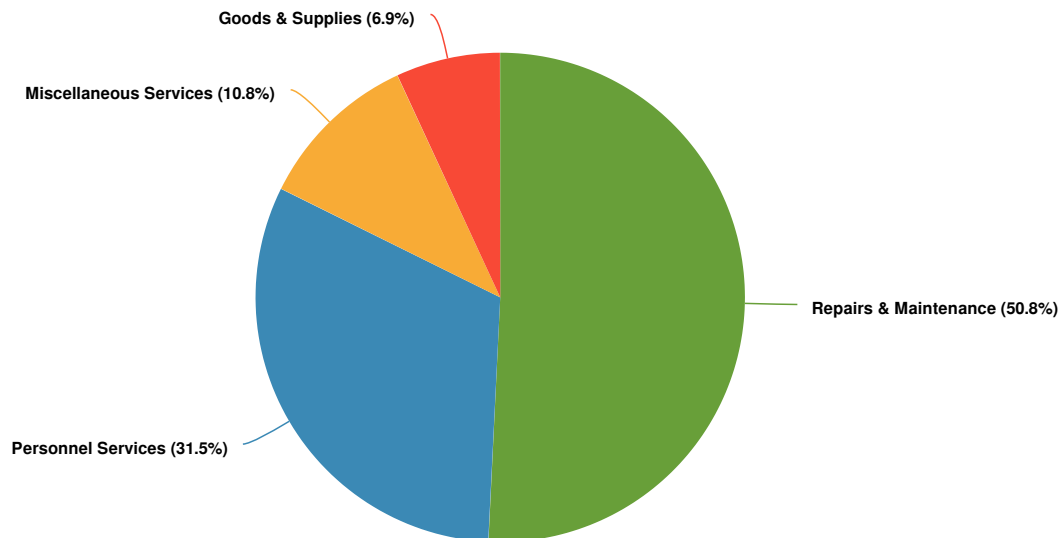
Position	Current FY	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
IT Director	1	1	1	1	1	1
Systems Administrator	1	1	1	1	1	1
Systems Coordinator	1	1	1	1	1	1
<b>Total Positions:</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

## Expenditures Summary

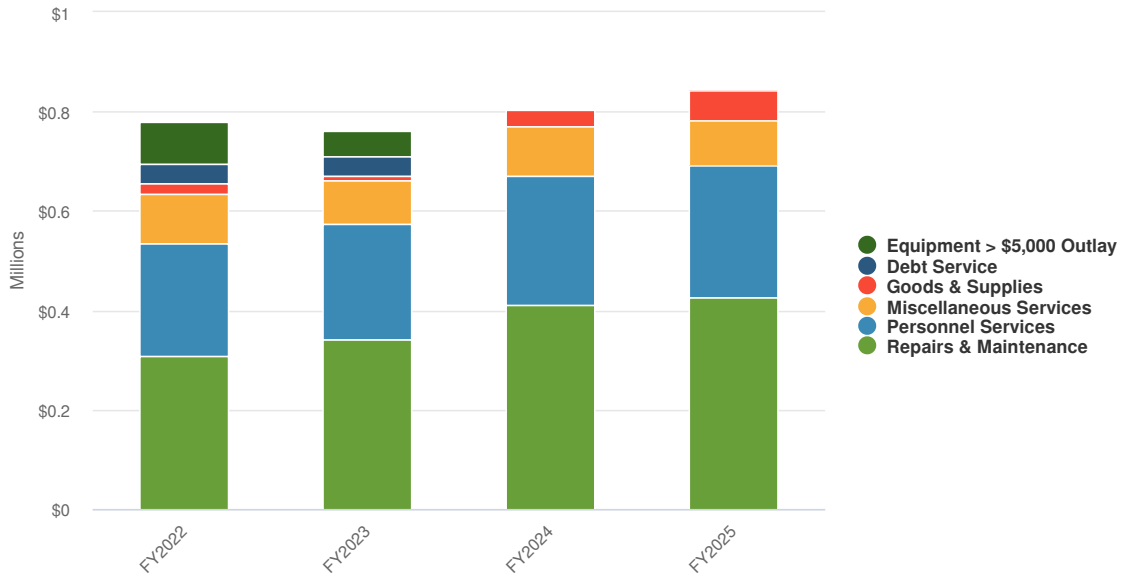
**\$841,751** **\$38,681**  
(4.82% vs. prior year)

## Expenditures by Expense Type

Budgeted Expenditures by Expense Type



## Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$226,473	\$234,806	\$257,169	\$265,524	3.2%
Goods & Supplies	\$20,028	\$9,764	\$34,042	\$58,050	70.5%
Repairs & Maintenance	\$308,913	\$340,005	\$412,139	\$427,425	3.7%
Miscellaneous Services	\$99,993	\$85,577	\$99,720	\$90,752	-9%
Equipment > \$5,000 Outlay	\$83,569	\$49,665	\$0	\$0	0%
Debt Service	\$40,803	\$40,685	\$0	\$0	0%
<b>Total:</b>	<b>\$779,778</b>	<b>\$760,503</b>	<b>\$803,070</b>	<b>\$841,751</b>	<b>4.8%</b>

# Administrative Services Department - Human Resources Division



**Wendy Saldana**  
Human Resources Manager

The Human Resources Division for the City of South Padre Island serves as a business partner, working with all departments within the City to serve our internal and external customers with integrity, professionalism, and the highest level of customer service while providing a variety of services.

The Human Resources Division provides services that promote a work environment characterized by fair treatment of staff, open communication, trust, and mutual respect. Recognizing that our employees are our most valuable asset, our division strives to provide quality service and support for the employees, which will enable employees to better serve the citizens of the City of South Padre Island.

The Human Resources Division is responsible for:

- Recruitment and Selection
- Compliance with State and Federal Employment Laws
- Employee Benefit Administration
- Risk Management/Safety
- Employee Relations
- Training and Development
- Compensation
- Administrative Services

## Major Goals:

### 1. Recruitment and Selection

- a. Recruit qualified and diverse candidates for employment.
- b. Enhance technology to create more streamlined application procedures.
- c. Establish, maintain, and monitor successful pre-employment testing programs.

### 2. Compliance with State and Federal Employment Laws

- a. Measure and maintain best practices in the areas of equal employment.
- b. Continue to monitor changing legislation to ensure that policy and practices comply with the law.

### 3. Employee Benefit Administration

- a. Collaborate and communicate to employees, retirees, and others to assure that selected benefits are responsive to their needs.
- b. Ensure timely reporting, enrollment, and processing of employee-benefit related information.

### 4. Risk Management/Safety

- a. Ensure that all claims are handled equally and timely.
- b. Work with employees, departments, medical providers and claim adjusters to comply with the Americans with Disabilities Act and Workers' Compensation laws to return disabled, injured or ill employees to suitable, gainful employment as soon as possible.
- c. Ensure the City is in compliance with all State Workers' Compensation laws.
- d. Continue to decrease the number of work injuries by providing increased training and awareness.

### 5. Employee Relations

- a. Establish and maintain clear and open lines of communication to resolve discrimination or grievance issues and complaints in a fair and equitable manner.

b. Create a positive work culture where employees can develop their skills and feel comfortable in the workplace.

6. Training & Development

- a. Create a supervisor training program for all employees hired or promoted to a supervisory position. This training would include City policy awareness along with general supervisory information.
- b. Maintain an internal training program to help address work related issues such as the prevention of sexual harassment and ethics regarding municipal government.

7. Compensation

- a. Maintain a compensation plan that promotes flexible and sound classification principles.
- b. Continue to research and recommend equitable, consistent, and competitive salaries for City positions.

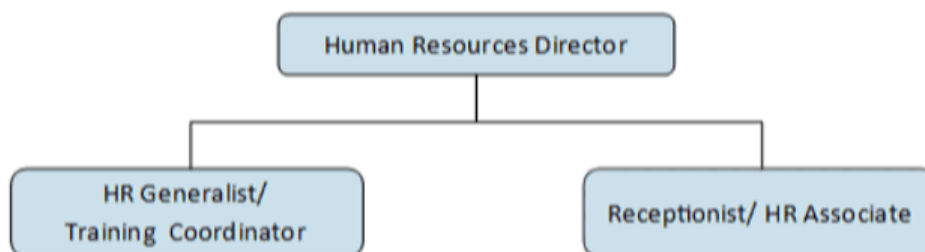
8. Administrative Services

- a. Create a comprehensive set of clear and specific policies that are understood by the employee and administered correctly.
- b. Increase the use of technology in the area of Human Resources to allow all members of the organization the ability to access their department information quickly and decrease workflow time between employees and departments.
- c. Create a digital format of all internal and external forms so that employees and citizens can easily fill out required documentation for any purpose.

Our Planning Indicators and Focus:

As the City of South Padre Island's citizen and visitor population increases, the demand for public service will also increase. The Human Resources (HR) Division will use the number of employees hired annually as an indicator for the increased demand for services. The current number of employees serviced by the HR Division is 176 full-time equivalents (FTE's) and an estimated 150 part-time/temporary employees annually.

## Organizational Chart

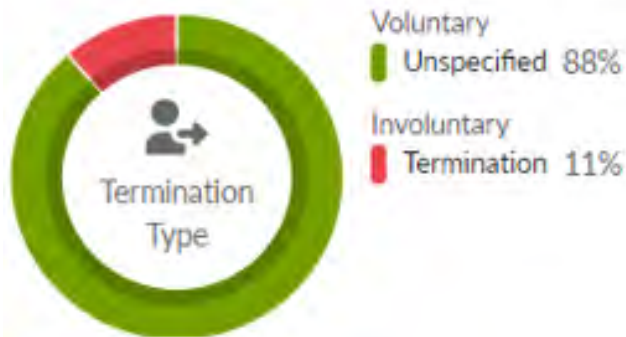
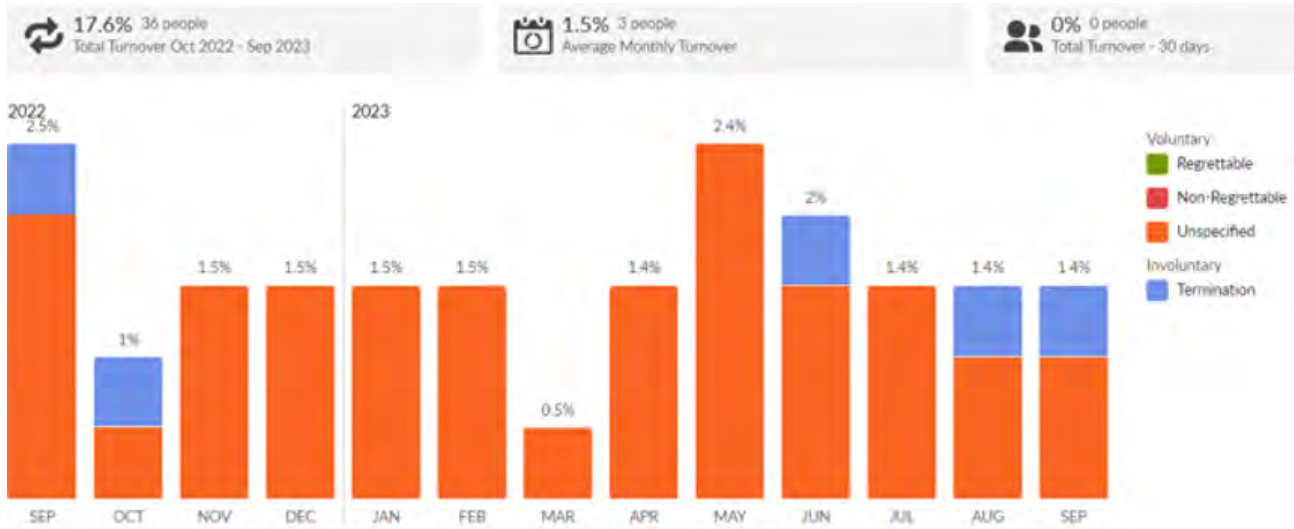


## Strategic Objectives and Work Plan for the Next Five Years

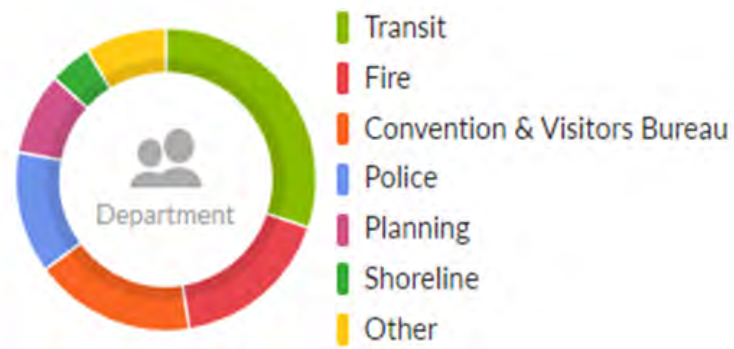
Project Description	Fiscal Year Due Date	Project Leader	Budget Impact	Associated Metric	Comp Plan Goal	CIP Project
<b>Short Term - FY 2024-25</b>						
Strengthen internal department relationships to build friendship in the workplace.	2024-25	HR Director	To be determined	1 & 3	Chapter 11	N/A
Create a new compensation plan for City employees that will increase retention and recruitment efforts.	2024-25	Director of Operations & HR Director	\$25,000 (previous yr. expense for study). Implementation cost is unknown.	1	Chapter 11	N/A
Update the Employee Handbook and create an efficient maintenance system.	2024-25	Director of Operations	Legal review cost & \$2,475 - Airmason Platform	1, 2, & 3	Chapter 11	N/A
Purchase and implement a new HRIS system to increase department efficiency and quality of services (Onboarding, Recruitment, Risk Management, Performance Management, Training, etc.).	2024-25	HR Director & HR Generalist	\$10,000 budgeted for Bamboo (in IT budget)	1, 2, & 3	Chapter 11	N/A
Continue implementing the comprehensive internal employee training program.	2024-25	HR Generalist	\$7,661	1, 2, & 3	Chapter 11	N/A
Update the current Employee ID Machine.	2024-25	HR Generalist	\$2,000	N/A	Chapter 11	N/A
Encourage employees to use the Employee Assistance Program and increase utilization.	2024-25	HR Generalist	N/A	3	Chapter 11	N/A
Review and plan to achieve goals from the Comprehensive Plan.	2024-25	Director of Operations	Personnel related expenses for hours worked on project	N/A	Chapter 11	N/A
Conduct monthly department meetings to review business plan project status.	2024-25	Director of Operations	Personnel related expenses for hours worked on project	1	Chapter 11	N/A
Hold quarterly one-on-ones with each staff member.	2024-25	All Supervisors	Personnel related expenses for hours worked on project	1	Chapter 11	N/A
Utilize SPI Connect to provide training to meet employee needs.	2024-25	All Supervisors	Personnel related expenses for hours worked on project	2	Chapter 11	N/A
Create professional development plans for all department staff.	2024-25	All Supervisors	Personnel related expenses for hours worked on project	2	Chapter 11	N/A
Encourage department staff to pursue higher education.	2024-25	All Supervisors	\$48,000	2	Chapter 11	N/A
<b>Mid Term - FY 2025-26 &amp; FY 2026-27</b>						
Complete record storage project to include a database of all permanent records.	2025-26	HR Director	To be determined	N/A	Chapter 11	N/A
Develop SOP for Workers Compensation processes and process maps.	2025-26	Director of Operations	Personnel related expenses for hours worked on project	2	Chapter 11	N/A
Develop SOP for human resources processes and process maps.	2025-26	HR Director	Personnel related expenses for hours worked on project	2	Chapter 11	N/A
<b>Long Term - FY 2027-28 &amp; FY 2028-29</b>						
Formalize succession planning.	2026-27	HR Director	To be determined	4	Chapter 11	N/A

## Performance Metrics

Metric 1:



Termination Reason	Terminations ↓	Percent of Terminations
Resignation	26	72.2%
Policy Violation	4	11.1%
Retirement	4	11.1%
Other employment	2	5.6%

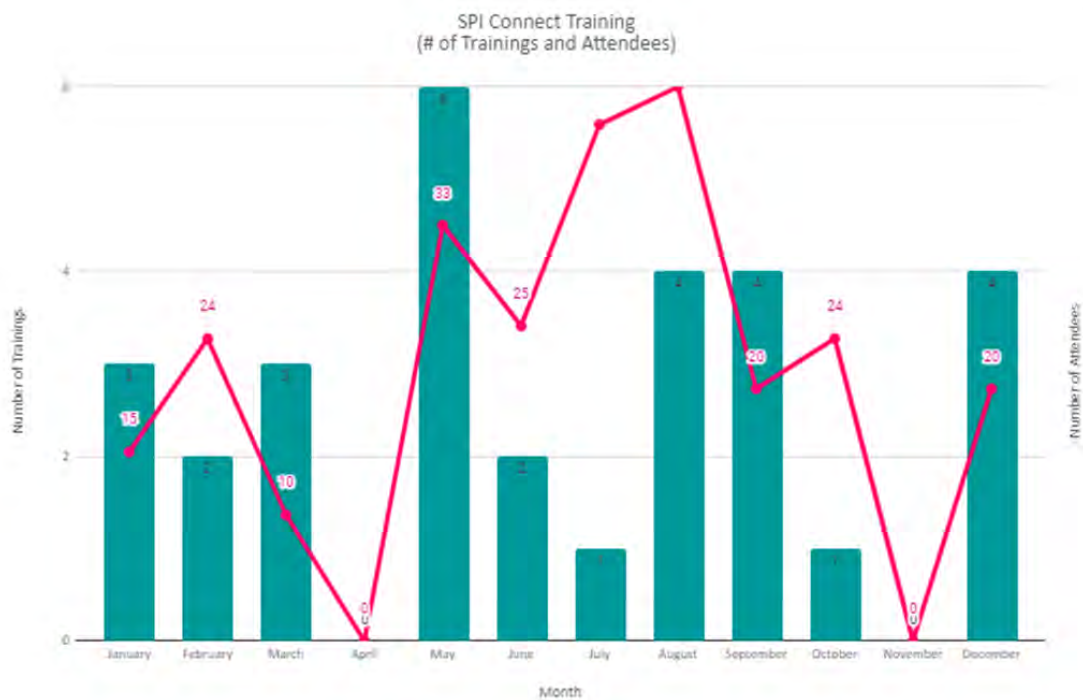


Department	Terminations ↓	Percent of Terminations	Turnover Rate
Transit	8	22.2%	33.7%
Fire	6	16.7%	14.9%
Police	6	16.7%	12.3%
Public Works	5	13.9%	19.2%
Convention & Visitors Bureau	3	8.3%	13.4%
Environmental Health	3	8.3%	36%
Shoreline	2	5.6%	22.6%
Administrative Services	1	2.8%	14%
Information Technology	1	2.8%	36.4%
Finance	1	2.8%	16.4%

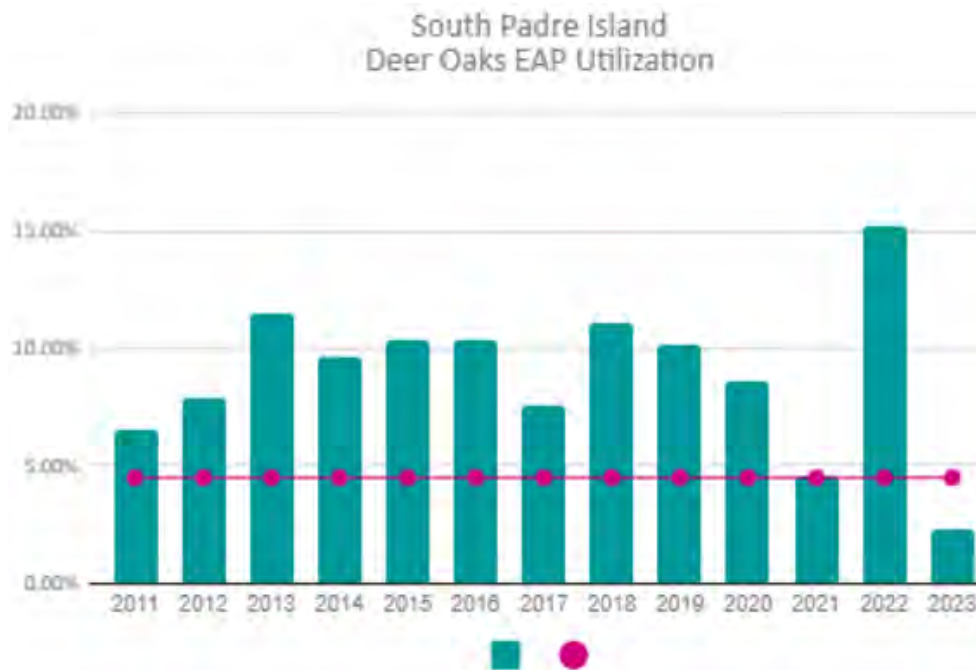


Length of Service	Terminations ↓	Percent of Terminations
1-3 years	10	27.8%
< 6 months	9	25%
6 months - 1 year	7	19.4%
5-10 years	5	13.9%
10+ years	4	11.1%
3-5 years	1	2.8%

Metric 2:



Metric 3:



Metric 4:



## Staffing Plan

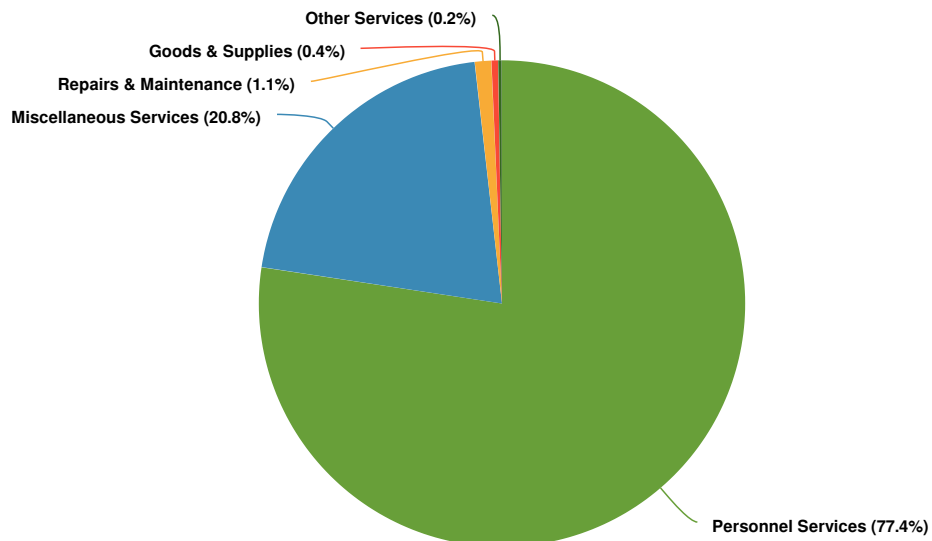
Position	Current FY	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
Director of Operations	0.40	0.36	0.36	0.36	0.36	0.36
Human Resources Director	0	1	1	1	1	1
Human Resources Manager	1	0	0	0	0	0
HR Generalist/Training Coordinator	1	1	1	1	1	1
Receptionist/HR Associate	1	1	0	0	0	0
Receptionist/HR Generalist	0	0	1	1	1	1
<b>Total Positions:</b>	<b>3.40</b>	<b>3.36</b>	<b>3.36</b>	<b>3.36</b>	<b>3.36</b>	<b>3.36</b>

## Expenditures Summary

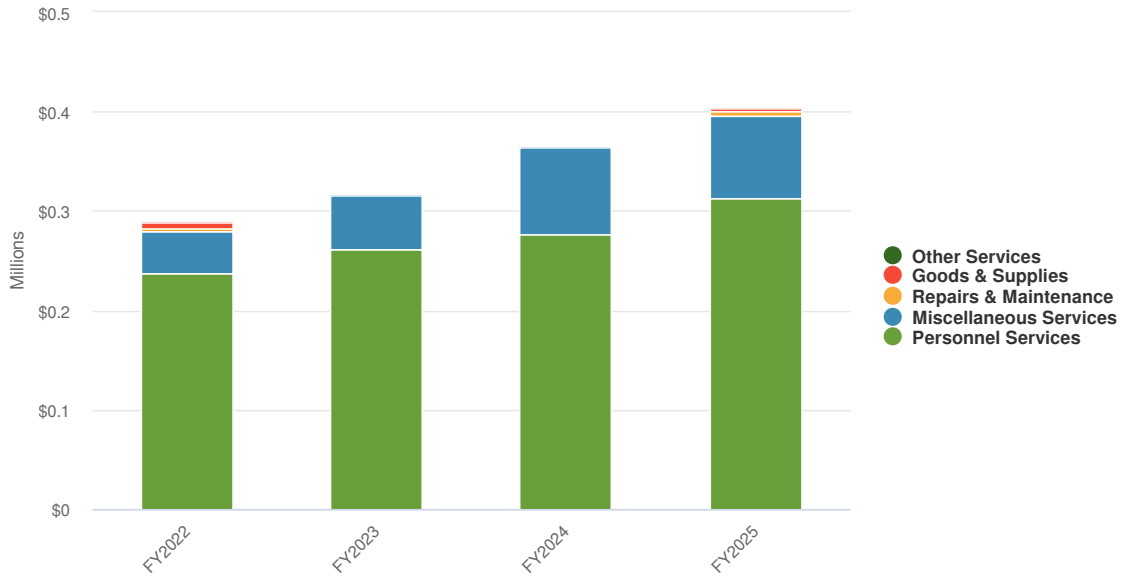
**\$403,736** **\$35,532**  
(9.65% vs. prior year)

## Expenditures by Expense Type

Budgeted Expenditures by Expense Type



### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$237,882	\$261,933	\$276,412	\$312,483	13%
Goods & Supplies	\$5,498	\$1,943	\$1,500	\$1,800	20%
Repairs & Maintenance	\$3,985	\$0	\$2,086	\$4,425	112.1%
Miscellaneous Services	\$41,179	\$54,032	\$87,206	\$84,028	-3.6%
Other Services	\$167	\$100	\$1,000	\$1,000	0%
<b>Total:</b>	<b>\$288,711</b>	<b>\$318,009</b>	<b>\$368,204</b>	<b>\$403,736</b>	<b>9.7%</b>

## Administrative Services Department - Municipal Division



**Crystal Vasquez**  
Court Administrator

The Municipal Court Division's primary function is to process all Class C criminal charges filed by the Police and Code Enforcement Officers within the city limits. These include charges filed under the Texas Transportation Code, Penal Code, Alcoholic Beverage Code, Health and Safety Code, Education Code and the City of South Padre Island Code of Ordinances.

### Major Goals:

1. Continue public relations programs to enhance communication regarding Municipal Court Division activities.
2. Continue the enhancement of technology in the Municipal Court Division to create improved services for our internal and external customers.
3. Decrease the amount of uncollected funds by researching and evaluating new programs and methods.
4. Maintain accurate record management systems.

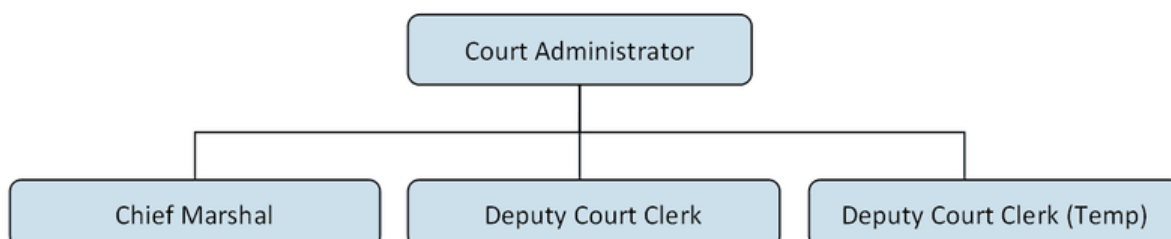
### Marshal's Office:

The City Marshal's Office is a law enforcement agency that performs duties related to the efficient functioning of the Municipal Court. Our mission is to maintain the trust and confidence of our community by investing all available resources into court security and fugitive apprehension. We strive to maintain and strengthen our partnerships with local and state law enforcement agencies. The Marshal's Office is dedicated to serving the community with the highest level of professionalism, integrity and ethical standards.

### Our Planning Indicators and Focus:

The planning indicators monitored by the Municipal Court Division will be the number of cases, collection of new court fees imposed by the Texas Legislature, and increases in enforcement activity which impacts the number of citations issued. These factors will be used to evaluate the demand for increased services.

## Organizational Chart



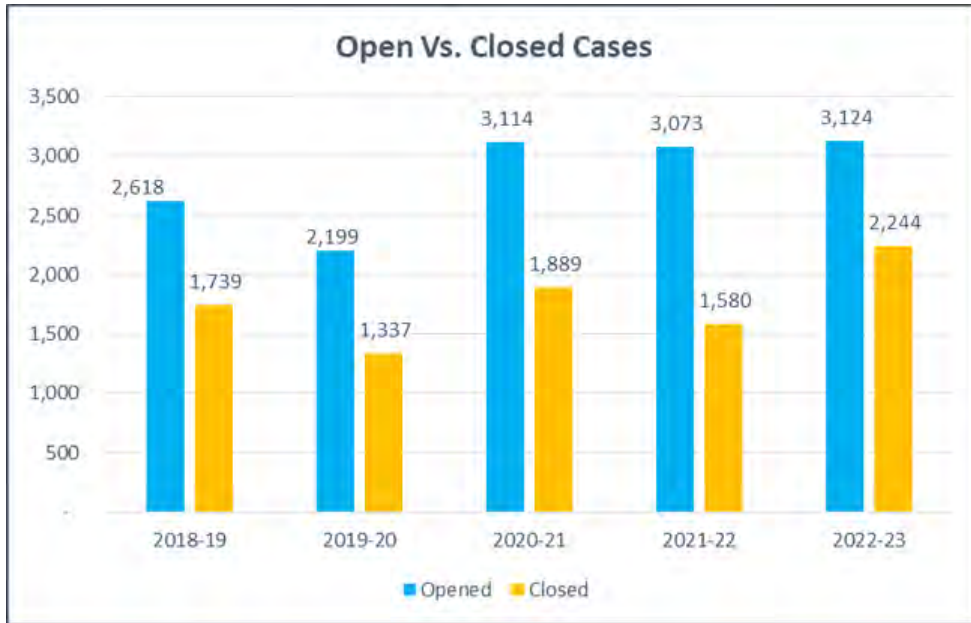
## Strategic Objectives and Work Plan for the Next Five Years

Project Description	Fiscal Year Due Date	Project Leader	Budget Impact	Associated Metric	Comp Plan Goal	CIP Project
Short Term - FY 2024-25						
Increase court collections/research and utilize all programs to the fullest.	2024-25	Court Administrator	To be determined	1	Chapter 11	N/A
Continue participating in the Annual Warrant Round-Up.	2024-25	Court Administrator	Warrant Collection Service Expense \$15,000	1	Chapter 11	N/A
Continue to implement a Municipal Court community outreach program (National Night Out, MC Week, Mock Trial).	Ongoing	Court Administrator	\$440	N/A	Chapter 11	N/A
Conduct an annual SWOT analysis and business plan with the team.	Ongoing	Director of Operations	Personnel related expenses for hours worked on project	1 & 2	Chapter 11	N/A
Review and plan to achieve goals from the Comprehensive Plan.	Ongoing	Director of Operations	Personnel related expenses for hours worked on project	N/A	Chapter 11	N/A
Conduct monthly department meetings to review business plan project status.	Ongoing	Director of Operations	Personnel related expenses for hours worked on project	1 & 2	Chapter 11	N/A
Review customer feedback surveys and address any issues.	Ongoing	Court Administrator	Personnel related expenses for hours worked on project	N/A	Chapter 11	N/A
Conduct a Municipal Court operations audit by 3rd party.	2024-25	Court Administrator	To be determined	1 & 2	Chapter 11	N/A
Hold monthly one-on-ones with each staff member.	Ongoing	Director of Operations & Court Administrator	Personnel related expenses for hours worked on project	1 & 2	Chapter 11	N/A
Utilize SPI Connect to provide training to meet employee needs.	Ongoing	Director of Operations & Court Administrator	N/A	1 & 2	Chapter 11	N/A
Create professional development plans for all department staff.	Ongoing	Court Administrator	Personnel related expenses for hours worked on project	N/A	Chapter 11	N/A

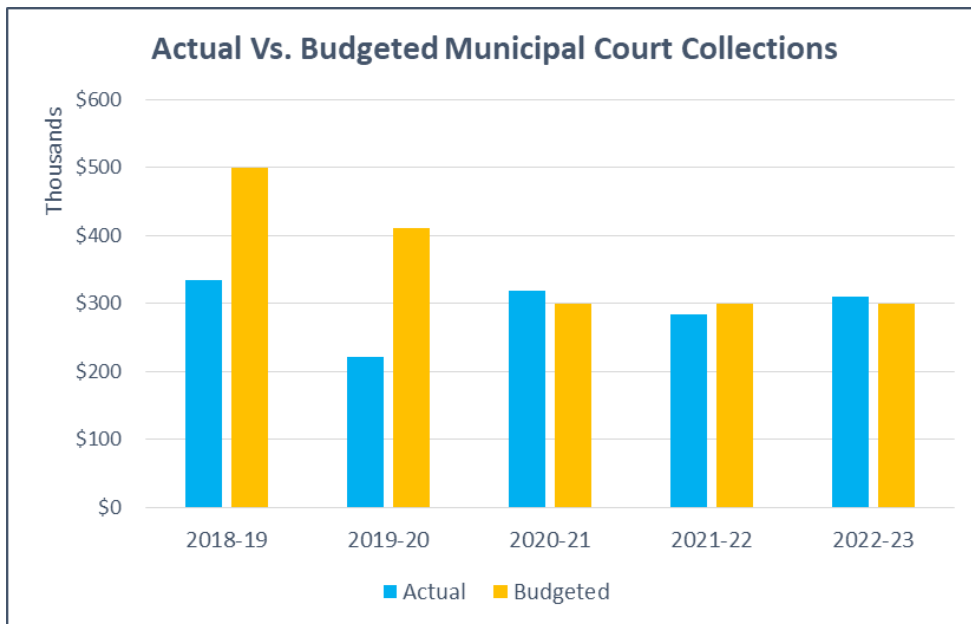
Encourage department staff to pursue higher education.	Ongoing	Director of Operations & Court Administrator	The maximum reimbursement per applicant is \$4,000 per fiscal year.	N/A	Chapter 11	N/A
Update and enhance online services for the public-related to the SPI Courts (collections).	Ongoing	Court Administrator	Personnel related expenses for hours worked on project	1 & 2	Chapter 11	N/A
Evaluate current Collection Agency and recommend changes if needed.	2024-25	Court Administrator	Personnel related expenses for hours worked on project	1 & 2	Chapter 11	N/A
Research new technology that may assist with court collections.	Ongoing	Chief Marshal	Personnel related expenses for hours worked on project	1	Chapter 11	N/A
Complete the DMAIC related to City Hall Building Security and provide a recommendation to the City Manager for improvement.	Ongoing	Court Administrator	Personnel related expenses for hours worked on project	N/A	Chapter 11	N/A
Increase court collections by searching for resources and utilizing all programs to the fullest.	Ongoing	Chief Marshal	Personnel related expenses for hours worked on project	1	Chapter 11	N/A
<b>Mid Term - FY 2025-26 &amp; FY 2026-27</b>						
Continue building relationships in the community and with local law enforcement agencies, developing partnerships to aid in collections.	2025-26	Chief Marshal	Personnel related expenses for hours worked on project	1	Chapter 11	N/A
Enhance safety by reviewing documents related to building security assessments and developing plan for moving forward.	2025-26	Chief Marshal	Unknown, to be determined	N/A	Chapter 11	N/A
<b>Long Term - FY 2027-28 &amp; FY 2028-29</b>						
Develop SOP for Municipal Court processes & process maps.	2027-28	Court Administrator	Personnel related expenses for hours worked on project	1 & 2	Chapter 11	N/A
Develop SOP for Marshal's processes and process maps.	2027-28	Chief Marshal	Personnel related expenses for hours worked on project	1 & 2	Chapter 11	N/A

## Performance Metrics

Metric 1:



Metric 2:



## Staffing Plan

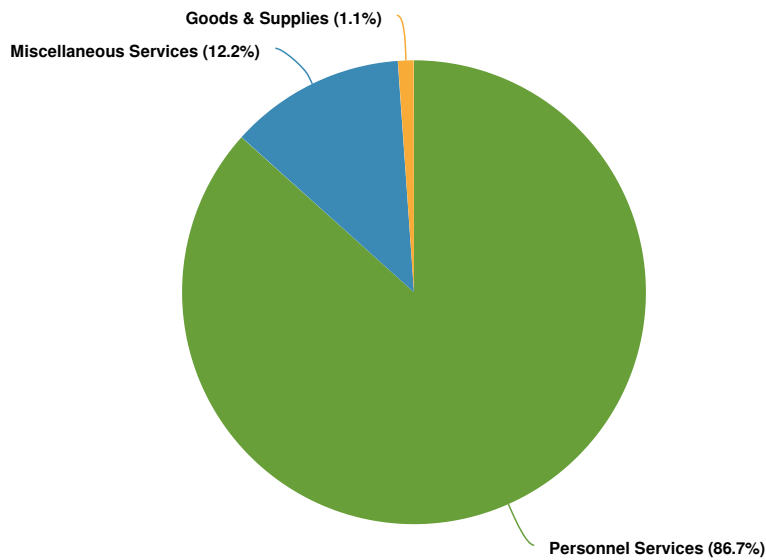
Position	Current FY	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
Court Administrator	1	1	0	0	0	0
Deputy Court Clerk	1	1	0	0	0	0
Administrative Assistant	0.5	0.5	0.5	1	1	1
Chief Marshal	1	1	1	1	1	1
Judge	0.5	0.5	0.5	0.5	0.5	0.5
Municipal Court Clerk	0	0	1	1	1	1
Municipal Court Director	0	0	1	1	1	1
<b>Total Positions:</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4.5</b>	<b>4.5</b>	<b>4.5</b>

## Expenditures Summary

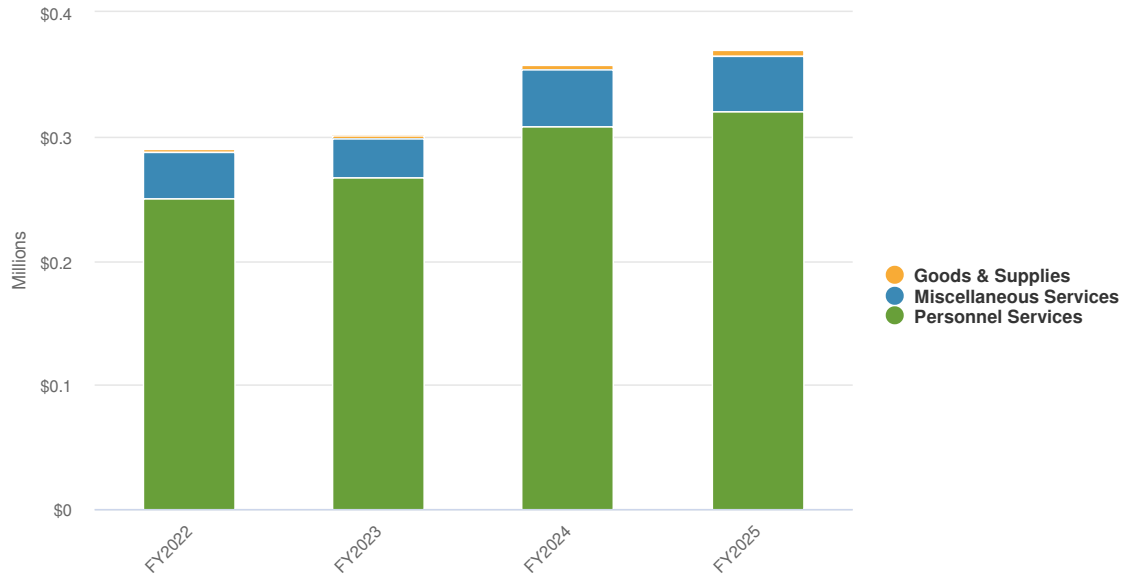
**\$369,220** **\$11,912**  
(3.33% vs. prior year)

## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type



### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$249,761	\$266,758	\$308,398	\$319,962	3.7%
Goods & Supplies	\$1,915	\$2,227	\$3,550	\$4,090	15.2%
Miscellaneous Services	\$38,129	\$31,438	\$45,360	\$45,168	-0.4%
<b>Total:</b>	<b>\$289,804</b>	<b>\$300,423</b>	<b>\$357,308</b>	<b>\$369,220</b>	<b>3.3%</b>

## Police Department



**Claudine O'Carroll**  
Police Chief

The mission of the South Padre Island Police Department (SPI-PD) is to protect and serve the citizens and our visitors. All members of SPI-PD are dedicated to providing fair, impartial, and ethical police service to the entire community, with the highest degree of integrity, professionalism, and respect, all while enhancing the overall quality of life on the island.

- Police Administration: *Plans and Oversees Operations – Budget –Policy and Procedures / SOPs/ Build Community Partnerships and LE Networks*
- Uniform Patrol: *First Responder – Deter Criminal Behavior, Protect Life, and Safeguard Property, both reactively and proactively*
- Special Operations: *Training – Marine Patrol – Domestic Violence, SWAT, Tropical Texas Mental Health, Assigned personnel to HIDTA, Community resources and Crime prevention*
- Records Division: *Police Reports – Stats – Taxi – Golf Carts – Hurricane Re-entry - Open Records - Case Preparation*
- CID: *Investigations – Jail – Internal Affairs - Background Investigations- Taxi, Wreckers, & Golf Cart Inspections - Evidence Processing*
- Dispatch: *Communication – Police – Fire – Code Enforcement – Wave – Public Works*
- Jail: *Temporary Holding Facility*

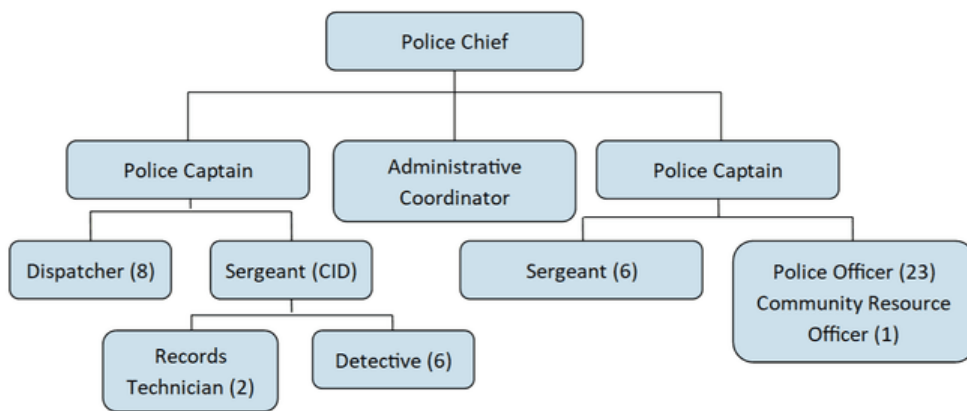
### Major Goals:

1. Continually evaluate overall operations for needed enhancements and/or benefits to the City.
2. Continue working on living-documents: The Department's Policies and Procedures and SOP's as set by the TPCA Recognition best practices.
3. Employ new directives improving the professionalism and safety of staff and the community to include community officer assigned in the future.
4. Continue our efforts of proactive policing techniques vs. reactive (i.e. narcotics buys, Border Star Grant HSI, stings, Stone Garden Operations, HIDTA Operations, Marine operations etc.) and work towards more community resources and crime prevention initiatives.
5. Train more staff in the areas of Mental Health operations, SWAT operators, and EMTs.
6. Continue to improve dispatch capabilities and functions.
7. Continue to invest in staff education and license advancement with TCOLE and encourage third level education among staff.
8. Search and obtain suitable grants for assistance with future identified projects.
9. Continue to locate free and/or low cost quality in-service training for officer enhancement.

### Our Planning Indicators and Focus:

The number of "calls for service" is our primary indicator of current use of resources and serves as a benchmark for future needs. Each year our call volume continues to rise. Research indicates our call volume increases approximately 10-15% yearly. Another indicator includes the number of cars traveling over the causeway annually. We are also impacted by special events, wherein we provide traffic assistance and security.

## Organizational Chart



## Strategic Objectives and Work Plan for the Next Five Years

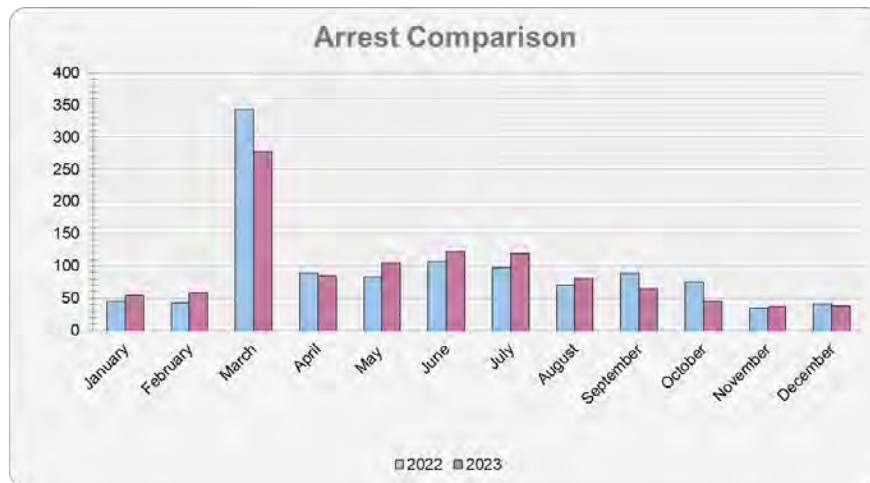
Project Description	Fiscal Year Due Date	Project Leader	Budget Impact	Associated Metric	Comp Plan Goal	CIP Project
<b>Short Term - FY 2024-25</b>						
Continue staff development and training by conducting periodic one on ones, developing team building techniques, & developing a strategic training plan.	2024-25	Police Administration	Training expense \$12,000 & Travel Expense \$13,000	Training & Travel Expense	Chapter 11	N/A
Continue working with lobbyists and Chiefs Association to combat bad laws.	2024-25	Chief of Police	Dues & Membership \$2,566	N/A	Chapter 11	N/A
Building part-time staff to support regular staff.	2024-25	Police Administration	Temporary Employees Budget \$150,000 (Fund 01) & \$55,000 (Fund 60)	Temporary Employees Expense	Chapter 11	N/A
Continue working on relationships and networking with outside agencies as unified partners.	2024-25	Police Administration	No impact - personnel expenses are reimbursed	Metric 8	Chapter 11	N/A
Search for new suitable grants and maintain current ones.	2024-25	Police Administration	Increased funding	Grant Revenue	Chapter 11	N/A
Continue building relationships city-wide and maintaining community trust.	2024-25	All Staff	Meetings budget \$2,000	Metrics 1-10	Chapter 11	N/A
Employ technology and equipment enhancements to improve data accuracy in criminal activity reporting/record keeping and processing.	2024-25	Chief of Police & IT Department	\$9,963 for bodycams - ongoing transition from Viewu to Watchguard	N/A	Chapter 11	N/A
Enhance safety by replacing license plate readers on the causeway.	2024-25	Chief of Police	To be determined	Metric 9	Chapter 11	N/A
<b>Mid Term - FY 2025-26 &amp; FY 2026-27</b>						
Evaluate benchmarks for updating purposes.	Ongoing	Police Administration	Personnel related expenses for hours worked on project	N/A	Chapter 11	N/A
Embrace Texas Police Chiefs Association (TPCA) Best Practices.	2026-27	Chief of Police, Captains, & Senior Sergeant	To be determined – dues for membership are \$3.00 per \$1,000 of annual salary of Chief of Police	N/A	Chapter 11	N/A
Updated SOPs for Key Processes.	2025-26	Chief of Police, Captains, & Senior Sergeant	Personnel related expenses for hours worked on project	N/A	Chapter 11	N/A
Improve onsite reporting efficiency by incorporating MDTs in police units.	2025-26	Chief of Police & Captain	\$7,500	N/A	Chapter 11	N/A
<b>Long Term - FY 2027-28 &amp; FY 2028-29</b>						
Incorporate CCTV at various locations, primarily major intersections.	2027-28	Chief of Police	Identified funding through additional forfeiture funds	N/A	Chapter 11	N/A
Replace obsolete and out of date radio systems in place since 2012.	2027-28	Chief of Police	Identified funding through grant opportunities or tax notes (\$1.2 million est.)	N/A	Chapter 11	N/A
Incorporate victims assistance advisor/grant writers.	2027-28	Chief of Police	Looking for grant funds	N/A	Chapter 11	N/A

## Performance Metrics

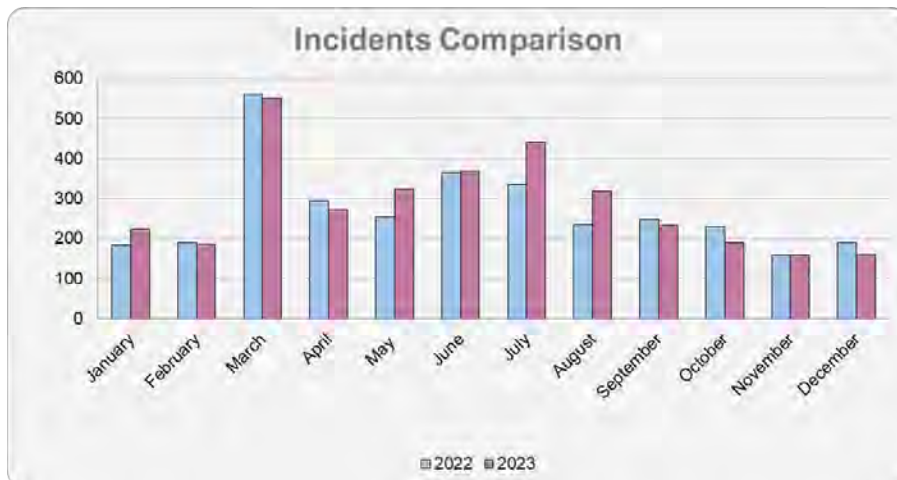
Metric 1:



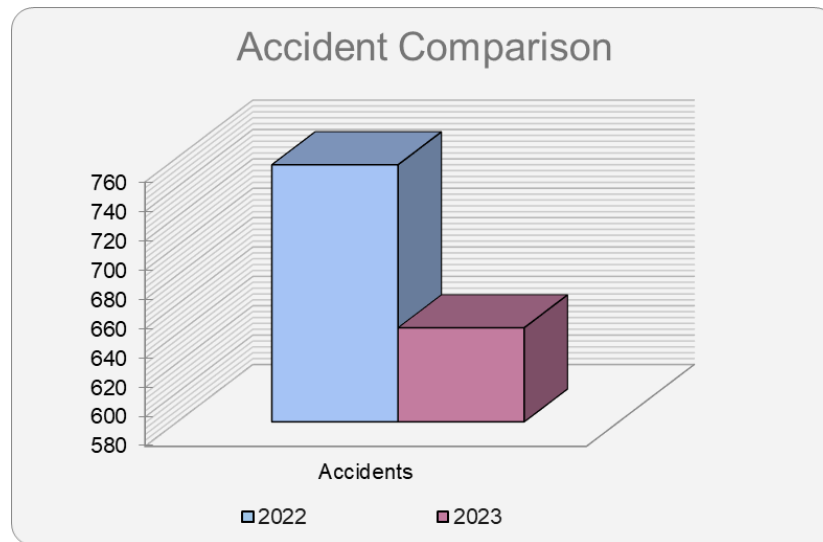
Metric 2:



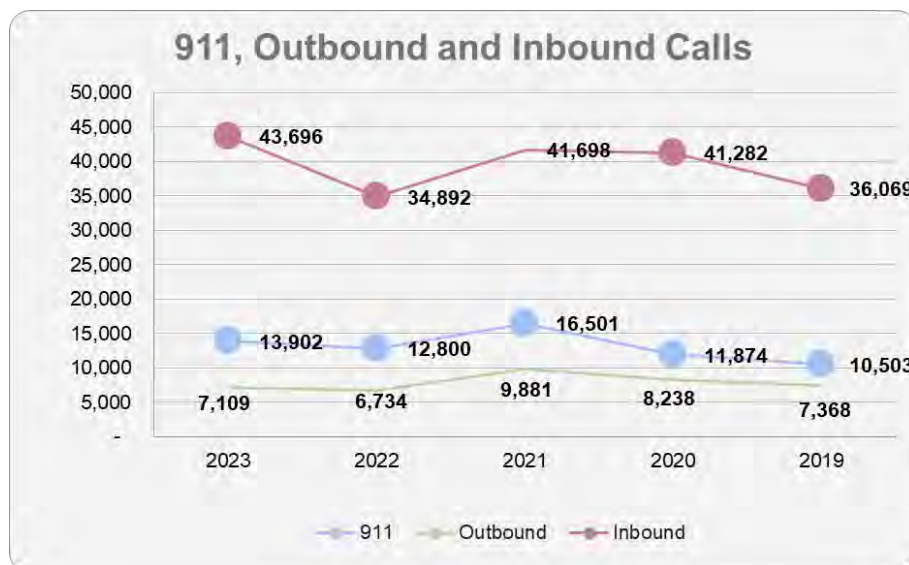
Metric 3:



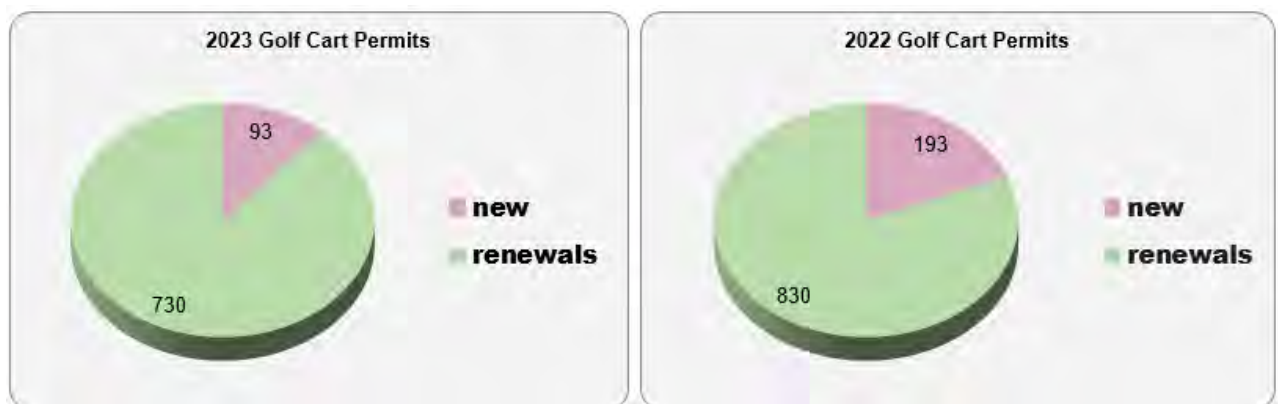
Metric 4:



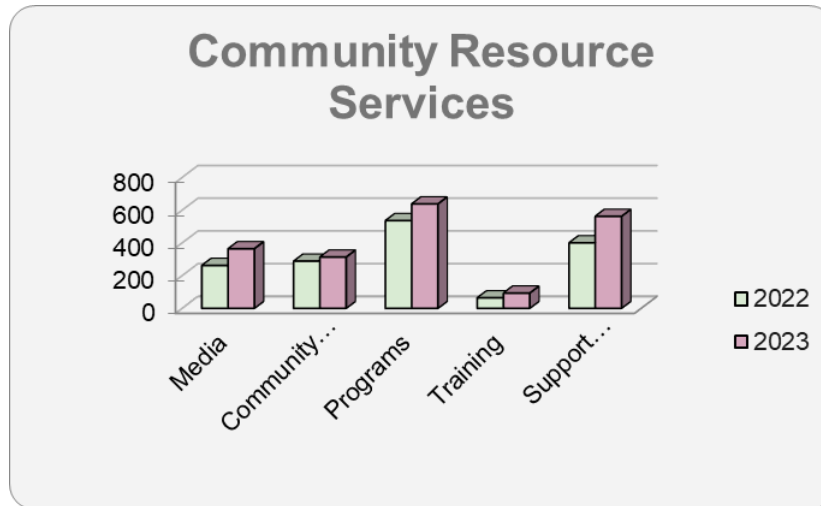
Metric 5:



Metric 6:



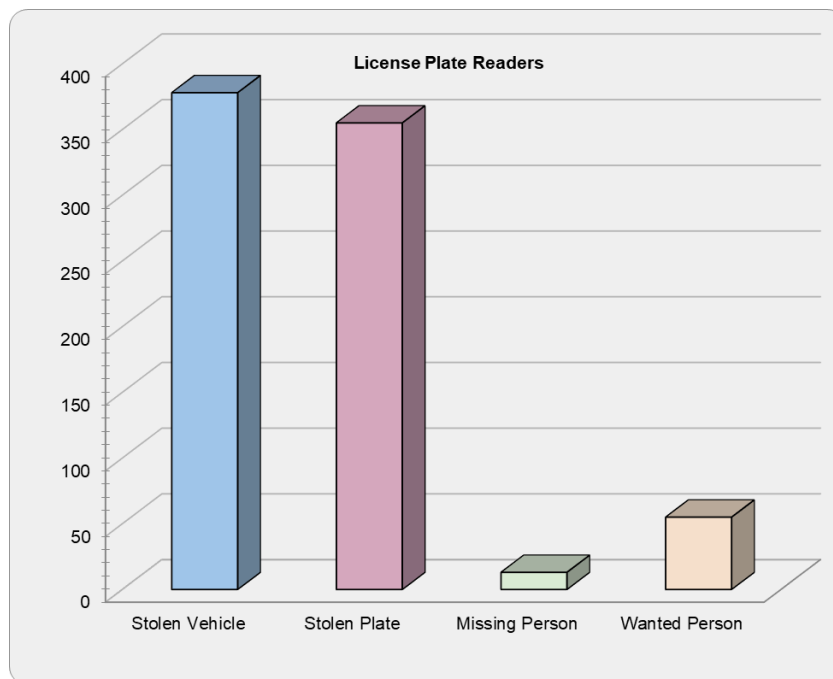
Metric 7:



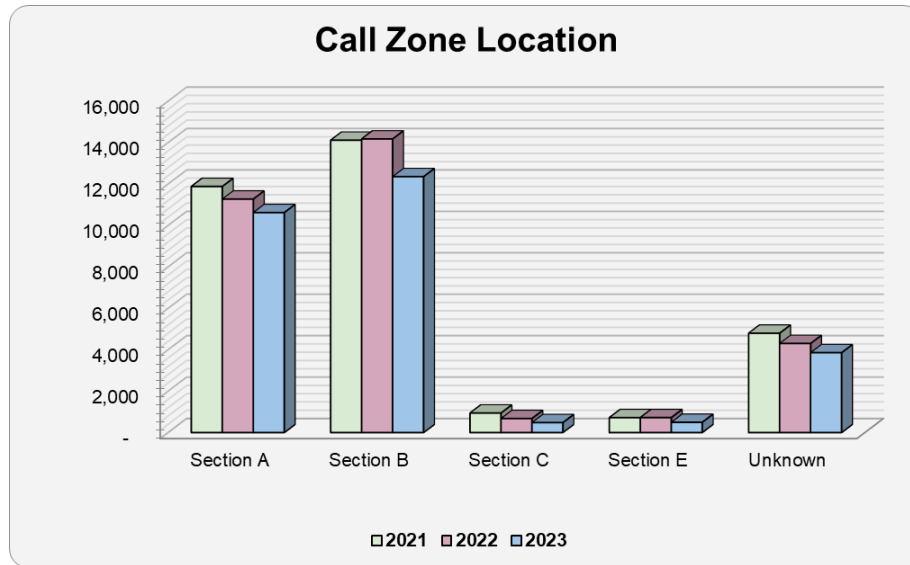
Metric 8:

Partnering Agencies 2023	
<b>Calls for Service</b>	<b>222 Calls</b>
United States Coast Guard	
Texas Parks & Wildlife	
Homeland Security Investigations	
Cameron Park Rangers	
Port Isabel ISD Police	
City of Port Isabel Police	
Brownsville Police Dept.	

Metric 9:



Metric 10:



## Staffing Plan

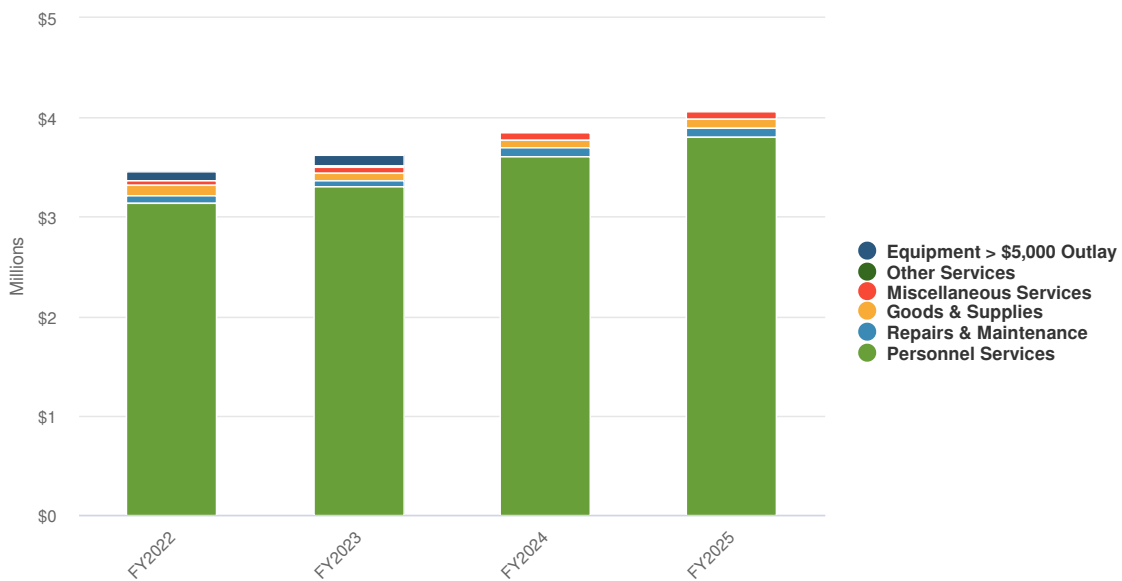
Position		Current FY	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Police Administration	Police Chief	1	1	1	1	1	1
	Police Captain Investigations	1	1	1	1	1	1
	Police Captain Patrol	1	1	1	1	1	1
Patrol	Police Senior Sergeant	1	1	1	1	1	1
	Police Patrol Sergeants	4	4	4	4	4	4
	Police Officers	16	17	17	17	17	17
	Police Officers - Tropical Texas	1	1	1	1	1	1
	Police Community Resource Officer	1	1	1	1	1	1
Investigations	Police Investigations Sergeant	1	1	1	1	1	1
	Police Detectives	4	4	4	4	4	4
	Police Detective - HSI	1	1	1	1	1	1
Part Time	Part-Time Police Sergeant	1	1	1	1	1	1
	Part-Time Police Detective	1	1	1	1	1	1
	Part-Time Police Officers - Active	15	15	15	15	15	15
Communications	Police TAC Operator	1	1	1	1	1	1
	Police Dispatchers	6	7	7	7	7	7
	Police Part-Time Dispatchers	2	2	2	2	2	2
Administrative Support	Administrative Assistant to Chief	1	0	0	0	0	0
	Police Coordinator	0	1	1	1	1	1
	Records Technicians	2	2	2	2	2	1
Total Positions:		61	63	63	62	63	63

## Expenditures Summary

**\$4,066,926** **\$208,298**  
(5.40% vs. prior year)

### Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$3,141,455	\$3,308,818	\$3,603,574	\$3,806,293	5.6%
Goods & Supplies	\$102,358	\$74,544	\$84,063	\$84,063	0%
Repairs & Maintenance	\$72,600	\$65,631	\$91,325	\$94,604	3.6%
Miscellaneous Services	\$48,078	\$56,076	\$73,166	\$75,466	3.1%
Equipment > \$5,000 Outlay	\$87,500	\$117,281	\$0	\$0	0%
Other Services	\$6,441	\$7,406	\$6,500	\$6,500	0%
<b>Total:</b>	<b>\$3,458,432</b>	<b>\$3,629,756</b>	<b>\$3,858,628</b>	<b>\$4,066,926</b>	<b>5.4%</b>

## Fire Department



**Jim Pigg**  
Fire Chief

The Fire Department is responsible for the lives and safety of our citizens and visitors. The members of the South Padre Island Fire Department are here to serve our community, keep our neighbors safe, and to help make everyone's visit to our home a safe and happy experience. We do that through the following programs/activities:

- Fire Suppression
- Emergency Medical Service
- Hazardous Material Response (oil spills, barrels washing up on beach, etc.)
- Fire/Life Safety Code Review and Enforcement
- Technical Rescue (rope rescue, high angle rescue, confined space, etc.)
- Beach Patrol/Life Guards
- Mobi-Chairs for the Disabled
- Public Safety Education Programs
- Emergency Management Activities
- Mutual Aid Response to Neighboring Jurisdictions
- Community Outreach Including CPR/First Aid

Our responsibility is to be as prepared and competent as possible to be able to help people, no matter what the emergency is that day.

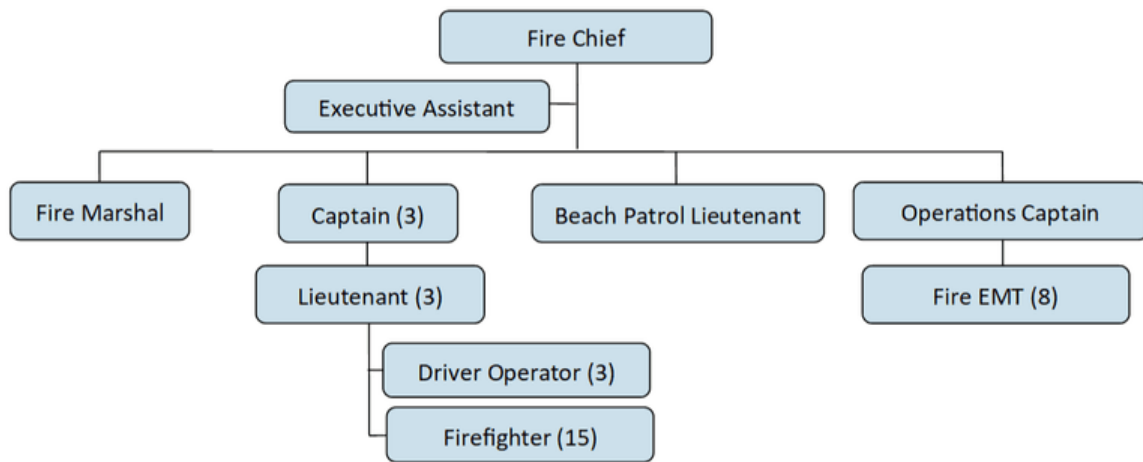
### Major Goals:

1. Leadership: Develop the leadership abilities of South Padre Island Fire Department employees at all levels.
2. Employee Development: Create an employee development program to give employees and supervisors tools for improvement.
3. Health and Safety: Provide for the health and safety of all South Padre Island Fire Department employees.
4. Emergency Medical Services: Continue to research and develop creative response alternatives to enhance EMS Operations to meet the increased demand for service.
5. Risk Management: Identify and reduce risk through the DMAIC Process.
6. Community Outreach and Partnerships: Foster community outreach and agency partnerships to strengthen department services.
7. Resource Management: Maintain quality equipment, apparatus, facilities, and technology to meet the mission of the department.

### Our Planning Indicators and Focus:

The number of emergency responses is our primary indicator of the effectiveness of the current use of resources and serves as a benchmark for future needs.

## Organizational Chart

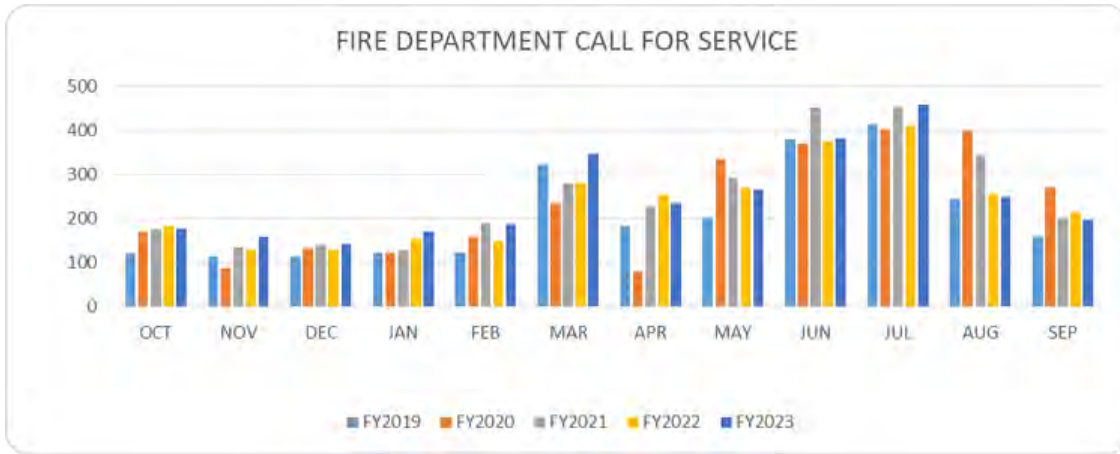


## Strategic Objectives and Work Plan for the Next Five Years

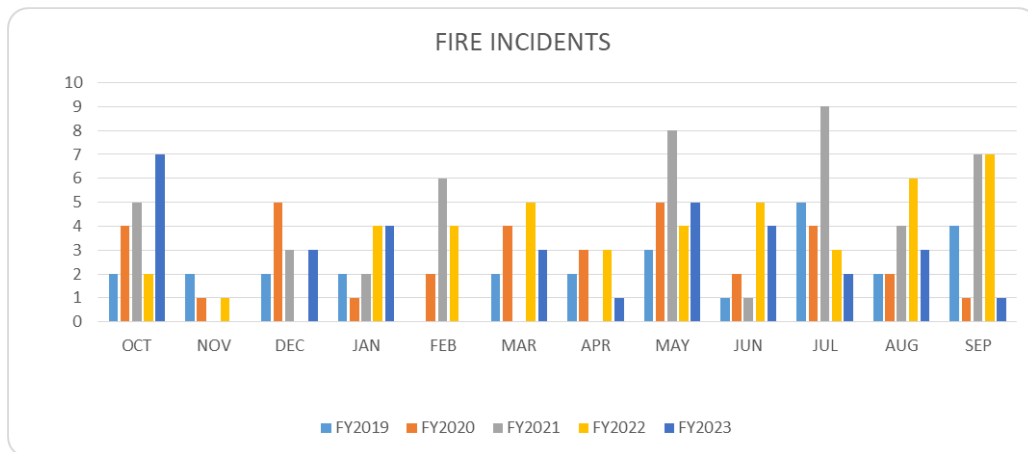
Project Description	Fiscal Year Due Date	Project Leader	Budget Impact	Associated Metric	Comp Plan Goal	CIP Project
<b>Short Term - FY 2024-25</b>						
Review and refine hurricane plans.	2024-25	Fire Chief	Personnel related expenses	Updated plans	Chapter 11	N/A
Monitor pier and evaluate plans for protection.	2024-25	Fire Chief	Personnel related expenses	N/A	Chapter 11	N/A
Continue Spring Break planning year round.	2024-25	Fire Chief	\$24,100	Metric 1-5	Chapter 11	N/A
Seek community feedback.	2024-25	Exec. Asst. & EMS Captain	Personnel related expenses	N/A	Chapter 11	N/A
Widen area of help (wave watchers & surfers).	2024-25	Beach Patrol Lieutenant	To be determined	N/A	Chapter 11	N/A
Monitor progress, ensure annual SWOT analysis, & utilize best practices to the extent possible.	2024-25	Fire Chief	Personnel related expenses	Annual mid-year review & business plan	Chapter 11	N/A
Enhance safety by improving fire station interior apparatus bay.	2024-25	Fire Chief	\$20,000 - repair & maintenance of buildings & structures	N/A	Chapter 11	N/A
Provide further resources by creating a beach patrol office.	2024-25	Fire Chief	\$20,000 - repair & maintenance of buildings & structures	N/A	Chapter 11	N/A
Improve operations by utilizing Active 911.	2024-25	EMS Captain	\$4,623	Metrics 1-5	Chapter 11	N/A
Improve operations by utilizing ESO.	2024-25	Fire Chief & EMS Captain	\$5,995	Metrics 1-5	Chapter 11	N/A
Improve operations and communications by employing the Handtevy app.	2024-25	EMS Captain	\$4,000	Metrics 1-5	Chapter 11	N/A
Improve resource management by conducting maintenance on all stretchers, monitor/defibrillator devices, powerloaders, etc.	2024-25	EMS Captain	\$13,225	N/A	Chapter 11	N/A
Improve resource management by conducting building maintenance and repair (A/C, baydoors, etc.)	2024-25	Fire Chief & EMS Captain	\$20,000 - repair & maintenance of buildings & structures	N/A	Chapter 11	N/A
<b>Mid Term - FY 2025-26 &amp; FY 2026-27</b>						
Utilize best practices to the extent possible.	2025-26	Fire Chief	Unknown, to be determined	N/A	Chapter 11	N/A
Create and implement a replacement/repair program for fire hydrants.	2025-26	Fire Marshal	Estimated to be \$50,000	N/A	Chapter 11	N/A
<b>Long Term - FY 2027-28 &amp; FY 2028-29</b>						
Periodic evaluations to monitor progress.	Ongoing	Fire Chief	Personnel related expenses	N/A	Chapter 11	N/A

## Performance Metrics

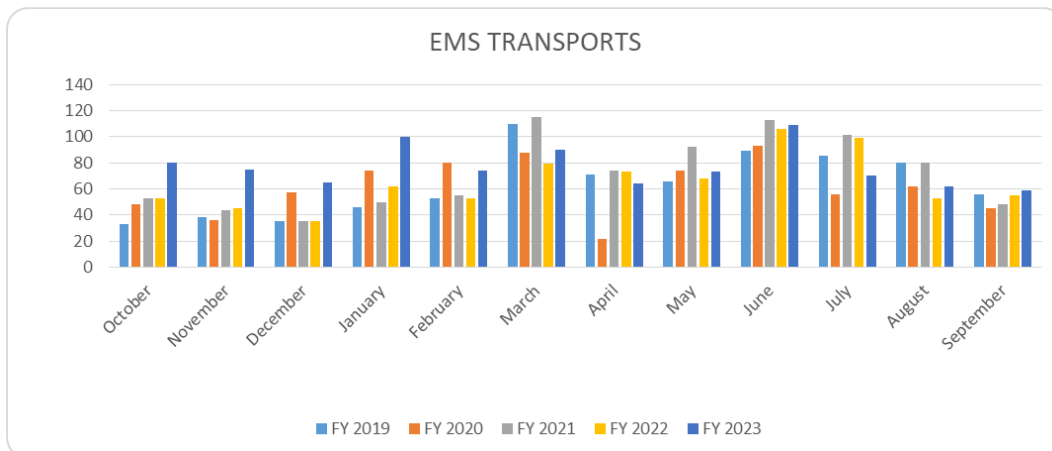
Metric 1:



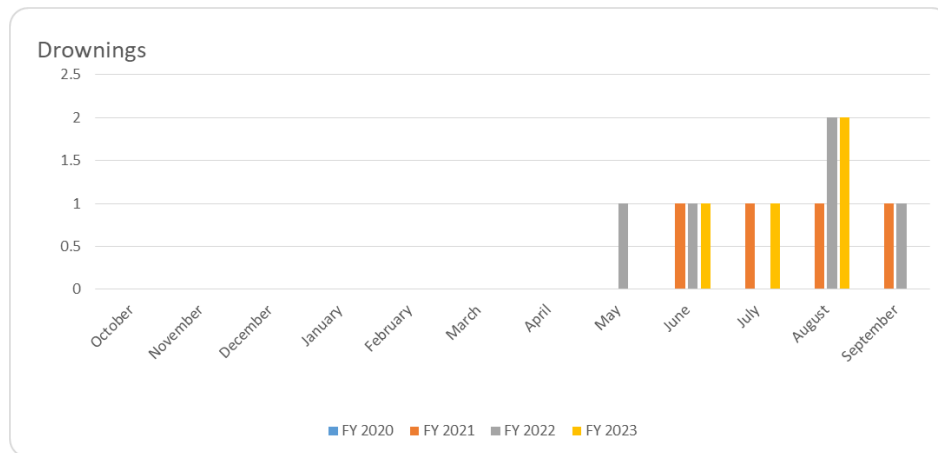
Metric 2:



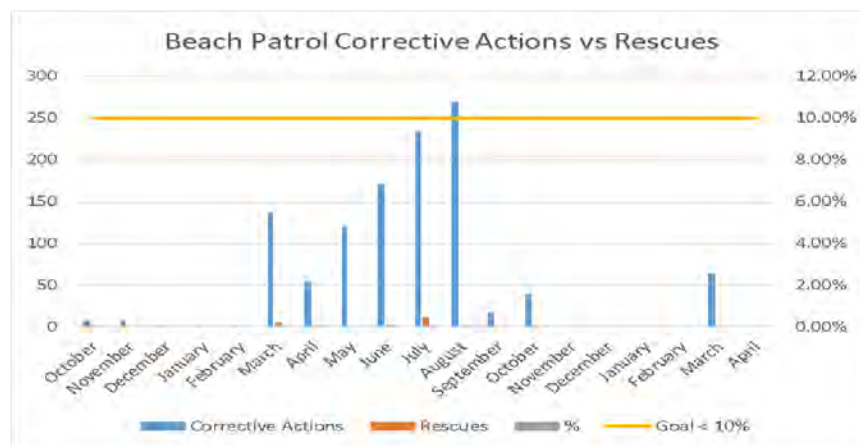
Metric 3:



Metric 4:



Metric 5:



## Staffing Plan

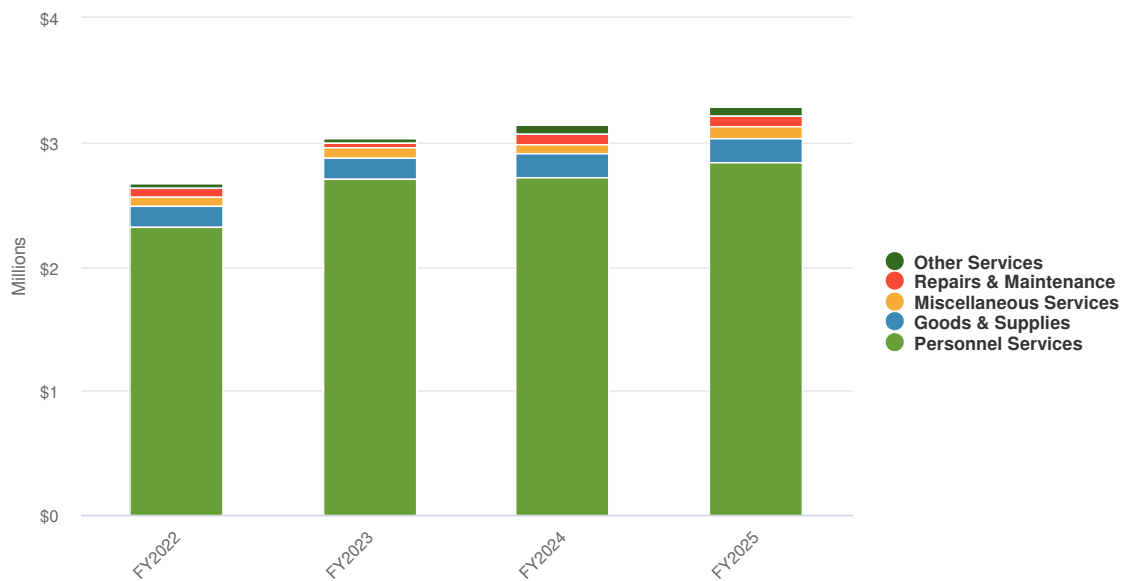
Position	Current FY	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
Fire Chief	1	1	1	1	1	1
Captains	3	4	4	4	4	4
Lieutenants	4	3	3	3	3	3
Driver/Operator	3	3	3	3	3	3
Fire Fighters / Inspectors	15	15	15	18	18	18
Fire Marshal	1	1	2	2	2	2
Executive Management Assistant	1	1	1	1	1	1
Fire EMT P/T	8	8	8	8	8	8
Ocean Rescue	1	2	2	2	2	2
<b>Total Positions:</b>	<b>37</b>	<b>38</b>	<b>39</b>	<b>42</b>	<b>42</b>	<b>42</b>

## Expenditures Summary

**\$3,289,465** **\$151,497**  
(4.83% vs. prior year)

### Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$2,324,450	\$2,709,730	\$2,722,774	\$2,838,778	4.3%
Goods & Supplies	\$158,938	\$168,812	\$184,300	\$195,275	6%
Repairs & Maintenance	\$75,257	\$39,721	\$78,000	\$88,928	14%
Miscellaneous Services	\$75,064	\$79,165	\$82,894	\$97,384	17.5%
Other Services	\$41,883	\$41,668	\$70,000	\$69,100	-1.3%
<b>Total:</b>	<b>\$2,675,593</b>	<b>\$3,039,096</b>	<b>\$3,137,968</b>	<b>\$3,289,465</b>	<b>4.8%</b>

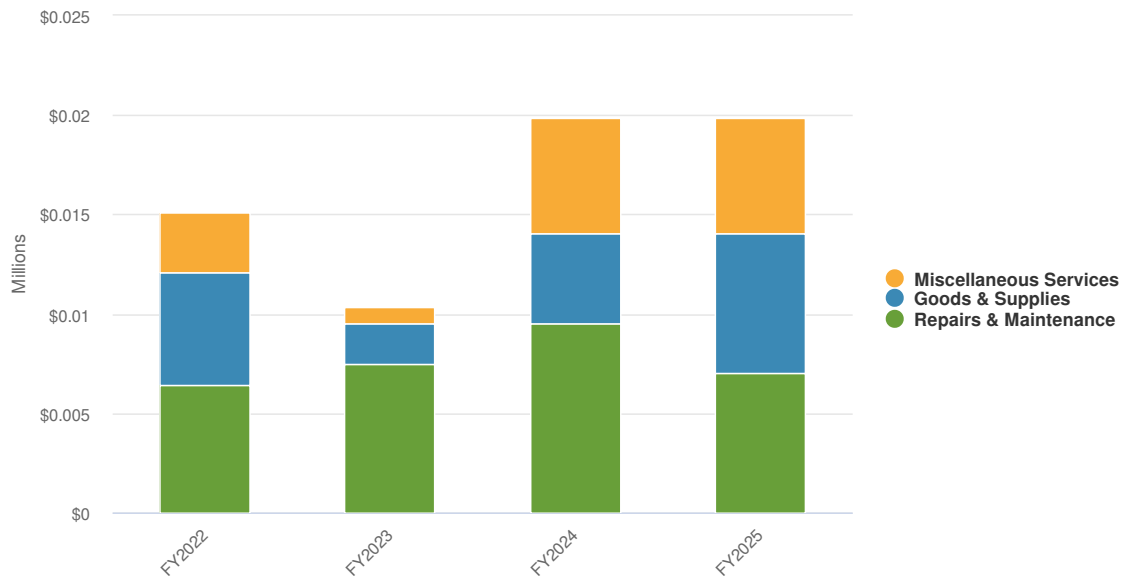
## Emergency Management Division

### Expenditures Summary

**\$19,870** **\$0**  
(0.00% vs. prior year)

### Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Goods & Supplies	\$5,714	\$2,081	\$4,500	\$7,000	55.6%
Repairs & Maintenance	\$6,385	\$7,456	\$9,515	\$7,015	-26.3%
Miscellaneous Services	\$3,025	\$827	\$5,855	\$5,855	0%
Total:	\$15,124	\$10,364	\$19,870	\$19,870	0%

## Environmental Health Services Department



**Victor Baldovinos**  
EHS Director

The Environmental Health Services Department (EHSD) prides itself on providing the highest level of service to improve the quality of the health and safety of the residents and visitors of our beautiful South Padre Island. EHSD provides leadership and management for a variety of programs and complex ordinances for the City of South Padre Island. As a “jack of all trades” department, we are faced with diverse challenges, especially during enforcement of new or amended ordinances. In order to have equitable enforcement and ensure compliance, we have developed policies, procedures, and guidelines which assist us in educating the public with the utmost consideration.

### Major Goals:

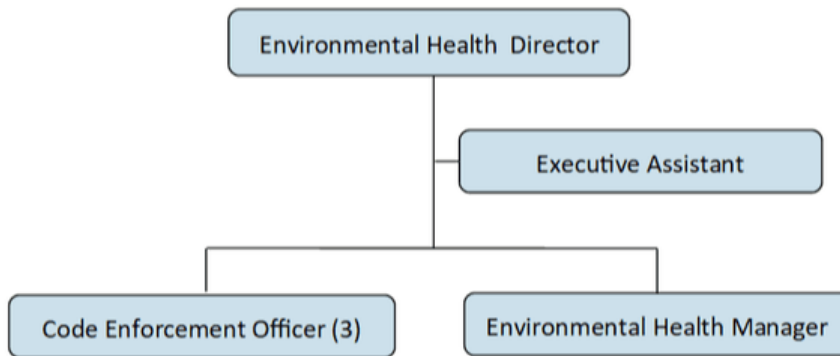
1. Code Enforcement: We are a compliance-based department that thrives on improving the aesthetics of our community by reducing the number of violations through voluntary compliance. We will continue to improve the enforcement of state laws and local ordinances by working closely with local businesses and increasing public outreach and education.
2. Health : Through required training, development of standard operating procedures, adoption of the Texas Food Establishment Rules, and updating our food service ordinances, the food safety inspections division has worked effectively to prevent food-borne disease-causing organisms. Health inspections have revealed a significant improvement in scores, thus reducing the potential for food-borne illnesses. One of our primary goals is to obtain inspector standardization to develop uniformity of inspections through the cooperative work of the Texas Department of State Health Services (TDSHS), the United States Food and Drug Administration (FDA) and our inspectors, to identify and prevent possible health hazards.
3. Animal Control: Continue to work with the Friends of Animal Rescue to create and maintain a quarantine facility, a centralized location for temporary storage of domestic and wild animals, and continue to share information on lost/found pets in order to efficiently reunite animals with owners.
4. Vector Control: Continue to seek new and improve methods to enhance mosquito minimization practices; thus reducing the threat and spread of viruses such as West Nile virus, St. Louis encephalitis virus, Eastern Equine Encephalitis virus, Dengue virus and the Zika virus.
5. Recycling: Continue to seek new and innovative methods to be a green and sustainable city.

### Our Planning Indicators and Focus:

The Environmental Health Services Department (EHSD) oversees a number of programs to protect the residents and visitors. We oversee a variety of complex programs, such as: enforcing animal control regulations, litter violations, signage regulations, garment pricing inspections, beach violations, and commercial activity violations. These programs have a significant impact on our local businesses.

In addition, the EHSD investigates public health nuisances such as responding to smoking violations, conducting food inspections, mosquito minimization through the vector control program, and providing technical information to the public on a wide array of environmental health topics. Furthermore, as we look to our future with optimism, our focus is to encourage environmentally friendly behaviors in our community.

## Organizational Chart

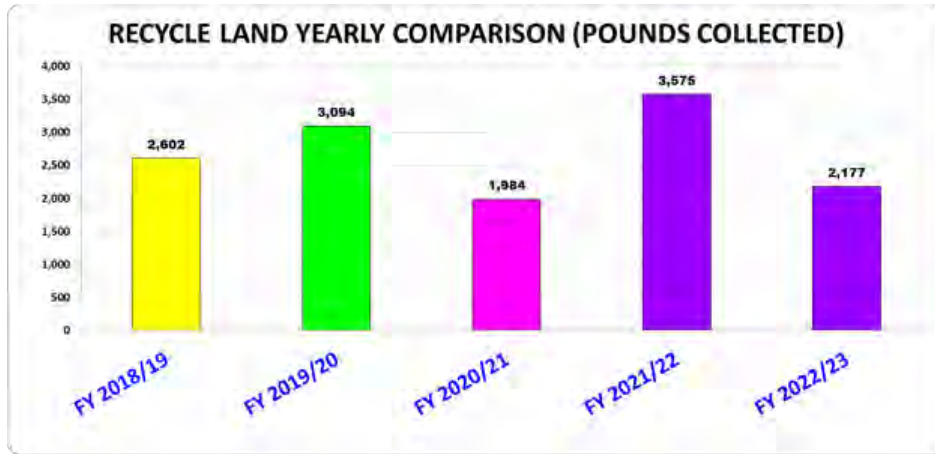


## Strategic Objectives and Work Plan for the Next Five Years

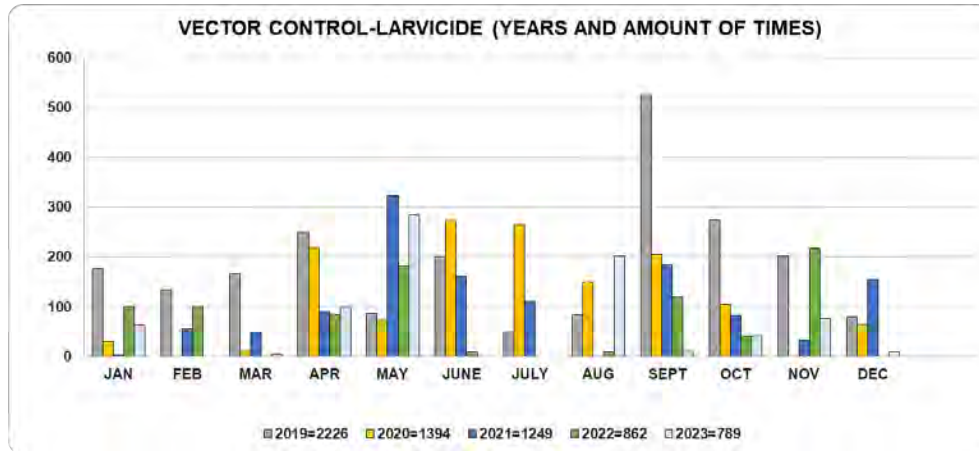
Project Description	Fiscal Year Due Date	Project Leader	Budget Impact	Associated Metric	Comp Plan Goal	CIP Project
<b>Short Term - FY 2024-25</b>						
Continue Saturday recycling program.	2024-25	EHS Manager	Personnel related expenses for hours worked on project	5	Chapter 11	N/A
Continue the anti-litter program.	2024-25	Code Enforcement Officer	\$1,000 budgeted for Keep SPI Beautiful	6	Chapter 11	N/A
Continue mosquito minimization by monitoring, identifying, and treating problematic areas.	2024-25	Code Enforcement Officer	\$26,500 for chemicals & \$1,122 for the replacement of ULV Sprayers	2 & 3	Chapter 11	N/A
Continue lien collections project.	2024-25	Executive Assistant	Personnel related expenses for hours worked on project	N/A	Chapter 11	N/A
Conduct beach cleanups.	2024-25	Executive Assistant	Personnel related expenses for hours worked on project	N/A	Chapter 11	N/A
Expand current contract for recycling.	2024-25	EHS Manager	To be determined	5	Chapter 11	N/A
Continue enforcement of easements.	2024-25	Code Enforcement Officer	Personnel related expenses for hours worked on project	N/A	Chapter 11	N/A
Host Earth Day & E-Waste events.	2024-25	Code Enforcement Officer	\$1,000 budgeted for Keep SPI Beautiful	4	Chapter 11	N/A
Continue the Mosquito-borne Disease Prevention Outreach Program.	2024-25	Code Enforcement Officer	\$500 budgeted for educational materials	2 & 3	Chapter 11	N/A
<b>Mid Term - FY 2025-26 &amp; FY 2026-27</b>						
Recycling events: reinstate Biennial Flag Retirement Ceremony	2025-26	EHS Manager	To be determined	1	Chapter 11	N/A
Redirect Recycle Land Annual Event	2025-26	EHS Manager	To be determined	1	Chapter 11	N/A
Redirect beach cleanups	2025-26	Executive Assistant	To be determined	N/A	Chapter 11	N/A
Expand Educational Health Program	2025-26	Code Enforcement Officer	To be determined	N/A	Chapter 11	N/A
Enhance Anti-litter Beach Program	2025-26	Code Enforcement Officer	To be determined	6	Chapter 11	N/A
Expand educational materials of the Mosquito-borne Disease Prevention Outreach Program.	2025-26	Code Enforcement Officer	To be determined	2 & 3	Chapter 11	N/A
<b>Long Term - FY 2027-28 &amp; FY 2028-29</b>						
Reinstate school recycling	2027-28	EHS Manager	To be determined	5	Chapter 11	N/A
Monofilament Collection	2027-28	Code Enforcement Officer	To be determined	N/A	Chapter 11	N/A
Enhance Laguna Madre Water District partnership	2028-29	EHS Director	To be determined	N/A	Chapter 11	N/A

## Performance Metrics

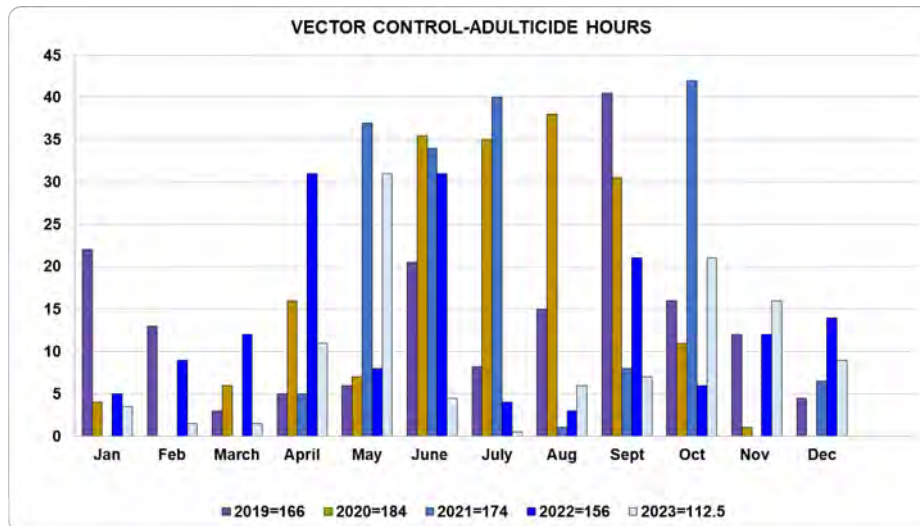
Metric 1:



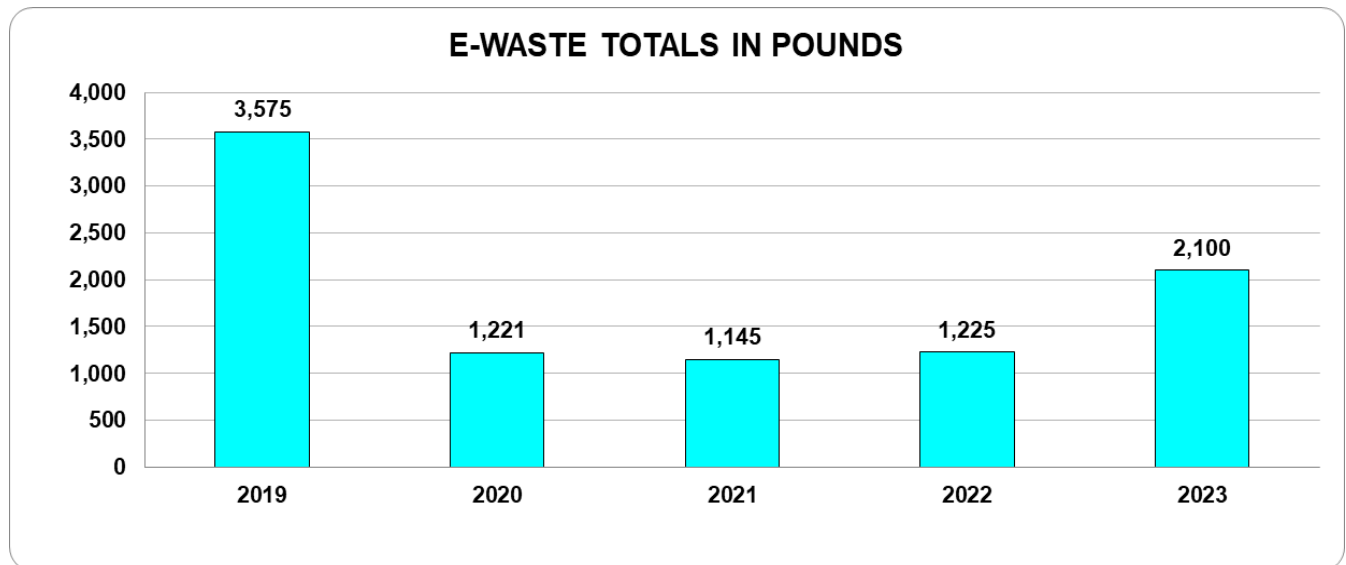
Metric 2:



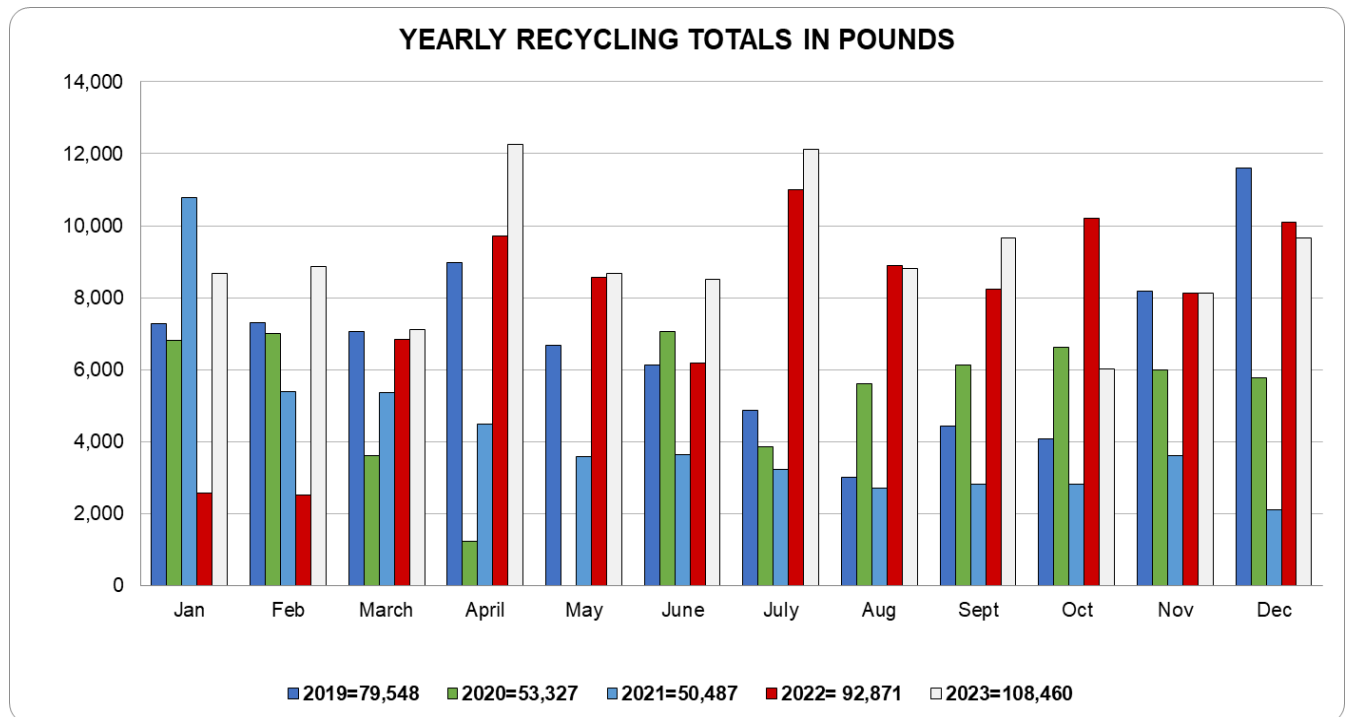
Metric 3:



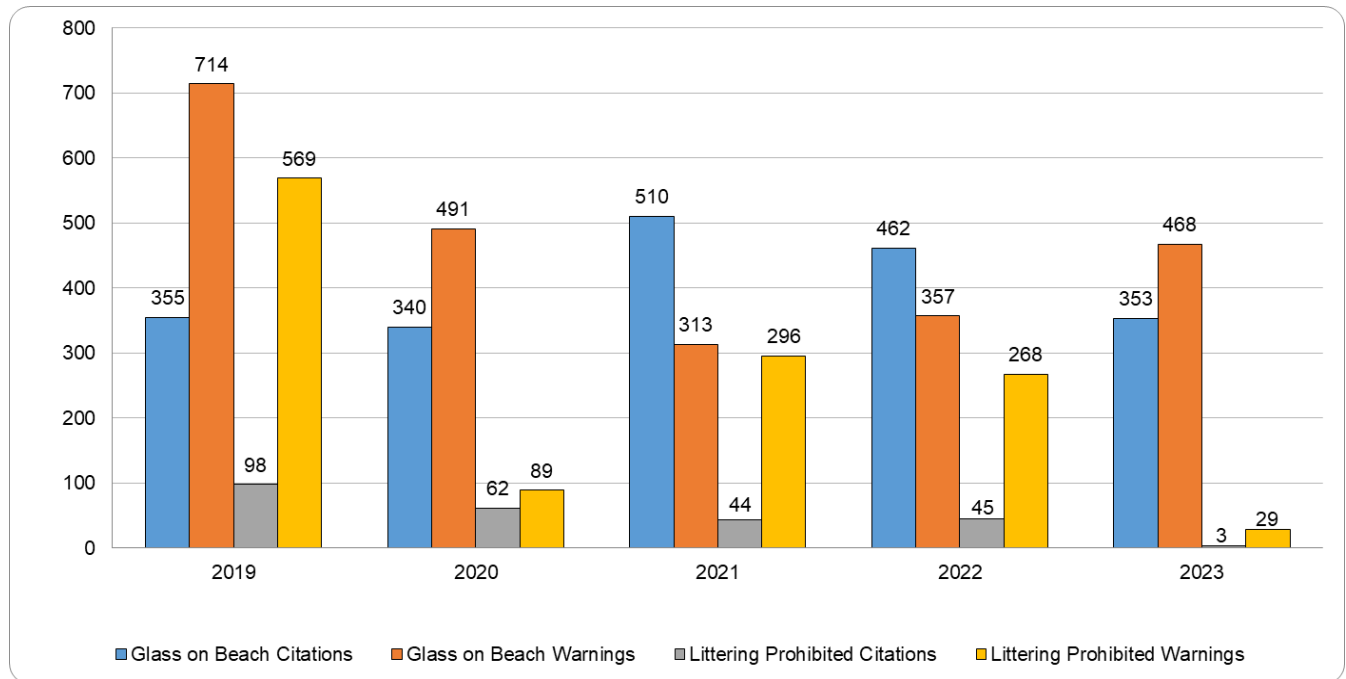
Metric 4:



Metric 5:



Metric 6:



## Staffing Plan

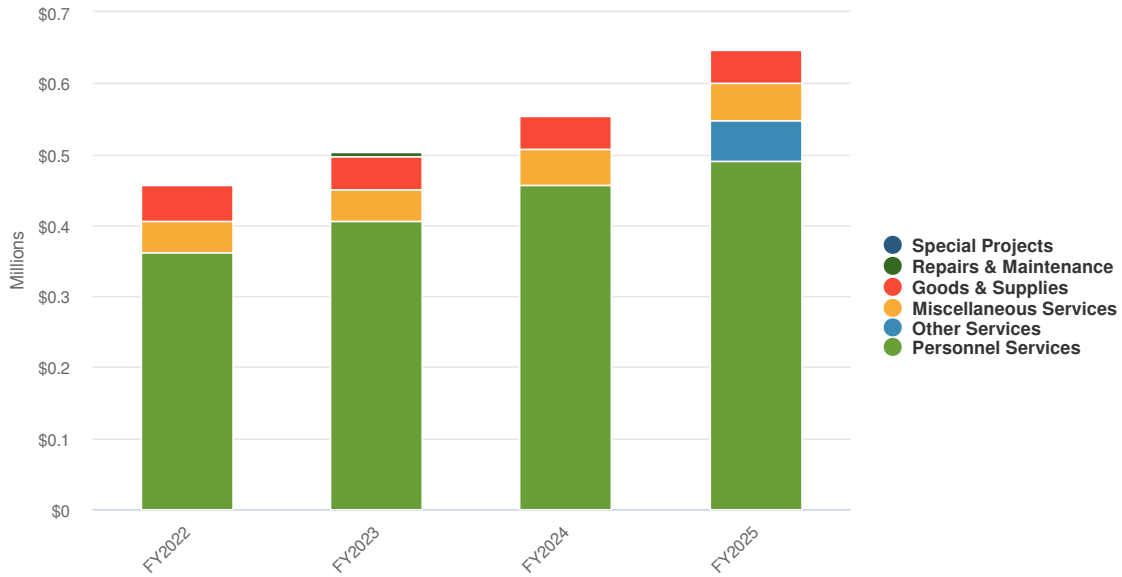
Position	Current FY	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
Director	1	1	1	1	1	1
Manager	1	1	1	1	1	1
Executive Assistant	1	1	1	1	1	1
Code Enforcement Officers	3	4	4	4	4	4
Part-time Officers	4	2	2	2	2	2
<b>Total Positions:</b>	<b>10</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>

## Expenditures Summary

**\$650,516** **\$92,393**  
(16.55% vs. prior year)

## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$362,262	\$405,132	\$456,775	\$489,988	7.3%
Goods & Supplies	\$49,610	\$45,513	\$46,466	\$46,466	0%
Repairs & Maintenance	\$2,440	\$6,213	\$2,122	\$2,122	0%
Miscellaneous Services	\$44,836	\$45,481	\$51,760	\$53,440	3.2%
Other Services		\$0		\$57,500	N/A
Special Projects	\$200	\$481	\$1,000	\$1,000	0%
<b>Total:</b>	<b>\$459,348</b>	<b>\$502,819</b>	<b>\$558,123</b>	<b>\$650,516</b>	<b>16.6%</b>

## Public Works Department



**Alex Sanchez**  
Public Works Director

The Public Works Department is responsible for maintaining the City's infrastructure, which includes facilities, parks, roads, drainage, fleet vehicles, amenities, and landscapes. The Public Works Department also assists with providing traffic controls, street closures, and trash pick-up for special events. The department plays a key role in emergency preparation and also supports other departments.

The Public Works Department is composed of the following divisions:

1. **Public Works Maintenance Division:** This division is responsible for the maintenance of the City's infrastructure, including pavement, drainage, street signs, City-owned streetlights, parks, and other green areas. They are responsible for coordinating utility cuts and monitoring for line-of-sight issues. This division also assists the CVB and other City Departments with special event coordination, traffic control, street closures, and trash pick-up.
2. **Parks and Landscape Division:** This division is responsible for the maintenance of all City Parks and landscape areas along Gulf and Padre Boulevards.
3. **Fleet Maintenance Division:** This division is responsible for the maintenance of the City's vehicles and heavy equipment.
4. **Facilities Maintenance Division:** This division is responsible for the maintenance of the City's buildings.
5. **Building Inspections Division:** This division works to protect life, health, and safety of both the Island's residents and visitors through ensuring that all newly built or remodeled structures are in compliance with the International Building Code.

### Major Goals:

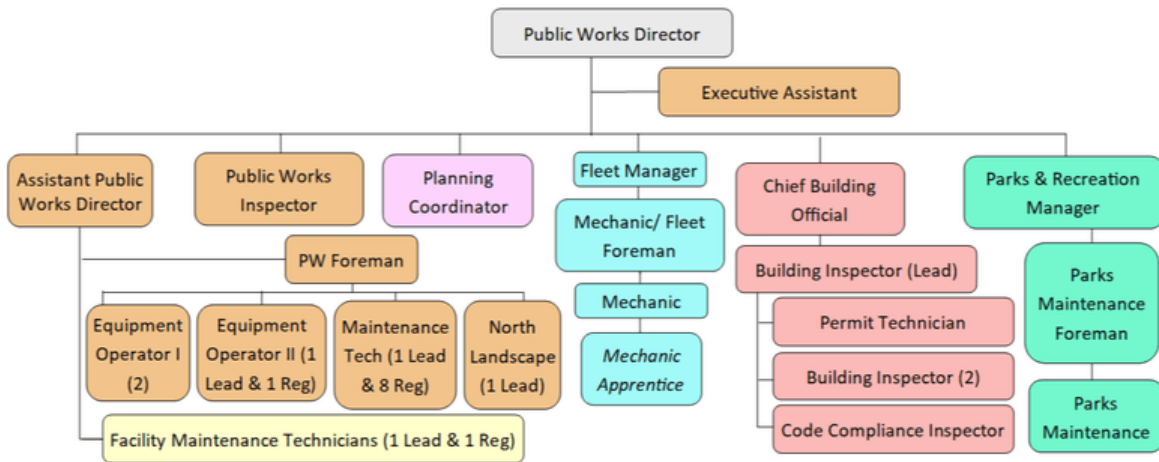
The Public Works Department goals by Division are:

1. **Public Works Maintenance Division:** Improve and maintain the condition of City infrastructure through periodic maintenance, rehabilitation, and reconstruction.
2. **Parks and Landscape Division:** Improve and maintain all the City's park and landscaped areas along Gulf and Padre Boulevards. Enhance the character and appearance of the City through landscaping and maintenance of parks, green areas, and buildings.
3. **Fleet Maintenance Division:** Extend the life of the fleet through routine and preventive maintenance and development of a system for capturing the life-cycle cost of ownership for fleet vehicles.
4. **Facilities Maintenance Division:** Improve and maintain the condition of the City's facilities.
5. **Building Inspections Division:** Ensure safety of newly built or remodeled structures.

### Our Planning Indicators and Focus:

Our planning strategies are based on the priorities that emerged from the development of the Capital Improvements Plan. An example of this is the reconstruction of city streets. This one item incorporates the highest priorities in the CIP, side street rehabilitation and reconstruction, Gulf Boulevard improvements, parking enhancements, and padre boulevard enhancement.

## Organizational Chart



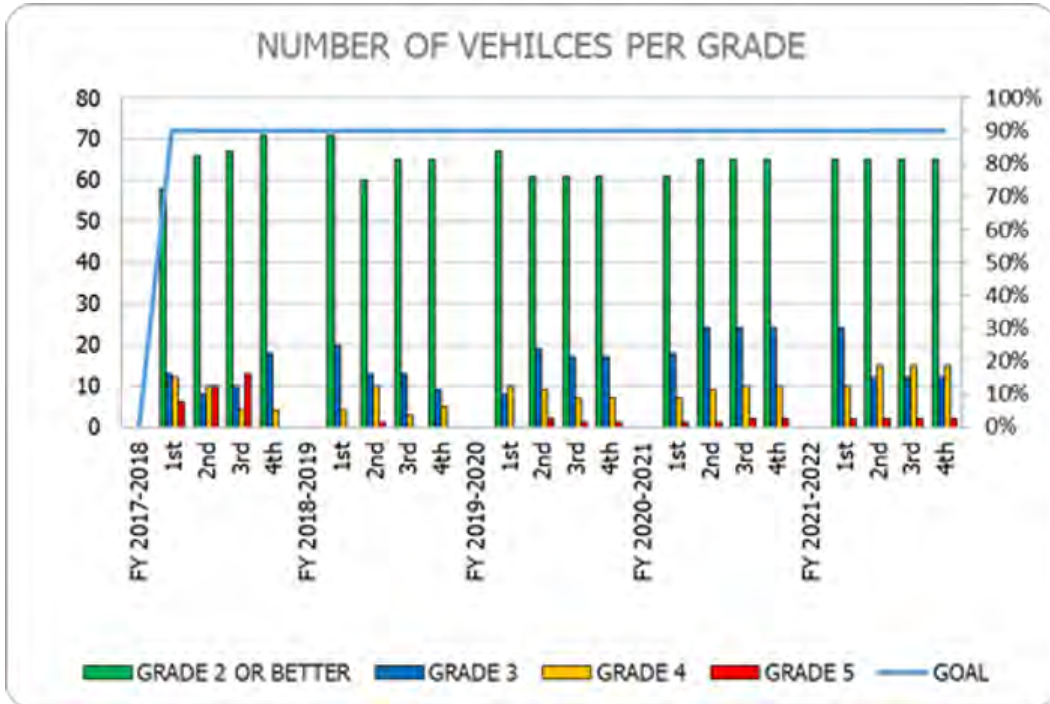
## Strategic Objectives and Work Plan for the Next Five Years

Project Description	Fiscal Year Due Date	Project Leader	Budget Impact	Associated Metric	Comp Plan Goal	CIP Project
Short Term - FY 2024-25						
Network with other governmental entities and agencies.	2024-25	PW Management	Personnel related expenses for hours worked on project	N/A	Chapters 6, 7, 8, 10, & 11	N/A
Continue implementing the Preventative Maintenance Program using iWorQ system to track all assets and equipment.	2024-25	PW Management & PW Executive Assistant	Cost included in IT's budget	Metrics 1, 2, & 3	Chapters 6, 7, 8, 10, & 11	N/A
Continue holding quarterly & monthly one on ones with each staff member.	2024-25	PW Management	\$0	N/A	Chapters 6, 7, 8, 10, & 11	N/A
Maintain high levels of communication with employees by working through any of their concerns.	2024-25	PW Management	\$0	Metric 5 & 6	Chapters 6, 7, 8, 10, & 11	N/A
Review and plan to achieve goals from the Comprehensive Plan.	2024-25	PW Management	Personnel related expenses for hours worked on project	N/A	Chapters 6, 7, 8, 10, & 11	N/A
Laguna Blvd Improvements.	2024-25	PW Management	\$4.5 million	Timeline & staying in budget	Chapters 6, 7, 8, 10, & 11	Approved
Use SPI Connect to provide training to meet employee needs.	2024-25	PW Management & PW Executive Assistant	Budgeted under Human Resources Division	N/A	Chapters 6, 7, 8, 10, & 11	N/A
Phase I, E. Mars, Laguna Circle South, & Morningside	2024-25	PW Management	\$1,105,000	Timeline & staying in budget	Chapters 6, 7, 8, 10, & 11	Approved
Phase II, E. Bahama, E. Retama, & W. Lantana Street	2024-25	PW Management	\$1,226,874	Timeline & staying in budget	Chapters 6, 7, 8, 10, & 11	Approved
Mid Term - FY 2025-26 & FY 2026-27						
Improve safety and decrease vandalism in public restrooms. Discuss issues with PD to determine the best course of action.	2025-26	PW Management	To be determined	N/A	Chapters 6, 7, 8, 10, & 11	N/A

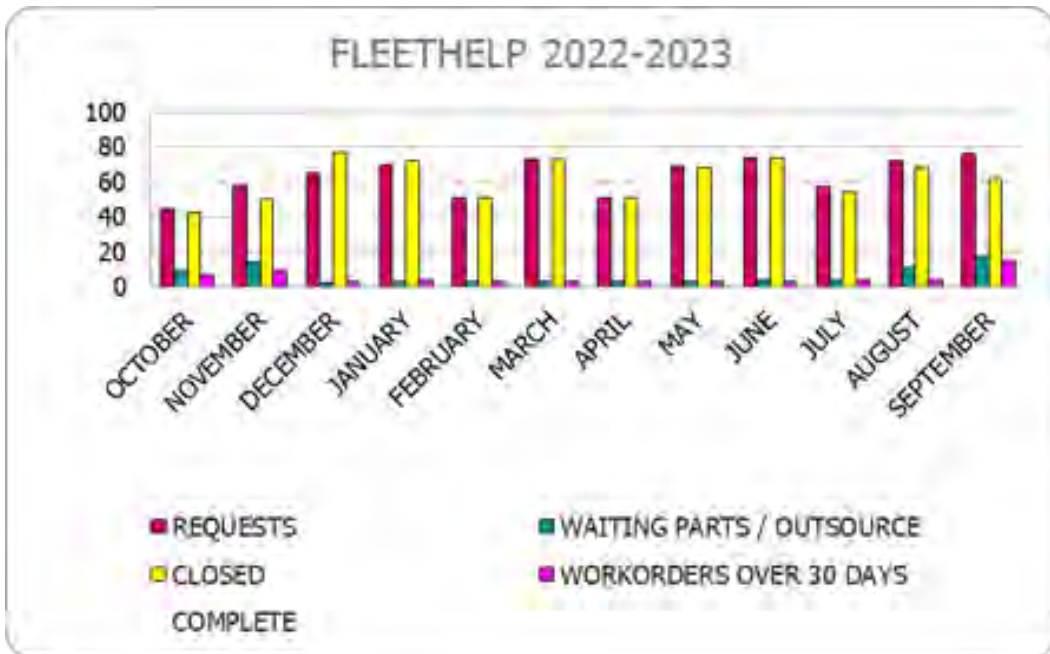
Provide safety and bio-hazard training through SPI Connect.	2025-26	PW Executive Assistant	Budgeted under Human Resources Division	N/A	Chapters 6, 7, 8, 10, & 11	N/A
Retain valuable personnel. Refer to the Human Resources plan.	2025-26	Human Resources	Personnel related expenses	Metric 5	Chapters 6, 7, 8, 10, & 11	N/A
Address public complaints received via the PW Cares support address.	2025-27	PW Executive Assistant	Personnel related expenses for hours worked on project	N/A	Chapters 6, 7, 8, 10, & 11	N/A
PW Administration will attend supervisor training provided by the City.	2025-27	PW Management	Budgeted under Human Resources Division	N/A	Chapters 6, 7, 8, 10, & 11	N/A
Conduct Master Drainage Study.	2025-27	PW Director	The estimated total cost of addressing drainage issues is \$10M over several years.	Percent complete	Chapters 6, 7, 8, 10, & 11	Approved
Assess and control the City's infrastructure by adding pictures and history to iWorQ system.	2025-27	PW Management	Personnel related expenses for hours worked on project	N/A	Chapters 6, 7, 8, 10, & 11	N/A
Organize and prepare for emergency events by practicing drills for different types of events.	2025-27	PW Management	Personnel related expenses for hours worked on project	Number of drills conducted	Chapters 6, 7, 8, 10, & 11	N/A
<b>Long Term - FY 2027-28 &amp; FY 2028-29</b>						
Update Master Thoroughfare Plan.	2027-28	PW Director	To be determined	Percent complete	Chapters 6, 7, 8, 10, & 11	N/A
Incident Command System (ICS) Training Program: Monitor the weather daily and plan accordingly. ICS trained personnel: Train additional staff on ICS.	2027-28	PW Executive Assistant & PW Inspector	Training and travel related expenses	N/A	Chapters 6, 7, 8, 10, & 11	N/A

## Performance Metrics

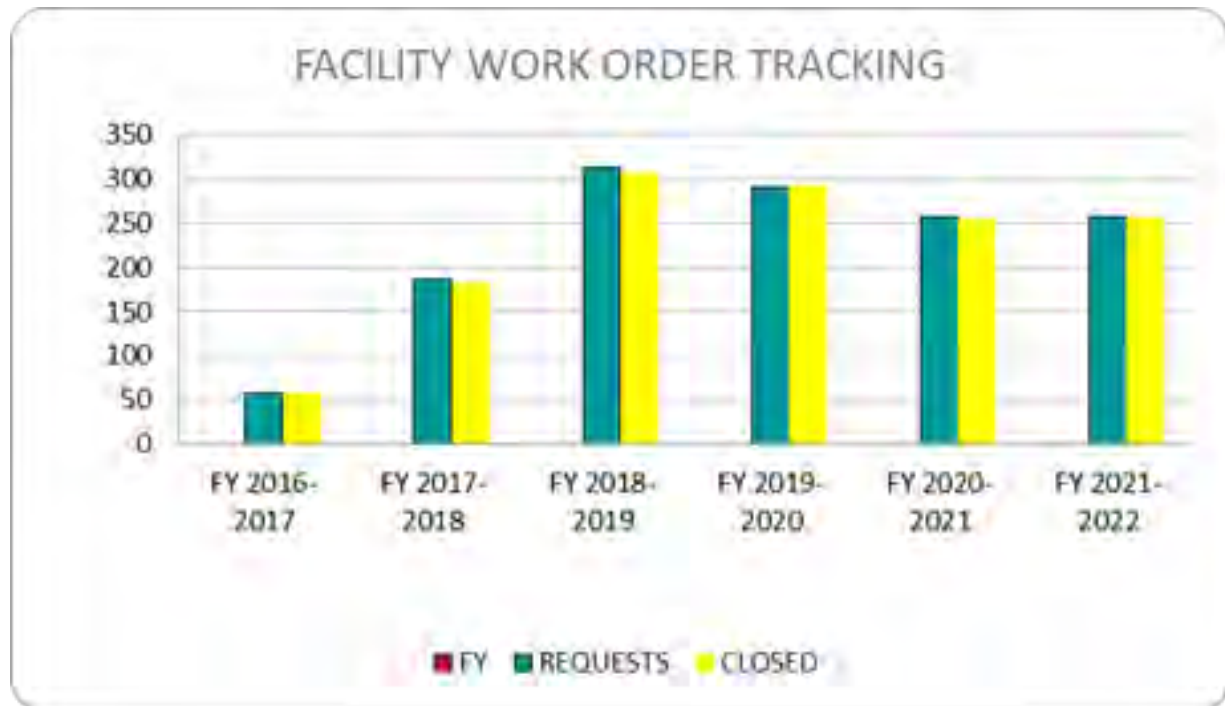
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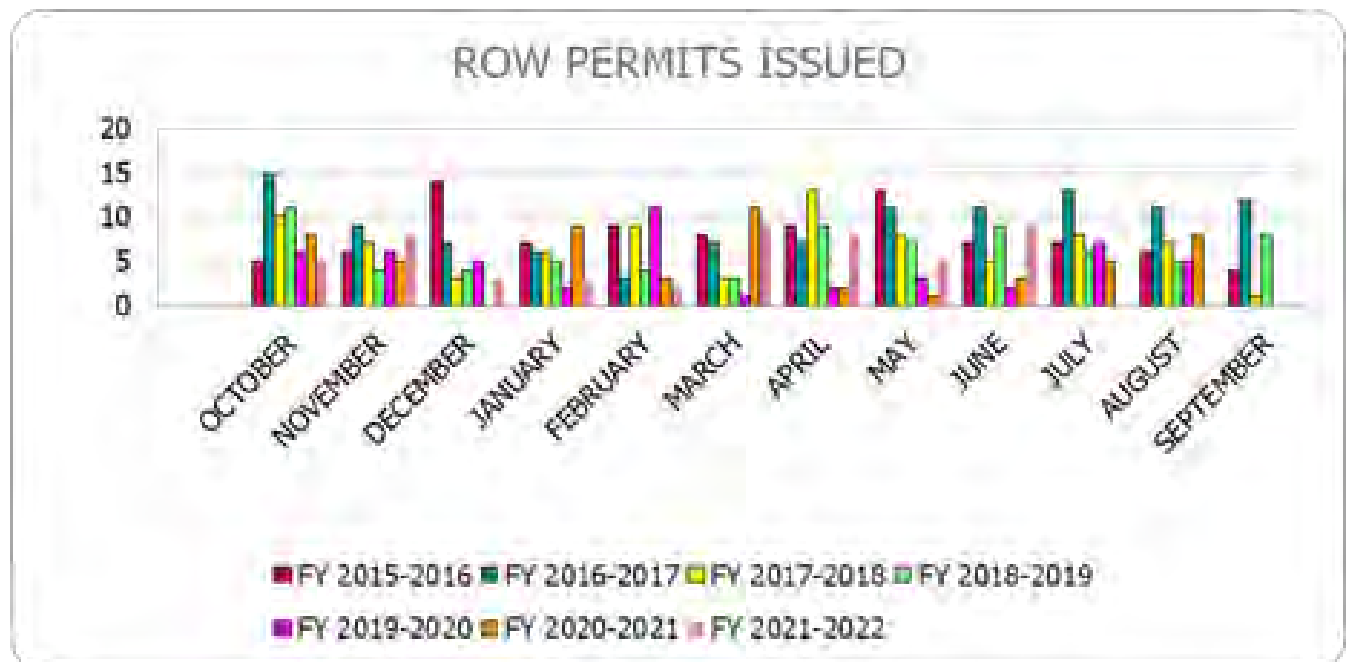
Metric 2:



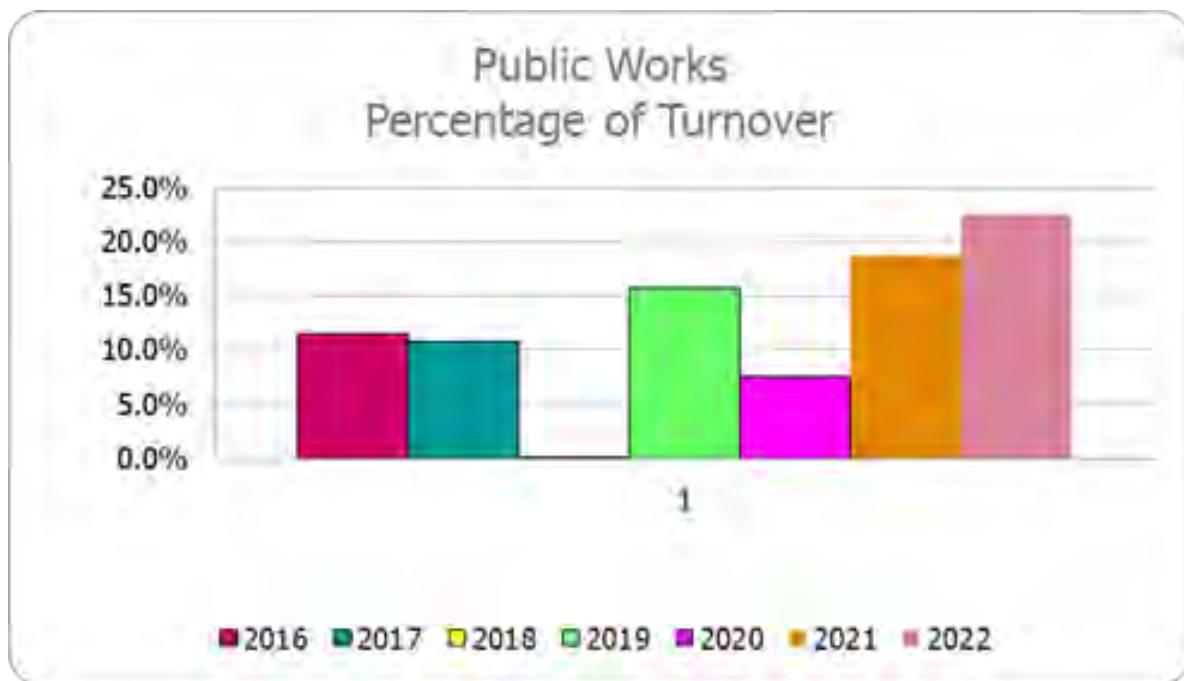
Metric 3:



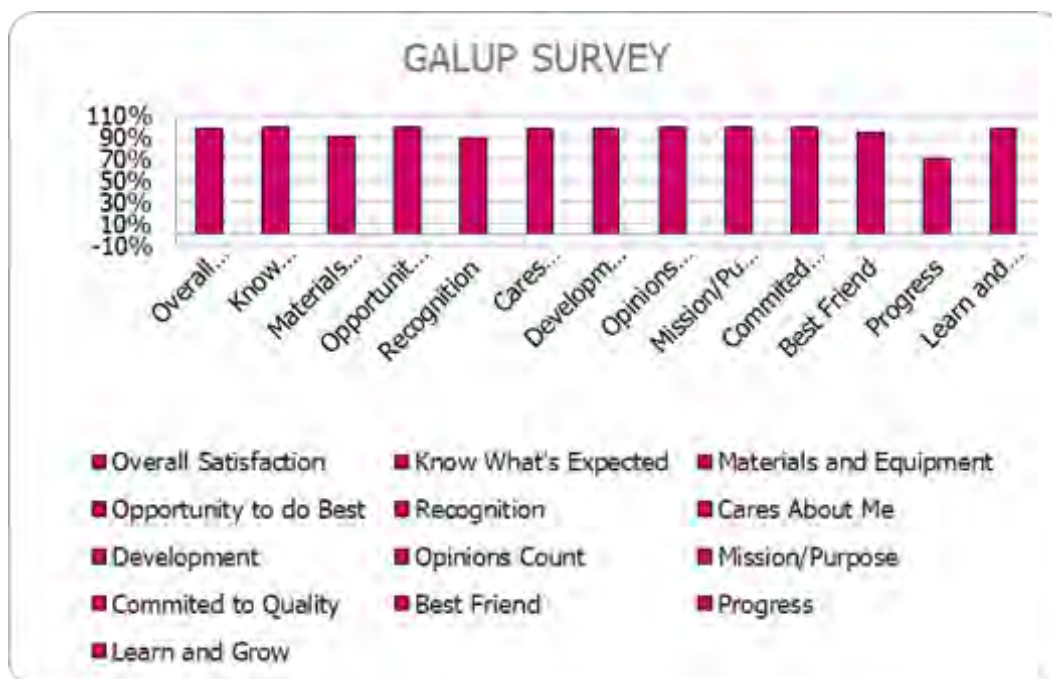
Metric 4:



Metric 5:



Metric 6:



## Staffing Plan

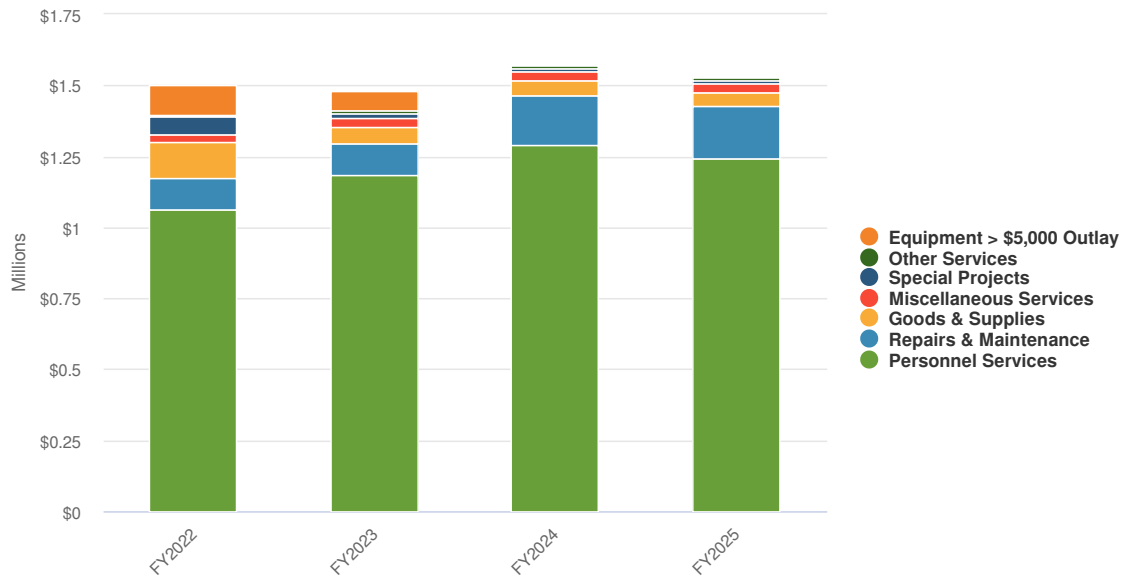
Position	Current FY	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
Public Works Director (PW Portion)	0.9	0.9	0.9	0.9	0.9	0.9
Assistant Public Works Director	1	1	1	1	1	1
Executive Assistant	1	1	1	1	1	1
Public Works Inspector	1	1	1	1	1	1
Public Works Foreman	1	1	1	1	1	1
Equipment Operator II/Shift Leader	1	1	1	1	1	1
Equipment Operator II	1	1	1	1	1	1
Equipment Operator I	2	2	2	2	2	2
Maintenance Technician	9	9	9	9	9	9
North Landscape Lead	1	1	1	1	1	1
Right of Way Foreman	0	0	1	1	1	1
Survey Maintenance Technician	0	0	1	1	1	1
Facility Maintenance Lead Technician	1	1	1	1	1	1
Facility Maintenance Technician	1	0	2	2	2	2
Public Works Director (PW Portion)	0.1	0.1	0.1	0.1	0.1	0.1
Planning Coordinator	1	1	1	1	1	1
Fleet Manager	1	1	1	1	1	1
Mechanic/Fleet Foreman	1	1	1	1	1	1
Mechanic	1	1	1	1	1	1
Mechanic Apprentice (Part-Time)	1	1	1	1	1	1
Chief Building Official	1	1	1	1	1	1
Permit Technician	1	1	1	1	1	1
Lead Building Inspector	1	1	1	1	1	1
Building Inspector	1	1	1	1	1	1
Code Compliance Inspector	1	1	1	1	1	1
Parks & Recreation Manager	1	1	1	1	1	1
Parks & Recreation Foreman	1	1	1	1	1	1
Parks & Recreation Technician	1	1	1	1	1	1
<b>Total Positions:</b>	<b>34</b>	<b>34</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>

## Expenditures Summary

**\$1,529,286**    **-\$38,794**  
 (-2.47% vs. prior year)

## Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$1,064,675	\$1,184,518	\$1,290,948	\$1,243,634	-3.7%
Goods & Supplies	\$124,052	\$59,876	\$53,180	\$51,841	-2.5%
Repairs & Maintenance	\$110,453	\$111,112	\$171,011	\$181,350	6%
Miscellaneous Services	\$27,299	\$31,729	\$32,941	\$32,461	-1.5%
Equipment > \$5,000 Outlay	\$102,140	\$68,247	\$0	\$0	0%
Other Services	\$7,229	\$10,438	\$10,000	\$10,000	0%
Special Projects	\$64,203	\$13,711	\$10,000	\$10,000	0%
<b>Total:</b>	<b>\$1,500,050</b>	<b>\$1,479,631</b>	<b>\$1,568,080</b>	<b>\$1,529,286</b>	<b>-2.5%</b>

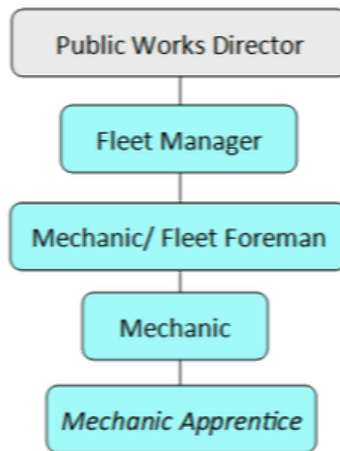
## Fleet Management Department



Chase Lemons  
Fleet Manager



## Organizational Chart

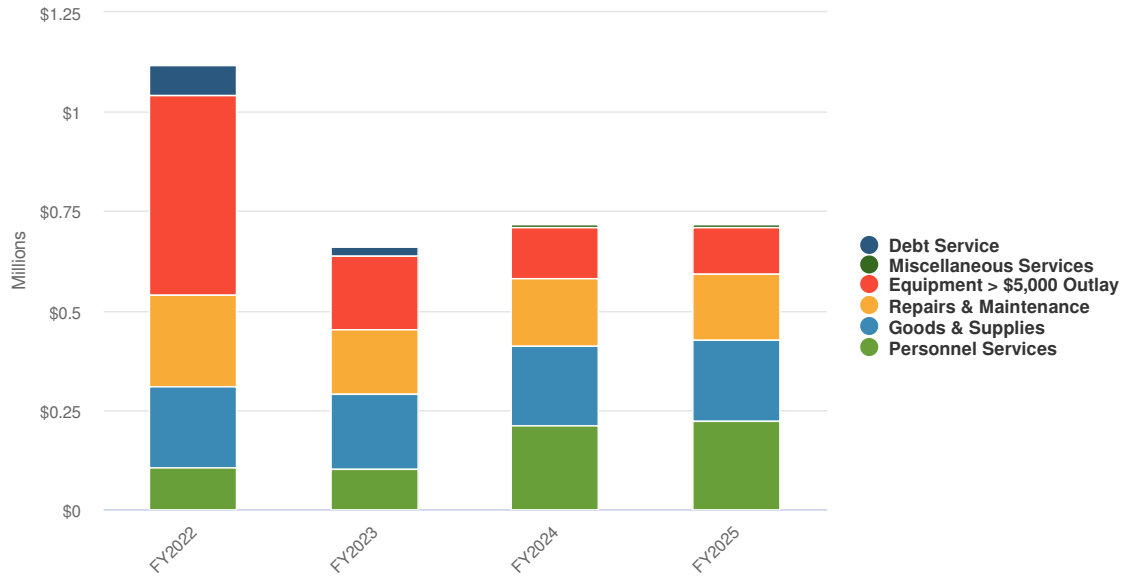


## Expenditures Summary

**\$721,938**    **\$3,002**  
(0.42% vs. prior year)

## Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$105,034	\$101,369	\$212,969	\$222,283	4.4%
Goods & Supplies	\$204,114	\$190,563	\$200,450	\$204,274	1.9%
Repairs & Maintenance	\$230,946	\$160,043	\$166,270	\$165,000	-0.8%
Miscellaneous Services	\$1,237	\$1,180	\$8,912	\$9,782	9.8%
Equipment > \$5,000 Outlay	\$500,821	\$185,009	\$130,335	\$117,000	-10.2%
Debt Service	\$74,413	\$21,534	\$0	\$3,599	N/A
<b>Total:</b>	<b>\$1,116,564</b>	<b>\$659,699</b>	<b>\$718,936</b>	<b>\$721,938</b>	<b>0.4%</b>

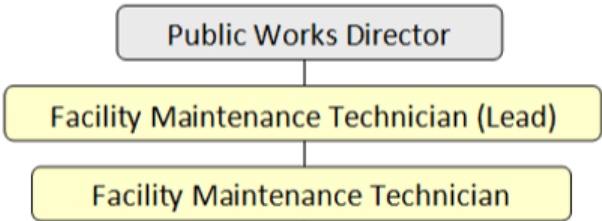
# Facilities & Grounds Maintenance Department



**Jose L. Infante**  
Facility Maintenance Technician (Lead)



## Organizational Chart



## Expenditures Summary

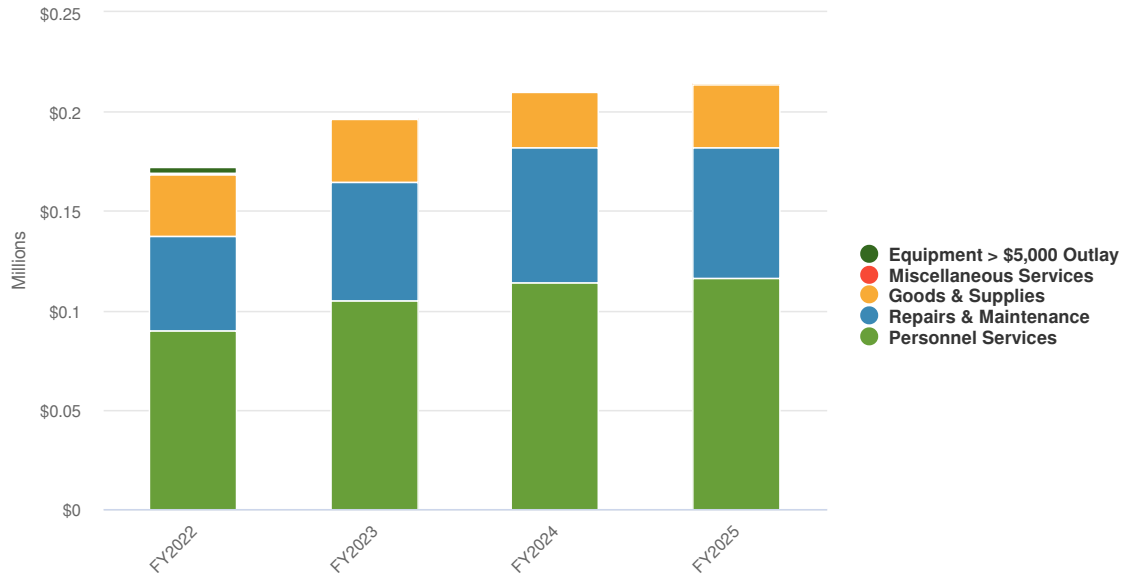
\$214,719

\$4,075

(1.93% vs. prior year)

## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$89,587	\$105,188	\$113,702	\$116,177	2.2%
Goods & Supplies	\$30,746	\$31,728	\$27,345	\$31,397	14.8%
Repairs & Maintenance	\$47,940	\$59,266	\$68,637	\$66,185	-3.6%
Miscellaneous Services	\$982	\$1,027	\$960	\$960	0%
Equipment > \$5,000 Outlay	\$3,000	\$0	\$0	\$0	0%
<b>Total:</b>	<b>\$172,256</b>	<b>\$197,209</b>	<b>\$210,644</b>	<b>\$214,719</b>	<b>1.9%</b>

## Inspections Division



**George Martinez**  
Chief Building Official

The Inspections Division is under the Planning Department and overseen by the Building Official. With the assistance of the Inspections Division staff, the division is responsible for plan reviews, permitting of various types from temporary structures to high rise resorts. Being at the front end of development, staff is cross-trained in multiple areas, such as zoning regulations, nuisance abatement, new construction, renovations, fire codes, and sign regulations. This division works to protect life, health, and safety of both the Island's residents and visitors through ensuring that all newly built or remodeled structures are in compliance with the International Building Code

### Major Goals:

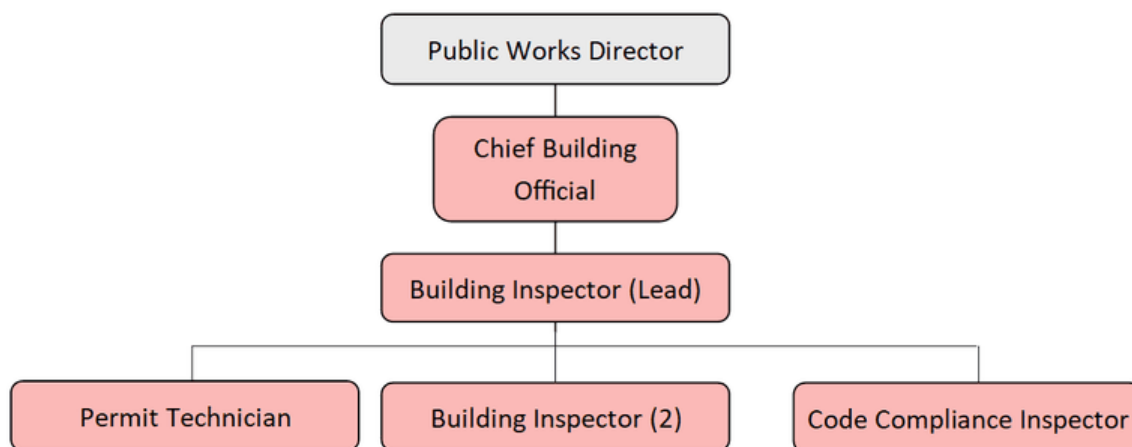
The Public Works Department goals by Division are:

1. Play a key role in the health, safety, and welfare of citizens through day-to-day operations.
2. Support development and construction through the implementation of the 5 phase permit process and up-to-date building codes and ordinances.
3. Work side by side with various departments, agencies, and private entities to streamline the development process and enhance City growth.

### Our Planning Indicators and Focus:

Our planning strategies are based on new construction trends as well as aging infrastructure. In addition, the division takes into account best practices, which include standardizing the inspection process, embracing digital solutions, and investing in training personnel.

## Organizational Chart

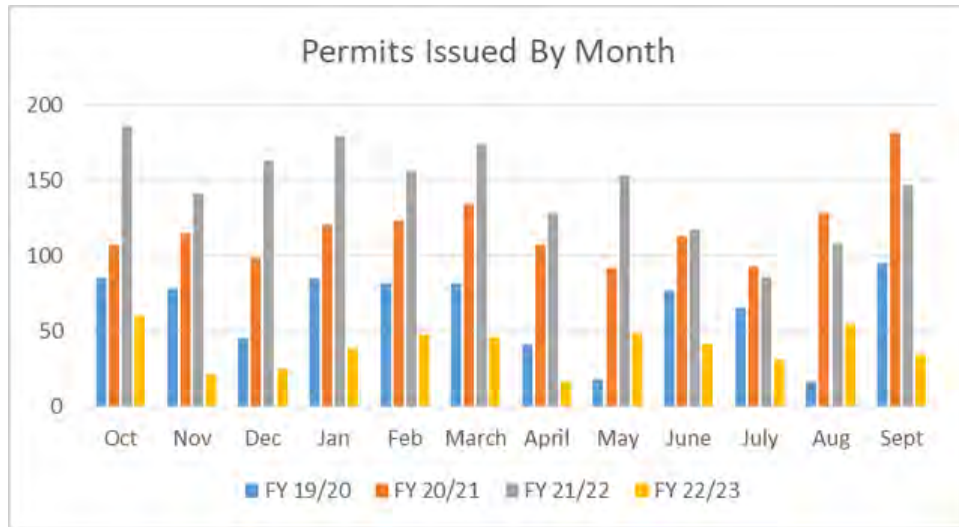


## Strategic Objectives and Work Plan for the Next Five Years

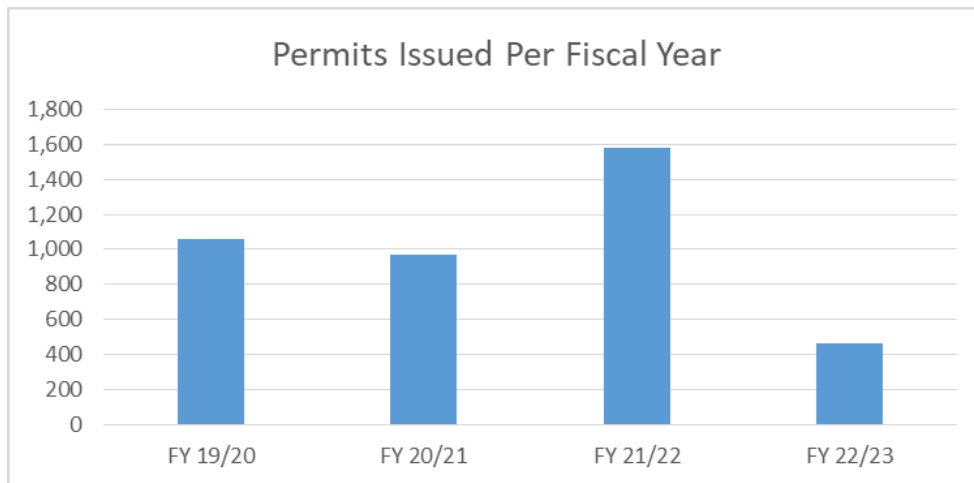
Project Description	Fiscal Year Due Date	Project Leader	Budget Impact	Associated Metric	Comp Plan Goal	CIP Project
<b>Short Term - FY 2024-25</b>						
Review and plan to achieve goals from the Comprehensive Plan.	2024-25	Building Official	Personnel related expenses for hours worked on project	N/A	Chapters 2 & 5	N/A
Enhance operations and communication by embracing an open-door policy with staff and the public.	2024-25	Building Official	\$0	Metrics 1, 2, & 3	Chapter 2	N/A
Continue holding quarterly and monthly one on ones with each staff member.	2024-25	Building Official	\$0	N/A	Chapter 2	N/A
Use TML Intergovernmental Risk Pool Online Learning Center to provide training to meet employee needs.	2024-25	Building Official	Cost included in HR's budget	N/A	Chapter 5	N/A
Encourage the Building Official and Building Inspector (Lead) to maintain certifications and licenses.	2024-25	Building Official	\$2,330 budgeted for Training	N/A	Chapter 5	N/A
<b>Mid Term - FY 2025-26 &amp; FY 2026-27</b>						
Research online permitting software to increase department efficiency.	2025-27	Building Official	To be determined	Metric 1, 2, & 3	Chapter 5	N/A
Hire additional personnel to improve customer service, enforce codes, and keep up with increased workload due to increased construction on the Island.	2025-27	Building Official	To be determined	N/A	Chapter 5	N/A
Develop SOPs for key processes.	2025-27	Building Official	Personnel related expenses for hours worked on project	Stop Work Order Log	Chapters 2& 5	N/A
Scan documents in filing cabinets, upload to the cloud, reduce use if paper, and eventually go paperless.	2025-27	Building Official	Personnel related expenses for hours worked on project	N/A	Chapter 5	N/A
<b>Long Term - FY 2027-28 &amp; FY 2028-29</b>						
Update processes and ordinances.	2027-29	Building Official	To be determined	N/A	Chapters 2 & 3	N/A

## Performance Metrics

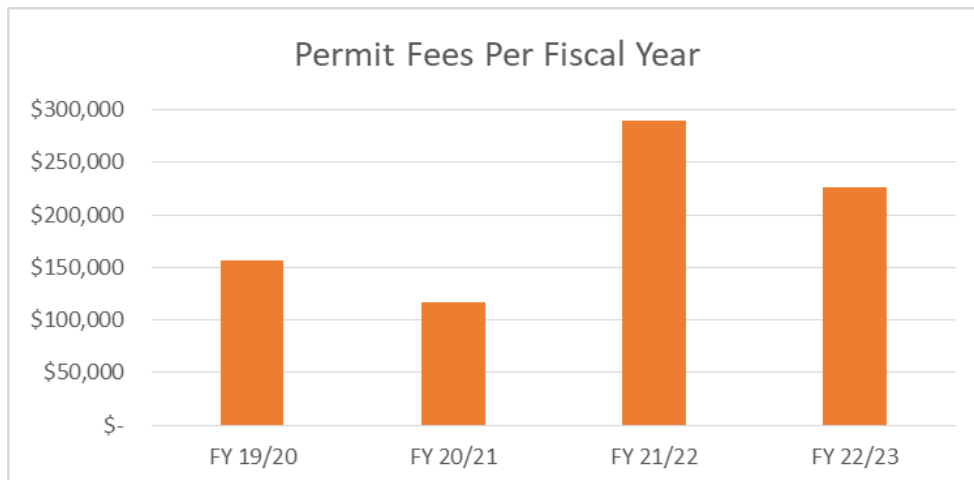
Metric 1:



Metric 2:



Metric 3:

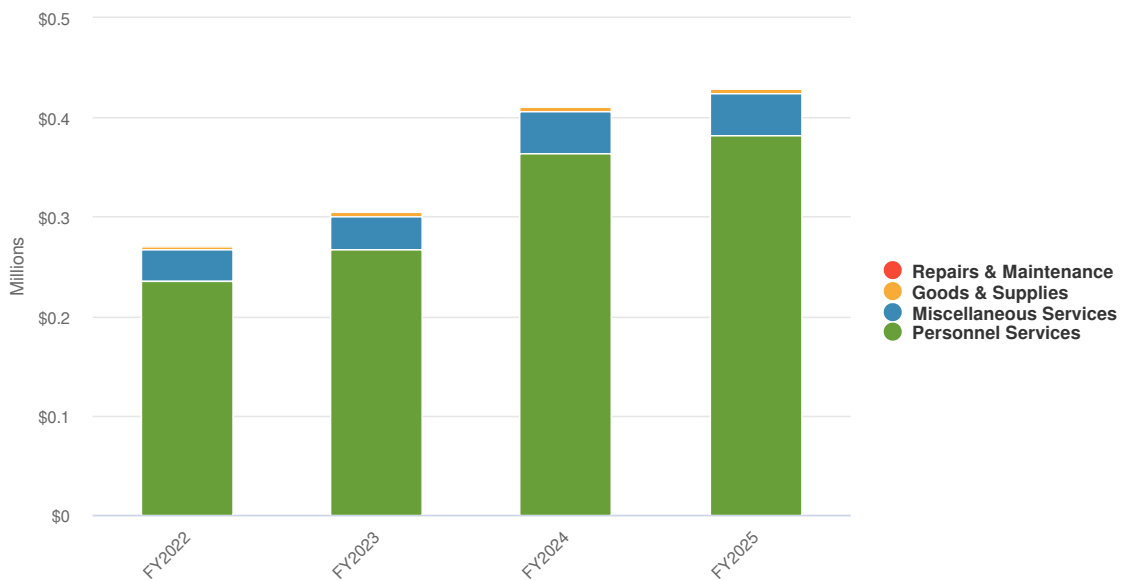


## Expenditures Summary

**\$429,723** **\$18,055**  
(4.39% vs. prior year)

## Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$235,165	\$267,782	\$363,685	\$381,740	5%
Goods & Supplies	\$3,605	\$5,130	\$4,370	\$4,392	0.5%
Repairs & Maintenance	\$0	\$0	\$700	\$700	0%
Miscellaneous Services	\$31,711	\$32,876	\$42,913	\$42,891	-0.1%
<b>Total:</b>	<b>\$270,481</b>	<b>\$305,788</b>	<b>\$411,668</b>	<b>\$429,723</b>	<b>4.4%</b>

## General Services Division



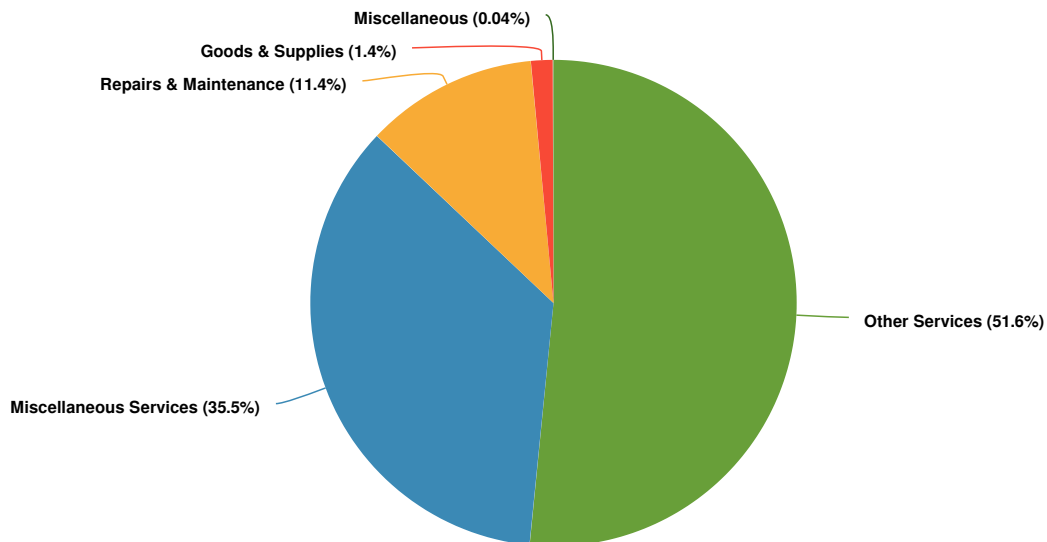
The General Services Division is used for budgeting for items that are Citywide in nature, such as insurance, water, electric, professional services, and various other expenses that cannot be directly tied to one department.

### Expenditures Summary

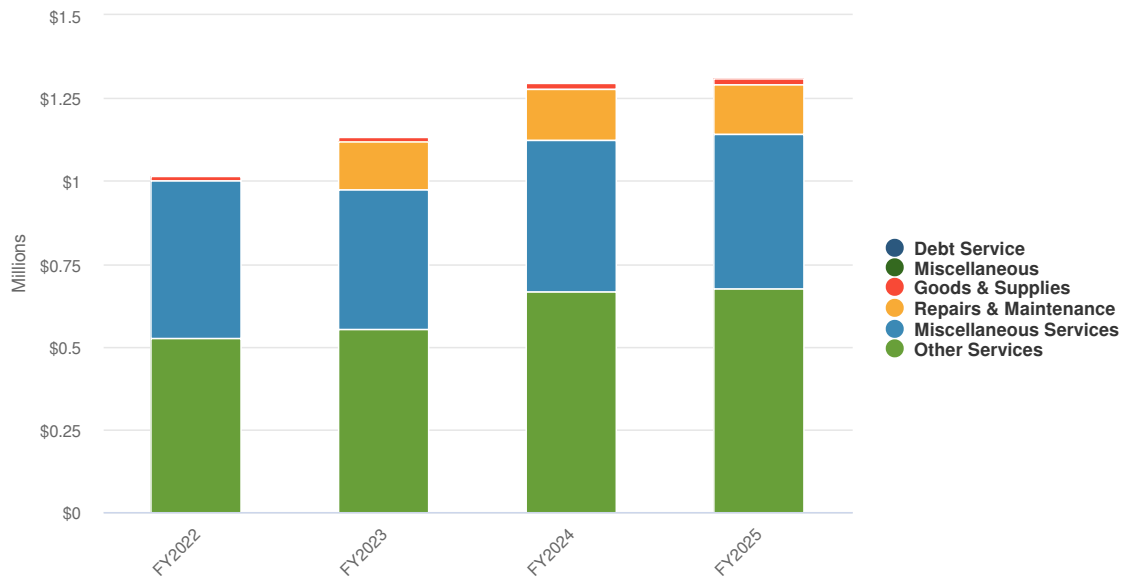
**\$1,310,521**    **\$13,521**  
(1.04% vs. prior year)

### Expenditures by Expense Type

Budgeted Expenditures by Expense Type



### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Goods & Supplies	\$13,090	\$14,980	\$20,000	\$19,000	-5%
Miscellaneous	\$0	\$0	\$1,000	\$500	-50%
Repairs & Maintenance	\$0	\$143,750	\$150,000	\$150,000	0%
Miscellaneous Services	\$474,982	\$422,137	\$461,000	\$465,000	0.9%
Other Services	\$526,074	\$552,278	\$665,000	\$676,021	1.7%
Debt Service	\$2,756	\$2,756	\$0	\$0	0%
<b>Total:</b>	<b>\$1,016,903</b>	<b>\$1,135,902</b>	<b>\$1,297,000</b>	<b>\$1,310,521</b>	<b>1%</b>

## Special Projects Division



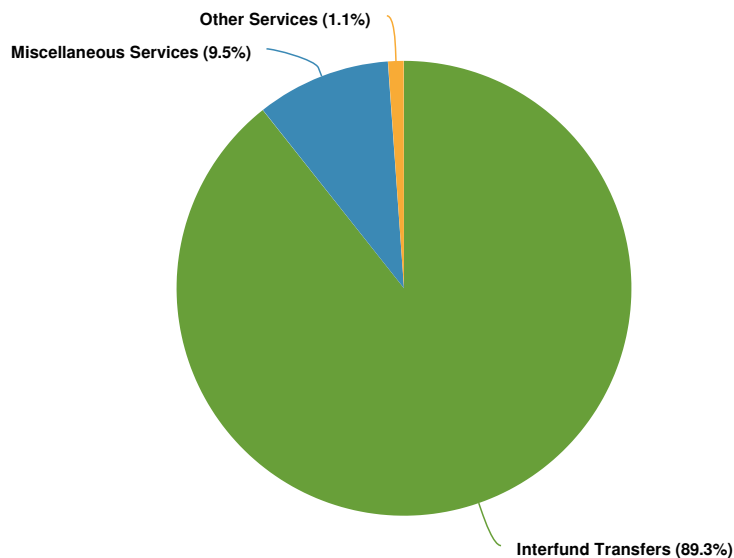
The Special Projects Division is used to budget for non-recurring expenses, one-time events, and donations to various organizations throughout the Rio Grande Valley.

## Expenditures Summary

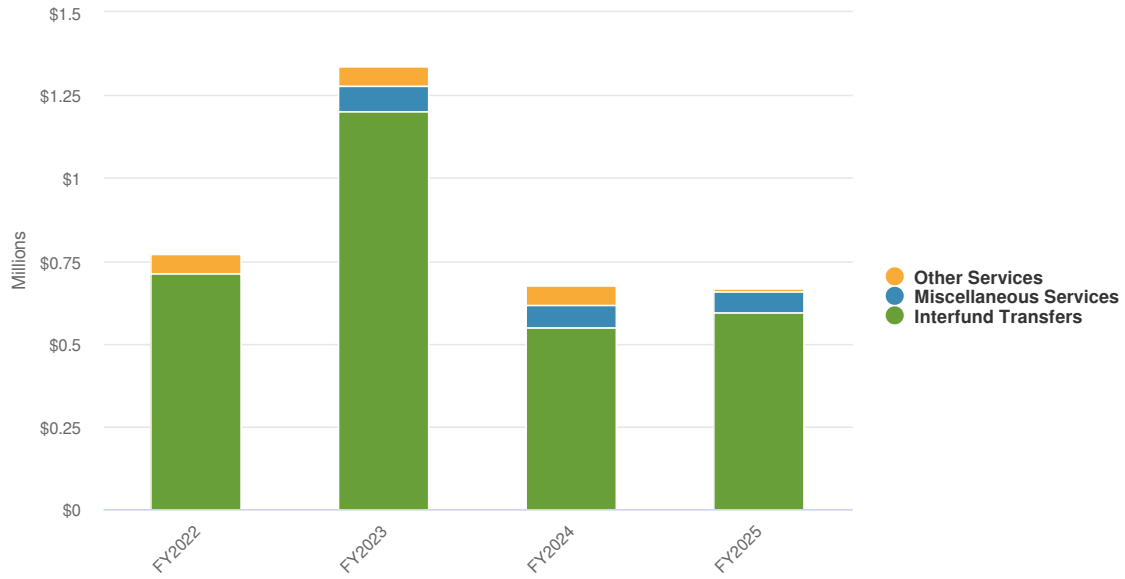
**\$666,000** **-\$11,143**  
(-1.65% vs. prior year)

## Expenditures by Expense Type

### Budgeted Expenditures by Expense Type



### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Miscellaneous Services	\$1,299	\$78,406	\$65,000	\$63,500	-2.3%
Interfund Transfers	\$712,398	\$1,200,916	\$549,643	\$595,000	8.3%
Other Services	\$55,953	\$57,251	\$62,500	\$7,500	-88%
<b>Total:</b>	<b>\$769,649</b>	<b>\$1,336,573</b>	<b>\$677,143</b>	<b>\$666,000</b>	<b>-1.6%</b>

## Hotel Motel Fund Summary



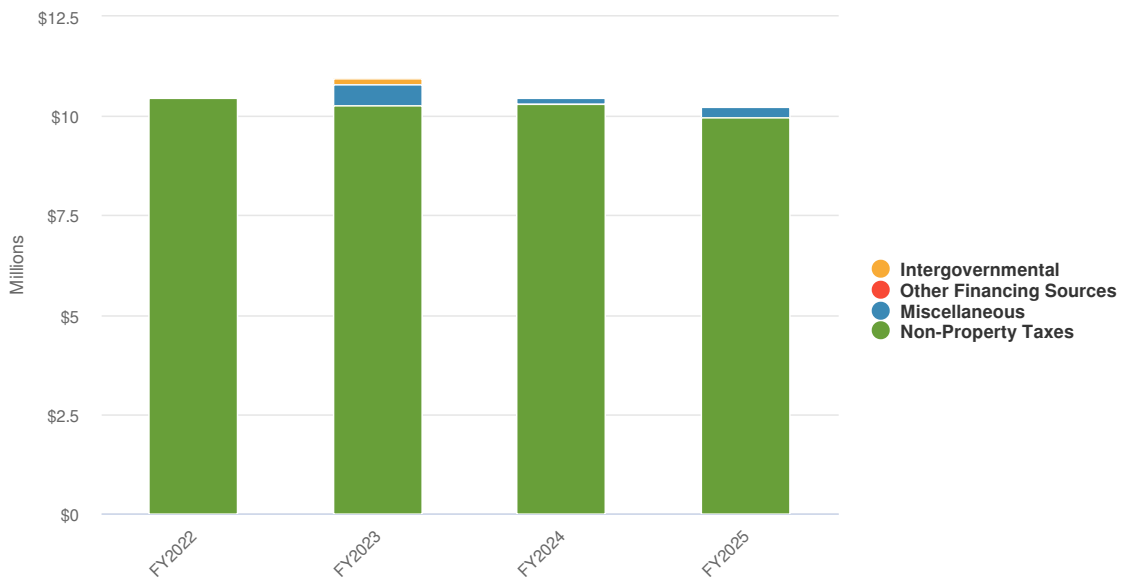
**Blake Henry**  
CVB Executive Director

The Hotel/Motel Fund is used to account for occupancy tax collections. This fund is used to account for the portion of collections used for tourism, advertising, and promotion.

The City of South Padre Island is projecting \$10.24M of revenue for FY 2025, which represents a 1.96% decrease over the FY 2024 adopted budget. Budgeted expenditures are projected to increase by 10.5% to \$8.41M in FY 2025.

## Hotel Motel Fund Revenues

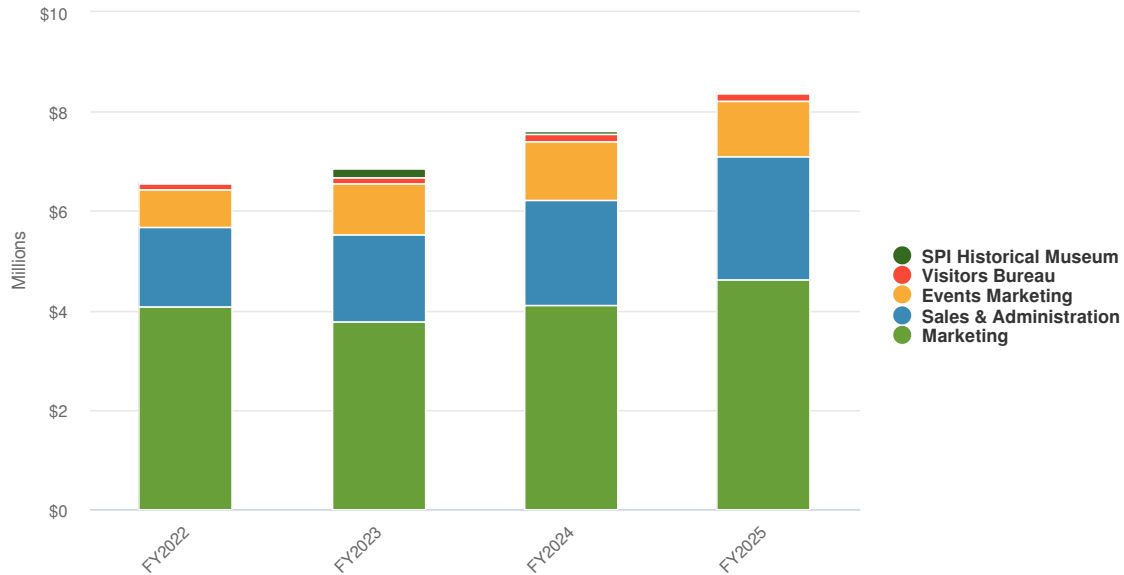
### Budgeted and Historical Revenues by Source



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Non-Property Taxes	\$10,451,817	\$10,261,191	\$10,326,904	\$9,966,666	-3.5%
Intergovernmental	\$0	\$130,889	\$0	\$0	0%
Miscellaneous	\$50,183	\$546,948	\$120,000	\$275,000	129.2%
Other Financing Sources	\$0	\$3,182	\$0	\$0	0%
<b>Total Revenue Source:</b>	<b>\$10,502,000</b>	<b>\$10,942,210</b>	<b>\$10,446,904</b>	<b>\$10,241,666</b>	<b>-2%</b>

# Expenditures by Function

## Budgeted and Historical Expenditures by Function



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Expenditures					
Convention & Visitors Bureau					
Visitors Bureau	\$135,505	\$133,743	\$157,813	\$161,459	2.3%
Sales & Administration	\$1,610,848	\$1,776,193	\$2,134,615	\$2,484,176	16.4%
Events Marketing	\$752,091	\$998,675	\$1,175,414	\$1,096,129	-6.7%
Marketing	\$4,065,342	\$3,766,505	\$4,100,000	\$4,625,000	12.8%
SPI Historical Museum	\$35,677	\$197,351	\$41,000	\$41,000	0%
<b>Total Convention &amp; Visitors Bureau:</b>	<b>\$6,599,463</b>	<b>\$6,872,468</b>	<b>\$7,608,842</b>	<b>\$8,407,764</b>	<b>10.5%</b>
<b>Total Expenditures:</b>	<b>\$6,599,463</b>	<b>\$6,872,468</b>	<b>\$7,608,842</b>	<b>\$8,407,764</b>	<b>10.5%</b>

## Convention & Visitors Bureau Division

The CVB Division & Administration is responsible for the marketing of South Padre Island as a destination for tourists, meeting planners, sporting events, special events and other tourism activities. As defined by the state hotel occupancy tax law, the main emphasis is on the development of activities generating overnight guests on South Padre Island.

In accomplishing this task, the CVB works with the Convention and Visitors Bureau Advisory Board, which was appointed by the City Council. The CVA Board recommends a marketing plan and their input on the operating budget to the City Council for final approval. The CVBA Board has oversight over the following divisions:

- Visitor Center
- Sales and Administration
- Special Events
- Marketing
- SPI Historical Museum
- Convention Center

The CVB is the main City agency involved with the economic growth of this community through tourism.

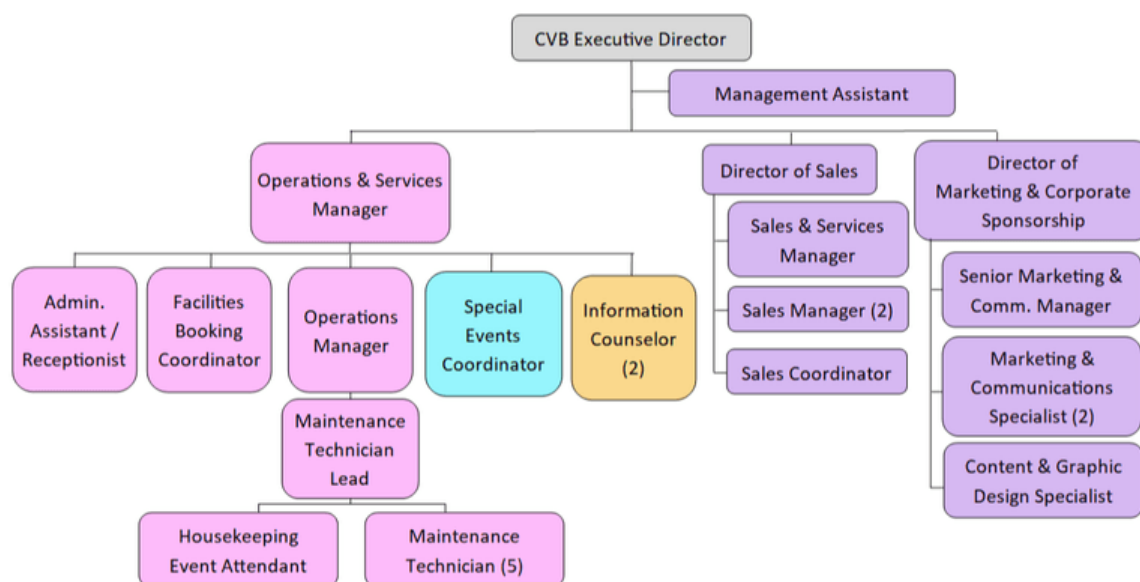
### Major Goals:

1. Maintain the highest skilled and most dynamic sales and marketing teams.
2. Develop and promote an active lifestyle brand based on market research.
3. Maintain and expand a comprehensive research program.

### Our Planning Indicators and Focus:

Our CVB Sales Team, along with our CVA Board, will work to develop a comprehensive list of tradeshow that directly tie into strategies of the marketing campaign. We will monitor local hotel occupancy tax collections in the local area, changes in lodging inventory, occupancy rates, and other trends with area businesses in the Rio Grande Valley and the State of Texas.

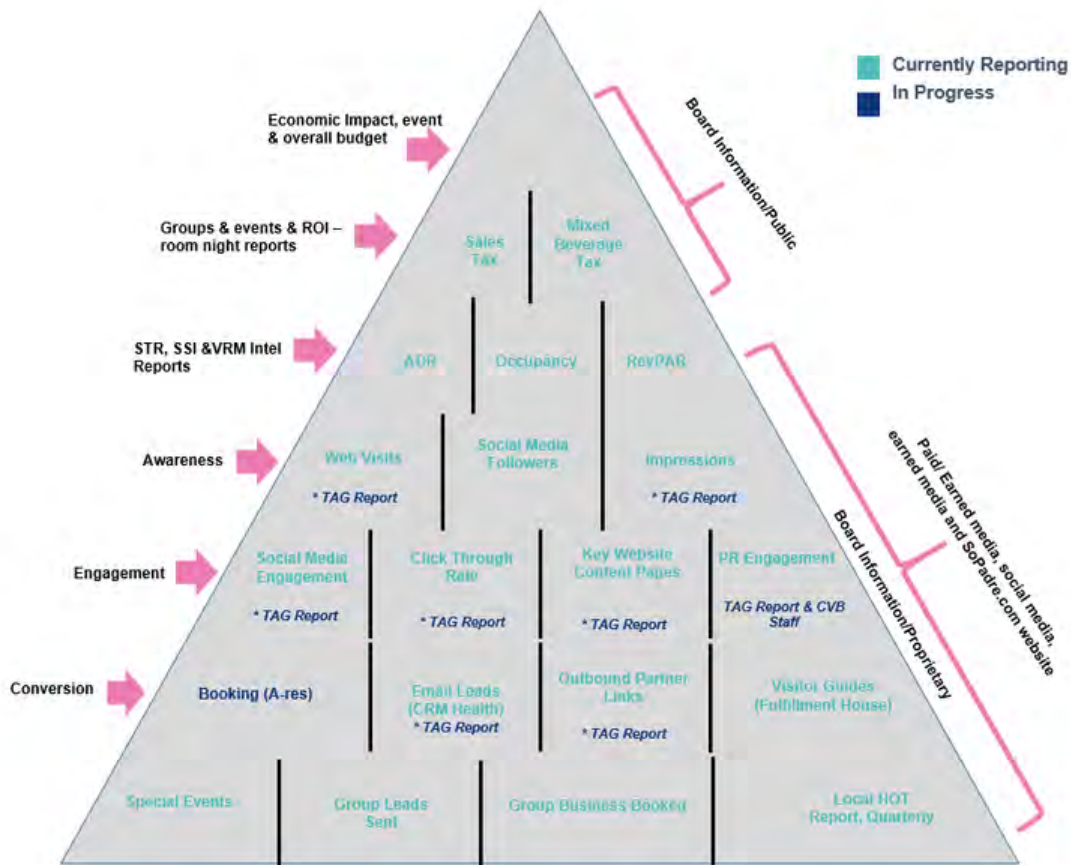
## Organizational Chart

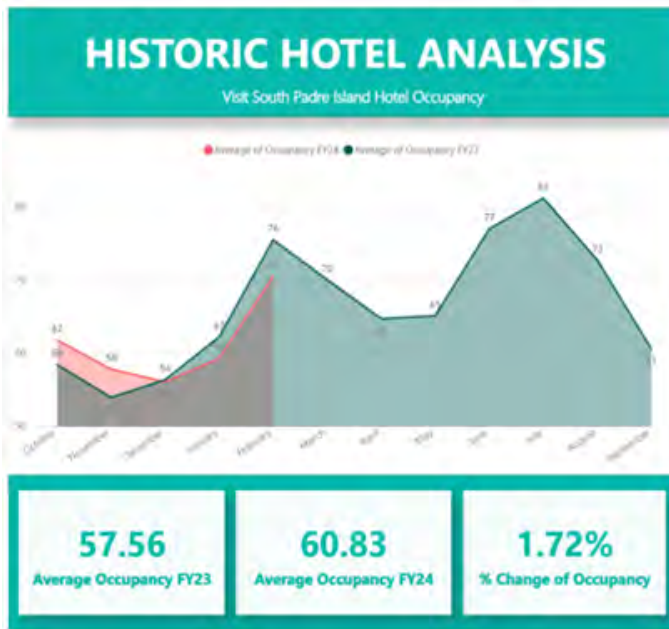


## Strategic Objectives and Work Plan for the Next Five Years

Project Description	Fiscal Year Due Date	Project Leader	Budget Impact	Associated Metric	Comp Plan Goal	CIP Project
<b>Short Term - FY 2024-25</b>						
Conduct robust comprehensive research to generate ways forward for the entire destination (Y.S.).	2024-25	Director of Marketing & Corporate Sponsorships	\$300k	HOT	Chapter 5	N/A
Develop a hospitality training program in partnership with SPI Stakeholders within the destination.	On-going	Director of Marketing & Corporate Sponsorships	\$20k	Impressions	Chapter 5	N/A
Design a SPI Zone at Valley International Airport - Harlingen.	In-process	CVB Executive Director	\$35k	HOT	Chapter 5	Proposed
Support feasibility studies on the development of infrastructure, potential events and possible future business.	Ongoing	CVB Executive Director	\$50k	Bookings	Chapter 5	N/A
Conduct full research plans and data collection.	2024-25	Director of Marketing & Corporate Sponsorships	\$300k	Impressions	Chapter 5	N/A
Sustain our current customer base.	2024-25	Operations & Services Manager	N/A	HOT	Chapter 5	N/A
Convention Center expansion	2024-25	CVB Executive Director	\$100m	HOT/ Venue Tax	Chapter 5	Approved
<b>Mid Term - FY 2025-26 &amp; FY 2026-27</b>						
Refurbishing Boardwalk	2025-26	CVB Executive Director	To be determined	HOT Reserves	Chapter 5	Approved
<b>Long Term - FY 2027-28 &amp; FY 2028-29</b>						
Proceed with other phases of the Convention Center Expansion	2027-28	CVB Executive Director	To be determined	HOT Reserves	Chapter 5	Approved

## Performance Metrics





Data Source (s): Predictive Data Lab & STR

## Staffing Plan

Position	Current FY	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
CVB Executive Director	1	1	1	1	1	1
Management Assistant	1	1	1	1	1	1
Director of Sales	1	1	1	1	1	1
Sales & Services Manager	1	1	1	1	1	1
Sales Manager	1	2	2	2	2	2
Sales Coordinator	1	1	1	1	1	1
Director of Marketing & Corporate Sponsorship	1	1	1	1	1	1
Senior Marketing & Comm. Manager	0	1	1	1	1	1
Marketing & Communication Specialist	2	2	2	2	2	2
Content & Graphic Design Specialist	0	1	1	1	1	1
Operations & Services Manager	1	1	1	1	1	1
Admin Assistant/Receptionist	1	1	1	1	1	1
Facility Booking Coordinator	1	1	1	1	1	1
Operations Manager	1	1	1	1	1	1
Operation Staff	7	7	7	7	7	7
Special Events Manager	1	0	0	0	0	0
Special Events Coordinator	1	1	1	1	1	1
Information Counselors	2	2	2	2	2	2
Part-Time Information Counselors	0	2	2	2	2	2
<b>Total Positions:</b>	<b>24</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>

## Visitors Center Division

The South Padre Island Visitors Center (VC) is the beginning of our guests' experience on South Padre Island. From the initial request for information, to their arrival and throughout their stay, we are to make sure they are welcomed and well informed on all aspects of their South Padre Island experience. Our visitors are greeted warmly by well-informed staff with professional and friendly attitudes.

### Major Goals:

1. Building Upgrade: Because tourism is the economic engine for the City, the Visitors Center must be maintained as the City's hospitality headquarters to ensure information is readily available in an aesthetically pleasing setting.
2. Update Technology: To better serve our guests and the community, we will add two new laptops and one server in the reception area.
3. Serve as an information center for area businesses: To assist City businesses with promoting services, we will keep updated information offerings which will also allow us to give area businesses feedback from our Island guests.

### Our Planning Indicators and Focus:

The mission of the Visitors Center is to provide services that enhance tourism, increase the length of stay of our overnight guests, and increase revenue for all businesses on the Island. This will happen by improving the partnership between businesses and the Visitors Center and implementing activity and performance measures, including keeping track of:

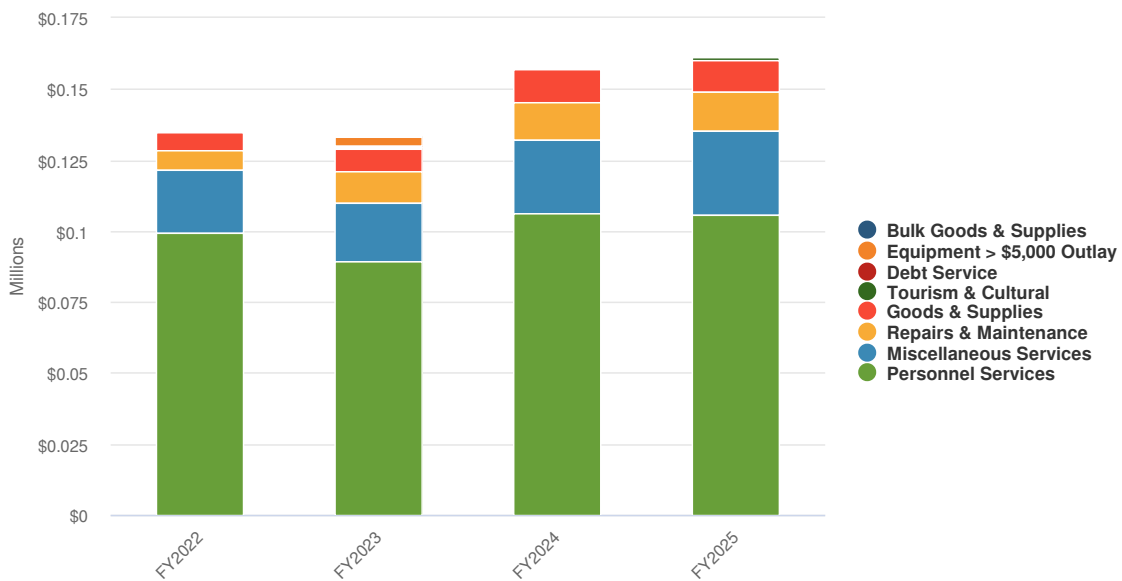
- Greet walk-in visitors and provide accurate SPI information.
- Latest information to our visitors regarding programs, events, and venues.
- The number of businesses that display brochures at the Visitors Center.
- Events held at the Visitors Center and the CVB.
- Records regarding the daily number of walk-ins.
- Daily emails and zip codes.
- International visitors and the different countries of which they come from.
- Number of phone calls requesting Island information.
- Operating status of Island businesses and all venues.
- Island's events, festivities, and activities.
- Island restaurants' menus, specials, and coupons.
- Reports requested by the CVB Director.
- Chamber of Commerce usage of the Visitor Center conference room.
- Partner's current contact information.
- Courtesy calls to our partners in regards to promotional materials.
- Reports for the Texas Department of Transportation (TX DOT) Travel Literature Program/Fulfillment Branch.
- Facilities, grounds, and entire property to ensure a clean, pleasant and friendly atmosphere.
- Inventory of brochures, menus, pamphlets and magazines from our partners to ensure we always have enough and never run out.

## Expenditures Summary

**\$161,459** **\$3,646**  
(2.31% vs. prior year)

## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type




Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$99,544	\$89,608	\$106,253	\$105,511	-0.7%
Goods & Supplies	\$6,752	\$7,908	\$11,400	\$11,400	0%
Bulk Goods & Supplies	\$0	\$415	\$0	\$0	0%
Repairs & Maintenance	\$6,758	\$11,154	\$13,500	\$13,628	0.9%
Miscellaneous Services	\$21,943	\$20,274	\$25,660	\$29,920	16.6%
Equipment > \$5,000 Outlay	\$0	\$3,182	\$0	\$0	0%
Tourism & Cultural	\$508	\$450	\$1,000	\$1,000	0%
Debt Service	\$0	\$754	\$0	\$0	0%
<b>Total:</b>	<b>\$135,505</b>	<b>\$133,743</b>	<b>\$157,813</b>	<b>\$161,459</b>	<b>2.3%</b>

## Sales & Administration Division



Our experienced sales team focuses on booking meetings, conventions, tradeshows, and events at the South Padre Island Convention Center, Island hotels, and offsite venues. Attendees stay overnight, dine in restaurants, visit our beach and bayside attractions, and more.

### 2023 FALL EVENTS

<b>TACOS &amp; TEQUILA FEST</b> SEPTEMBER <b>10K</b> Attendees <b>\$770K</b> Economic Impact 	<b>CHROME IN THE SAND</b> OCTOBER <b>6.5K</b> Attendees <b>\$604K</b> Economic Impact	<b>BEER &amp; WINGS FEST</b> NOVEMBER <b>1K</b> Attendees <b>\$176K</b> Economic Impact
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### 2024 WINTER EVENTS

 <b>PICKLEBALL ON PADRE</b> JANUARY	 <b>WINTER TEXAN GAMES</b> FEBRUARY
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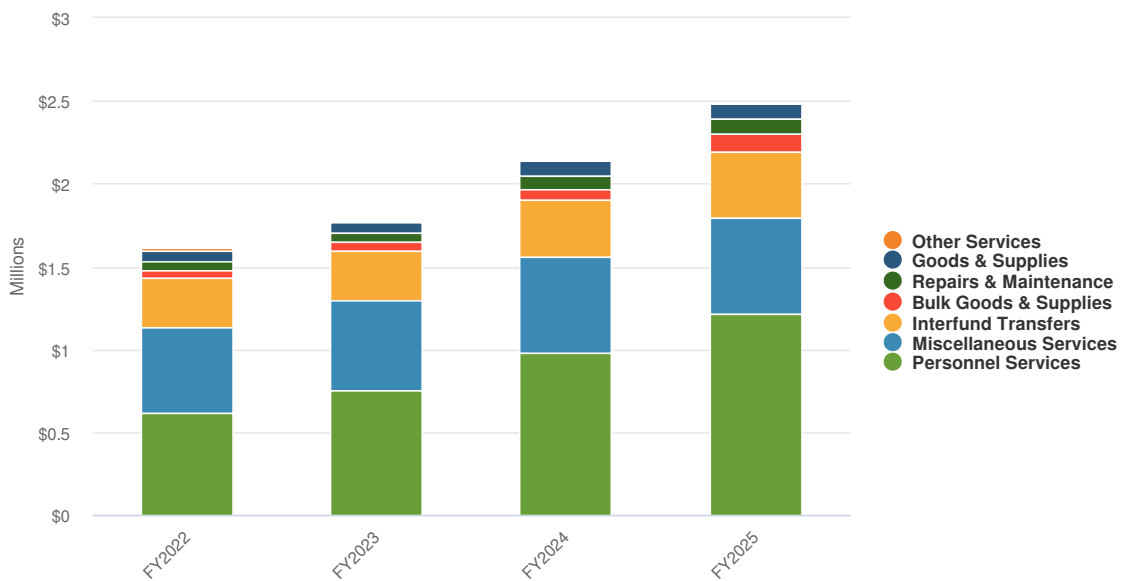


## Expenditures Summary

**\$2,484,176** **\$349,561**  
(16.38% vs. prior year)

### Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$612,316	\$752,333	\$977,291	\$1,217,841	24.6%
Goods & Supplies	\$60,000	\$65,309	\$84,700	\$89,500	5.7%
Bulk Goods & Supplies	\$43,503	\$53,858	\$65,000	\$105,000	61.5%
Repairs & Maintenance	\$58,269	\$53,101	\$84,200	\$94,637	12.4%
Miscellaneous Services	\$517,014	\$545,395	\$584,907	\$579,996	-0.8%
Interfund Transfers	\$301,485	\$294,889	\$338,517	\$397,202	17.3%
Other Services	\$18,261	\$11,309	\$0	\$0	0%
<b>Total:</b>	<b>\$1,610,848</b>	<b>\$1,776,193</b>	<b>\$2,134,615</b>	<b>\$2,484,176</b>	<b>16.4%</b>

## Special Events Division



The Special Events Division is responsible for planning, organizing, coordinating and administering a variety of special event programs. Marketing programs for Special Events including median banners, social media, and City websites ([sopadre.com](http://sopadre.com), [whosyourpadre.com](http://whosyourpadre.com)).

### Major Goals:

1. Facilitate in the development of a venue/park on beach or bay front. This will allow the City to accommodate many events without having to run all proposals through private properties adjacent to our beaches. As it stands, no event may happen on SPI beach front without private property permission (by ordinance).
2. Enhance special events that generate HOT and create a quality SPI experience. Currently we host approximately 35 special events. Facilitating their growth and identifying new event opportunities will aid in increasing overnight stays.
3. Aid in identifying and accommodating at least two new special events each year. As we are not in the event production business, we will seek out established organizers that align with our niche markets.

### Our Planning Indicators and Focus:

Better monitor and track the impact a special event has on hotel occupancy. This must include the cooperation of all hotel, motel, and condo management businesses. We encourage all events to arrange leads and tracking through the housing department at the CVB; however, the majority chooses to make their own arrangements.

We have staff who attend special events and survey participants to aid in obtaining data. We must balance any overlap in regards to hotel reports and room pickup. The difficulty here is that the majority of these properties release room blocks 30 days in advance of a special event. Another issue is that the front desk personnel are not adequately trained to monitor this data due to frequent employee turnover.

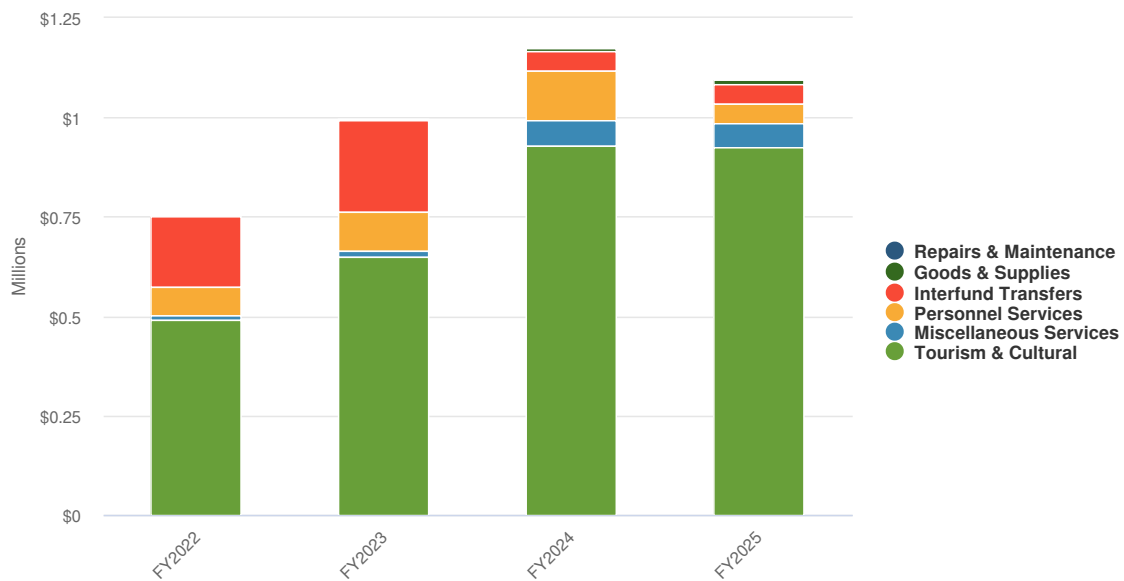
We encourage all events to include a short survey in their registration process. Those that have done so have been very successful in obtaining more accurate room night information. We then combine the data with hotel pickup for more accurate reports.

## Expenditures Summary

**\$1,096,129** **-\$79,285**  
(-6.75% vs. prior year)

### Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$73,549	\$98,743	\$125,413	\$51,463	-59%
Goods & Supplies	\$1,747	\$5,271	\$7,600	\$10,600	39.5%
Repairs & Maintenance	\$0	\$0	\$0	\$64	N/A
Miscellaneous Services	\$11,395	\$14,015	\$62,363	\$56,963	-8.7%
Tourism & Cultural	\$490,129	\$650,430	\$930,038	\$927,039	-0.3%
Interfund Transfers	\$175,271	\$230,216	\$50,000	\$50,000	0%
<b>Total:</b>	<b>\$752,091</b>	<b>\$998,675</b>	<b>\$1,175,414</b>	<b>\$1,096,129</b>	<b>-6.7%</b>

## Marketing Division



The Marketing Division supports the SPI CVB and the Convention Center by promoting the Island through innovative marketing, public relations, social media, digital communications, and comprehensive website efforts. The marketing team and its marketing agency develop strategies to increase awareness and understanding of the South Padre Island destination brand and drive demand for overnight accommodations.

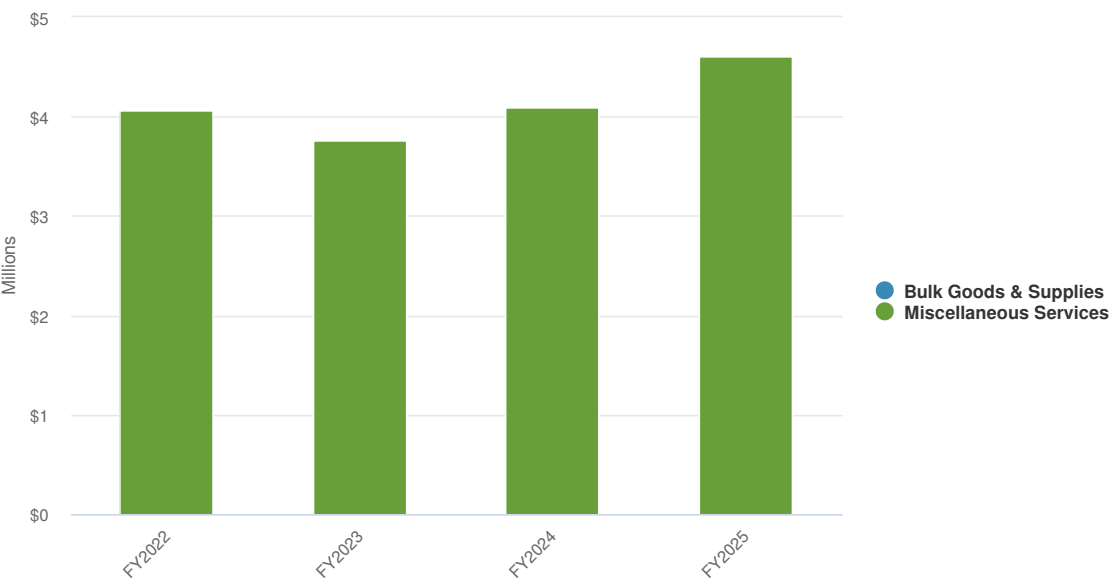
Using data-driven insights, the team shapes messaging and determines the most effective distribution channels for paid media, while complementing that with integrated proactive media relations efforts, content development strategies, niche promotions and social outreach to further amplify destination awareness and buzz.

## Expenditures Summary

**\$4,625,000**    **\$525,000**  
(12.80% vs. prior year)

# Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Bulk Goods & Supplies	\$0	\$0	\$0	\$25,000	N/A
Miscellaneous Services	\$4,065,342	\$3,766,505	\$4,100,000	\$4,600,000	12.2%
<b>Total:</b>	<b>\$4,065,342</b>	<b>\$3,766,505</b>	<b>\$4,100,000</b>	<b>\$4,625,000</b>	<b>12.8%</b>

# SPI Historical Museum Division

This is a new division of the Hotel Motel Tax fund created to account for expenses related to the existing lease agreement with the South Padre Island Historical Foundation. This includes the payment of utilities, building maintenance, janitorial services, building insurance, and landscaping & grounds maintenance related to the building located at 600 Padre Blvd.

## Expenditures Summary

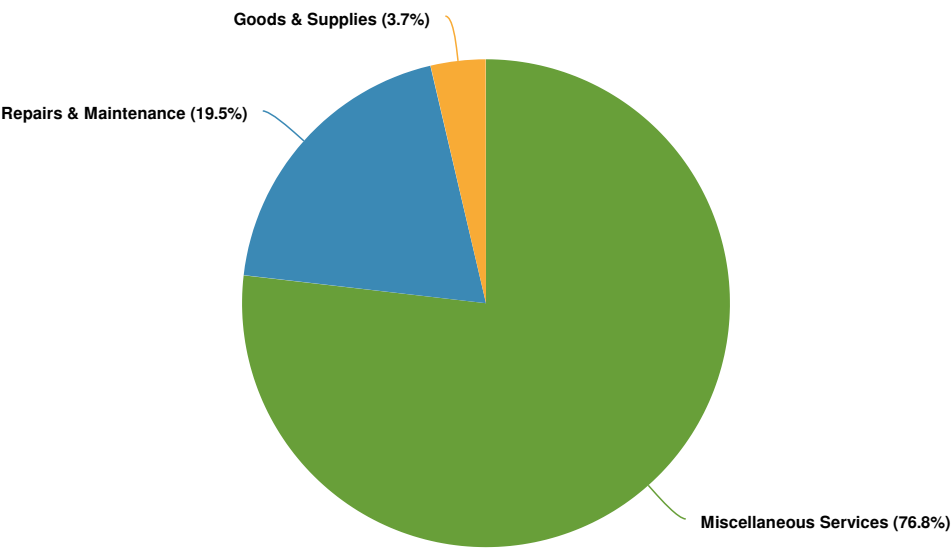
\$41,000

\$0

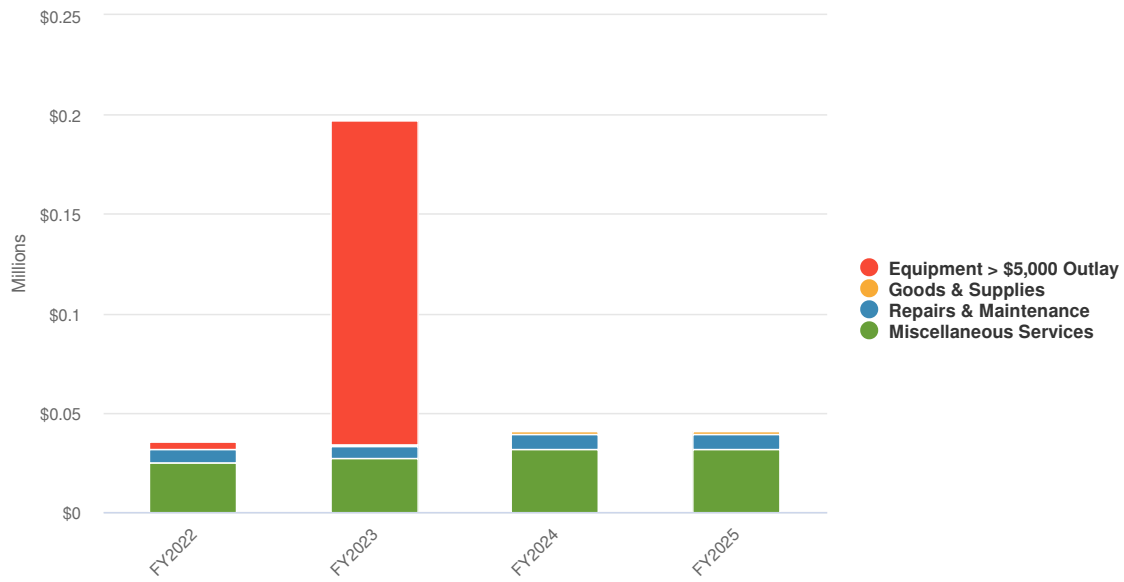
(0.00% vs. prior year)

## Expenditures by Expense Type

Budgeted Expenditures by Expense Type



### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Goods & Supplies	\$702	\$228	\$1,500	\$1,500	0%
Repairs & Maintenance	\$6,497	\$6,205	\$8,000	\$8,000	0%
Miscellaneous Services	\$24,867	\$27,307	\$31,500	\$31,500	0%
Equipment > \$5,000 Outlay	\$3,611	\$163,611	\$0	\$0	0%
<b>Total:</b>	<b>\$35,677</b>	<b>\$197,351</b>	<b>\$41,000</b>	<b>\$41,000</b>	<b>0%</b>

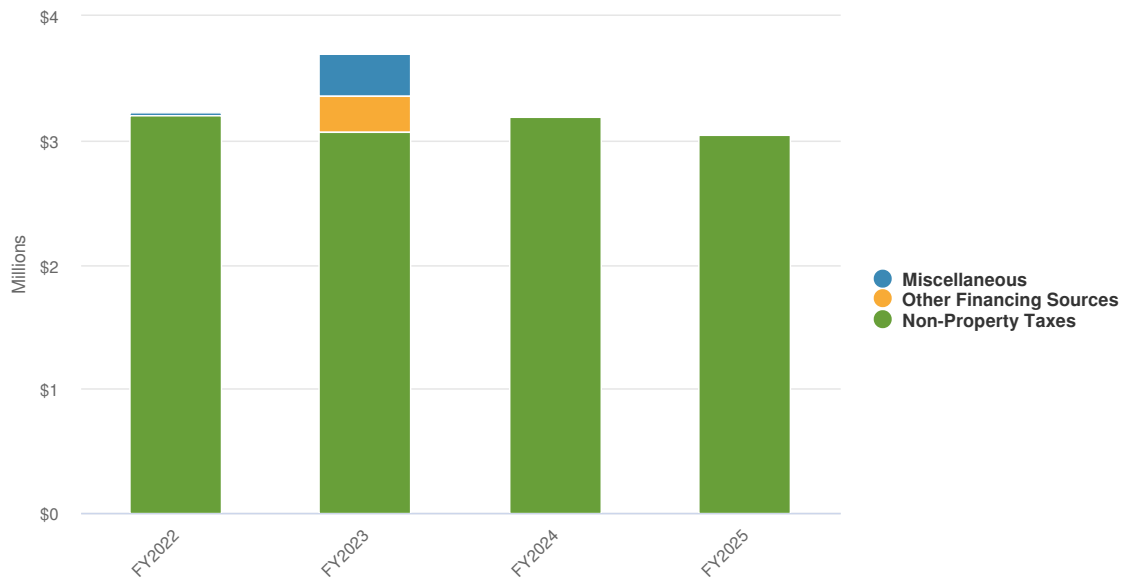
## Venue Project Fund Summary

The Venue Project Fund is used to account for monies collected for assessment of hotel/motel tax collected by the City for repayment of venue projects.

The City of South Padre Island is projecting \$3.04M in revenue, which represents a 4.68% decrease over the prior year's adopted budget. Budgeted expenditures are projected to increase by 0.25% to \$638K in FY 2025.

## Venue Project Fund Revenues

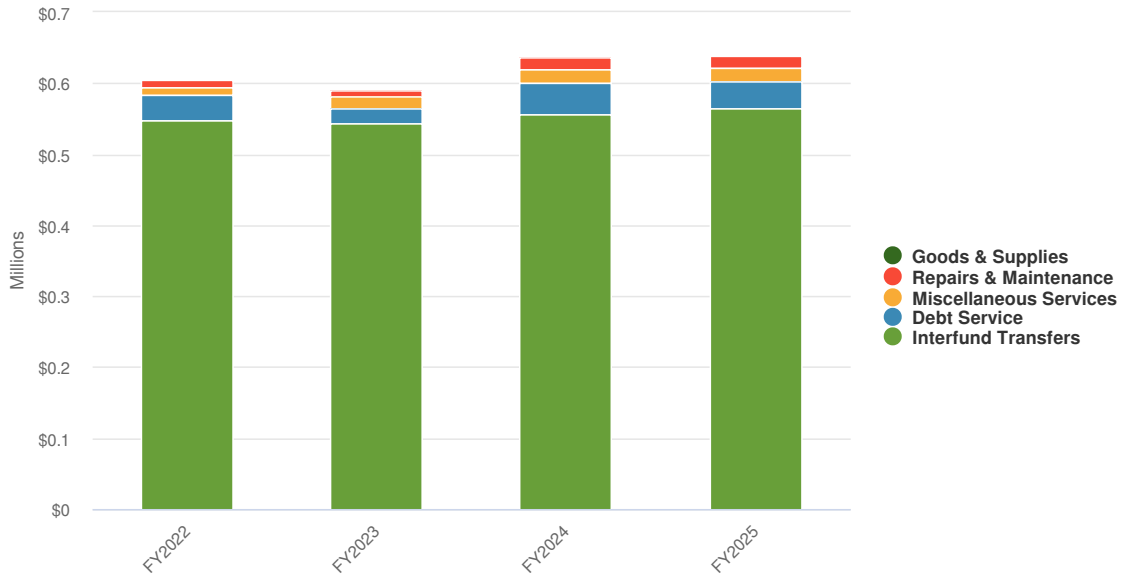
### Budgeted and Historical Revenues by Source



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Non-Property Taxes	\$3,198,975	\$3,072,449	\$3,193,187	\$3,043,821	-4.7%
Miscellaneous	\$26,344	\$327,537	\$0	\$0	0%
Other Financing Sources	\$0	\$292,669	\$0	\$0	0%
<b>Total Revenue Source:</b>	<b>\$3,225,319</b>	<b>\$3,692,655</b>	<b>\$3,193,187</b>	<b>\$3,043,821</b>	<b>-4.7%</b>

## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Goods & Supplies	\$157	\$0	\$500	\$500	0%
Repairs & Maintenance	\$10,855	\$8,040	\$15,713	\$15,713	0%
Miscellaneous Services	\$10,048	\$17,225	\$19,288	\$18,200	-5.6%
Interfund Transfers	\$547,738	\$543,223	\$556,043	\$563,715	1.4%
Debt Service	\$35,856	\$21,376	\$45,000	\$40,000	-11.1%
<b>Total:</b>	<b>\$604,654</b>	<b>\$589,864</b>	<b>\$636,544</b>	<b>\$638,128</b>	<b>0.2%</b>



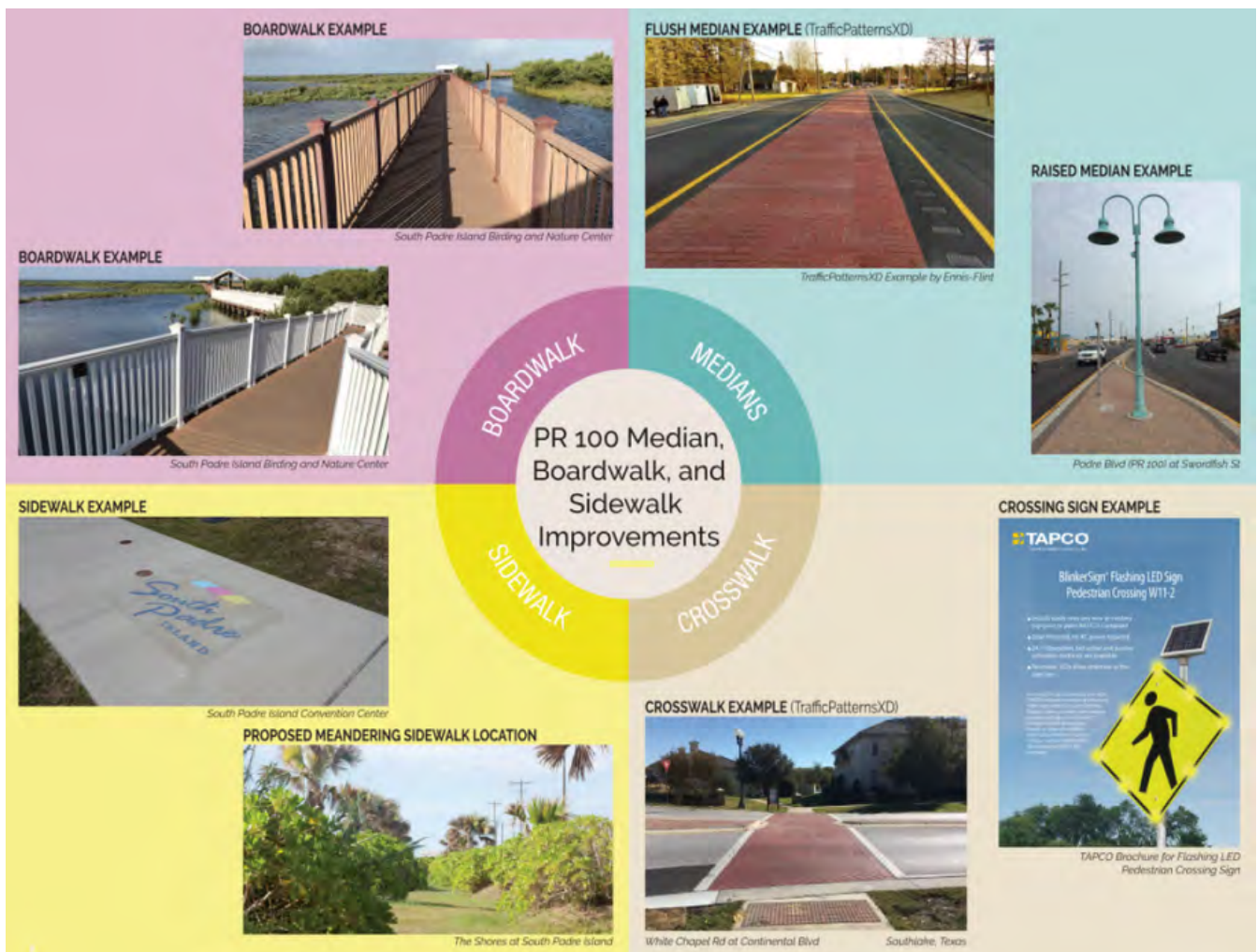
Wind and Water Sports Park is underway.

## Padre Blvd Construction Fund Summary

The Padre Blvd Construction Fund is used to account for expenditures associated with improvements to Padre Boulevard and side streets.

### Expenditures by Expense Type

Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Interfund Transfers	\$0	\$350,348	\$0	\$0	0%
<b>Total Interfund Transfers:</b>	<b>\$0</b>	<b>\$350,348</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>



## Convention Center Fund Summary



The Convention Center Fund is used to account for the portion of occupancy tax collections used for Convention Center operations.

The City of South Padre Island is projecting \$2.62M in revenue, which represents a 6.67% decrease over the prior year. Budgeted expenditures are projected to increase by 7.58% to \$1.87M in FY 2025.

### Convention Center Division

The Convention Center Division of the South Padre Island Convention and Visitors Bureau is responsible for hosting meetings, conventions, conferences, trade shows, sporting events, social functions, and others seeking to lease event space. Our work is concentrated around meeting the needs of planners, attendees, vendors, and guests. We work in conjunction with the other divisions of the Convention and Visitors Bureau:

- Visitors Center
- Sales and Administration
- Special Events
- Marketing
- SPI Historical Marketing

#### Major Goals:

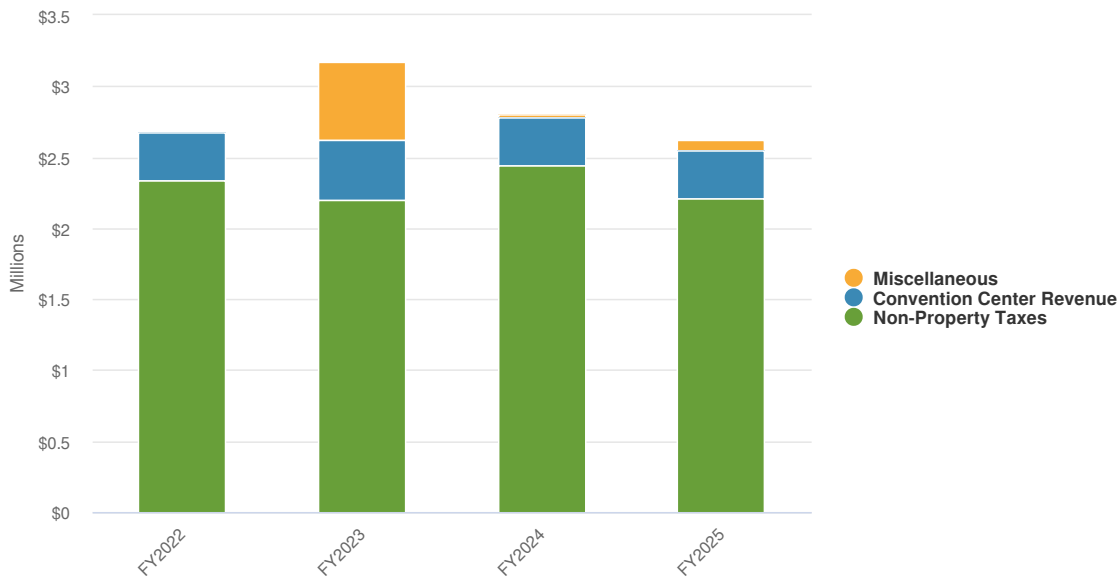
1. Maintain positive relationships with clients, meeting planners, event attendees and guests.
2. Ensure all clients feel welcome and assured that their business is appreciated by continuing to provide excellent customer service and hospitality.
3. Continue to provide training opportunities to all personnel as well as new and updated information to ensure employee competence.
4. Continue to maintain strong, positive relationships with all City departments.

#### Our Planning Indicators and Focus:

Our planning is based on the current and future needs of the clients and our ability to host larger and well attended events in our facility. We will strive to maintain the facility so it is a desired location that groups and events will consider for their organizational or special events.

# Convention Center Fund Revenues

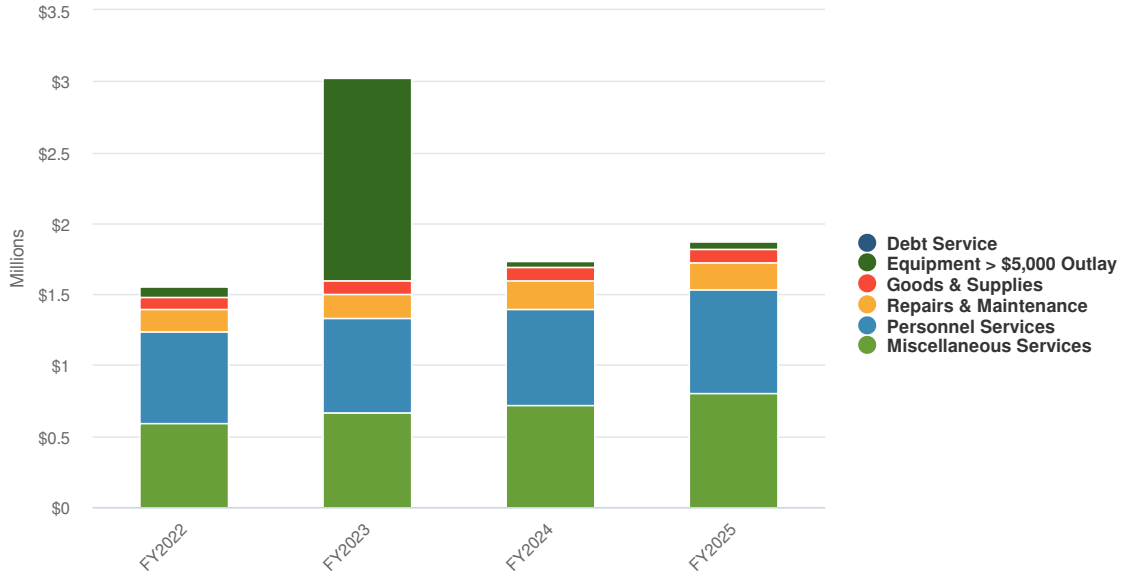
## Budgeted and Historical Revenues by Source



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Non-Property Taxes	\$2,337,422	\$2,201,154	\$2,445,846	\$2,208,618	-9.7%
Miscellaneous	\$18,864	\$550,776	\$25,000	\$75,000	200%
Convention Center Revenue	\$333,073	\$419,615	\$336,000	\$336,000	0%
<b>Total Revenue Source:</b>	<b>\$2,689,359</b>	<b>\$3,171,545</b>	<b>\$2,806,846</b>	<b>\$2,619,618</b>	<b>-6.7%</b>

## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$640,675	\$663,257	\$684,852	\$729,342	6.5%
Goods & Supplies	\$80,539	\$86,938	\$95,100	\$95,700	0.6%
Repairs & Maintenance	\$160,243	\$176,118	\$197,600	\$193,383	-2.1%
Miscellaneous Services	\$596,404	\$665,385	\$715,262	\$804,262	12.4%
Equipment > \$5,000 Outlay	\$72,068	\$1,430,758	\$43,318	\$45,000	3.9%
Debt Service	\$7,073	\$5,305	\$0	\$0	0%
<b>Total:</b>	<b>\$1,557,003</b>	<b>\$3,027,760</b>	<b>\$1,736,132</b>	<b>\$1,867,687</b>	<b>7.6%</b>

## Parks and Recreation Department



**Debbie Huffman**  
Parks & Recreation Manager

### Parks and Recreation Department

The Parks and Recreation Department provides a solid, well thought-out planned park system that offers a significant contribution to the community's high quality of life. This department oversees the Parks System, Community Events, the Community Center Facility, and Programs.

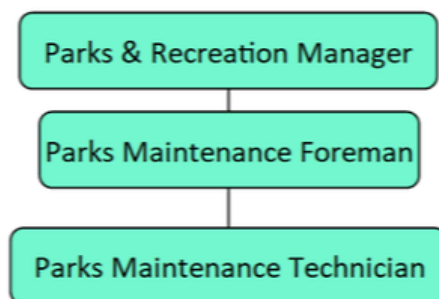
### Major Goals:

1. Increase facility usage.
2. Enhance natural resources.
3. Provide safe and well maintained facilities.
4. Build new facilities.

### Our Planning Indicators and Focus:

The Parks and Recreation Department values its residents and tourists and is dedicated to improving quality of life through the park system. Therefore, planning is significantly based on customer feedback, facility usage, community engagement, and accessibility.

## Organizational Chart



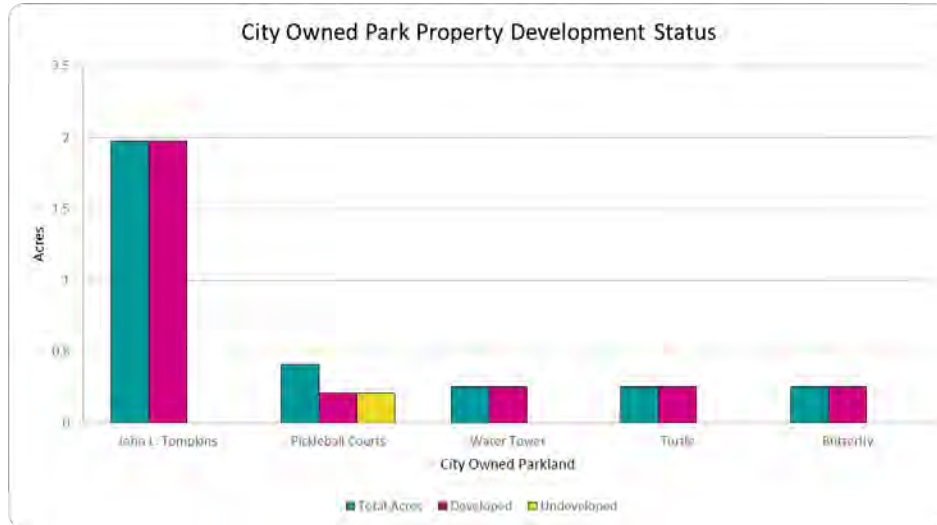
## Strategic Objectives and Work Plan for the Next Five Years

Project Description	Fiscal Year Due Date	Project Leader	Budget Impact	Associated Metric	Comp Plan Goal	CIP Project
Short Term - FY 2024-25						
Weekly Parks Inspections	2024-25	Parks & Recreation Manager	Personnel related expenses for inspections and \$15,000 budgeted for parks maintenance	N/A	PR.C	N/A
Special Event & Beach Wedding Permits	2024-25	Parks & Recreation Manager	Projected revenue \$3,000	Metric 2	EC.Q	N/A
Improve the Community Center Facility to encourage increased usage and participation.	2024-25	Parks & Recreation Manager	\$18,925 budgeted for community events	N/A	PR.A	N/A
Keep P&KSPIB Committee informed on planning and actions.	2024-25	Parks & Recreation Manager	Personnel related expenses to attend meetings	N/A	PR.A	N/A
Attend Caracara Trails monthly meetings	2024-25	Parks & Recreation Manager	Personnel & travel related expenses to attend meetings	N/A	PR.A	N/A
Attend RGV Parks and Recreation Directors monthly meetings	2024-25	Parks & Recreation Manager	Personnel & travel related expenses to attend meetings	N/A	PR.A	N/A
Discover additional resources by researching grant opportunities.	2024-25	Parks & Recreation Manager	Personnel & travel related expenses to attend meetings	N/A	PR.C & PR.D	N/A
Increase community outreach by conducting several events (Christmas street parade, Arbor Day event, 4th of July walking beach parade, Causeway Memorial & misc. park events)	2024-25	Parks & Recreation Manager	\$18,925 budgeted for community events	N/A	EC.Q	N/A
Commence with the Water Tower Revitalization Project.	2024-25	Parks & Recreation Manager	Estimated \$220,000	Metric 1 & 3	PR.C & PR.D	Approved
Continue with the Pickle Ball Courts Project.	2024-25	Parks & Recreation Manager & PW	Budgeted funds of \$89k will be rolled over from the prior year to the current year.	Metric 1 & 3	PR.D	Approved

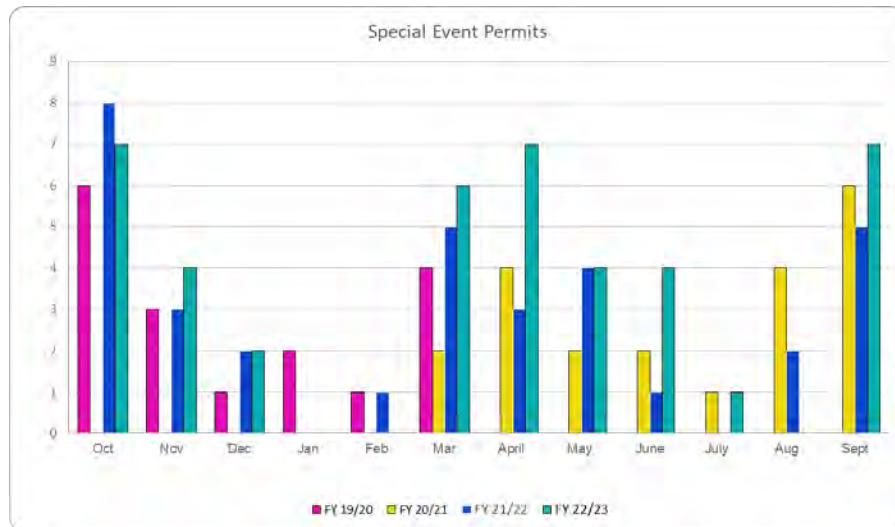
Mid Term - FY 2025-26 & FY 2026-27						
Set maintenance standards for parks and work with staff to maintain them at that level.	2026-27	Parks & Recreation Manager	Parks maintenance related expenses	N/A	PR.C	N/A
Organize, coordinate, and schedule recreational activities and events at parks and at the Community Center throughout the year.	2026-27	Parks & Recreation Manager	Community events related expenses	N/A	PR.A	N/A
Long Term - FY 2027-28 & FY 2028-29						
Organize a strong group of volunteers.	2027-29	Parks & Recreation Manager	N/A	N/A	PR.A	N/A
Acquire land for new parks.	2027-29	Parks & Recreation Manager & CMO	Land purchase expense	Metric 1 & 3	LU.J, PR.D	N/A
Dedicate efforts to use native plants in park development.	2027-29	Parks & Recreation Manager	Parks maintenance related expenses	N/A	PR.B	N/A

## Performance Metrics

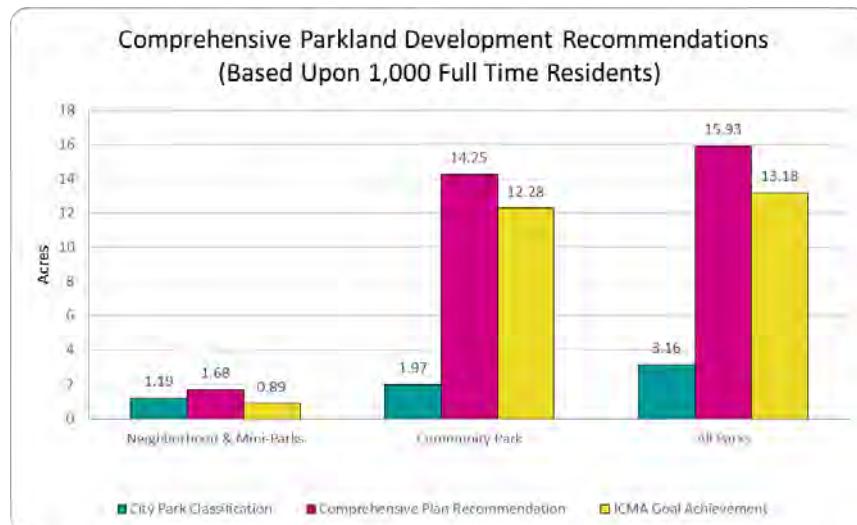
Metric 1:



Metric 2:



Metric 3:



## Staffing Plan

Position	Current FY	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
Parks & Recreation Manager	1	1	1	1	1	1
Parks Maintenance Foreman	0	1	1	1	1	1
Parks Maintenance Technician	0	1	1	1	1	1
<b>Total Positions:</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

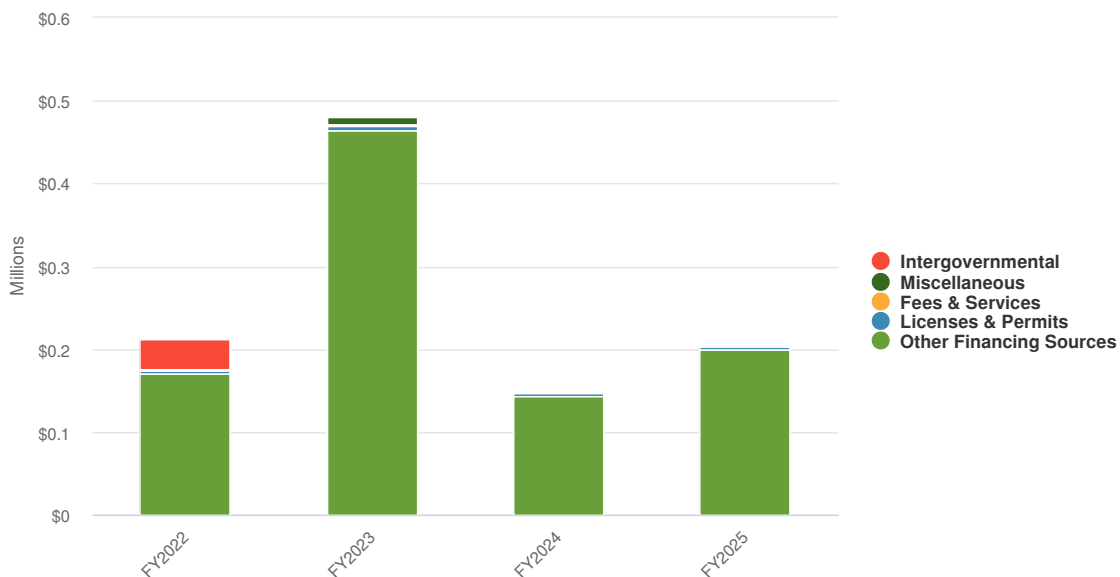
## Parks, Recreation, and Beautification Fund Summary

The Parks, Recreation, and Beautification Fund was established to account for funds set aside for upgrades to City parks.

The City of South Padre Island is projecting \$204K in revenue, which represents a 38.61% increase over the prior year's adopted budget. Budgeted expenditures are projected to increase by 73.43% to \$247K for FY 2025. These increases are largely attributed to the reclassification of two staff members from the General Fund to the Parks, Recreation, and Beautification Fun.

## Parks, Recreation, and Beautification Fund Revenues

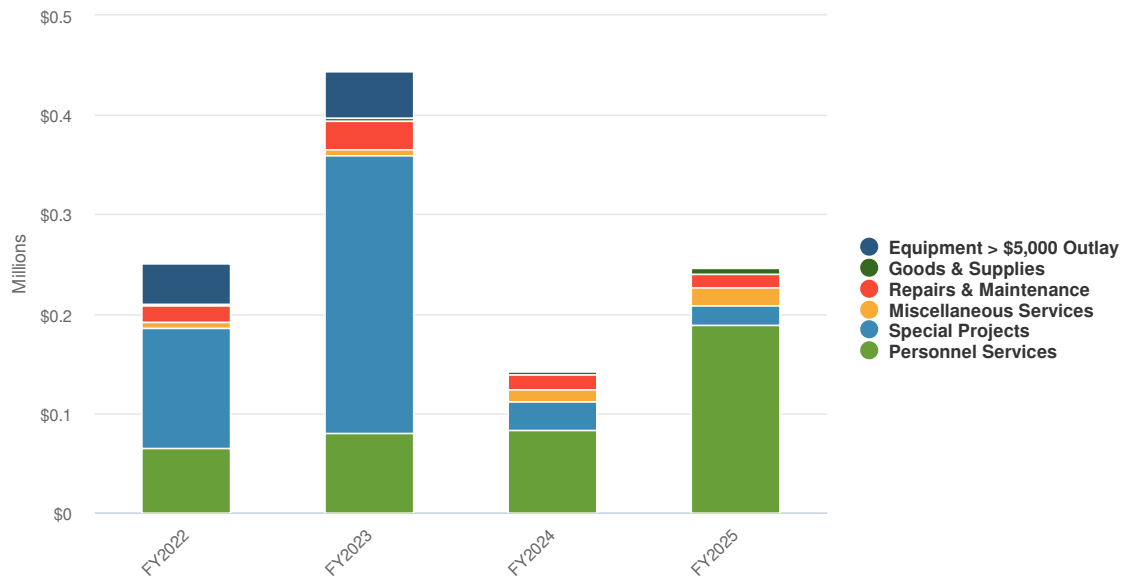
### Budgeted and Historical Revenues by Source



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Fees & Services	\$1,125	\$1,750	\$750	\$750	0%
Licenses & Permits	\$4,350	\$4,650	\$3,000	\$3,000	0%
Intergovernmental	\$36,695	\$0	\$0	\$0	0%
Miscellaneous	\$200	\$10,000	\$0	\$0	0%
Other Financing Sources	\$170,503	\$464,256	\$143,243	\$200,000	39.6%
<b>Total Revenue Source:</b>	<b>\$212,873</b>	<b>\$480,656</b>	<b>\$146,993</b>	<b>\$203,750</b>	<b>38.6%</b>

## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$65,103	\$80,084	\$83,008	\$189,102	127.8%
Goods & Supplies	\$1,446	\$2,546	\$3,580	\$5,780	61.5%
Repairs & Maintenance	\$16,558	\$28,804	\$15,000	\$15,000	0%
Miscellaneous Services	\$6,569	\$5,888	\$11,445	\$17,905	56.4%
Equipment > \$5,000 Outlay	\$40,270	\$46,148	\$0	\$0	0%
Special Projects	\$120,456	\$279,977	\$29,225	\$18,925	-35.2%
<b>Total:</b>	<b>\$250,401</b>	<b>\$443,447</b>	<b>\$142,258</b>	<b>\$246,712</b>	<b>73.4%</b>

## Municipal Court Technology Fund Summary

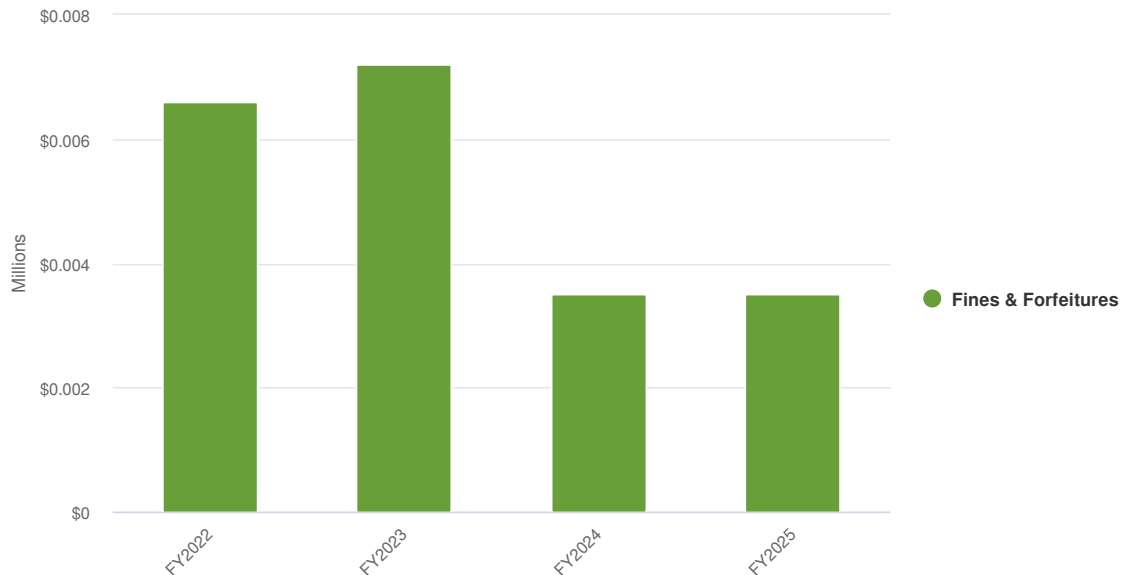


The Municipal Court Technology Fund was established to account for monies collected on traffic fines. On each ticket \$4.00 is collected and used specifically for technology improvements in the Municipal Court.

The City of South Padre Island is projecting \$3.5K in revenue, which represents no change over the prior year. Budgeted expenditures for FY 2025 total \$5.9K.

## Municipal Court Technology Fund Revenues

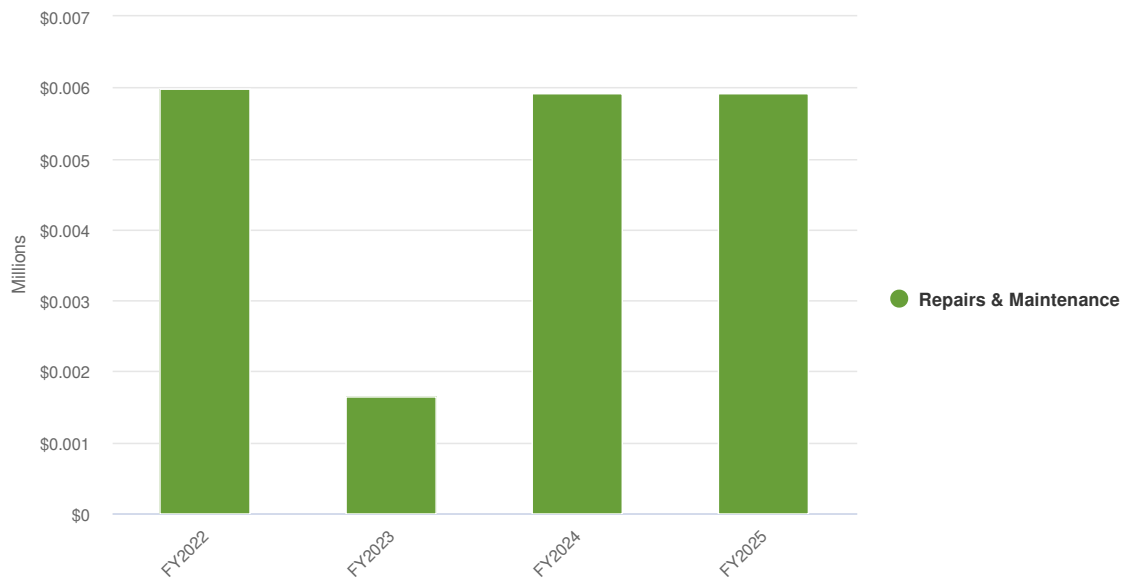
### Budgeted and Historical Revenues by Source



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Fines & Forfeitures	\$6,610	\$7,211	\$3,500	\$3,500	0%
<b>Total Revenue Source:</b>	<b>\$6,610</b>	<b>\$7,211</b>	<b>\$3,500</b>	<b>\$3,500</b>	<b>0%</b>

## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Repairs & Maintenance	\$5,978	\$1,651	\$5,911	\$5,911	0%
<b>Total Repairs &amp; Maintenance:</b>	<b>\$5,978</b>	<b>\$1,651</b>	<b>\$5,911</b>	<b>\$5,911</b>	<b>0%</b>

## Municipal Court Security Fund Summary

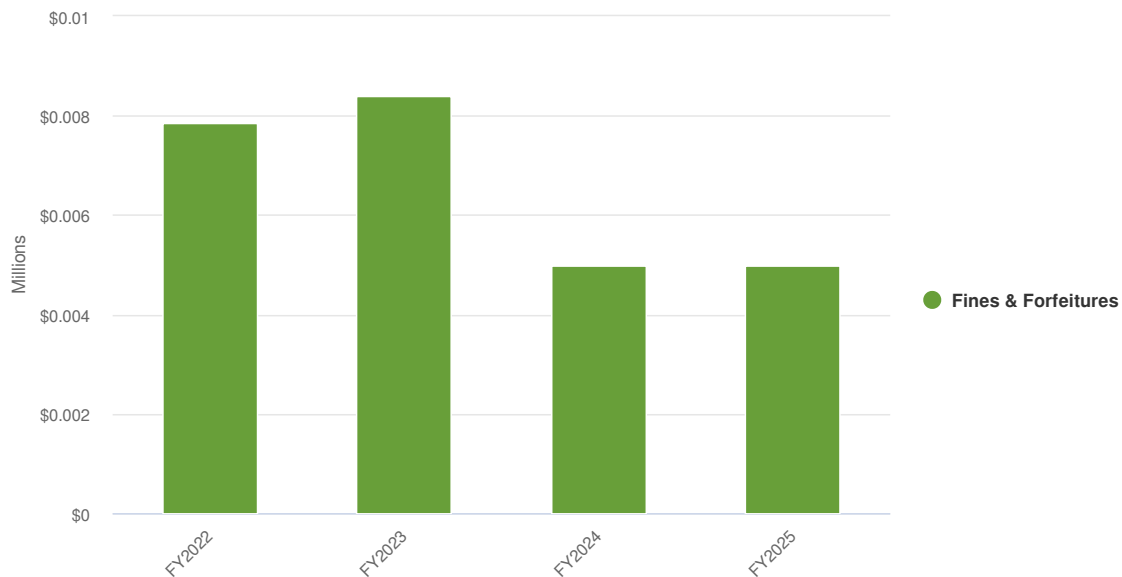


The Municipal Court Security Fund was established to account for monies collected on traffic fines. On each ticket \$3.00 is collected and used specifically for security needs in the Municipal Court.

The City of South Padre Island is projecting \$5K in revenue, which represents no change over the prior year. Budgeted expenditures are projected to increase by 15.63% to \$11K in FY 2025.

## Municipal Court Security Fund Revenues

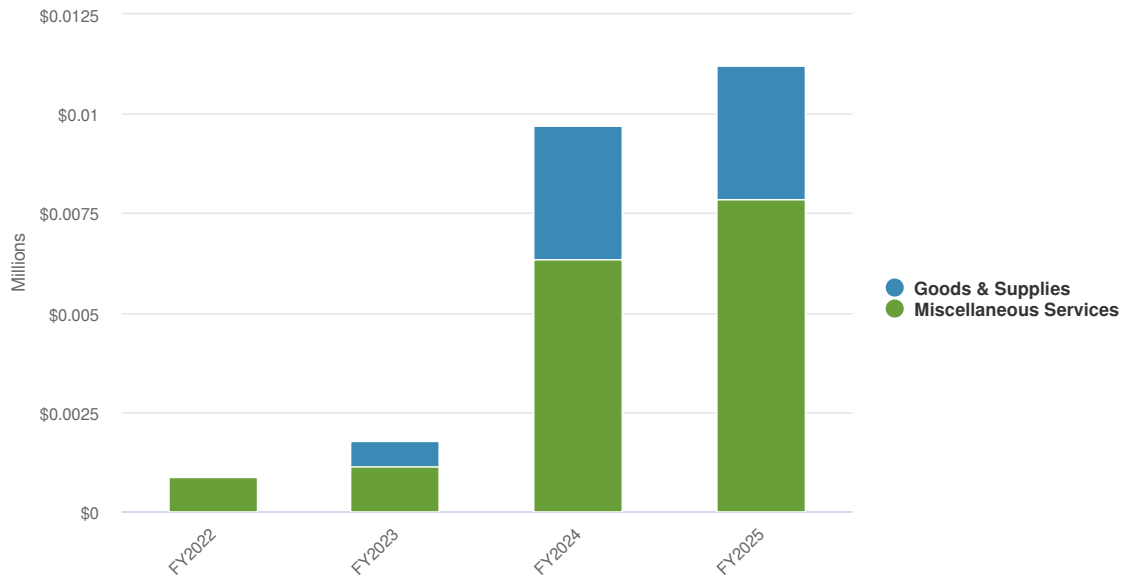
### Budgeted and Historical Revenues by Source



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Fines & Forfeitures	\$7,849	\$8,398	\$5,000	\$5,000	0%
<b>Total Revenue Source:</b>	<b>\$7,849</b>	<b>\$8,398</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>0%</b>

## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Goods & Supplies	\$0	\$614	\$3,342	\$3,342	0%
Miscellaneous Services	\$850	\$1,152	\$6,351	\$7,866	23.9%
<b>Total:</b>	<b>\$850</b>	<b>\$1,766</b>	<b>\$9,693</b>	<b>\$11,208</b>	<b>15.6%</b>

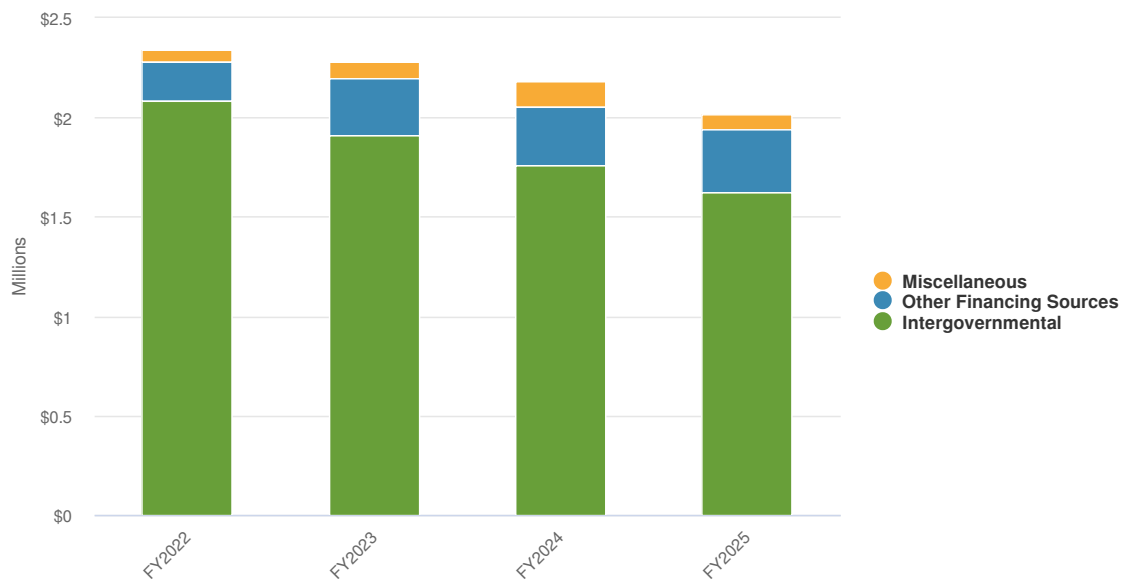
## Transportation Fund Summary

The Transportation Fund is used to account for the State and Federal grants proceeds and expenditures that pertain to the South Padre Island Metro Transportation System.

The City of South Padre Island is projecting \$2.02M in revenue for FY 2025, which represents a 7.42% decrease over the prior year's adopted budget. Budgeted expenditures are projected to decrease by 7.56% to \$2.02M in FY 2025.

## Transportation Fund Revenues

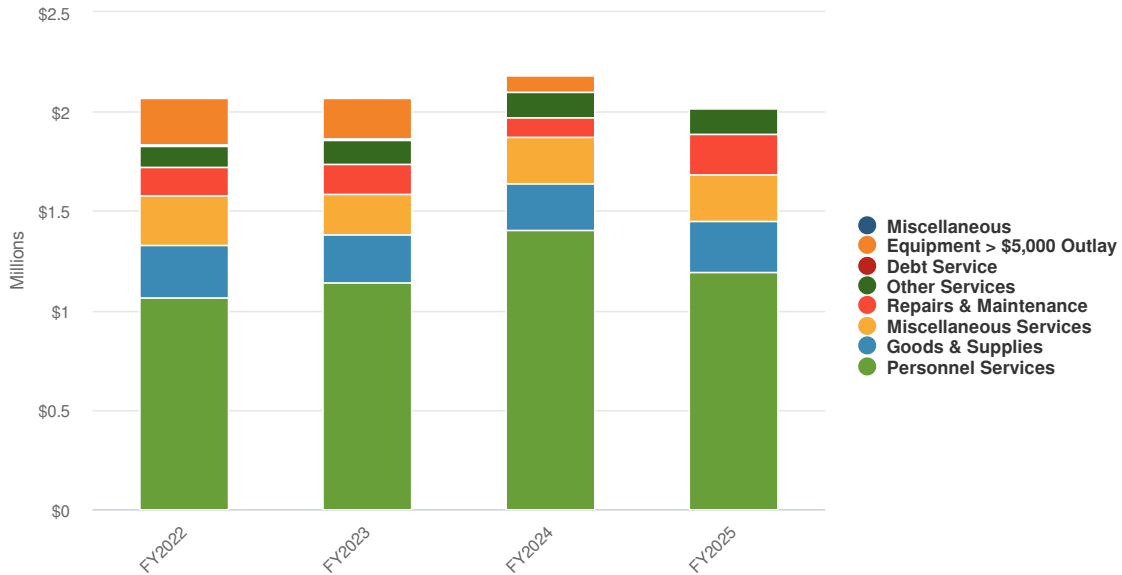
### Budgeted and Historical Revenues by Source



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Intergovernmental	\$2,087,311	\$1,912,776	\$1,757,937	\$1,626,704	-7.5%
Miscellaneous	\$60,395	\$85,482	\$125,000	\$79,800	-36.2%
Other Financing Sources	\$195,117	\$284,344	\$297,640	\$312,285	4.9%
<b>Total Revenue Source:</b>	<b>\$2,342,823</b>	<b>\$2,282,602</b>	<b>\$2,180,577</b>	<b>\$2,018,789</b>	<b>-7.4%</b>

## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$1,067,014	\$1,142,981	\$1,408,111	\$1,196,287	-15%
Goods & Supplies	\$264,841	\$238,745	\$229,890	\$254,850	10.9%
Miscellaneous	\$35	\$0	\$0	\$0	0%
Repairs & Maintenance	\$143,613	\$151,048	\$97,929	\$199,812	104%
Miscellaneous Services	\$246,549	\$201,247	\$235,106	\$235,840	0.3%
Equipment > \$5,000 Outlay	\$238,849	\$206,525	\$86,991	\$0	-100%
Other Services	\$103,025	\$123,414	\$125,850	\$132,000	4.9%
Debt Service	\$7,500	\$9,022	\$0	\$0	0%
<b>Total:</b>	<b>\$2,071,426</b>	<b>\$2,072,982</b>	<b>\$2,183,877</b>	<b>\$2,018,789</b>	<b>-7.6%</b>



## Island Metro Department



**Jesse Arriaga**  
Transit Director

Island Metro is the rural transit agency for the City of South Padre Island. Our mission is to provide safe, reliable, and friendly service to all residents, employees, employers, and tourists in the area in a non-discriminatory manner. Our fixed route and free transportation for the public has proven to be very successful.

Island Metro provides public transportation for Laguna Madre areas such as South Padre Island, Port Isabel, and Laguna Heights. The bus routes cover approximately a 25.5- mile loop from the north end of South Padre Island at the Convention Center, to a transit shelter near the intersection of State Highway 100 and State Highway 48 in Port Isabel, to Laguna Heights, and back again. Island Metro operates a minimum of four buses daily from 7 a.m. to 9 p.m., 365 days per year. Services are available to anyone in the general public, regardless of need.

Island Metro has been developed with the input of our drivers, passengers, citizens, and business persons on both sides of Queen Isabella Memorial Bridge. The Transit Department established Island Metro routes to cater to areas with the highest pedestrian activity; such areas include post offices, city halls, public beach accesses within the City of South Padre Island, Port Isabel's Historical Lighthouse, Museum, and Library/Community Center, grocery stores, pharmacies, medical facilities, retail, restaurant, and hotel establishments.

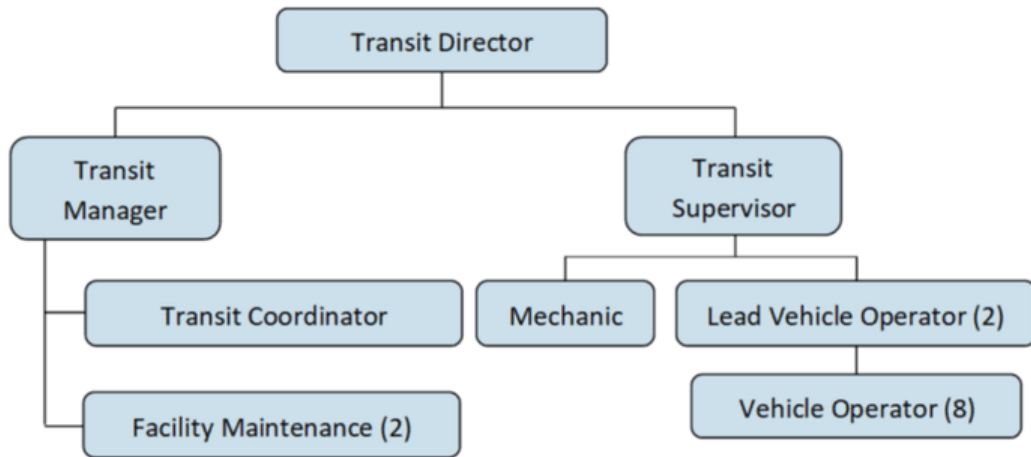
The Transit Department provides leadership and management of the City's Public Transportation program. The Transit Department is responsible for administering and managing local, state, and federal transportation grants and programs.

The Transit Department provides comprehensive management of Texas Department of Transportation (TxDOT) and Federal Transit Administration rural transportation grants. The Transit Department leverages \$347,440 in local resources and captures over \$1.48 million annually in TxDOT and FTA grant funds annually.

### Major Goals:

1. Establish the South Padre Island Metro as the preferred mode of transportation for the City's residents, workforce, and vacationers.
2. Preserve and develop relationships with local, state, and federal funders.
3. Implement Island Metro's Digital Marketing Campaign by selling digital advertising space in the Multimodal Facility and Island Metro vehicles to generate local revenue.
4. Obtain and secure funding to begin a long-term project of procuring property to build a Vehicle Maintenance Facility.
5. Expand our service area.

## Organizational Chart



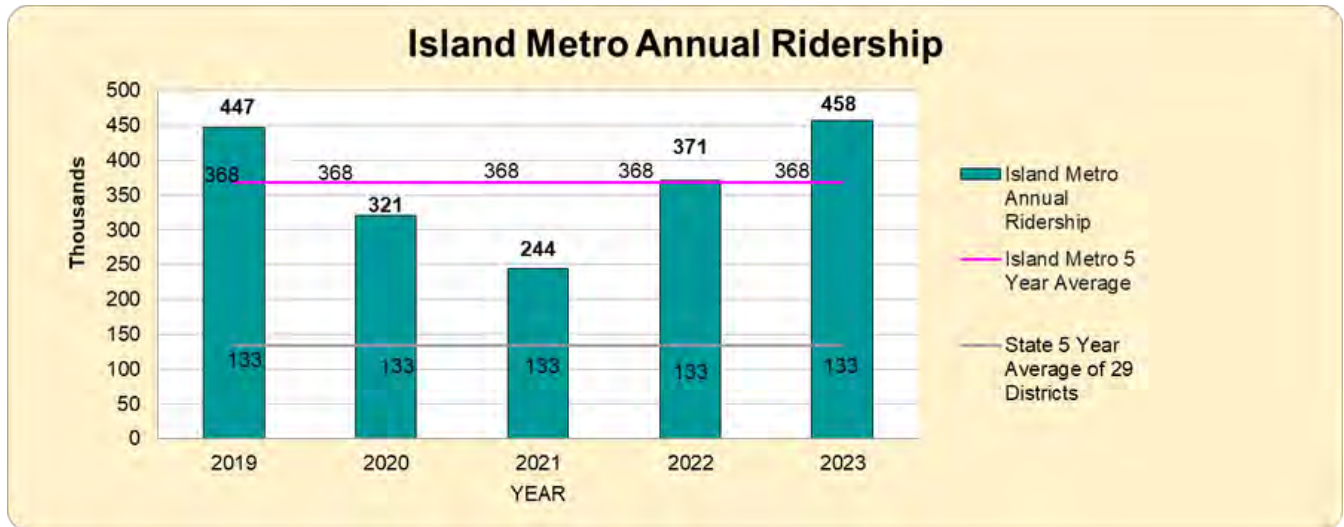
## Strategic Objectives and Work Plan for the Next Five Years

Project Description	Fiscal Year Due Date	Project Leader	Budget Impact	Associated Metric	Comp Plan Goal	CIP Project
<b>Short Term - FY 2024-25</b>						
Improve on-time performance, bus cleanliness, service, and passenger amenities.	Ongoing	Transit Supervisor & Transit Manager	Personnel, fuel, janitorial supplies, bus washing services, motor vehicle, & communications expenses	Annual Ridership & Weekly Ridership	Chapter 11	N/A
Review and plan to achieve goals from the Comp Plan.	Ongoing	Transit Director	Personnel related expenses for hours worked on project	N/A	Chapter 11	N/A
Provide employees with proper training and appropriate incentives. Provide hands-on driver training with all full-time and part-time drivers on a driving obstacles and ADA course.	Ongoing	Transit Supervisor, Transit Manager, & Transit Coordinator	Training \$1,750 & Travel \$7,200	Annual Ridership & Weekly Ridership	Chapter 11	N/A
Implement the digital Marketing Campaign, by beginning to sell digital advertising space on all Island Metro assets.	Ongoing	Transit Director, Transit Manager, & Transit Coordinator	Projected revenue \$4,800	Revenue Earned	Chapter 11	N/A
Conduct self-assessment of key processes and develop SOPs.	Ongoing	Transit Director	Personnel related expenses for hours worked on project	N/A	Chapter 11	N/A
Promote SPI Metro services by attending community events & conducting community outreach.	Ongoing	Transit Coordinator	\$2,000	N/A	Chapter 11	N/A
Ensure safety by researching and securing funding for new vehicles to replace existing fleet.	2024-25	Transit Manager	To be determined.	Annual Ridership & Weekly Ridership	Chapter 11	N/A
Ensure safety by researching and securing funding for new radios to replace existing radios.	2024-25	Transit Supervisor, Transit Manager, & Transit Coordinator	\$10,000	Annual Ridership & Weekly Ridership	Chapter 11	N/A
<b>Mid Term - FY 2025-26 &amp; FY 2026-27</b>						
Enhance safety and protect City assets by restriping the Multimodal Facility parking lot and repainting the facility.	2025-26	Transit Manager & Transit Coordinator	\$13,000	Revenue	Chapter 11	N/A

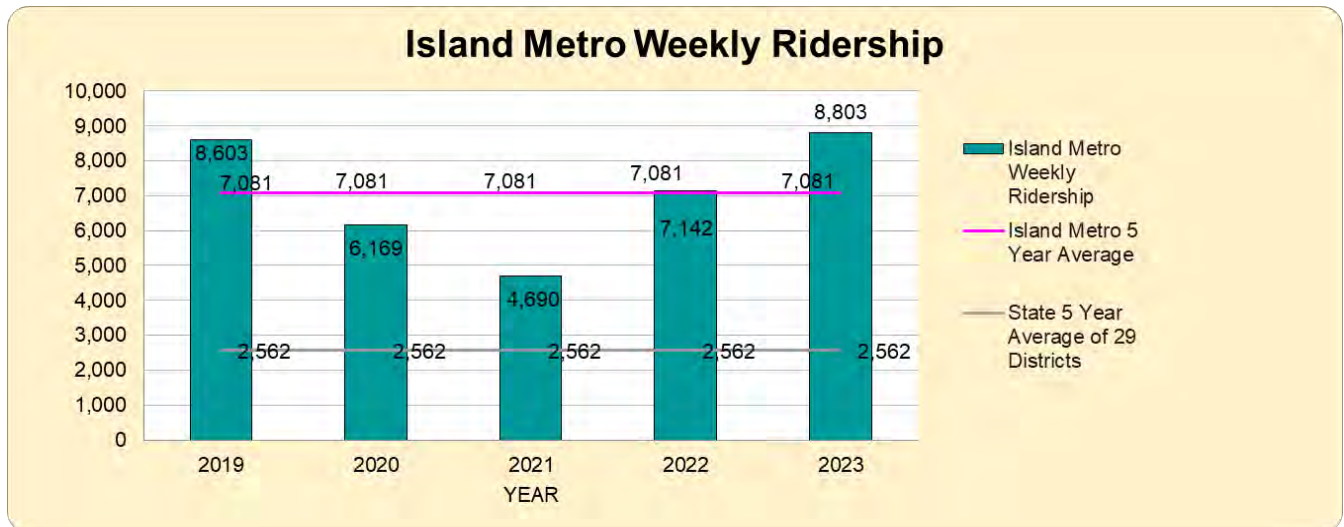
Enhance our safety and operations by implementing a wireless bus video cloud integration system to the Multimodal Facility.	2025-26	Transit Supervisor, Transit Manager, Transit Coordinator, & IT	\$30,000	Annual Ridership & Weekly Ridership	Chapter 11	N/A
Enhance preventative maintenance capabilities by securing a location and funding for a future maintenance facility shop.	2025-27	Transit Director	To be determined	Annual Ridership & Weekly Ridership	Chapter 11	N/A
<b>Long Term - FY 2027-28 &amp; FY 2028-29</b>						
Research and secure funding for new electrical vehicle fast-charging ports at the Multimodal Facility.	2027-29	Transit Manager & Transit Coordinator	To be determined	N/A	Chapter 11	N/A
Expand service area by exploring the feasibility of creating routes to Los Fresnos or Laguna Vista.	2027-29	Transit Manager & Transit Supervisor	To be determined	Expansion of bus routes, Annual Ridership & Weekly Ridership, & Operating Cost Comparisons	Chapter 11	N/A
Research and secure funding for Multimodal infrastructure improvements to install bus canopy for buses and passengers along the eastside of the facility.	Unknown	Transit Manager	To be determined	Annual Ridership & Weekly Ridership	Chapter 11	N/A
Secure funding to purchase electrical buses to begin replacing gas powered vehicles.	Unknown	Transit Supervisor	To be determined	Annual Ridership & Weekly Ridership	Chapter 11	N/A

## Performance Metrics

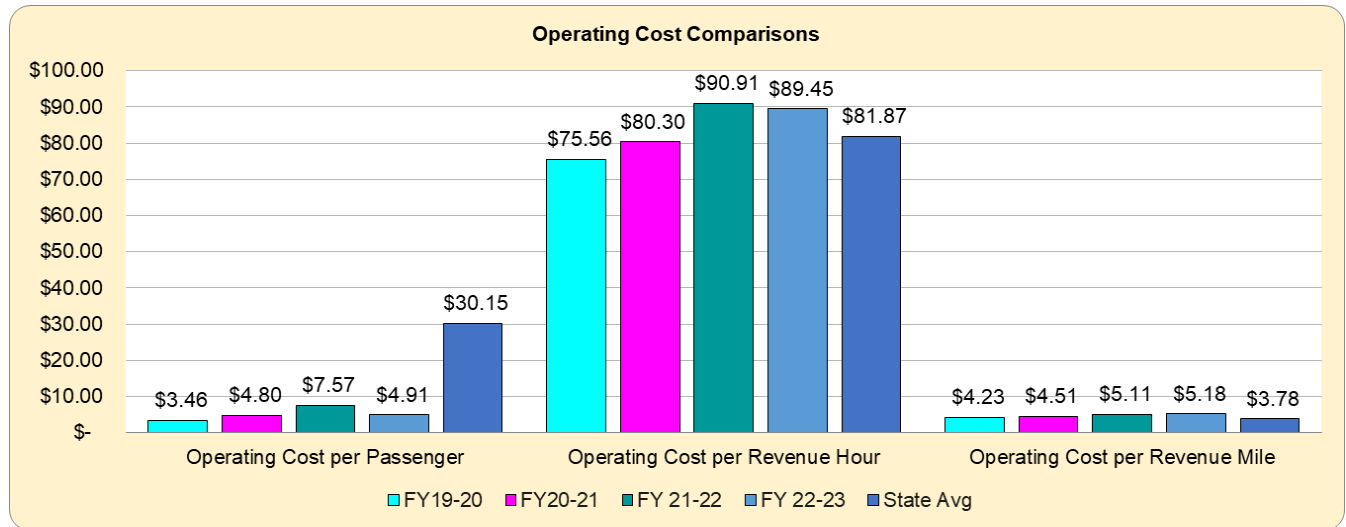
Metric 1:



Metric 2:



Metric 3:



## Staffing Plan

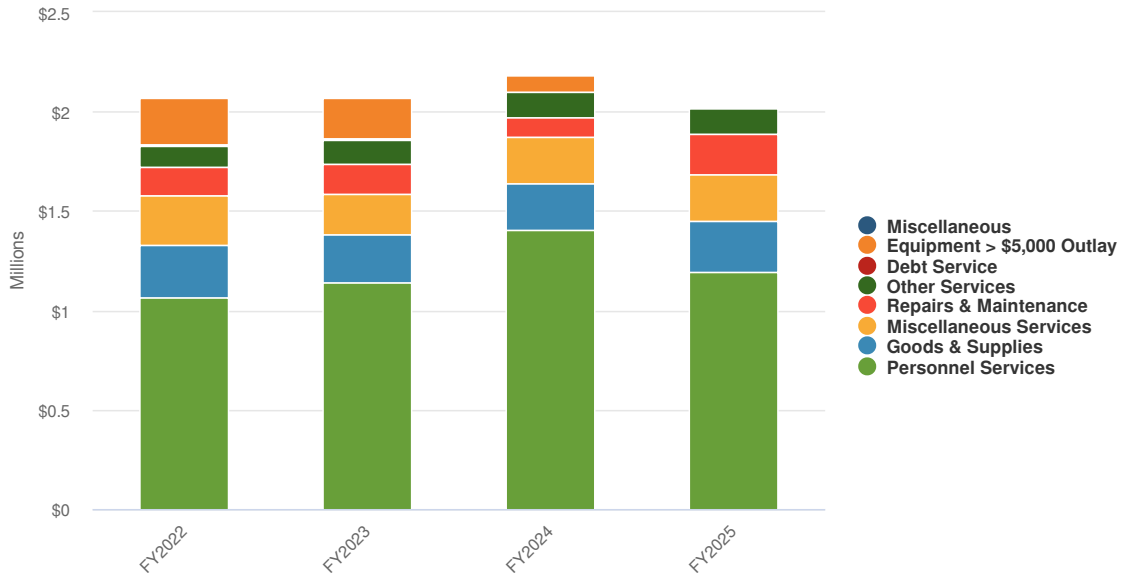
Position	Current FY	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Transit Director	1	1	1	1	1	1
Transit Manager	1	1	1	1	1	1
Transit Supervisor	1	1	1	1	1	1
Transit Coordinator	1	1	1	1	1	1
Communication Specialist	2	0	0	0	0	0
Mechanic	1	1	1	1	1	1
Lead Drivers	2	2	2	2	2	2
Drivers	11	8	8	8	8	8
Facility Maintenance	2	2	2	2	2	2
<b>Total Positions:</b>	<b>22</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>

## Expenditures Summary

\$2,018,789
-\$165,088  
 (-7.56% vs. prior year)

## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$1,067,014	\$1,142,981	\$1,408,111	\$1,196,287	-15%
Goods & Supplies	\$264,841	\$238,745	\$229,890	\$254,850	10.9%
Miscellaneous	\$35	\$0	\$0	\$0	0%
Repairs & Maintenance	\$143,613	\$151,048	\$97,929	\$199,812	104%
Miscellaneous Services	\$246,549	\$201,247	\$235,106	\$235,840	0.3%
Equipment > \$5,000 Outlay	\$238,849	\$206,525	\$86,991	\$0	-100%
Other Services	\$103,025	\$123,414	\$125,850	\$132,000	4.9%
Debt Service	\$7,500	\$9,022	\$0	\$0	0%
<b>Total:</b>	<b>\$2,071,426</b>	<b>\$2,072,982</b>	<b>\$2,183,877</b>	<b>\$2,018,789</b>	<b>-7.6%</b>

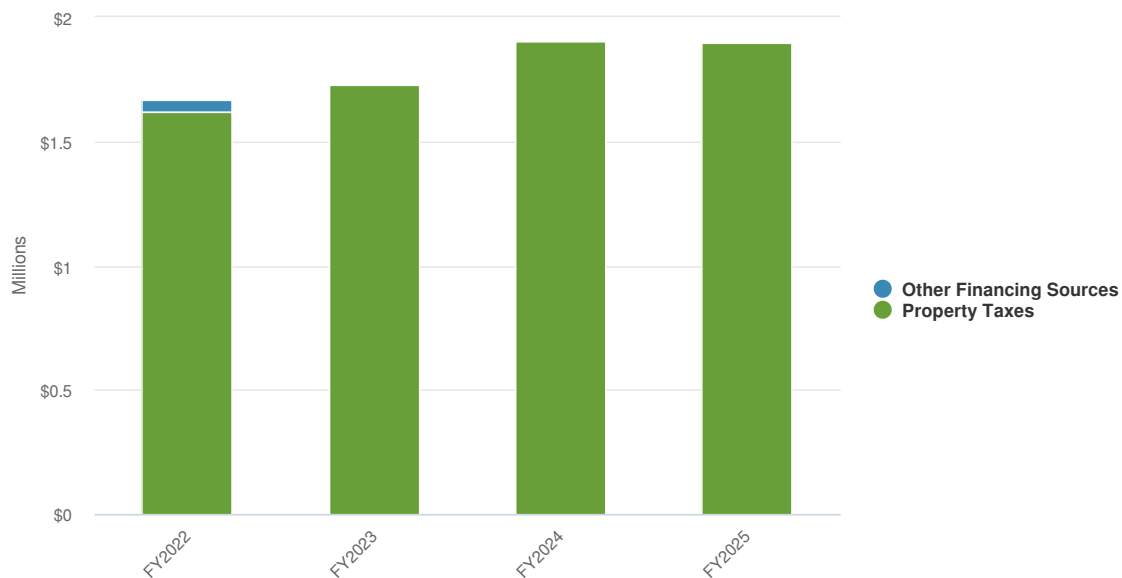
## General Debt Service Fund Summary

The General Debt Service Fund is used to account for the accumulation of resources for the payment of long term debt principal, interest, and related costs. An ad valorem tax rate and tax levy is required to be computed and levied which will be sufficient to produce the dollars required to pay principal and interest as it comes due.

The City of South Padre Island is projecting \$1.9M in revenue, which represents a 0.24% decrease over the prior year's adopted budget. Budgeted expenditures are projected to increase by 5.42% to \$2.01M in FY 2024.

## General Debt Service Fund Revenues

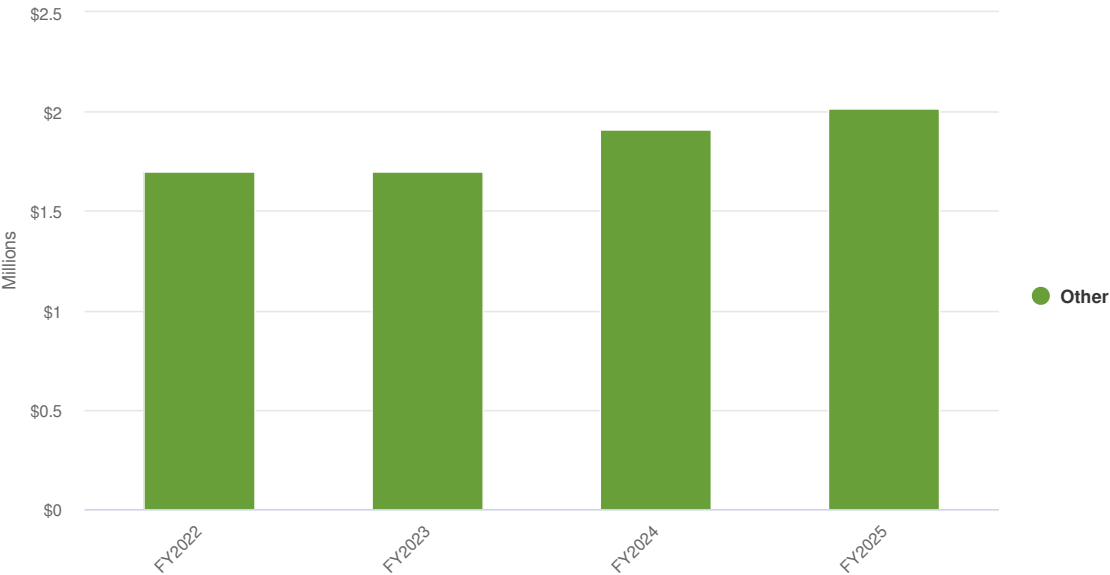
### Budgeted and Historical Revenues by Source



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Property Taxes	\$1,617,344	\$1,730,124	\$1,903,025	\$1,898,475	-0.2%
Other Financing Sources	\$50,000	\$0	\$0	\$0	0%
<b>Total Revenue Source:</b>	<b>\$1,667,344</b>	<b>\$1,730,124</b>	<b>\$1,903,025</b>	<b>\$1,898,475</b>	<b>-0.2%</b>

# Expenditures by Expense Type

## Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Other					
PRINCIPAL	\$1,420,000	\$1,465,000	\$1,510,000	\$1,565,000	3.6%
INTEREST EXPENSE	\$278,199	\$233,825	\$395,870	\$444,428	12.3%
PAYING AGENT FEES	\$3,500	\$2,000	\$4,000	\$4,000	0%
Total Other:	\$1,701,699	\$1,700,825	\$1,909,870	\$2,013,428	5.4%

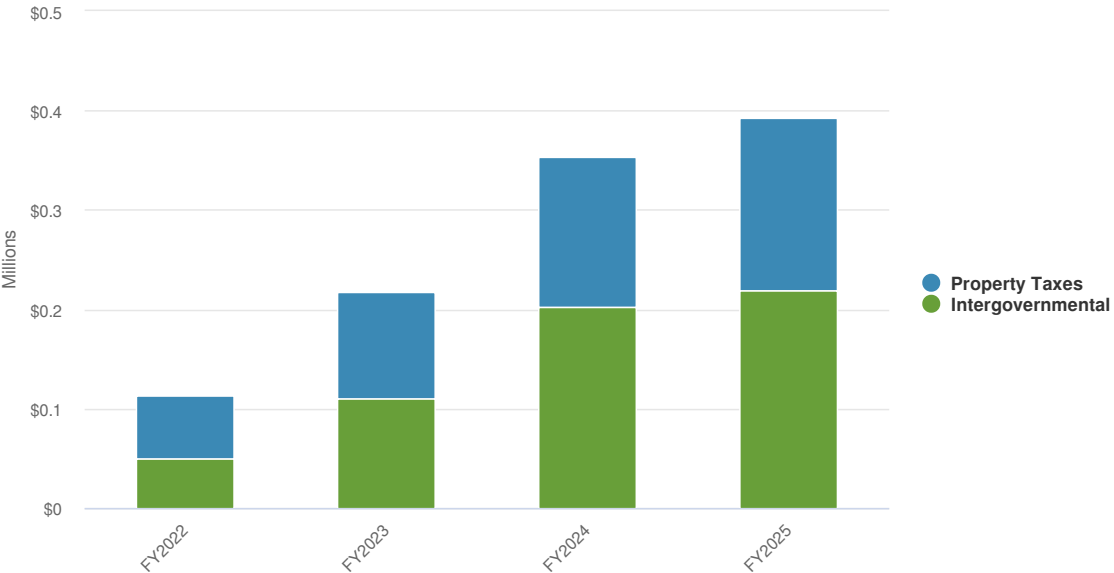
# TIRZ Fund Summary

The Tax Increment Reinvestment Zone (TIRZ) Fund was established by City Council to finance the cost of redevelopment and encourage development in an area that would otherwise not attract sufficient market development.

The City of South Padre Island is projecting \$392K in revenue, which represents a 10.7% increase over the prior year's budget. Budgeted expenditures are projected to remain at \$0 for FY 2025.

## TIRZ Fund Revenues

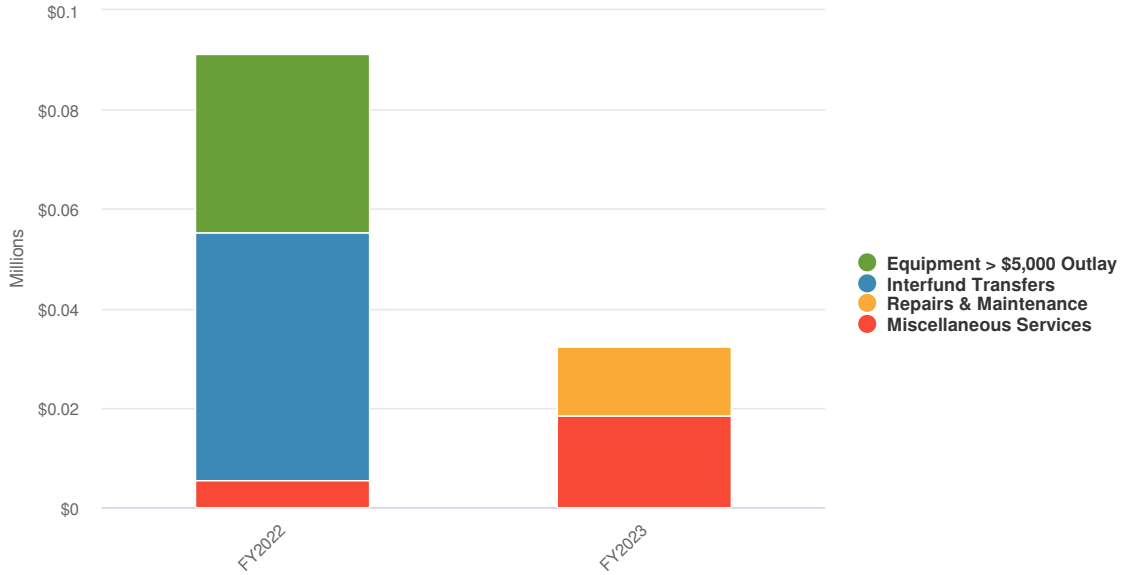
Budgeted and Historical Revenues by Source



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Property Taxes	\$63,776	\$108,037	\$151,933	\$173,032	13.9%
Intergovernmental	\$49,173	\$109,749	\$202,267	\$219,061	8.3%
Total Revenue Source:	\$112,949	\$217,786	\$354,200	\$392,093	10.7%

## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
<b>Repairs &amp; Maintenance</b>					
MACHINERY & EQUIPMENT	\$0	\$13,756	\$0	\$0	0%
<b>Total Repairs &amp; Maintenance:</b>	<b>\$0</b>	<b>\$13,756</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Miscellaneous Services</b>					
PROFESSIONAL SERVICES	\$5,400	\$18,516	\$0	\$0	0%
<b>Total Miscellaneous Services:</b>	<b>\$5,400</b>	<b>\$18,516</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Equipment &gt; \$5,000 Outlay</b>					
MACHINERY & EQUIPMENT	\$35,700	\$0	\$0	\$0	0%
<b>Total Equipment &gt; \$5,000 Outlay:</b>	<b>\$35,700</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Interfund Transfers</b>					
DEBT SERVICE TRANSFER	\$50,000	\$0	\$0	\$0	0%
<b>Total Interfund Transfers:</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>
<b>Total:</b>	<b>\$91,100</b>	<b>\$32,272</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>

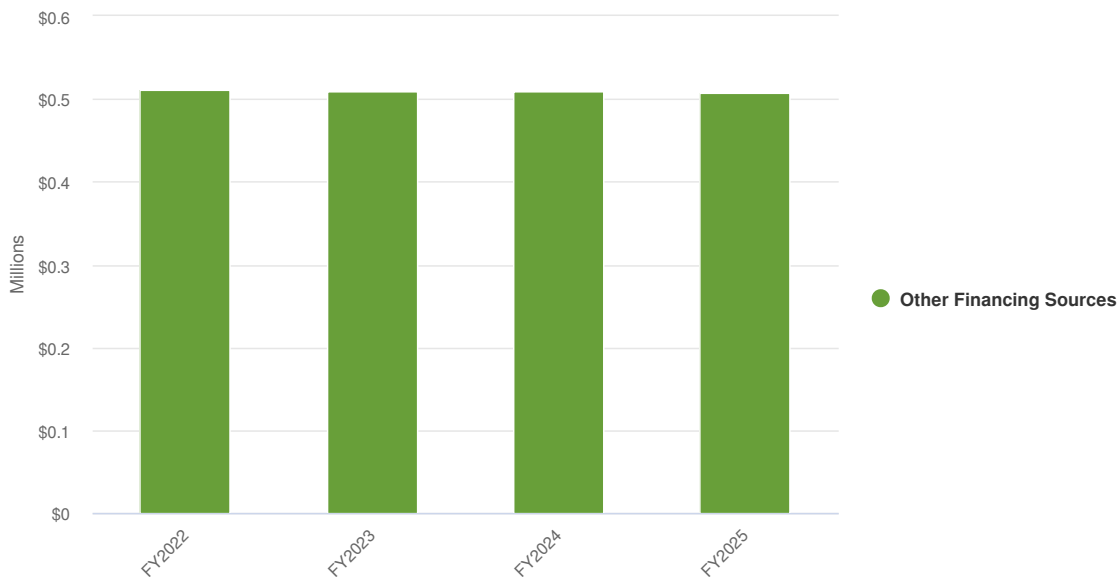
## Venue Debt Service Fund Summary

The Venue Debt Service Fund is used to account for venue tax debt service payments. A transfer from the Venue Project fund is also made to support debt service payments.

The City of South Padre Island is projecting \$507K in revenue, which represents a 0.26% decrease over the prior year's budget. Budgeted expenditures are projected to decrease by 0.26% to \$507K in FY 2025.

## Venue Debt Service Fund Revenues

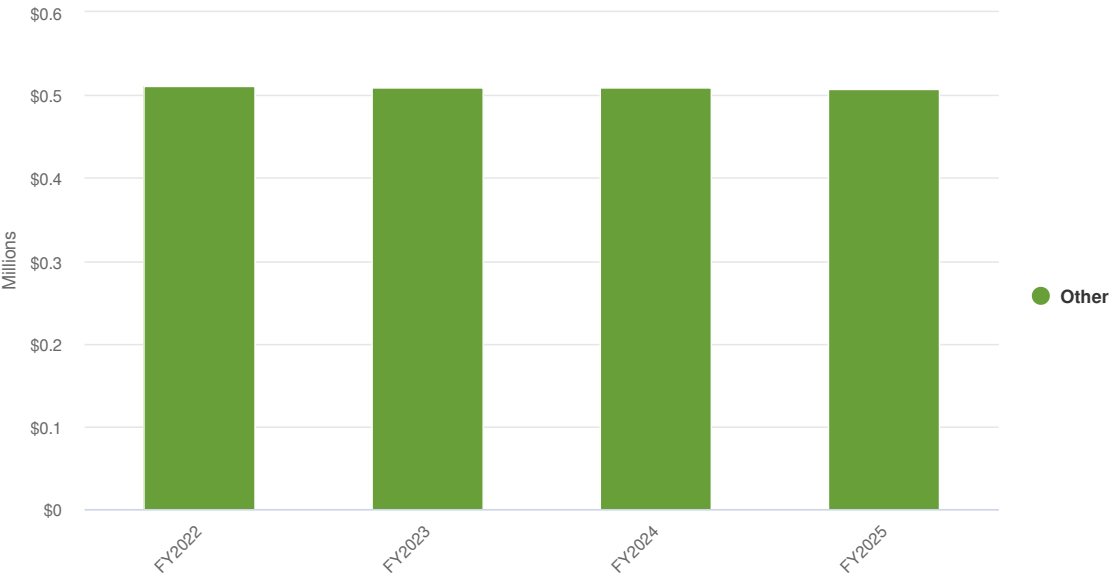
### Budgeted and Historical Revenues by Source



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Other Financing Sources	\$510,738	\$509,738	\$508,588	\$507,288	-0.3%
<b>Total Revenue Source:</b>	<b>\$510,738</b>	<b>\$509,738</b>	<b>\$508,588</b>	<b>\$507,288</b>	<b>-0.3%</b>

# Expenditures by Expense Type

## Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Other					
PRINCIPAL	\$200,000	\$205,000	\$210,000	\$215,000	2.4%
INTEREST EXPENSE	\$309,738	\$303,738	\$297,588	\$291,288	-2.1%
PAYING AGENT FEES	\$750	\$750	\$1,000	\$1,000	0%
<b>Total Other:</b>	<b>\$510,488</b>	<b>\$509,488</b>	<b>\$508,588</b>	<b>\$507,288</b>	<b>-0.3%</b>

# Venue Tax Construction Fund Summary

The Venue Tax Construction Fund is used to account for bond proceeds received and expenditures associated with future infrastructure of the City.

## Venue Tax Construction Fund Revenues

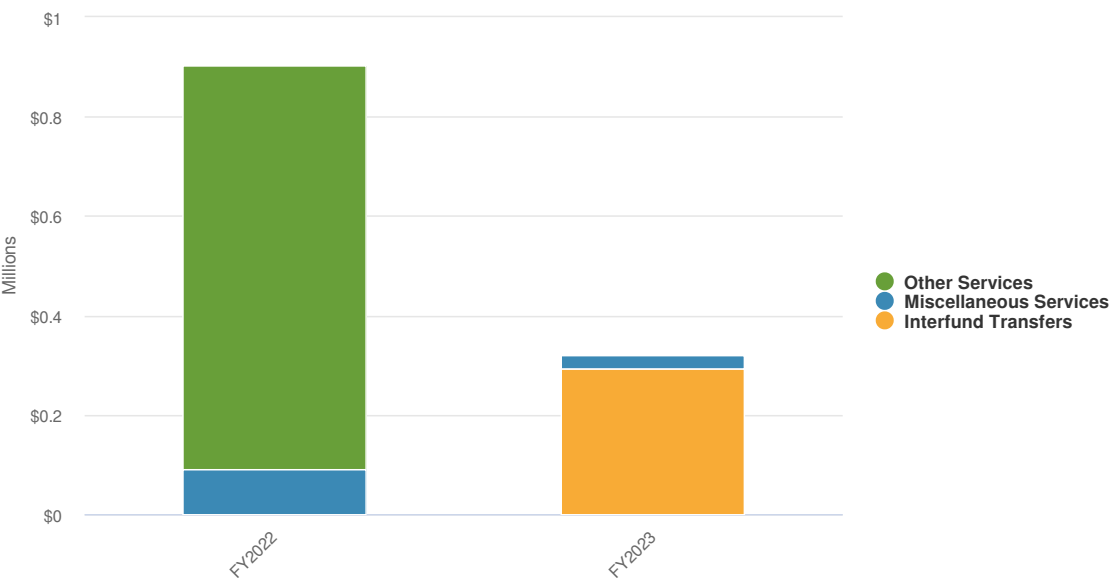
Budgeted and Historical Revenues by Source



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Miscellaneous	\$4,941	\$9,067	\$0	\$0	0%
Total Revenue Source:	\$4,941	\$9,067	\$0	\$0	0%

# Expenditures by Expense Type

## Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Miscellaneous Services	\$91,883	\$28,778	\$0	\$0	0%
Interfund Transfers	\$0	\$292,669	\$0	\$0	0%
Other Services	\$811,059	\$0	\$0	\$0	0%
<b>Total:</b>	<b>\$902,941</b>	<b>\$321,447</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>

## Beach Maintenance Fund Summary

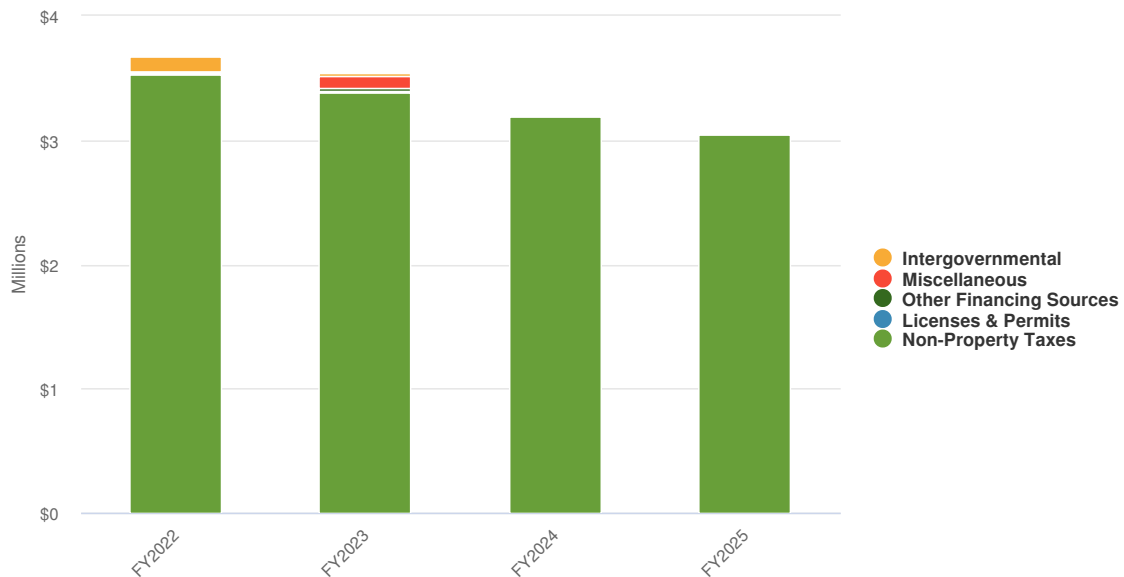


The Beach Maintenance Fund is used to clean and maintain the beach. The State of Texas remits to the City 2% of the hotel motel tax collected by the State for these efforts.

The City of South Padre Island is projecting \$3.05M of revenue for FY 2025, which represents a 4.67% decrease over the prior year's budget. Budgeted expenditures are projected to increase by 1.60% to \$2.33M for FY 2025.

## Beach Maintenance Fund Revenues

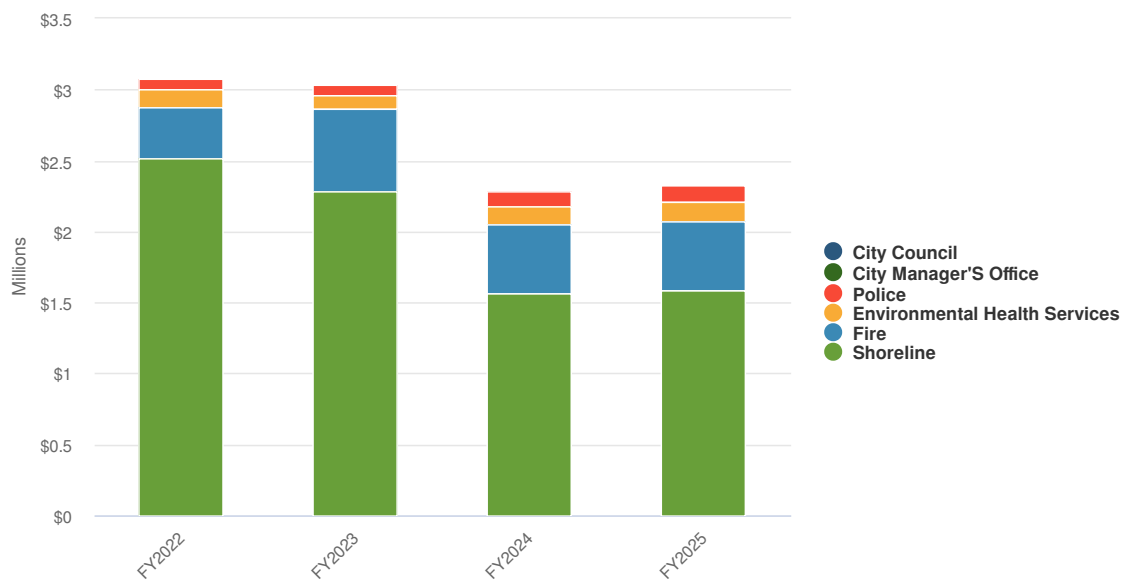
### Budgeted and Historical Revenues by Source



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Non-Property Taxes	\$3,534,305	\$3,389,196	\$3,193,187	\$3,043,821	-4.7%
Licenses & Permits	\$3,335	\$1,585	\$3,500	\$3,500	0%
Intergovernmental	\$127,525	\$22,475	\$0	\$0	0%
Miscellaneous	\$10,009	\$99,316	\$0	\$0	0%
Other Financing Sources	\$712	\$28,512	\$0	\$0	0%
<b>Total Revenue Source:</b>	<b>\$3,675,886</b>	<b>\$3,541,085</b>	<b>\$3,196,687</b>	<b>\$3,047,321</b>	<b>-4.7%</b>

## Expenditures by Function

### Budgeted and Historical Expenditures by Function



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
City Council	\$0	\$1,424	\$3,500	\$3,500	0%
City Manager'S Office	\$0	\$2,131	\$4,000	\$4,000	0%
Environmental Health Services	\$124,214	\$99,430	\$125,097	\$129,805	3.8%
Police	\$70,339	\$69,462	\$111,833	\$115,593	3.4%
Fire	\$361,258	\$579,129	\$482,858	\$487,754	1%
Shoreline	\$2,518,994	\$2,281,901	\$1,565,991	\$1,589,328	1.5%
<b>Total:</b>	<b>\$3,074,805</b>	<b>\$3,033,477</b>	<b>\$2,293,279</b>	<b>\$2,329,980</b>	<b>1.6%</b>

City Council

Expenditures Summary

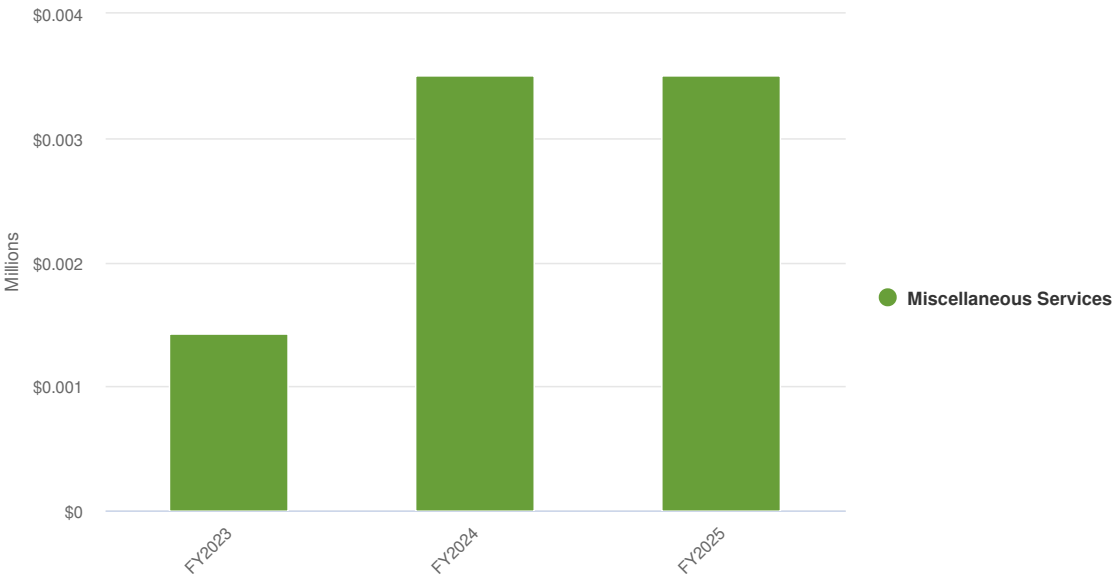
\$3,500

\$0

(0.00% vs. prior year)

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Miscellaneous Services	\$0	\$1,424	\$3,500	\$3,500	0%
Total Miscellaneous Services:	\$0	\$1,424	\$3,500	\$3,500	0%

City Manager's Office

Expenditures Summary

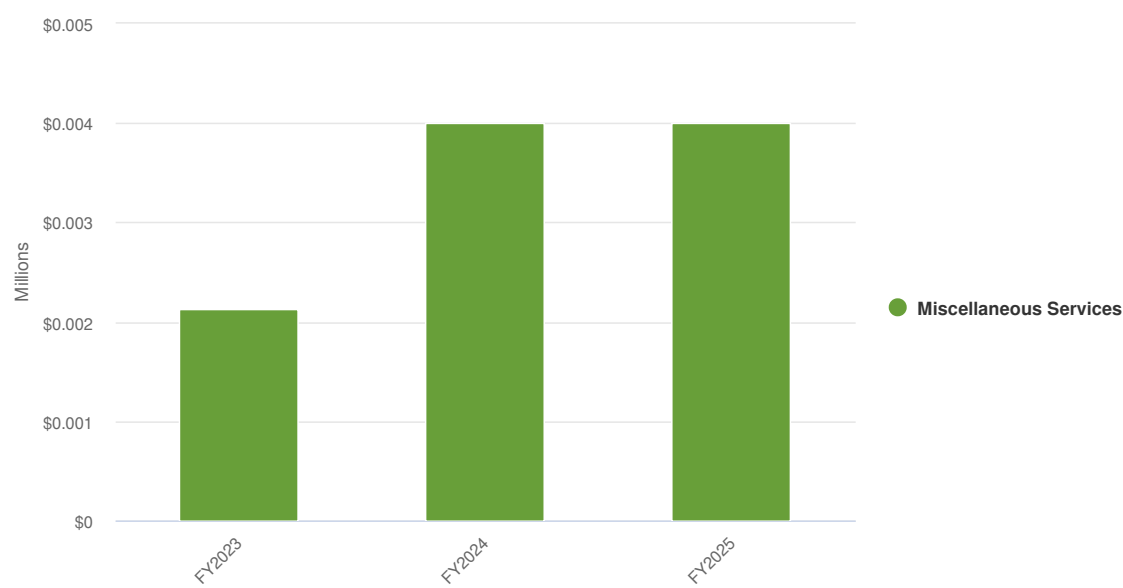
\$4,000

\$0

(0.00% vs. prior year)

Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Miscellaneous Services	\$0	\$2,131	\$4,000	\$4,000	0%
Total Miscellaneous Services:	\$0	\$2,131	\$4,000	\$4,000	0%

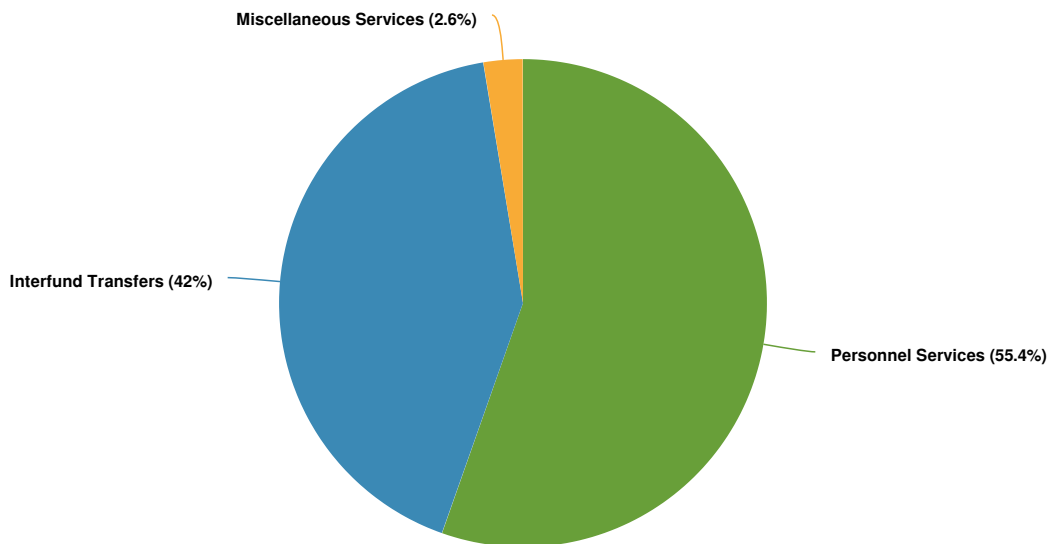
## Police Division

### Expenditures Summary

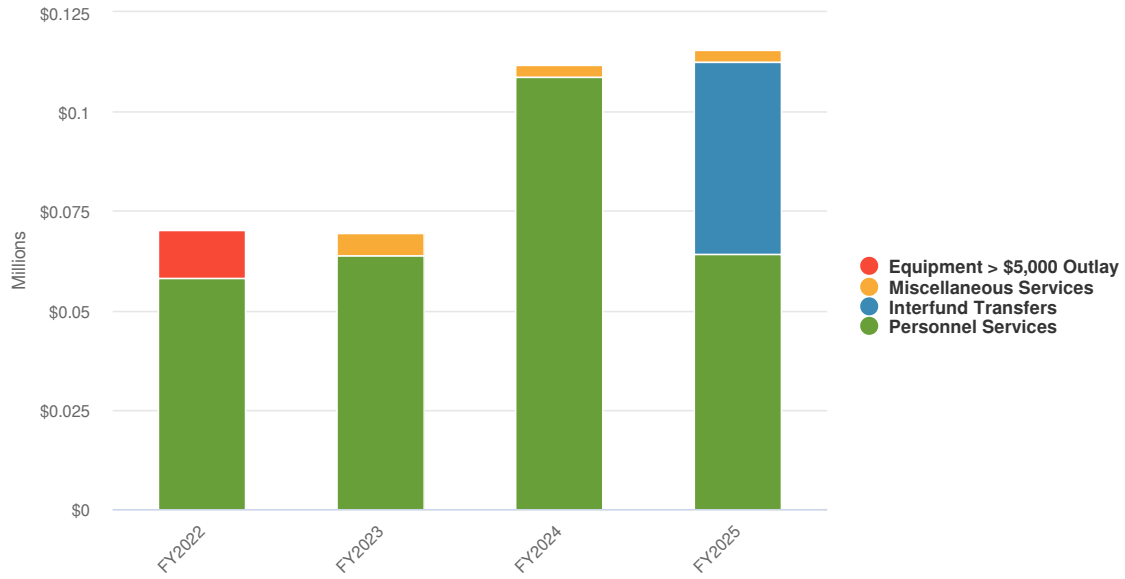
**\$115,593** **\$3,760**  
(3.36% vs. prior year)

### Expenditures by Expense Type

#### Budgeted Expenditures by Expense Type



## Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$57,990	\$63,871	\$108,833	\$64,041	-41.2%
Miscellaneous Services	\$0	\$5,591	\$3,000	\$3,000	0%
Equipment > \$5,000 Outlay	\$12,349	\$0	\$0	\$0	0%
Interfund Transfers		\$0		\$48,552	N/A
<b>Total:</b>	<b>\$70,339</b>	<b>\$69,462</b>	<b>\$111,833</b>	<b>\$115,593</b>	<b>3.4%</b>

## Beach Patrol Division

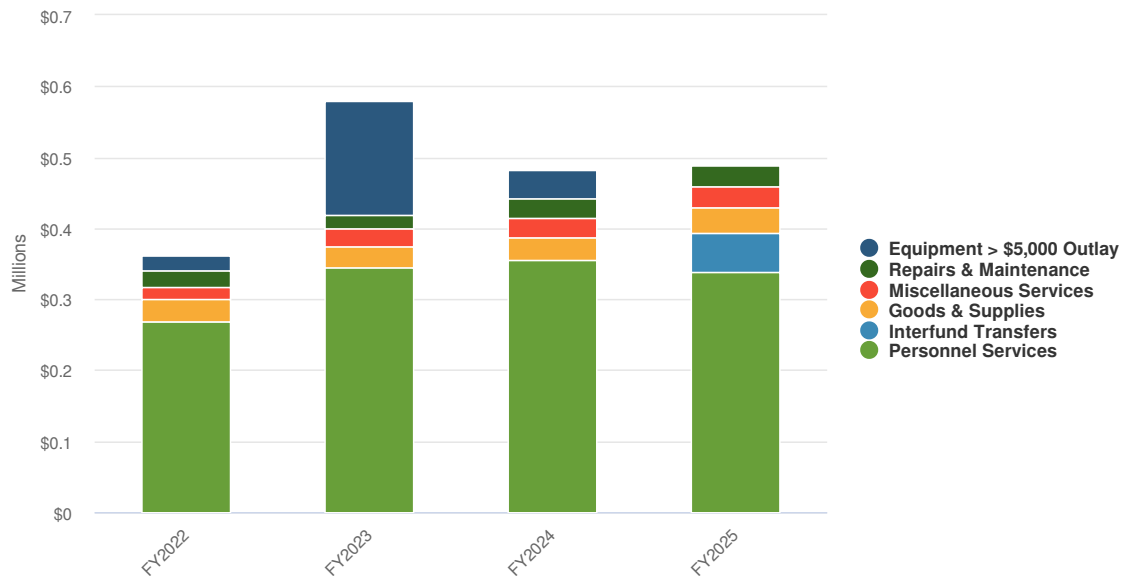


## Expenditures Summary

**\$487,754**    **\$4,896**  
 (1.01% vs. prior year)

## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$267,533	\$344,398	\$356,123	\$338,376	-5%
Goods & Supplies	\$33,631	\$30,740	\$30,600	\$35,600	16.3%
Repairs & Maintenance	\$21,743	\$19,599	\$27,785	\$27,785	0%
Miscellaneous Services	\$16,740	\$24,051	\$28,350	\$30,650	8.1%
Equipment > \$5,000 Outlay	\$21,611	\$160,341	\$40,000	\$0	-100%
Interfund Transfers		\$0		\$55,343	N/A
<b>Total:</b>	<b>\$361,258</b>	<b>\$579,129</b>	<b>\$482,858</b>	<b>\$487,754</b>	<b>1%</b>



# Environmental Health Services Division

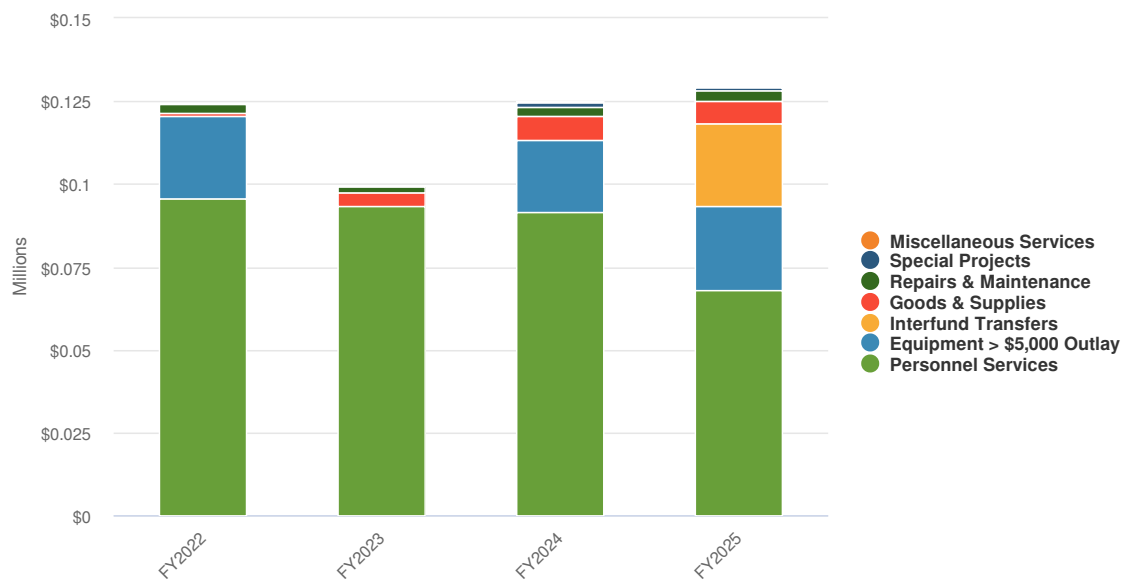


## Expenditures Summary

**\$129,805**    **\$4,708**  
(3.76% vs. prior year)

## Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$95,775	\$93,556	\$91,384	\$68,161	-25.4%
Goods & Supplies	\$1,286	\$4,015	\$7,050	\$7,050	0%
Repairs & Maintenance	\$2,541	\$1,605	\$3,000	\$3,000	0%
Miscellaneous Services	\$0	\$0	\$700	\$700	0%
Equipment > \$5,000 Outlay	\$24,612	\$0	\$22,000	\$25,000	13.6%
Interfund Transfers		\$0		\$24,931	N/A
Special Projects	\$0	\$254	\$963	\$963	0%
<b>Total:</b>	<b>\$124,214</b>	<b>\$99,430</b>	<b>\$125,097</b>	<b>\$129,805</b>	<b>3.8%</b>



## Shoreline Department



**Kristina Boburka**  
Shoreline Director

The Shoreline Department is composed of nine individuals: the Shoreline Director, the Coastal Coordinator, Operations Manager, Equipment Operator II/Shift Lead, Equipment Operator I, and four Shoreline Maintenance Technicians. The Department's responsibilities vary vastly from the daily maintenance of the beach to administering grants and projects that will help conserve and protect the Island's natural resources while ensuring it is in its most resilient state. This also includes emergency management services for before, during, and after emergency events. Preparing the Island for natural disasters, assessing our current conditions, and reporting any damages after events is crucial as our beach is the first defense against any storm.

The City of South Padre Island has twenty-eight (28) beach access points that serve the public on approximately five miles of beachfront within its jurisdiction. Improvements to the access points have been and continue to be partially funded under available grants through the state's Coastal Management Program. The Department has overseen the construction of ten raised beach access walkovers with the help of these grants. Close to 6 million dollars' worth of coastal infrastructure has been improved, including dune walkovers, permeable parking lots, and, more recently, permanent restrooms. In 2023, Whitecap Circle was completed and opened while improvements at two accesses, Sea Island Circle and Fantasy Circle, are expected to be completed in the year 2024.

Bayside improvements have been a recent priority for the Department as well. This includes the maintenance of the Tompkins Channel, access points to Laguna Madre, and all westbound street endings. The Laguna Madre is one of six hypersaline bodies of water in the world and serves as a valuable natural resource as well as a large economic driver. Plans to improve recreational access to our bay are ongoing, which will include bayside habitat protection measures since, much like the Island's beach/dune system, our bayside acts as the first line of defense from wave action and tidal surges. Improvements to the resiliency of our wayside will prove to be crucial in the event of storms and flooding.

The Director and Coastal Coordinator work closely with state and federal agencies, including the Texas General Land Office (GLO), Texas Parks and Wildlife Department (TPWD), Texas Commission on Environmental Quality (TCEQ), the United States Geological Survey (USGS), and the United States Army Corps of Engineers (USACE). Close coordination between all agencies is crucial for funding projects such as access improvements, environmental compliance, permitting, and for beach renourishment.

The Shoreline Department also administers a variety of permits to property owners for any construction that is east of the Dune Protection Line. The Department has a close working relationship with the GLO's Beach and Dune Team to ensure that all activities are in line with the City's ordinances and plans as well as the Texas Natural Resource Code and Texas Administrative Code.

### Major Goals:

1. Continually search and apply for grants to enhance the City's beach and bay accesses and their amenities.
2. Search for methods to reduce the cuts through our dune system to create a more resilient coast, as per our Erosion Response Plan.
3. Educate the public and Gulf facing properties on the importance of dunes, our Chapter 22 Code of Ordinances, and Erosion Response Plan.

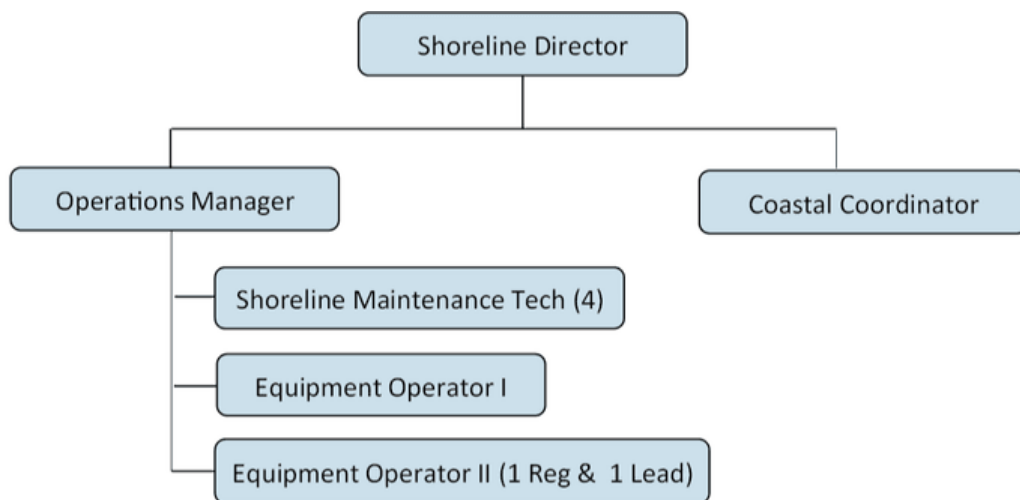
4. Maintain contact with the General Land Office, Cameron County, the United States Army Corps of Engineers, and our partners and continue improving the relationships we have with each entity.
5. Provide training and conferences for, both, the Shoreline operations crew and staff. The department is always looking for new training to increase its operating confidence and relationships with important colleagues.
6. Provide an enjoyable and memorable experience for our year round residents, winter Texans, and our seasonal visitors by ensuring the beach and our accesses are kept unsoiled.

Our Planning Indicators and Focus:

The increase in citizen and visitor population may significantly impact permit requests, beach maintenance areas, and beach access points, creating an increase in the demand for coastal management, both administratively and environmentally.

The development and implementation of an environmentally friendly shoreline management program that balances the importance of visitor and citizen satisfaction while protecting the City's number one asset is the focal point of the Shoreline Management Department.

## Organizational Chart



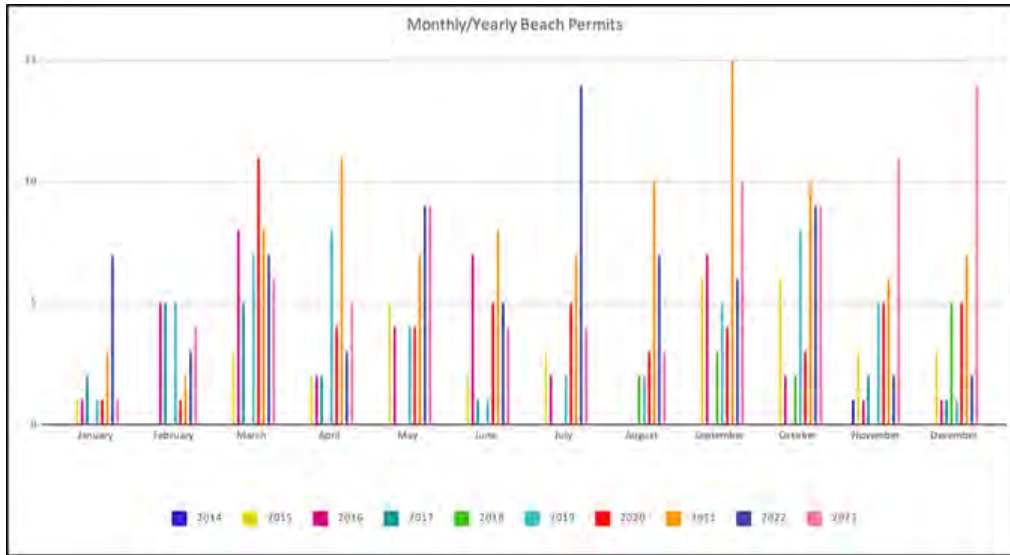
## Strategic Objectives and Work Plan for the Next Five Years

Project Description	Fiscal Year Due Date	Project Leader	Budget Impact	Associated Metric	Comp Plan Goal	CIP Project
<b>Short Term - FY 2024-25</b>						
Improve accesses by continuing with CMP Cycle 27 & 28 Fantasy Circle Access Improvements.	2024/25	Shoreline Director	\$831,000	Metrics 4 & 5	SL.G, SL.J, SL.M, SL.O, SL.Y, SL.AA, SL.BB, SL.DD	Approved
Increase beach accessibility by repairing and replacing access matting.	2024/25	Operations Manager	\$35,000	Metrics 4 & 5	SL.O, SL.Y, SL.AA, SL.BB, SL.DD	Approved
Increase public bay accessibility by developing a protocol for residents who are interested in public access to the bay side.	2024/25	Shoreline Director	To be determined.	N/A	SL.G, SL.H, SL.J, SL.K, SL.M, SL.Q, SL.R, SL.U, SL.W, SL.Z, SL.CC, SL.DD	N/A
Increase public bay accessibility by proceeding with the bid process and construction of the RESTORE Act Laguna Madre Boat Ramp.	2024/25	Shoreline Director	\$1.5 million	N/A	SL.F, SL.G, SL.H, SL.I, SL.J, SL.K, SL.M, SL.O, SL.Z, SL.DD	Approved
Improve beach accesses by commencing with CMP Cycle 28 dune restoration.	2024/25	Shoreline Director	\$335,000	N/A	SL.J, SL.O, SL.P, SL.R, SL.S, SL.T, SL.W, SL.Y, SL.AA, SL.BB	Approved
Improve beach accesses by commencing with CMP Cycle 28 Naptune Circle Improvements.	2024/25	Shoreline Director	\$550,000	Metrics 4 & 5	SL.G, SL.J, SL.M, SL.O, SL.Y, SL.AA, SL.BB, SL.DD	Approved
Proceed with the replacement of Tompkins Channel markers.	2024/25	Shoreline Director & Operations Manager	To be determined.	N/A	SL.I, SL.J, SL.Q, SL.Z	N/A
<b>Mid Term - FY 2025-26 &amp; FY 2026-27</b>						
Work with the National Fish and Wildlife Foundation Coastal Resiliency Fund (NFWF NCRD) on dune restoration.	2025/26	Shoreline Director & Coastal Coordinator	\$300,000	N/A	SL.J, SL.O, SL.P, SL.R, SL.S, SL.T, SL.W, SL.Y, SL.AA, SL.BB	Approved
Improve beach accesses by pursuing CMP Cycle 29 ADA Access Engineering.	2025/26	Shoreline Director	\$300,000	Metrics 4 & 5	SL.G, SL.J, SL.M, SL.O, SL.Y, SL.AA, SL.BB, SL.DD	Approved

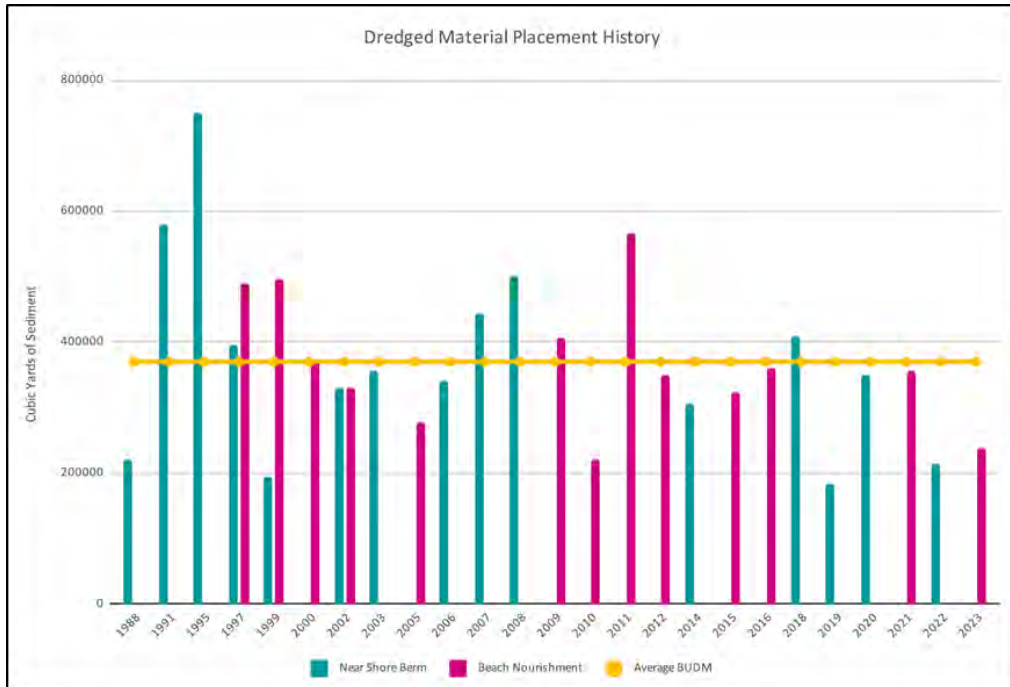
Proceed with the Wind & Water Sports Park Venue Project (bud process & construction).	2026/27	Shoreline Director	\$1 million	N/A	SL.G, SL.H, SL.J, SL.K, SL.M, SL.Q, SL.R, SL.U, SL.W, SL.Z, SL.CC, SL.DD	Approved
Improve dune restoration & bay improvements by pursuing CEPPA Cycle 13.	2026/27	Shoreline Director	\$600,000	N/A	SL.J, SL.O, SL.P, SL.R, SL.S, SL.T, SL.W, SL.Y, SL.AA, SL.BB	Approved
<b>Long Term - FY 2027-28 &amp; FY 2028-29</b>						
Continue to execute the beneficial use of dredge material (BUDM) project to restore and protect the beach and dunes.	Ongoing	Shoreline Director	To be determined	Metric 3	SL.J, SL.O, SL.P, SL.R, SL.S, SL.T, SL.W, SL.Y, SL.AA, SL.BB	Approved
Add to the amenities available to the public by pursuing the construction of a Marina.	To be determined	Shoreline Director	To be determined	N/A	SL.H, SL.I, SL.J, SL.K, SL.M, SL.O, SL.Q, SL.R, SL.U, SL.W, SL.Z, SL.DD	Approved
Improve beach and bay accesses by pursuing CMP Cycle 30.	2027/28	Shoreline Director	To be determined	Metrics 4 & 5	SL.G, SL.I, SL.J, SL.M, SL.O, SL.P, SL.Q, SL.R, SL.S, SL.T, SL.W, SL.Y, SL.Z, SL.AA, SL.BB, SL.DD	Approved
Improve shoreline operations by pursuing the construction of a Shoreline Educational Beach Access Facility.	To be determined	Shoreline Director	To be determined	Metrics 4 & 5	SL.J, SL.M, SL.P, SL.R, SL.AA, SL.BB, SL.CC, SL.DD	Approved
Enhance public amenities by making boardwalk on the bay.	To be determined	Shoreline Director	To be determined	N/A	SL.K, SL.Q, SL.Z, SL.DD	Approved
Enhance public amenities by making improvements to the Palm Street Boat Ramp.	To be determined	Shoreline Director	To be determined	N/A	SL.I, SL.J, SL.M, SL.Z, SL.DD	Approved

## Performance Metrics

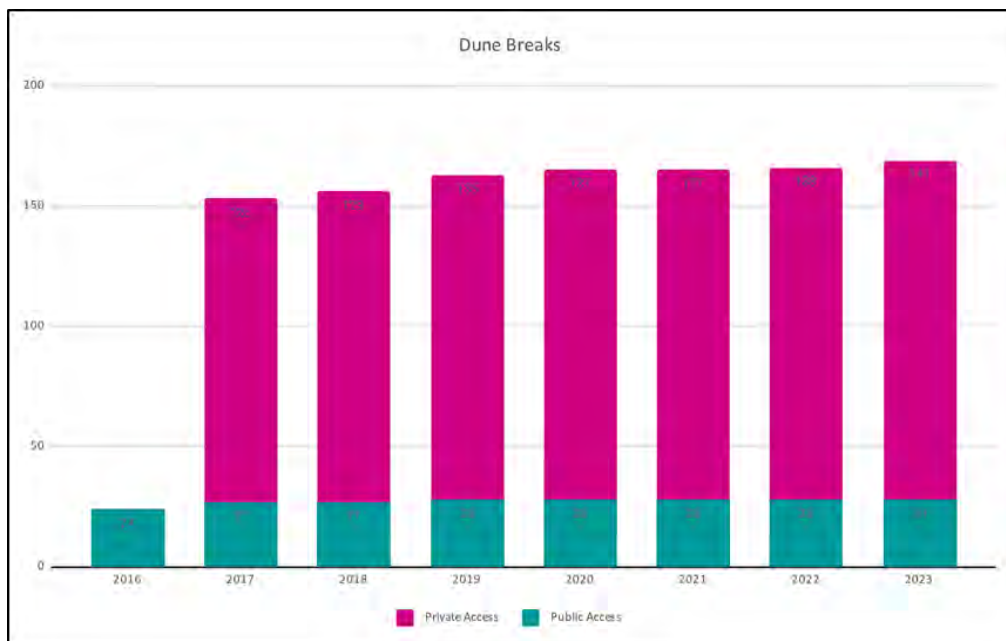
Metric 1: This chart displays the monthly/yearly beach permits that are issued. This includes Beach and Dune permits as well as Beach Use Permits.



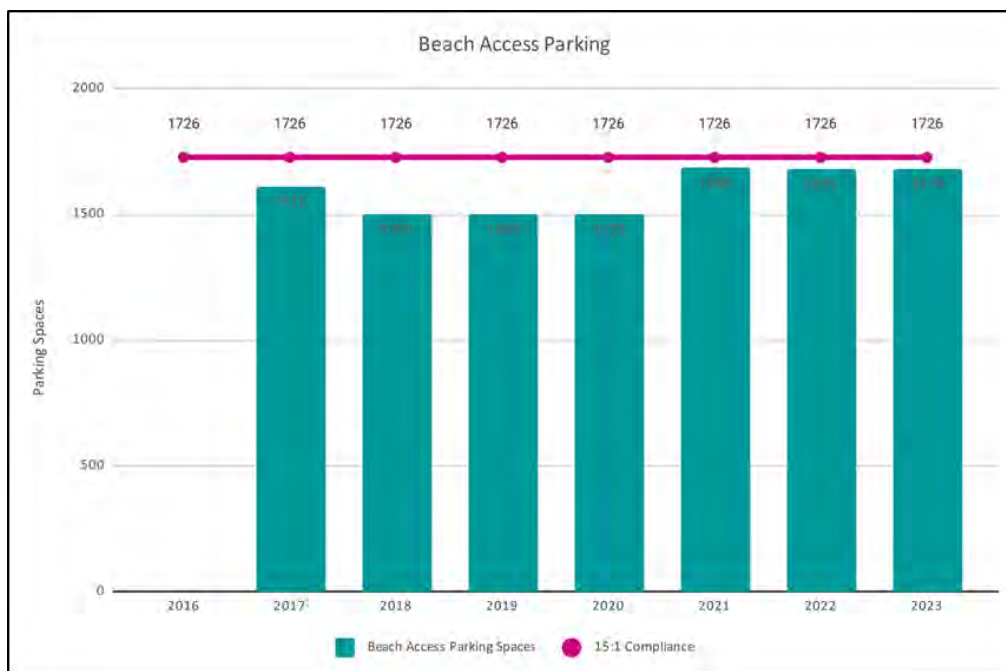
Metric 2: The City of South Padre Island's history on beneficial use of dredge material that has been either placed on the beach or on the near shore berm is depicted below.



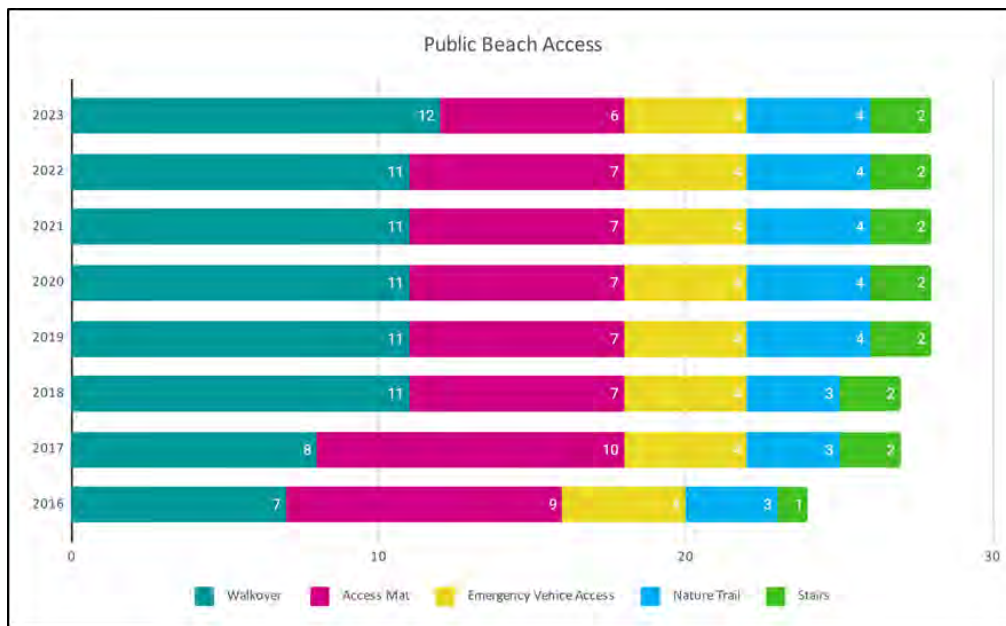
Metric 3: The City of South Padre Island's count of breaks within the dunes, including private accesses and public accesses, can be shown in the chart below.



Metric 4: The City of South Padre Island's number of beach access parking spaces are depicted below.

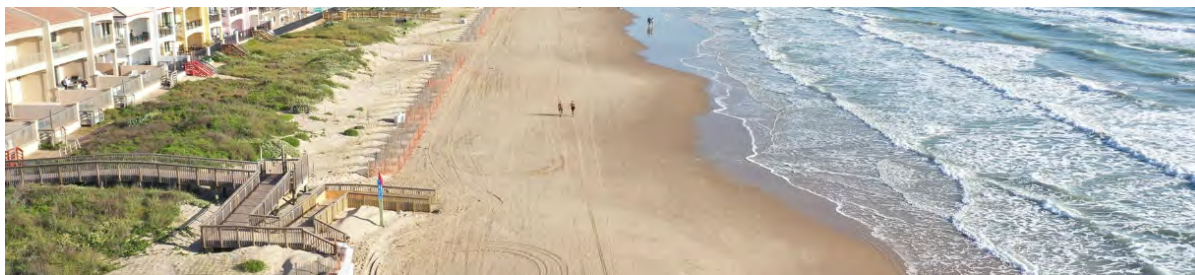


Metric 5: The total number of beach accesses the City has are shown below along with which types of access we have.



## Staffing Plan

Position	Current FY	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
Shoreline Director	1	1	1	1	1	1
Coastal Coordinator	1	1	1	1	1	1
Operations Manager	1	1	1	1	1	1
Equipment Operator II/Shift Lead	1	1	1	2	2	2
Equipment Operator II	1	1	1	2	2	2
Equipment Operator I	1	1	2	1	1	2
Shoreline Maintenance Tech	4	4	5	5	5	5
Permit Technician	0	0	1	1	1	1
<b>Total Positions:</b>	<b>10</b>	<b>10</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>15</b>

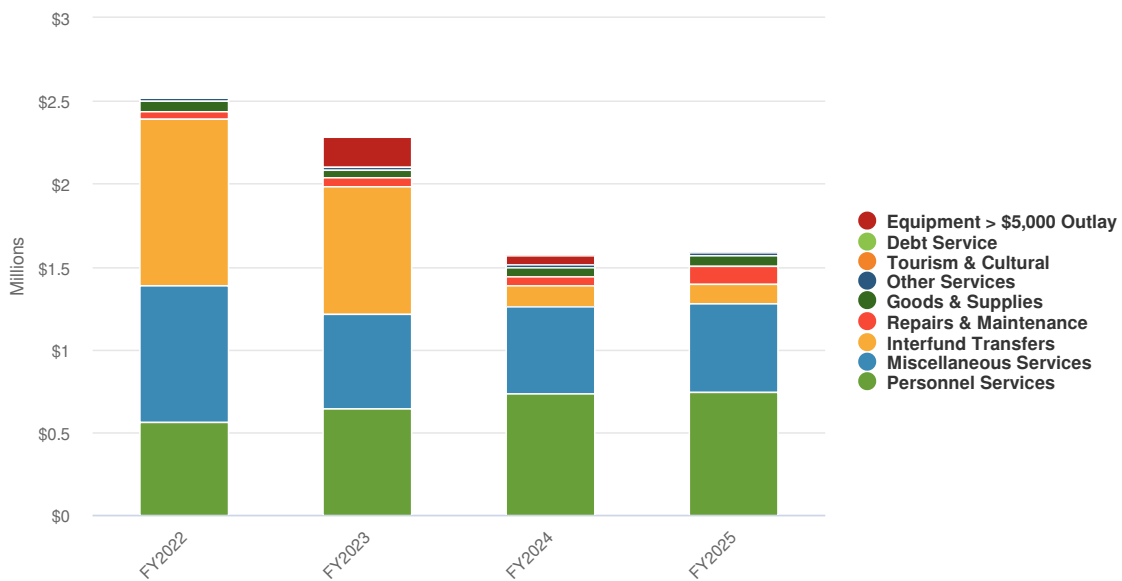


## Expenditures Summary

**\$1,589,328** **\$23,337**  
(1.49% vs. prior year)

### Expenditures by Expense Type

Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$560,797	\$646,904	\$737,612	\$746,314	1.2%
Goods & Supplies	\$60,292	\$50,743	\$58,084	\$66,200	14%
Repairs & Maintenance	\$45,965	\$49,514	\$53,785	\$106,192	97.4%
Miscellaneous Services	\$827,199	\$569,585	\$525,510	\$531,622	1.2%
Equipment > \$5,000 Outlay	\$0	\$179,394	\$53,000	\$0	-100%
Tourism & Cultural	\$1,850	\$2,000	\$3,000	\$6,000	100%
Interfund Transfers	\$1,007,901	\$772,337	\$120,000	\$120,000	0%
Other Services	\$14,990	\$10,410	\$15,000	\$13,000	-13.3%
Debt Service	\$0	\$1,015	\$0	\$0	0%
<b>Total:</b>	<b>\$2,518,994</b>	<b>\$2,281,901</b>	<b>\$1,565,991</b>	<b>\$1,589,328</b>	<b>1.5%</b>

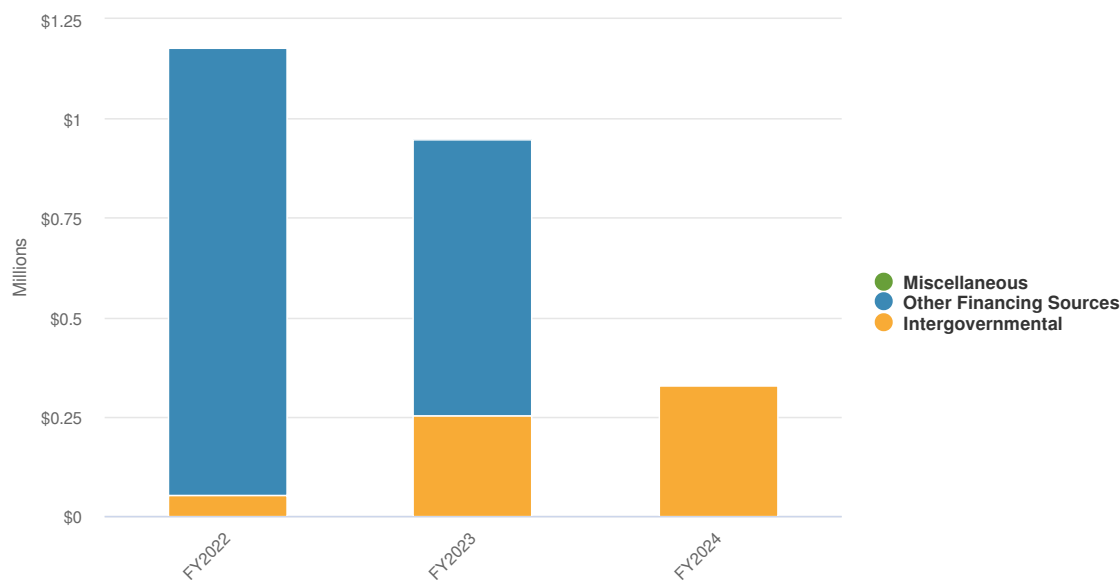
## Beach Access Fund Summary

The Beach Access Fund is used to account for projects to improve access to the City beach.

The City of South Padre Island is projecting \$0 in revenue. Budgeted expenditures are projected to be \$30K for FY 2025.

## Beach Access Fund Revenues

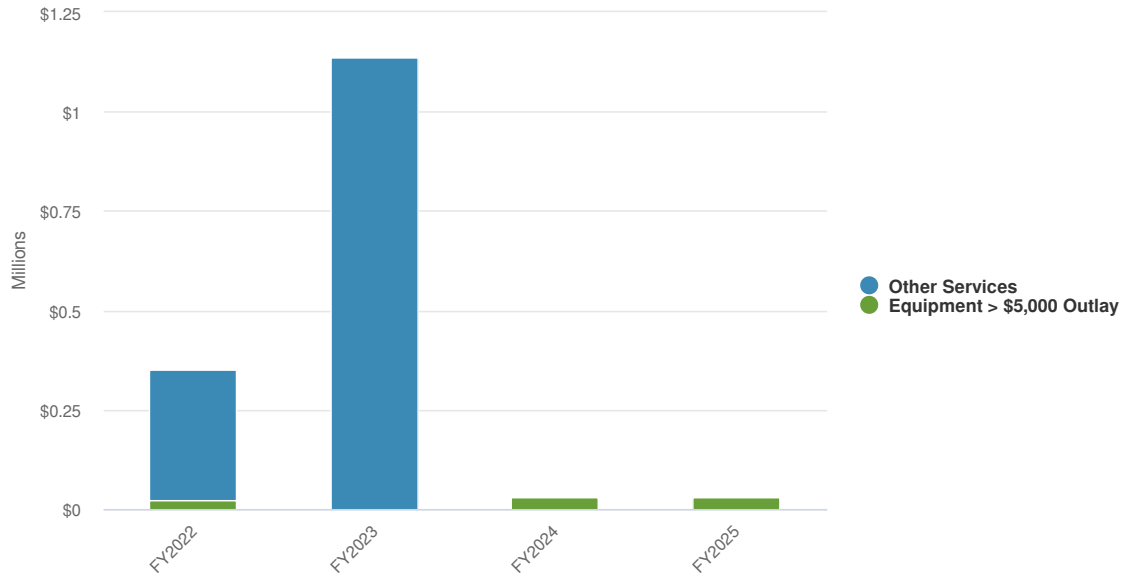
Budgeted and Historical Revenues by Source



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Intergovernmental	\$53,690	\$251,478	\$330,000	\$0	-100%
Miscellaneous	\$1,506	\$750	\$0	\$0	0%
Other Financing Sources	\$1,126,445	\$695,400	\$0	\$0	0%
Total Revenue Source:	\$1,181,641	\$947,628	\$330,000	\$0	-100%

## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Equipment > \$5,000 Outlay	\$23,350	\$0	\$30,000	\$30,000	0%
Other Services	\$326,606	\$1,138,367	\$0	\$0	0%
<b>Total:</b>	<b>\$349,956</b>	<b>\$1,138,367</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>0%</b>

## Bay Access Fund Summary

The Bay Access Fund was established to account for projects to improve access to the Laguna Madre Bay.

## Bay Access Fund Revenues

Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Intergovernmental	\$11,678	\$1,233,591	\$0	\$0	0%
Other Financing Sources	\$46,875	\$20,000	\$0	\$0	0%
<b>Total Revenue Source:</b>	<b>\$58,553</b>	<b>\$1,253,591</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>



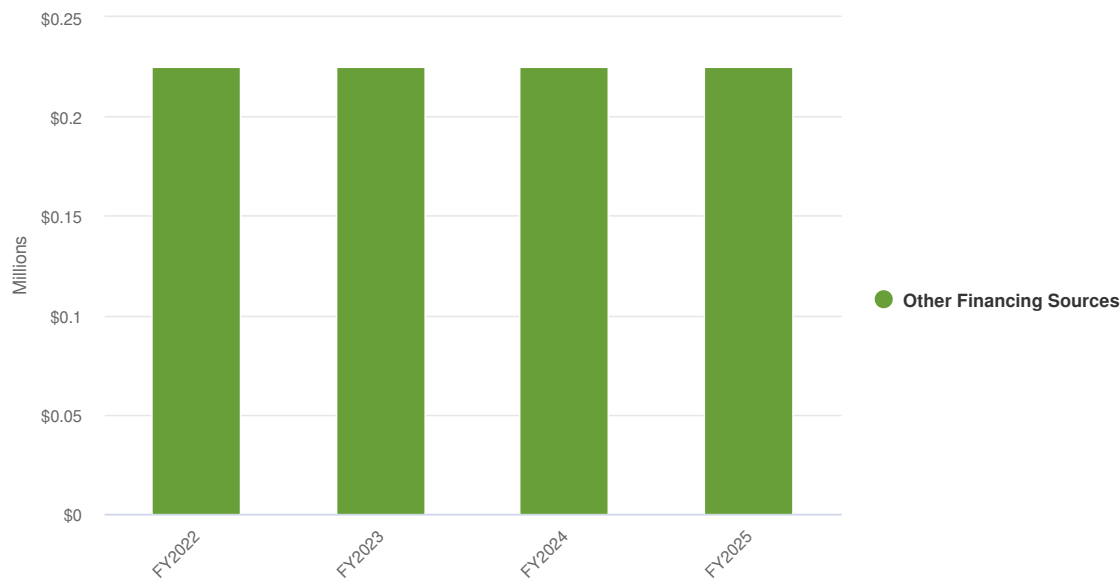
# Capital Replacement Fund Summary

The Capital Replacement Fund is used to account for preventive maintenance costs for City's buildings.

The City of South Padre Island is projecting \$225K in revenue, which represents no change over the prior year's adopted budget. Budgeted expenditures are projected to decrease by 65% to \$61K for FY 2024.

## Capital Replacement Fund Revenues

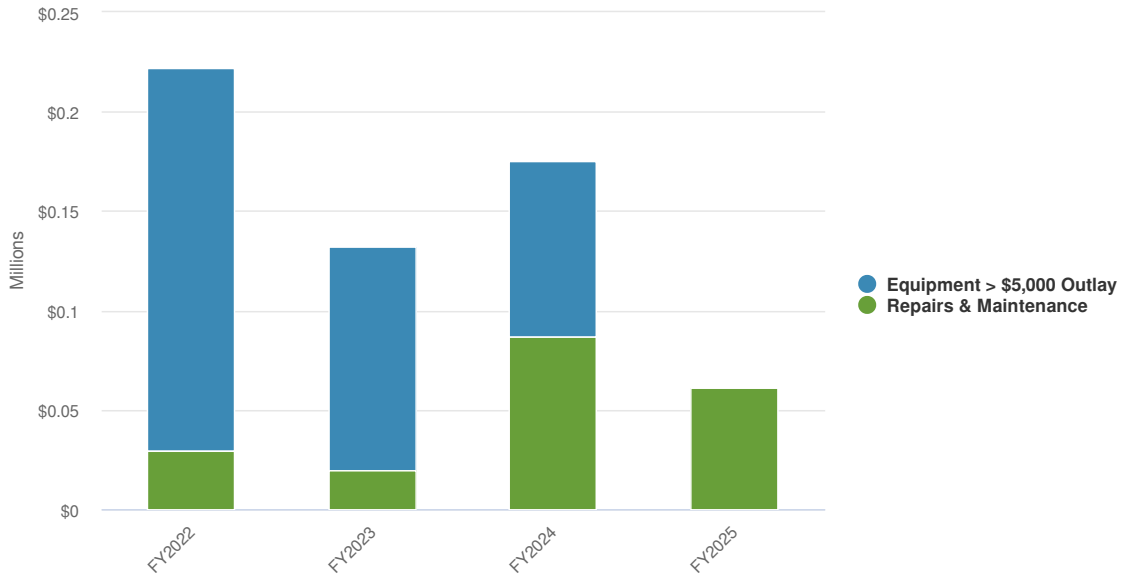
Budgeted and Historical Revenues by Source



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Other Financing Sources	\$225,000	\$225,000	\$225,000	\$225,000	0%
Total Revenue Source:	\$225,000	\$225,000	\$225,000	\$225,000	0%

## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Repairs & Maintenance	\$29,601	\$19,379	\$86,624	\$61,310	-29.2%
Equipment > \$5,000 Outlay	\$192,703	\$113,082	\$88,536	\$0	-100%
<b>Total:</b>	<b>\$222,304</b>	<b>\$132,462</b>	<b>\$175,160</b>	<b>\$61,310</b>	<b>-65%</b>

## Laguna Boulevard Reconstruction Fund Summary

The Laguna Boulevard Reconstruction Fund is used to account for the reconstruction of Laguna Boulevard.

## Laguna Boulevard Reconstruction Fund Revenues

Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Miscellaneous	\$14,821	\$89,955	\$0	\$0	0%
Other Financing Sources	\$0	\$1,102,391	\$0	\$0	0%
<b>Total Revenue Source:</b>	<b>\$14,821</b>	<b>\$1,192,346</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>



## Expenditures by Expense Type

Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Miscellaneous Services	\$28,680	\$17,607	\$0	\$0	0%
Other Services	\$1,861,248	\$2,722,802	\$0	\$0	0%
<b>Total:</b>	<b>\$1,889,928</b>	<b>\$2,740,408</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>

## Beach Nourishment Fund Summary



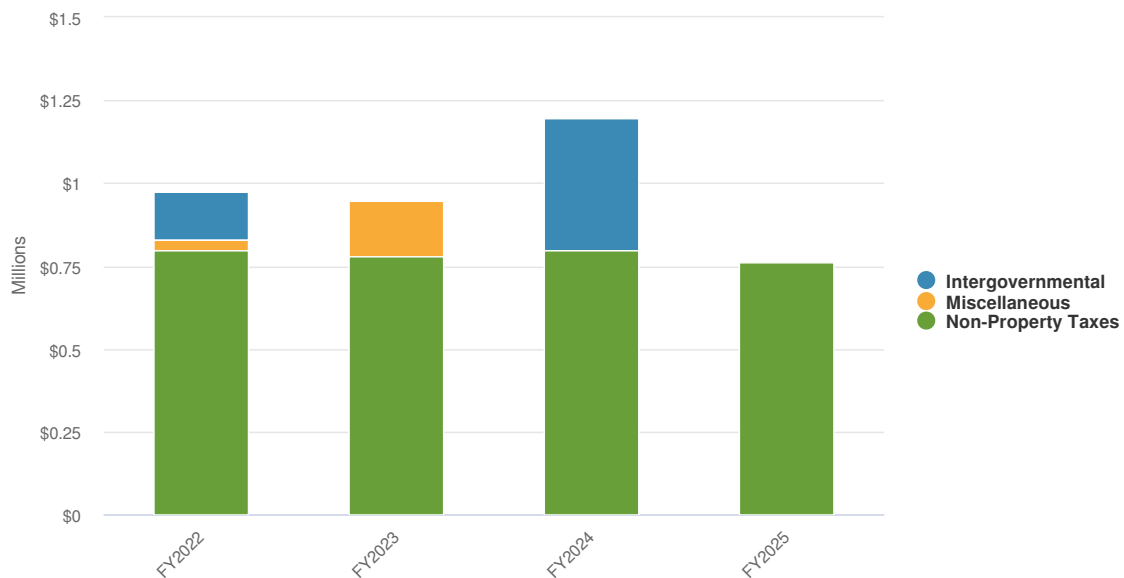
The Shoreline Department in partnership with the U.S. Army Corps. of Engineers, GLO, and Cameron County work to renourish the beach.

The Beach Nourishment Fund (Shoreline Department) is used to account for the portion of occupancy tax collections used for beneficial use of dredge material (BUDM), beach nourishment, and dune restoration projects.

The City of South Padre Island is projecting \$761K in revenue, which represents a 36.50% decrease over the prior year's budget. Budgeted expenditures are projected to decrease by 98.82% to \$5K for FY 2024.

## Beach Nourishment Fund Revenues

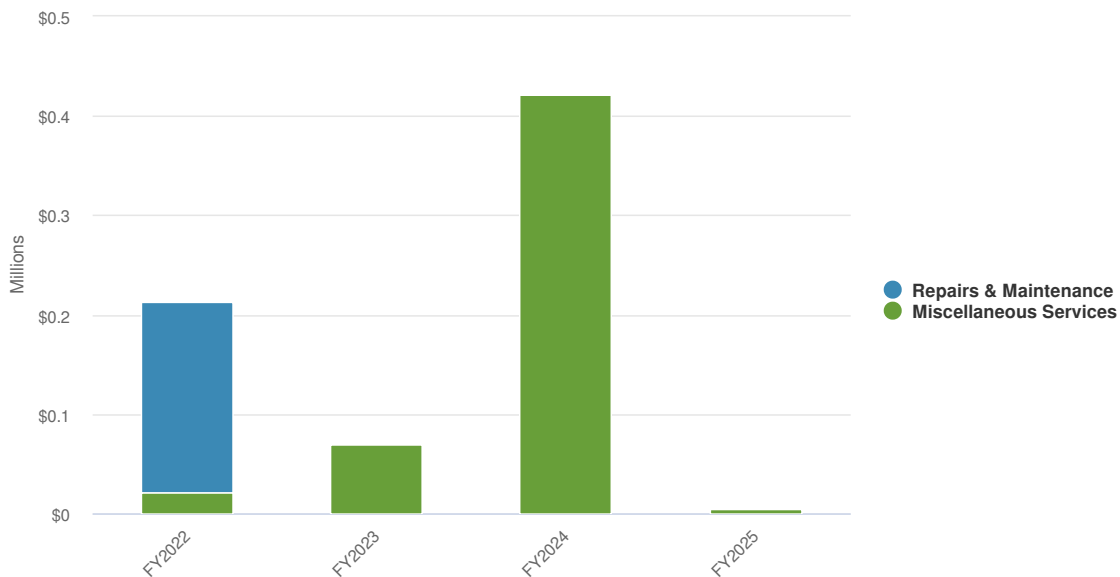
### Budgeted and Historical Revenues by Source



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Non-Property Taxes	\$799,327	\$778,897	\$798,297	\$760,955	-4.7%
Intergovernmental	\$143,482	\$0	\$400,000	\$0	-100%
Miscellaneous	\$30,426	\$167,672	\$0	\$0	0%
<b>Total Revenue Source:</b>	<b>\$973,235</b>	<b>\$946,568</b>	<b>\$1,198,297</b>	<b>\$760,955</b>	<b>-36.5%</b>

## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Repairs & Maintenance	\$192,017	\$0	\$0	\$0	0%
Miscellaneous Services	\$21,636	\$68,972	\$422,000	\$5,000	-98.8%
<b>Total:</b>	<b>\$213,653</b>	<b>\$68,972</b>	<b>\$422,000</b>	<b>\$5,000</b>	<b>-98.8%</b>

## Economic Development Corporation



**Darla Lapeyre**  
EDC Executive Director



Tourism, real estate development, construction, restaurants, retail trade, and the service industry are the key components of the economy on South Padre Island.

A sound, sustainable community relies on strong economic growth to provide jobs, products, services, steady revenue source funding, and enhancing community services.

South Padre Island's primary industry is tourism and recreation related support businesses. Due to the increase in visitors, the tourism industry continues to thrive. As a result of hosting an estimated 5 million annual visitors, the Island is successfully supporting numerous hotels, restaurants, retail shops, and a wide variety of entertainment options.

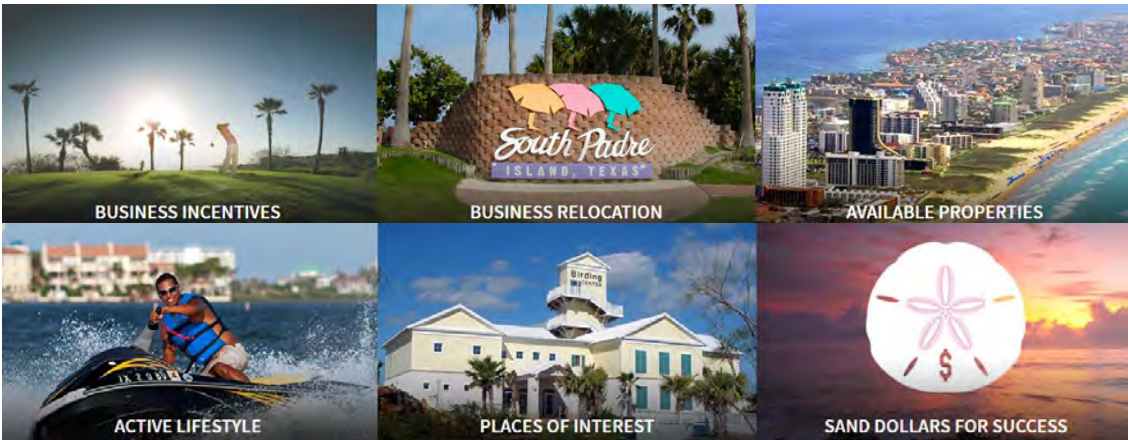
The South Padre Island Economic Development Corporation (EDC) is a 501c6 and is funded by ½ percent of sales tax collected. The EDC is a legally separate entity from the City. The EDC is authorized to administer the distribution of the proceeds of any development bonds issued and the proceeds of certain development sales taxes received on behalf of the City.

The EDC has a board of directors made up of seven members which are appointed by City Council. The South Padre Island Economic Development Corporation Board of Directors hold their regular meetings on the third Tuesday of the month at 9:00 a.m. The meetings are normally held at City Hall, 4601 Padre Blvd. in the Joyce Adams conference Room located on the second floor.

The meetings are video streamed live and archived on the City website at [www.myspi.org](http://www.myspi.org).



# Economic Development Corporation Fund Summary

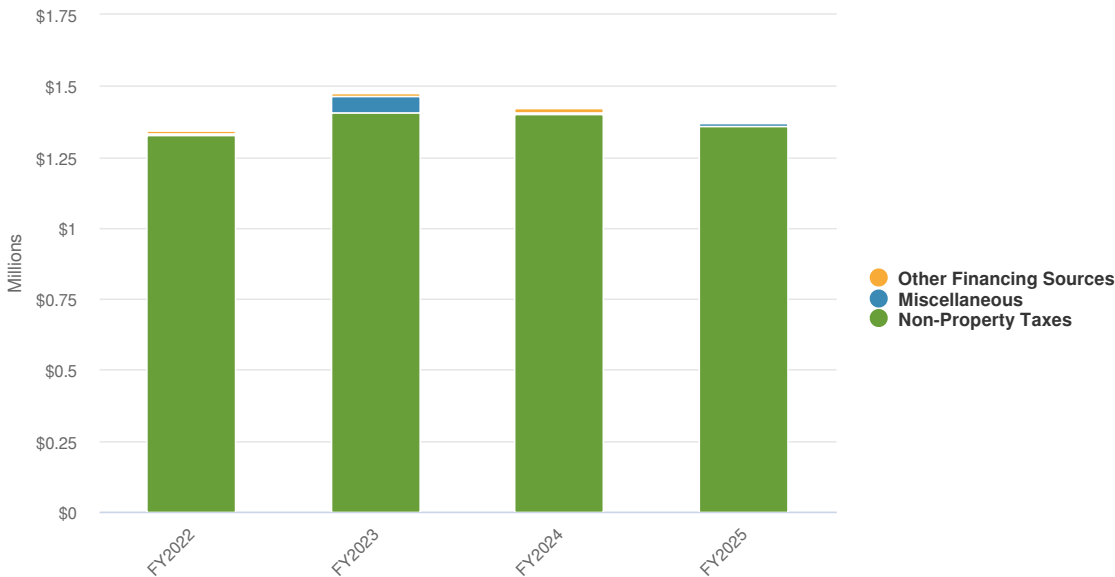


The EDC’s operational and capital budget must be approved by the Council Members of the City.

The City of South Padre Island is projecting \$1.37M in revenue, which represents a 3.60% decrease over the prior year's adopted budget. Budgeted expenditures are projected to increase by 0.68% to \$1.37M for FY 2025.

## Economic Development Corporation Fund Revenues

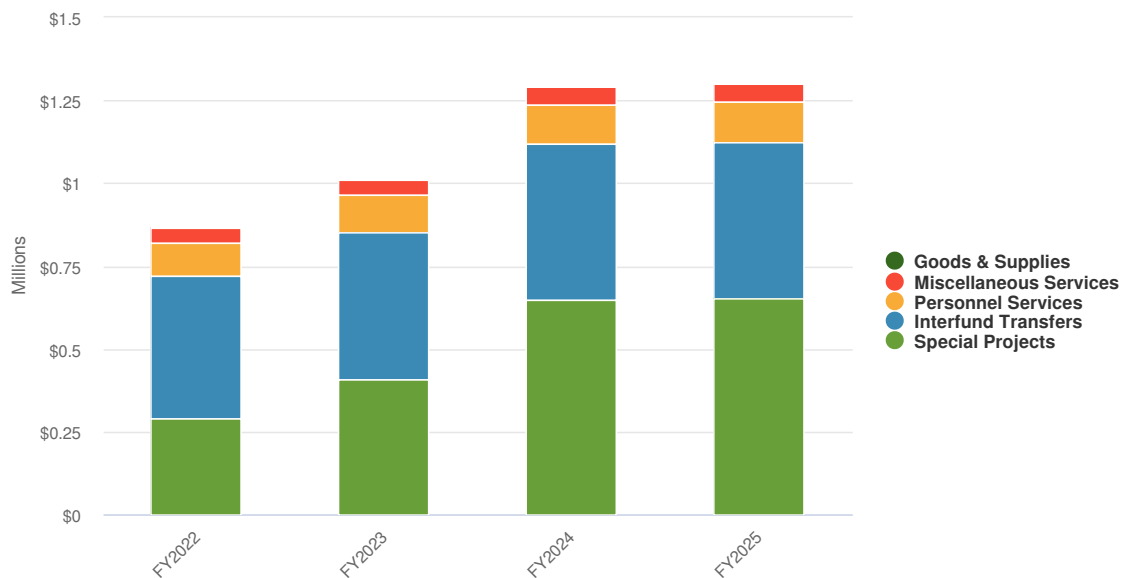
Budgeted and Historical Revenues by Source



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Non-Property Taxes	\$1,329,444	\$1,408,690	\$1,400,000	\$1,360,798	-2.8%
Miscellaneous	\$1,129	\$54,605	\$7,000	\$10,000	42.9%
Other Financing Sources	\$12,000	\$12,000	\$15,000	\$0	-100%
<b>Total Revenue Source:</b>	<b>\$1,342,573</b>	<b>\$1,475,295</b>	<b>\$1,422,000</b>	<b>\$1,370,798</b>	<b>-3.6%</b>

## Expenditures by Expense Type

### Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Personnel Services	\$97,746	\$114,749	\$118,616	\$122,063	2.9%
Goods & Supplies	\$2,392	\$1,116	\$2,200	\$2,150	-2.3%
Miscellaneous Services	\$46,818	\$42,774	\$51,550	\$52,650	2.1%
Interfund Transfers	\$430,748	\$444,950	\$473,150	\$472,650	-0.1%
Special Projects	\$291,547	\$406,237	\$646,484	\$651,285	0.7%
<b>Total:</b>	<b>\$869,250</b>	<b>\$1,009,825</b>	<b>\$1,292,000</b>	<b>\$1,300,798</b>	<b>0.7%</b>

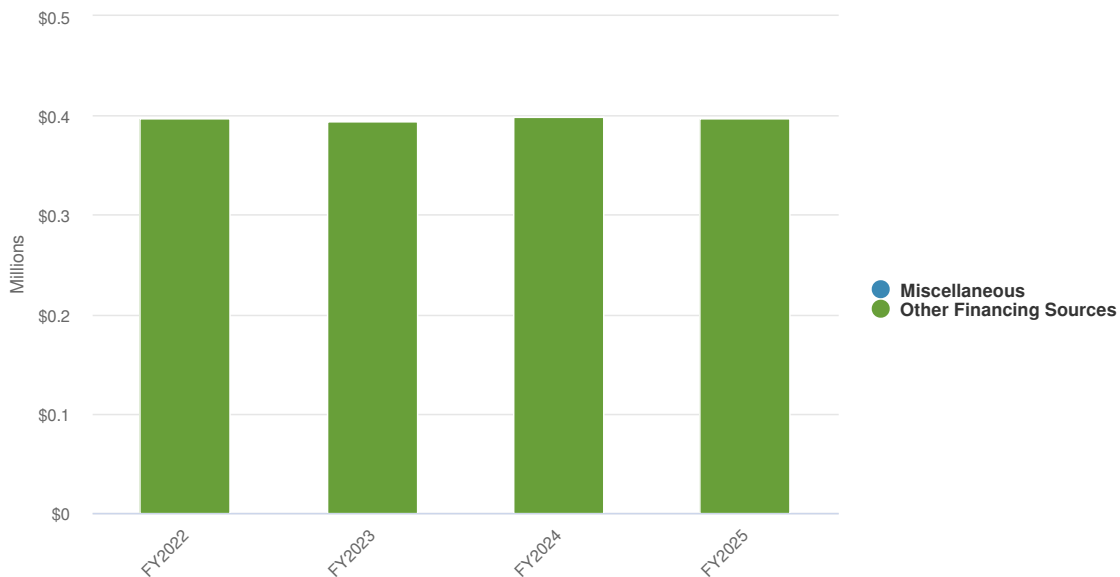
## EDC Debt Service Fund Summary

The EDC Debt Service Fund is used to account for the accumulation of resources for the payment of the EDC's long-term debt principal, interest, and related costs.

The City of South Padre Island is projecting \$398K in revenue, which represents a 0.13% decrease over the prior year's adopted budget. Budgeted expenditures are projected to increase by 0.34% to \$393K for FY 2025.

## EDC Debt Service Fund Revenues

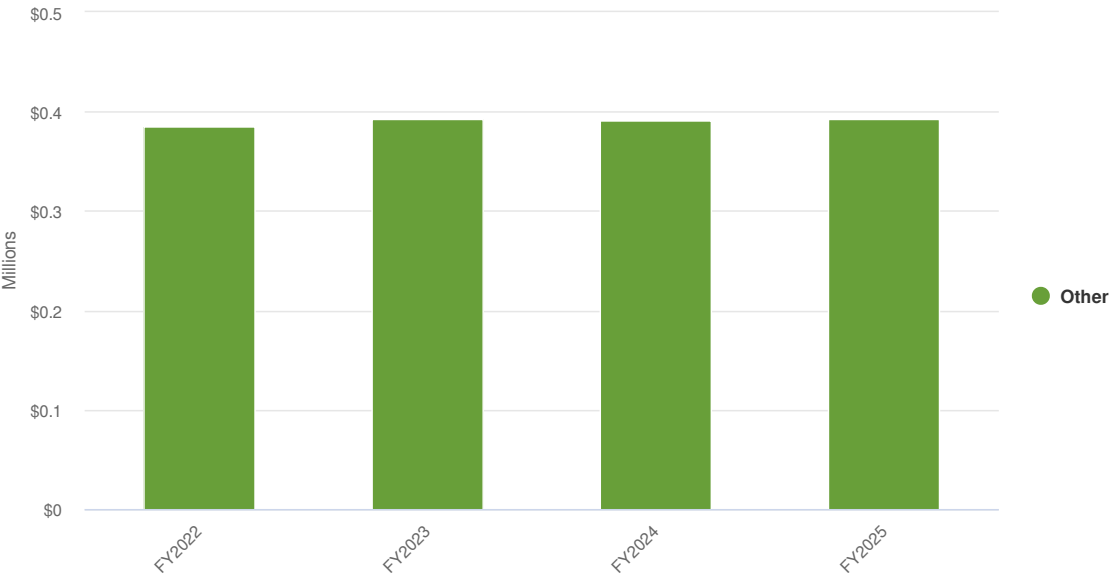
### Budgeted and Historical Revenues by Source



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Miscellaneous	\$157	\$1,036	\$0	\$0	0%
Other Financing Sources	\$396,650	\$394,950	\$398,150	\$397,650	-0.1%
<b>Total Revenue Source:</b>	<b>\$396,807</b>	<b>\$395,986</b>	<b>\$398,150</b>	<b>\$397,650</b>	<b>-0.1%</b>

# Expenditures by Expense Type

## Budgeted and Historical Expenditures by Expense Type

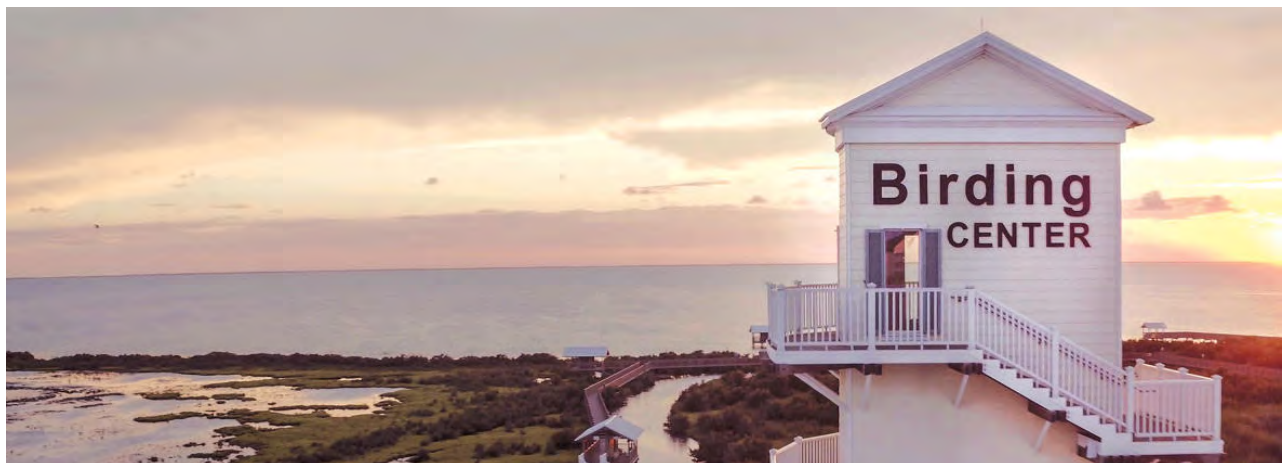
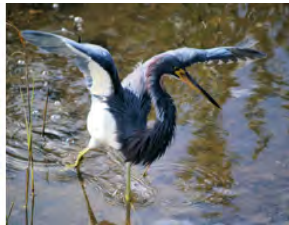
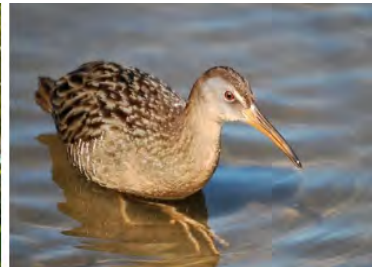


Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Other					
PRINCIPAL	\$320,000	\$335,000	\$340,000	\$350,000	2.9%
INTEREST EXPENSE	\$64,850	\$58,300	\$51,550	\$42,900	-16.8%
<b>Total Other:</b>	<b>\$384,850</b>	<b>\$393,300</b>	<b>\$391,550</b>	<b>\$392,900</b>	<b>0.3%</b>

## BNC Facility Maintenance Fund Summary

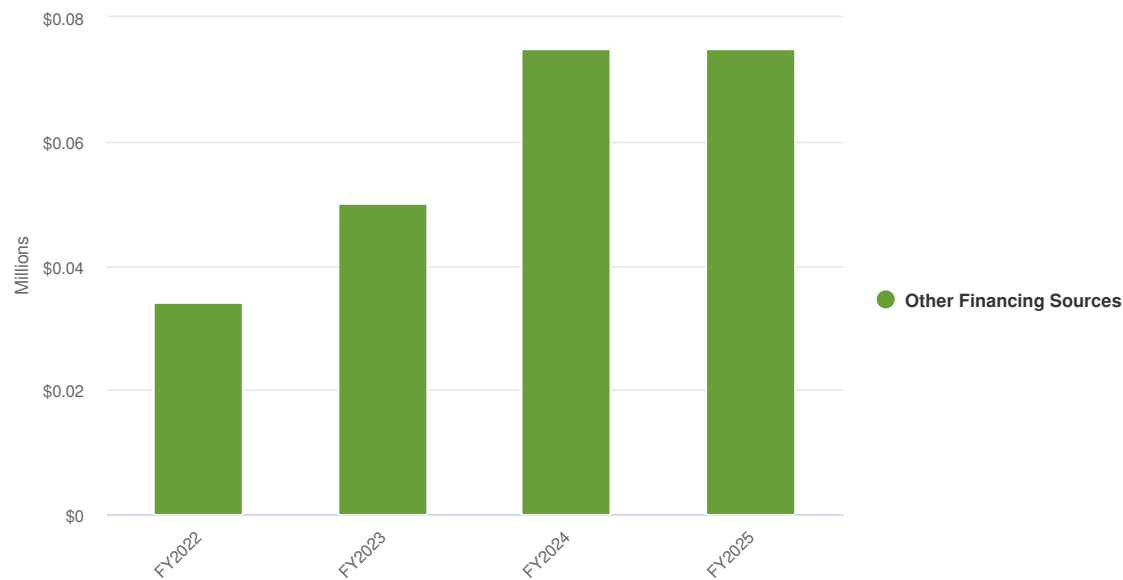
The BNC Facility Maintenance Fund was established to account for preventive maintenance costs associated with the Birding and Nature Center Facility.

The City of South Padre Island is projecting \$75K in revenue, which represents no change from the prior year's adopted budget. Budgeted expenditures are projected to remain at \$75K for FY 2025.



# BNC Facility Maintenance Fund Revenues

## Budgeted and Historical Revenues by Source

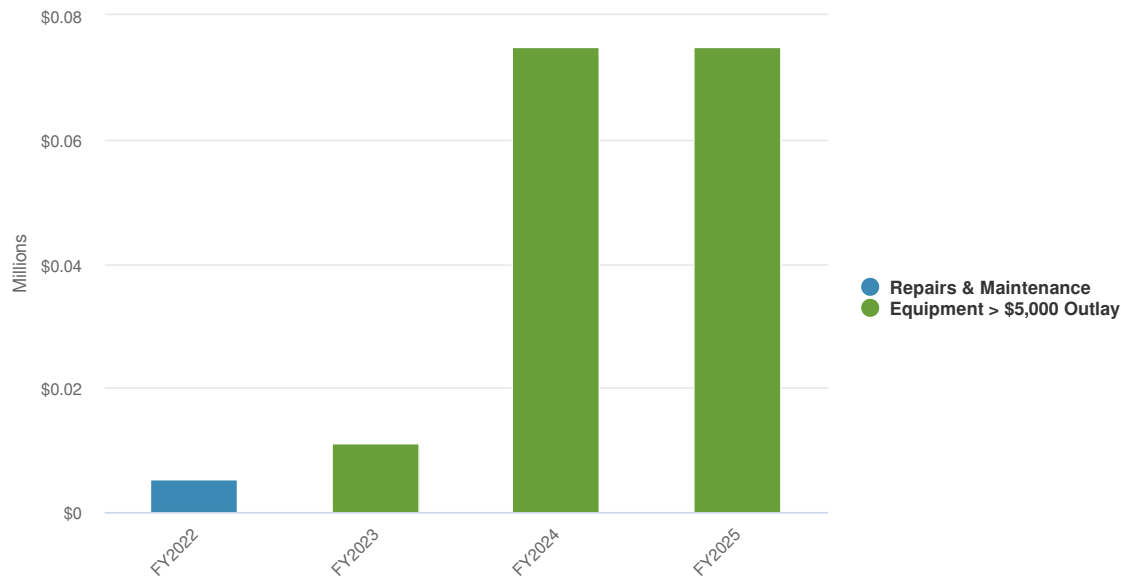


Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Revenue Source					
Other Financing Sources	\$34,098	\$50,000	\$75,000	\$75,000	0%
Total Revenue Source:	\$34,098	\$50,000	\$75,000	\$75,000	0%



# Expenditures by Expense Type

## Budgeted and Historical Expenditures by Expense Type



Name	FY2022 Actuals	FY2023 Actuals	FY2024 Adopted Budget	FY2025 Adopted Budget	FY2024 Adopted Budget vs. FY2025 Adopted Budget (% Change)
Repairs & Maintenance	\$5,270	\$0	\$0	\$0	0%
Equipment > \$5,000 Outlay	\$0	\$11,180	\$75,000	\$75,000	0%
Total:	\$5,270	\$11,180	\$75,000	\$75,000	0%

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# **CONSOLIDATED FINANCIAL STATEMENTS**

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## One Year - Consolidated Financial Statement - In Thousands

	General Fund	Hotel/Motel Fund	Venue Project Fund	Other Funds & Component Unit	2024-2025 Totals
<b>REVENUES AND OTHER SOURCES</b>					
Property Taxes - Incl. Penalty & Interest	\$ 7,766	\$ -	\$ -	\$ 2,072	\$ 9,837
Nonproperty Taxes	5,558	9,967	3,044	7,374	25,943
Fees and Services	1,016	-	-	337	1,352
Fines and Forfeitures	317	-	-	9	326
Licenses and Permits	645	-	-	7	652
Intergovernmental	302	-	-	1,846	2,147
Miscellaneous and Program	291	275	-	165	730
Other Financing Sources	305	-	-	1,717	2,022
<b>Total Revenues</b>	<b>16,199</b>	<b>10,242</b>	<b>3,044</b>	<b>13,525</b>	<b>43,010</b>
<b>EXPENDITURES</b>					
<b>General Government</b>					
City Council	26	-	-	4	30
City Administration	844	-	-	4	848
Finance	602	-	-	-	602
Planning	107	-	-	-	107
Information Technology	842	-	-	-	842
Human Resources	404	-	-	-	404
Environmental Health Services	651	-	-	80	730
General Services	1,311	-	-	-	1,311
Special Projects	71	-	74	61	207
<b>Total General Government</b>	<b>4,857</b>	<b>-</b>	<b>74</b>	<b>149</b>	<b>5,080</b>
<b>Public Safety</b>					
Municipal Court	369	-	-	6	375
Police	4,067	-	-	78	4,145
Fire	3,289	-	-	432	3,722
Emergency Management	20	-	-	-	20
<b>Total Public Safety</b>	<b>7,745</b>	<b>-</b>	<b>-</b>	<b>517</b>	<b>8,262</b>
<b>Public Works</b>					
Building Maintenance	215	-	-	-	215
Inspections	430	-	-	-	430
Fleet Management	601	-	-	-	601
Public Works	1,529	-	-	-	1,529
<b>Total Public Works</b>	<b>2,775</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,775</b>

## One Year - Consolidated Financial Statement - In Thousands - continued

	General Fund	Hotel/Motel Fund	Venue Project Fund	Other Funds & Component Unit	2024-2025 Totals
<b>EXPENDITURES</b>					
Shoreline					
Shoreline	-	-	-	1,469	1,469
Beach Renourishment	-	-	-	5	5
Total Shoreline	-	-	-	1,474	1,474
Transportation					
Island Metro	-	-	-	2,019	2,019
Total Transportation	-	-	-	2,019	2,019
Community Service					
Component Unit	-	-	-	898	898
Parks & Recreation	-	-	-	247	247
Total Community Service	-	-	-	1,145	1,145
Convention & Visitors Bureau					
Visitors Center	-	161	-	-	161
Sales and Marketing	-	2,484	-	-	2,484
Events Marketing	-	1,046	-	-	1,046
Marketing	-	4,625	-	-	4,625
SPI Historical Museum	-	41	-	-	41
Convention Centre	-	-	-	1,823	1,823
Total Convention & Visitors Bureau	-	8,358	-	1,823	10,180
Capital Outlay	117	-	-	175	292
Debt Service	4	-	-	2,914	2,917
Other Financing Uses	595	50	564	721	1,930
Total Expenditures	16,093	8,408	638	10,936	36,075
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	106	1,834	2,406	2,589	6,935
Fund Balance -- Beginning	10,157	20,065	14,377	22,992	67,591
Fund Balance -- Ending	\$ 10,264	\$ 21,899	\$ 16,782	\$ 25,581	\$ 74,526

# Three Year - Consolidated Financial Statement - In Thousands

	General Fund			Hotel/Motel & Venue Project Funds			Other Funds & Component Unit			Total Funds		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
	Actual	Final Budget	Adopted Budget	Actual	Final Budget	Adopted Budget	Actual	Final Budget	Adopted Budget	Actual	Final Budget	Adopted Budget
<b>REVENUES AND OTHER SOURCES</b>												
Property Taxes - Incl. P&I	\$ 7,129	\$ 7,507	\$ 7,766	\$ -	\$ -	\$ -	\$ 1,838	\$ 2,055	\$ 2,072	\$ 8,967	\$ 9,837	\$ 9,837
Nonproperty Taxes	5,728	5,652	5,558	13,334	13,520	13,010	7,778	7,837	7,374	26,840	27,009	25,943
Fees and Services	1,228	1,134	1,016	-	-	-	421	337	337	1,650	1,471	1,352
Fines and Forfeitures	326	315	317	-	-	-	16	9	9	342	324	326
Licenses and Permits	682	570	645	-	-	-	6	7	7	688	577	652
Intergovernmental	355	296	302	131	-	-	3,530	3,530	1,846	4,016	3,827	2,147
Mis. and Program Revenues	390	195	291	874	120	275	1,103	160	165	2,368	475	730
Other Financing Sources	121	167	305	296	-	-	8,241	2,803	1,717	8,658	2,970	2,022
<b>Total Revenues</b>	<b>15,959</b>	<b>15,837</b>	<b>16,199</b>	<b>14,635</b>	<b>13,640</b>	<b>13,285</b>	<b>22,934</b>	<b>16,737</b>	<b>13,525</b>	<b>53,528</b>	<b>46,214</b>	<b>43,010</b>
<b>EXPENDITURES</b>												
<b>General Government</b>												
City Council	14	26	26	-	-	-	1	4	4	16	30	30
City Manager's Office	678	825	844	-	-	-	2	4	4	680	829	848
Finance	534	577	602	-	-	-	-	-	-	534	577	602
Planning	94	104	107	-	-	-	-	-	-	94	104	107
Information Technology	670	900	842	-	-	-	-	-	-	670	900	842
Human Resources	318	368	404	-	-	-	-	-	-	318	368	404
Environmental Health Services	503	559	651	-	-	-	99	106	80	602	665	730
General Services	1,133	1,302	1,311	-	-	-	6	83	-	1,140	1,385	1,311
Special Projects	136	463	71	41	84	74	344	198	61	521	745	207
<b>Total General Government</b>	<b>4,080</b>	<b>5,124</b>	<b>4,857</b>	<b>41</b>	<b>84</b>	<b>74</b>	<b>454</b>	<b>395</b>	<b>149</b>	<b>4,575</b>	<b>5,603</b>	<b>5,080</b>
<b>Public Safety</b>												
Municipal Court	300	357	369	-	-	-	2	6	6	302	363	375
Police	3,547	4,119	4,067	-	-	-	71	120	78	3,618	4,238	4,145
Fire	3,039	3,200	3,289	-	-	-	419	457	432	3,458	3,657	3,722
Emergency Management	10	20	20	-	-	-	-	-	-	10	20	20
<b>Total Public Safety</b>	<b>6,896</b>	<b>7,696</b>	<b>7,744</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>492</b>	<b>582</b>	<b>517</b>	<b>7,388</b>	<b>8,278</b>	<b>8,262</b>
<b>Public Works</b>												
Building Maintenance	197	238	215	-	-	-	-	-	-	197	238	215
Inspections	306	412	430	-	-	-	-	-	-	306	412	430
Fleet Management	453	749	601	-	-	-	-	-	-	453	749	601
Public Works	1,406	1,772	1,529	-	-	-	94	65	-	1,500	1,838	1,529
<b>Total Public Works</b>	<b>2,362</b>	<b>3,171</b>	<b>2,775</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94</b>	<b>65</b>	<b>-</b>	<b>2,456</b>	<b>3,236</b>	<b>2,775</b>

## Three Year - Consolidated Financial Statement - In Thousands - continued

	General Fund			Hotel/Motel & Venue Project Funds			Other Funds & Component Unit			Total Funds		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
	Actual	Final	Adopted	Actual	Final	Adopted	Actual	Final	Adopted	Actual	Final	Adopted
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
<b>EXPENDITURES</b>												
<b>Shoreline</b>												
Shoreline	-	-	-	-	-	-	1,385	3,353	1,469	1,385	3,353	1,469
Beach Renourishment	-	-	-	-	-	-	69	722	5	69	722	5
Total Shoreline	-	-	-	-	-	-	1,454	4,075	1,474	1,454	4,075	1,474
<b>Transportation</b>												
Island Metro	-	-	-	-	-	-	1,845	2,136	2,019	1,845	2,136	2,019
Metro Connect	-	-	-	-	-	-	-	-	-	-	-	-
Total Transportation	-	-	-	-	-	-	1,845	2,136	2,019	1,845	2,136	2,019
<b>Community Service</b>												
Component Unit	-	-	-	-	-	-	650	1,282	898	650	1,282	898
Parks & Recreation	-	-	-	-	-	-	128	132	247	128	132	247
Total Community Service	-	-	-	-	-	-	778	1,414	1,145	778	1,414	1,145
<b>Convention &amp; Visitors Bureau</b>												
Visitors Bureau	-	-	-	130	158	161	-	-	-	130	158	161
Sales and Administration	-	-	-	1,776	2,472	2,484	-	-	-	1,776	2,472	2,484
Events Marketing	-	-	-	949	1,324	1,046	-	-	-	949	1,324	1,046
Marketing	-	-	-	3,767	4,383	4,625	-	-	-	3,767	4,383	4,625
SPI Historical Museum	-	-	-	34	41	41	-	-	-	34	41	41
Convention Centre	-	-	-	-	-	-	1,592	1,795	1,823	1,592	1,795	1,823
Total Convention & Visitors Bureau	-	-	-	6,655	8,378	8,358	1,592	1,795	1,823	8,247	10,173	10,180
Capital Outlay	435	840	117	172	3,922	-	6,702	8,629	175	7,309	13,391	292
Debt Service	65	22	4	1	-	-	2,619	2,810	2,914	2,685	2,832	2,917
Other Financing Uses	1,201	550	595	593	606	614	2,320	1,733	721	4,114	2,889	1,930
Total Expenditures	15,039	17,403	16,093	7,462	12,990	9,046	18,349	23,635	10,936	40,850	54,028	36,075
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>												
	920	(1,566)	106	7,173	650	4,240	4,585	(6,898)	2,589	12,678	(7,815)	6,935
Fund Balance -- Beginning	10,744	11,664	10,098	26,619	33,792	34,442	25,305	29,890	22,992	62,668	75,346	67,532
Fund Balance -- Ending	\$ 11,664	\$ 10,098	\$ 10,204	\$ 33,792	\$ 34,442	\$ 38,681	\$ 29,890	\$ 22,992	\$ 25,581	\$ 75,346	\$ 67,532	\$ 74,467

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# **CAPITAL IMPROVEMENT PLAN - 5 YEAR**

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## Capital Assets

The Fixed Assets Policy of the City of South Padre Island defines a capital asset as a piece of equipment, or investment in general infrastructure, that has a value in excess of \$5,000.00 and has an expected useful life of greater than one year. The Governmental Accounting Standards Board (“GASB”) has issued Statement 34, dictating the requirements for the reporting of such assets. The annual value of such assets is reported in the Annual Comprehensive Financial Report.

### Asset Classes

Assets shall be assigned to one of the following class groups, for the purposes of reporting in government-wide financial statements: land and land improvements, buildings and building improvements, furniture & equipment, infrastructure.

#### Land and Land Improvements

Land and land improvements, including easements and rights of way, are assigned an indefinite useful life. No depreciation is applied to land and land improvements.



#### Buildings

This includes all buildings and building-related structures. Construction-in-progress is considered as a separate type of construction and is tracked as a separate asset until the time of completion, at which point the value is reclassified as either a new building or related structure, or added to the value of the construction renovated.

Buildings

39 years



#### Improvements Other Than Buildings

These improvements are permanent and non-moveable. They add value to land but have a limited useful life.

Fences	15 years
Retaining walls	15 years
Parking lots	15 years
Landscaping	15 years

## Furniture & Fixtures, Machinery & Equipment, Vehicles, Radio Equipment, and Software

Machinery and equipment typically comprises the largest number of assets, but comprises the smallest overall value in relation to other classes. Machinery and equipment are given consideration within the following sub classes, with related useful life:

Machinery & tools	7 years
Furniture & accessories	7 years
Communications equipment	7 years
Computer equipment	5 years
Computer software	3 years
Audiovisual equipment	7 years
Grounds maintenance equipment	7 years
Police vehicles	5 years
Fire protection vehicles	7 years
Other licensed vehicles	5 years



## Infrastructure

Investment in systems that provide a critical service to a municipality when considered as a system, but not a distinct separate asset, is recorded as infrastructure. By its nature, infrastructure is difficult to define as a separate system, and is difficult to define useful life on a broad basis. The Governmental Accounting Standards Board has recommended, and the City of South Padre Island has adopted, reporting of infrastructure using the following subclasses and relative useful life for the subclasses:

Streets/alleys - subsurface	0 years
Streets/alleys - asphalt	15 years
Traffic control signals	10 years
Sidewalks and curbing	15 years
Street lighting	15 years



## Recurring Capital Expenditures

Description	Funding Source	Amount
Buildings & Structures - BNC Building Facility	BNC Facility Maint. Fund	\$ 75,000
<b>Total</b>		<b>\$ 75,000</b>

## Non-Recurring Capital Expenditures

Description	Funding Source	Amount
Motor Vehicles - Police	General Fund	\$ 75,000
Motor Vehicles - Public Works	General Fund	42,000
Machinery & Equipment - Convention Center	Convention Center Fund	45,000
Motor Vehicles - EHS	Beach Maintenance Fund	25,000
Access Matting - Shoreline	Beach Access Fund	30,000
<b>Total</b>		<b>\$ 217,000</b>

<b>Total Capital Expenditures</b>	<b>\$ 292,000</b>
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## Summary of Non-Recurring Capital Expenditures

The majority of the amounts budgeted for building improvements and machinery equipment relate to the City's facilities maintenance plan, which was approved by City Council.

A total of \$75,000 has been budgeted for recurring building improvements in the BNC Facility Maintenance Fund. Building improvements are scheduled for the Bird & Nature Center

A total of \$117,000 has been budgeted in the General Fund for the purchase of the following vehicles:

- Replacement of a Police Department Chevrolet Tahoe - \$75,000
- Replacement of a Public Works Ford Ranger - \$42,000

The Convention Center budget includes \$45,000 for machinery and equipment located at the Convention Center.

A total of \$25,000 has been budgeted in the Beach Maintenance Fund for the replacement of a Code Enforcement ATV.

A total of \$30,000 for the purchase of beach access matting has been budgeted in the Beach Access Fund. Beach access mats serve as walkways on beach accesses for pedestrians, wheelchair users, strollers, and bicycles.



## CIP Advisory Committee

Mayor: Patrick McNulty  
Mayor Pro Tem: Kerry Schwartz  
Council Member: Rees Langston  
Council Member: Lisa Graves  
Council Member: Joe Ricco  
Council Member: Ken Medders Jr.

## General Summary

A capital improvement program (CIP) is a multi-year plan that identifies and prioritizes projects related to public facilities and services. On November 3rd, 2009, the voters approved a home rule charter for South Padre Island. Section 5.09 of the charter requires that the City Manager annually prepare and submit to the City Council a five-year capital program (Capital Improvement Plan).

Section 5.09 further requires that the capital program (Capital Improvement Plan) include:

1. A clear general summary of its contents.
2. Identification of the long-term goals of the community as stated in the City's Comprehensive Plan.
3. A list of all capital improvements and other capital expenditures which are proposed to be undertaken during the fiscal years next ensuing, with appropriate information as to the necessity for each.
4. Cost estimates and recommended time schedules for each improvement or other capital expenditure.
5. Method of financing upon which each capital expenditure is to be reliant.
6. The estimated annual cost of operating and maintaining the facilities to be constructed or acquired.
7. A commentary on how the plan addresses the sustainability of the community and the region of which it is a part.
8. Methods to measure outcomes and performance of the capital plan related to the long-term goals of the community.

The Capital Improvement Plan must be submitted no later than the time of submission of the operating budget for the ensuing fiscal year, which is on or before sixty days prior to the beginning of each fiscal year (Home Rule Charter – Section 5.02).

Home Rule Charter - Section 5.10 requires that the City Council provide for a public hearing on the Capital Improvement Plan and shall give notice by publishing the general summary of the capital improvement program and a notice stating:

1. The times and places where copies of the capital program are available for inspection by the public.
2. The time and place, not less than two weeks after such publication, for a hearing on the capital program.

The City Council by resolution shall adopt the capital program with or without amendment after the public hearing and at the same time it adopts the ensuing fiscal year budget.

## Capital Improvements Plan Introduction

The City of South Padre Island Capital Improvement Plan (CIP) is a valuable part of the community planning process. The CIP links local infrastructure investments with comprehensive plan goals, land use ordinances and economic development efforts. The CIP bridges the gap between planning and spending, between the visions of the comprehensive plan and the fiscal realities of improving and expanding community facilities. The purpose of the Capital Improvement Plan (CIP) policy is to create a fair and consistent process outlining procedures for proposing, evaluating, and adopting capital projects creating long-term benefits.

## Goals

### 1. Preserving public health, safety, and welfare

Providing the basic services that ensure citizen health and safety is the fundamental responsibility of local government. Programs of regular facility maintenance upgrades and expansion of government services to meet minimum federal, state and local standards are essential to any community. The cumulative effect of deferring major maintenance expenditures and basic improvement of essential services is often an expensive series of stopgap measures that fail to address comprehensive, long-term needs.

### 2. Anticipating the demands of growth

When related to the comprehensive plan, the capital improvements programming process works to anticipate investments in community facilities which are needed to serve or shape the pattern of growth and development.

### 3. Supporting economic development

Communities having sound fiscal health and high-quality facilities and services are attractive to business and potential residents. New corporate investment and reinvestment in a community may be influenced by improvements that enhance the quality of life for the company management and their labor force. Private decisions that bring jobs to an area and new taxes to a community are based not only on availability of water and sewer, but also upon the quality of schools, public safety, recreation opportunities and many other services.

### 4. Developing a fair distribution of capital costs

The CIP process allows for public discussion of the preferred means of distributing capital costs not only over time, but also among users of the facilities to be financed. Some communities prefer to pay for capital costs out of current revenues and absorb a high but single year tax increase. Other communities prefer to establish annual appropriations to capital reserve accounts to save for future projects. Still others feel that construction should take place as needed, and be funded by debt, returned by both existing and future users of the facility. In some cases, user fees may be deemed more appropriate than property taxes. Federal or state funds may also be available to help finance specific projects. The CIP process can promote discussion of fairness in fiscal policy.

### 5. Avoiding undue tax increases

Capital improvements planning is a means of avoiding the unpleasant surprise of expensive projects generating large property tax increases. While cost impacts cannot always be precisely determined in advance, the CIP fosters discussion of the distribution of the tax burden of new capital expenditures over time. A corollary benefit of fiscal stability and sound community facility planning can result in an improved bond rating.

## Definition

The CIP is a five-year planning document adopted annually by the City Council to plan for capital improvements related to the City's beach re-nourishment efforts, streets and drainage, parks and recreational amenities, and facilities infrastructure. The Capital Improvement Plan is not to be confused with the Capital Improvement Budget. The Capital Improvement Budget is prepared each year in conjunction with the annual Operating Budget. It generally includes only those projects from the first year of the Capital Improvement Plan funded during the current year.

A capital project is defined as having a minimum cost of \$50,000 resulting in

1. Creation of a new fixed asset.
2. Enhancement to an existing fixed asset.

Typically, the life expectancy of a capital project is 20 years. Examples include construction or expansion of public buildings, the acquisition of land for public use, planning, and engineering costs and street construction.

## CIP Development Process

The City Manager, or designee, is responsible for coordinating the CIP process each year. Each Department Director will submit projects in a form and timeframe annually established by the City Manager. The City Council appointed a Capital Improvements Advisory Committee to prioritize and rank projects according to the criteria listed in the Project Criteria Section.

Citizens may submit capital projects for consideration electronically using the CIP Project Request Form available on the City's website: [www.myspi.org](http://www.myspi.org). Forms will also be available in a written format in the lobby of City Hall at 4601 Padre Boulevard. Members of the public should forward all materials concerning their submission to the City Manager or designee to be incorporated into the CIP process.

Departments will include as part of their project proposal:

1. A **Project Description** providing an overview and justification of the project. Requests should be made and include estimated linear feet, square feet, or other applicable measurements.
2. In the **Comprehensive Plan Section**, each project submission must illustrate compliance with the Comprehensive Plan by linking the project to a specific goal or objective.
3. Under **Fiscal**, possible funding options must be identified, including:
  - a. Operating Revenues
  - b. Reserves and/or Debt
  - c. Grants
  - d. Partnerships
  - e. Dedicated Fees
4. Proposed **Schedule** for design, bid, and construction.
5. Estimated **Operating Costs** – The estimated annual cost of operating and maintaining the capital asset.
6. **Sustainability** – Defines how the capital project contributes to the sustainability goals of the City.
7. Identification of **Project Leader**.
8. Complete **Notes** as necessary to explain unique situations and circumstances pertaining to the project.

Additional information may be requested about the project by the City Manager/designee and/or the members of the CIP Advisory Committee.



## Project Criteria

The evaluation of proposed capital projects will be in accordance with the following criteria. Attachment A provides the criteria scorecard used in the evaluation process:

1. **Public Health and Safety** – Project improving the public health and safety of the community will be rated with highest priority. Projects must demonstrate the benefit provided to the community and possible risks from not completing the project. Compliance with state and federal mandates fall under this category. (25 points)
2. **Recreation and Aesthetics** – Projects promoting recreational and aesthetic improvement opportunities for the City of South Padre Island citizens are considered priority. (10 points)
3. **Funding** – Funding availability considerations are included when ranking projects. Grants and funding partnerships are considered first followed by operating revenues, fund balance, and debt. Fund balance may only be used to fund capital projects if the use of reserves will delay or eliminate a proposed bond issue and sufficient fund balance exists to provide necessary contingency reserves. Debt may be issued to fund non-continuous capital projects benefiting future citizens only after alternative funding sources are explored. (15 points)
4. **Economic Development/Tourism** – Projects promoting desirable economic development and or enhancing tourism within the City shall be rated including but not limited to beach re-nourishment projects and the economic support of the convention and hotel industry. (20 points)
5. **Service and Operational Impact** – The service category prioritizes projects including promotion of improved service delivery or reduction of increased maintenance costs including rehabilitating aging infrastructure. A cost-benefit analysis shall be done to weigh the impact of project rehabilitation to determine if the project will reduce future ongoing maintenance costs. Performance data will also be analyzed when considering projects related to improved service delivery. Future operation and maintenance expenses will be considered as part of this analysis. (10 points)
6. **Strategic Alignment** – Projects will be evaluated to determine alignment with strategic priorities identified by the City Council and with strategic planning documents such as the Comprehensive Plan. (10 points)
7. **Sustainability** – Projects designed with environmental impact consideration and creation of the smallest possible ecological footprint and produces the lowest quantity of pollution possible. In an effort to make the City of South Padre Island more sustainable, projects considered environmentally conscious and promote “sustainability thinking” will be awarded additional points through the sustainability criteria. (10 points)

## CIP Amendment

Amendments to the CIP effecting the current fiscal year must be recommended by the City Manager and approved by the City Council through a budget amendment. Amendments will be considered according to project scoring criteria as previously identified. Higher priority will be given to projects necessary for the public health and safety, desirable economic development, and funding availability.

## Attachment A: CIP Project Evaluation Scorecard

Project Name: \_\_\_\_\_

Maximum Points	Project Criteria	Number of Points
25	Public Health and Safety/ Federal Mandate	
10	Recreation and Aesthetics	
15	Funding	
20	Economic Development/Tourism	
10	Service and Operational Impact	
10	Strategic Alignment	
10	Sustainability	

Total Points: \_\_\_\_\_

## CIP Process Schedule

Dates	Item
<b>April 14, 2024</b>	Capital Improvement Plan (CIP) forms and instructions will be posted on the City's website, distributed to staff, and made available to the public.
<b>May 2, 2024</b>	CIP project request forms are due back from the public and staff to the City Manager or designee.
<b>June 19, 2024</b>	CIP draft will be presented to City Council at the Budget Workshop.
<b>July 12, 2024</b>	Publish a general summary of the CIP and note the time and places where copies of the CIP are available for public inspection.
<b>July 29, 2024</b>	CIP will be officially submitted to the City Council.
<b>August 7, 2024</b>	Conduct a public hearing for discussion of the 5 Year CIP.
<b>August 21, 2024</b>	Consideration and action on approval of Resolution adopting the 5 Year CIP at the same time as adopting the ensuing fiscal year budget.



# Capital Improvement Plan Project List by Type:

The most recent Capital Improvement Plan can be found at [https://www.myspi.org/egov/documents/1724346961\\_29928.pdf](https://www.myspi.org/egov/documents/1724346961_29928.pdf).

## Shoreline Projects:

- ☐ Beach Renourishment/Beneficial Use of Dredge Material (BUDM)
- ☐ Dune Restoration
- ☐ Coastal Management Program (CMP)
- ☐ Marisol Boat Ramp and Infrastructure
- ☐ Tompkins Channel Maintenance Dredging and Expansion
- ☐ Bayside Restoration and Recreation
- ☐ Shoreline and Beach Access Facility
- ☐ Marina

## Public Works/Planning Projects:

- ☐ Street Reconstruction and Maintenance
- ☐ Drainage Improvements
- ☐ Crew and Equipment Building
- ☐ Street Lights (Option 1, 2 & 3)

## Parks & Recreation/ Beautification Projects:

- ☐ Pickleball Court - Phase III
- ☐ Water Tower Park Renovation
- ☐ Dog Park
- ☐ Queen Isabella Memorial Causeway Illumination

## Police Safety Projects:

- ☐ Fire Station 1 - Covered Parking

## Venue Tax Projects:

- ☐ November 2016 Venue Tax Election Project - Total Project
  - A. Amphitheater/Events Center/Convention Center Expansion
  - B. Development for Wind Sports Park
  - C. Parking Structure

# Capital Improvement Plan Project List by Rank:

## Tier 1 Projects: (100 Points)

- ☐ Beach Renourishment/Beneficial Use of Dredge Material (BUDM)
- ☐ Dune Restoration
- ☐ Coastal Management Program (CMP)
- ☐ Marisol Boat Ramp and Infrastructure
- ☐ Street Reconstruction and Maintenance

## Tier 2 Projects: (90 Points)

- ☐ Tompkins Channel Maintenance Dredging and Expansion
- ☐ November 2016 Venue Tax Election Project - Total Project
  - A. Amphitheater/Events Center/Convention Center Expansion (90 Points)
  - B. Development for Wind Sports Park (90 Points)
  - C. Parking Structure (85 Points)
- ☐ Pickleball Court - Phase III

## Tier 3 Projects: (85 Points)

- ☐ Bayside Restoration and Recreation
- ☐ Shoreline and Beach Access Facility
- ☐ Water Tower Park Renovation

## Tier 4 Projects: (75 Points)

- ☐ Marina
- ☐ Drainage Improvements
- ☐ Dog Park

## Tier 5 Projects: (65 Points)

- ☐ Queen Isabella Memorial Causeway Illumination
- ☐ Fire Station 1 - Covered Parking

## Tier 6 Projects: (55-60 Points)

- ☐ Street Lights (Option 1, 2 & 3)

## Tier 7 Projects: (Anything with less than 55 Points)

- ☐ Crew and Equipment Building

## Completed Capital Improvement Projects:

- Beach Renourishment/Beneficial Use of Dredge Material (BUDM) - Completed 2023
- CMP Cycle 26 (Sea Island Circle Improvements) - Completed 2024
- CMP Cycle 25 (Whitecapd Circle Improvements) - Completed 2023
- Tompkins Channel Maintenance Dredging - Completed 2024 (Will need to reoccur every 10 years)
- Reconstruction of Laguna Boulevard and Drainage Improvements - Completed 2024
- Street Reconstruction and Maintenance (E. Mars, Laguna Circle South, Morning Side Drive, W. Lantana, E. Bahama, and E. Retama)
- John L. Tompkins Park Pahse III
- Pickleball Park - Phase I & II
- Median Boardwalk & Sidewalk Improvements - Completed 2022
- John L. Tompkins Park Phase II -Completed 2022
- Upgrade Jail/Holding Facility Security and Cameras - Completed 2022
- Multi-Model Transit Center - (Completed April 2019)
- Visitors Center Upgrades - (Completed June 2019)
- Water Tower Park Repairs - (Completed September 2018)
- John L. Tompkins Park Phase I (Phase II Completion Estimated summer of 2021)
- Fire Station #1
- Tompkins Channel Dredging
- Boat Ramps at Bay Endings
- South PR 100 Street Lighting
- Coastal Management Program
- Street Reconstruction and Maintenance
- Community Center (Old City Hall)
- Convention Center Improvements

A summarized matrix of projects is attached for project included in the 2024-2028 Capital Improvement Plan. Projects are in order by rank.

## Tier 1

Project	Comprehensive Plan Goal	Schedule	Estimated Duration	Fiscal Cost Derived From	Funding Sources	Project Cost / Operating Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Total Cost
Beneficial Use of Dredge Material (BUDM)	Chapter 9	On-Going	On-Going	Actual Estimate	HOT - Fund 81	Project Cost	\$800,000	\$800,000	\$1,000,000	\$1,200,000	\$1,200,000	\$5,000,000
				Actual Estimate	CEPRA-GLO	Project Cost	\$2,200,000	\$2,300,000	\$2,300,000	\$2,500,000	\$2,500,000	\$11,800,000
				Actual Estimate	Fund 60 (HOT)	Operating Cost	\$50,000	\$50,000	\$75,000	\$75,000	\$75,000	\$325,000
PC 1:	PC 2:	PC 3:	PC 4:	PC 5:	PC 6:	PC 7:	Total					
25	10	15	20	10	10	10	100					
Dune Restoration	Chapter 9	On-Going	On-Going	Actual Estimate/ Based on Similar Project	Fund 81 (HOT)	Project Cost	\$235,000	\$75,000	\$75,000	\$75,000	\$75,000	\$535,000
				Actual Estimate/ Based on Similar Project	Potential CMP	Project Cost	\$200,000	\$0	\$0	\$0	\$0	\$200,000
				Actual Estimate/ Based on Similar Project	Potential NFWF	Project Cost	\$200,000	\$0	\$0	\$0	\$0	\$200,000
				Actual Estimate/ Based on Similar Project	CEPRA-GLO	Project Cost	\$0	\$250,000	\$200,000	\$250,000	\$200,000	\$900,000
				Actual Estimate/ Based on Similar Project	Fund 60 (HOT)	Operating Cost	\$20,000	\$20,000	\$20,000	\$20,000	\$30,000	\$110,000
PC 1:	PC 2:	PC 3:	PC 4:	PC 5:	PC 6:	PC 7:	Total					
25	10	15	20	10	10	10	100					
Marisol Boat Ramp and Infrastructure	Chapter 9	2018/19-2024/25	Multi-Year	Actual Estimate	HOT Funds	Project Cost	\$450,000	\$0	\$0	\$0	\$0	\$450,000
				Actual Estimate	TPWD	Project Cost	\$50,000	\$0	\$0	\$0	\$0	\$50,000
				Actual Estimate	RESTORE Funds	Project Cost	\$725,729	\$400,000	\$0	\$0	\$0	\$1,125,729
				Actual Estimate	Fund 60 (HOT)	Operating Cost	\$0	\$10,000	\$15,000	\$15,000	\$15,000	\$55,000
PC 1:	PC 2:	PC 3:	PC 4:	PC 5:	PC 6:	PC 7:	Total					
25	10	15	20	10	10	10	100					
Street Reconstruction and Maintenance	Chapter 6	2017/18 - 2025/26	On-Going	Limited Information	Loan	Project Cost	TBD	TBD	TBD	TBD	TBD	TBD
				Limited Information	01-543-0416	Operating Cost	\$54,000	\$54,000	TBD	TBD	TBD	\$108,000
PC 1:	PC 2:	PC 3:	PC 4:	PC 5:	PC 6:	PC 7:	Total					
25	10	15	20	10	10	10	100					

## Tier 2

Project	Comprehensive Plan Goal	Schedule	Estimated Duration	Fiscal Cost Derived From	Funding Sources	Project Cost / Operating Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Total Cost
Tompkins Channel Maintenance and Dredging	Chapter 9	2019/20 - On-Going	On-Going	Actual Estimate	Fund 60	Project Cost	\$1,700,000	\$0	\$500,000	\$0	\$0	\$2,200,000
				Actual Estimate	Fund 60	Operating Cost	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$20,000
PC 1:	PC 2:	PC 3:	PC 4:	PC 5:	PC 6:	PC 7:	Total					
25	10	15	20	0	10	10	90					
Venue Tax Projects												
A. Ampitheater / Events Center / Convention Center Expansion	Chapter 5	2019-Unknown	Multi-Year	Limited Information	Venue Tax	Project Cost	TBD	TBD	TBD	TBD	TBD	TBD
				Limited Information	Venue	Operating Cost	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
				Limited Information	HOT Funds	Operating Cost	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
PC 1:	PC 2:	PC 3:	PC 4:	PC 5:	PC 6:	PC 7:	Total					
25	10	15	20	10	10	0	90					
B. Wind & Water Sports Park (Venue)	Chapter 9	2017/18-2025/26	Multi-Year	Actual Estimate	Fund 03	Project Cost	\$0	\$1,500,000	\$0	\$0	\$0	\$1,500,000
				Actual Estimate	Fund 60	Operating Cost	\$5,000	\$5,000	\$20,000	\$10,000	\$10,000	\$50,000
PC 1:	PC 2:	PC 3:	PC 4:	PC 5:	PC 6:	PC 7:	Total					
25	10	15	20	0	10	10	90					
C. Parking Structure	Chapter 8	Unknown	Multi-Year	Limited Information	Venue Tax	Project Cost	\$0	\$350,000	\$360,000	\$675,000	\$1,325,000	\$2,710,000
				Limited Information	Venue Tax	Operating Cost	TBD	TBD	TBD	TBD	TBD	TBD
PC 1:	PC 2:	PC 3:	PC 4:	PC 5:	PC 6:	PC 7:	Total					
25	10	0	20	10	10	10	85					

## Tier 3

Project	Comprehensive Plan Goal	Schedule	Estimated Duration	Fiscal Cost Derived From	Funding Sources	Project Cost / Operating Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Total Cost
Bayside Restoration (Formally Rip Rap Bay Endings)	Chapter 9	2020/21	On-Going	Limited Information	Fund 60 (HOT)	Project Cost	TBD	TBD	TBD	TBD	TBD	TBD
				Limited Information	Potential Grant	Project Cost	TBD	TBD	TBD	TBD	TBD	TBD
				Limited Information	Fund 60 (HOT)	Operating Cost	TBD	TBD	TBD	TBD	TBD	TBD
<b>PC 1:</b>	<b>PC 2:</b>	<b>PC 3:</b>	<b>PC 4:</b>	<b>PC 5:</b>	<b>PC 6:</b>	<b>PC 7:</b>	<b>Total</b>					
25	10	0	20	10	10	10	85					
Shoreline and Beach Access Facility	Chapter 9	Unknown	Multi-Year	Limited Information/ Not Supported	Fund 60	Project Cost	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
				Limited Information/ Not Supported	Potential Grant	Project Cost	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
				Limited Information/ Not Supported	HOT Funds - Fund 60	Operating Cost	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
<b>PC 1:</b>	<b>PC 2:</b>	<b>PC 3:</b>	<b>PC 4:</b>	<b>PC 5:</b>	<b>PC 6:</b>	<b>PC 7:</b>	<b>Total</b>					
25	10	0	20	10	10	10	85					
Water Tower Park Renovation	Chapter 7	2024/25	One-Year	Actual Estimate	Unknown	Project Cost	\$220,000	\$0	\$0	\$0	\$0	\$220,000
				Actual Estimate	General Fund	Operating Cost	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500 annually
<b>PC 1:</b>	<b>PC 2:</b>	<b>PC 3:</b>	<b>PC 4:</b>	<b>PC 5:</b>	<b>PC 6:</b>	<b>PC 7:</b>	<b>Total</b>					
25	10	0	20	10	10	10	85					

## Tier 4

Project	Comprehensive Plan Goal	Schedule	Estimated Duration	Fiscal Cost Derived From	Funding Sources	Project Cost / Operating Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Total Cost
Marina	Chapter 9	2019/20	On-Going	Actual Estimate/ Limited Information	EDC Funds	Project Cost	\$42,850	\$0	\$0	\$0	\$0	\$42,850
				Actual Estimate/ Limited Information	Cameron County	Project Cost	\$42,850	\$0	\$0	\$0	\$0	\$42,850
				Actual Estimate/ Limited Information	TPWD	Project Cost	\$181,125	\$0	\$0	\$0	\$0	\$181,125
				Actual Estimate/ Limited Information	Potential NFWF	Project Cost	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
				Actual Estimate/ Limited Information	Potential GLO Grant	Project Cost	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
				Actual Estimate/ Limited Information	Clean Vessel Act	Project Cost	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
				Actual Estimate/ Limited Information	Potential FEMA	Project Cost	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
				Actual Estimate/ Limited Information	Unknown	Operating Cost	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
				PC 1:	PC 2:	PC 3:	PC 4:	PC 5:	PC 6:	PC 7:	Total	
				0	10	15	20	10	10	10	75	
Drainage Improvements	Chapter 10	2023/24	On-Going	Based on Similar Project	Grant	Project Cost	\$132,500	TBD	TBD	TBD	TBD	TBD
				Based on Similar Project	General Fund	Project Cost	\$132,500	TBD	TBD	TBD	TBD	\$10,000,000
				Based on Similar Project	01-543-0417	Operating Cost	\$50,000	\$25,000	\$50,000	\$25,000	\$50,000	\$200,000
				PC 1:	PC 2:	PC 3:	PC 4:	PC 5:	PC 6:	PC 7:	Total	
				25	0	0	20	10	10	10	75	
Dog Park	Chapter 7	Unknown	Multi-Year	Not Supported	Unknown	Project Cost	\$450,000	\$0	\$0	\$0	\$0	\$450,000
				Not Supported	Unknown	Operating Cost	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$12,500
				PC 1:	PC 2:	PC 3:	PC 4:	PC 5:	PC 6:	PC 7:	Total	
				25	10	0	20	0	10	10	75	

## Tier 5

Project	Comprehensive Plan Goal	Schedule	Estimated Duration	Fiscal Cost Derived From	Funding Sources	Project Cost / Operating Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Total Cost
Queen Isabella Memorial Causeway Lighting	Chapter 5	Unknown	Multi-Year	Not Supported	Unknown	Project Cost	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
				Not Supported	Unknown	Operating Cost	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
<b>PC 1:</b>	<b>PC 2:</b>	<b>PC 3:</b>	<b>PC 4:</b>	<b>PC 5:</b>	<b>PC 6:</b>	<b>PC 7:</b>	<b>Total</b>					
25	10	0	20	0	10	0	65					
Fire Station 1 - Covered Parking	Chapter 8	2024/25	One-Year	Limited Information	General Fund	Project Cost	\$80,000	\$0	\$0	\$0	\$0	\$80,000
				Limited Information	01-522-0411	Operating Cost	\$500	\$500	\$500	\$500	\$500	\$2,500
<b>PC 1:</b>	<b>PC 2:</b>	<b>PC 3:</b>	<b>PC 4:</b>	<b>PC 5:</b>	<b>PC 6:</b>	<b>PC 7:</b>	<b>Total</b>					
25	10	0	0	10	10	10	65					

## Tier 6

Project	Comprehensive Plan Goal	Schedule	Estimated Duration	Fiscal Cost Derived From	Funding Sources	Project Cost / Operating Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Total Cost
Street Lighting (Opt. 1)	Chapter 4	Unknown	One-Year	Limited Information	Unknown	Project Cost	\$195,000	\$0	\$0	\$0	\$0	\$195,000
				Limited Information	Unknown	Operating Cost	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
<b>PC 1:</b>	<b>PC 2:</b>	<b>PC 3:</b>	<b>PC 4:</b>	<b>PC 5:</b>	<b>PC 6:</b>	<b>PC 7:</b>	<b>Total</b>					
25	10	0	0	10	0	0	45					
Street Lighting (Opt. 2)	Chapter 4	Unknown	One-Year	Limited Information	Unknown	Project Cost	\$0	\$180,000	\$0	\$0	\$0	\$180,000
				Limited Information	Unknown	Operating Cost	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
<b>PC 1:</b>	<b>PC 2:</b>	<b>PC 3:</b>	<b>PC 4:</b>	<b>PC 5:</b>	<b>PC 6:</b>	<b>PC 7:</b>	<b>Total</b>					
25	10	0	0	10	0	0	45					
Street Lighting (Opt.3)	Chapter 4	Unknown	One-Year	Based on Similar Project	Unknown	Project Cost	\$0	\$4,000,000	\$0	\$0	\$0	\$4,000,000
				Based on Similar Project	Unknown	Operating Cost	\$0	\$1,600	\$1,600	\$1,600	\$1,600	\$6,400
<b>PC 1:</b>	<b>PC 2:</b>	<b>PC 3:</b>	<b>PC 4:</b>	<b>PC 5:</b>	<b>PC 6:</b>	<b>PC 7:</b>	<b>Total</b>					
25	10	0	0	10	0	10	55					

## Tier 7

Project	Comprehensive Plan Goal	Schedule	Estimated Duration	Fiscal Cost Derived From	Funding Sources	Project Cost / Operating Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Total Cost
Crew and Equipment Building	Chapter 8	Unknown	Multi-Year	Limited Information	Unknown	Project Cost	\$0	\$0	\$1,275,000	\$4,250,000	\$4,250,000	\$9,775,000
				Limited Information	General Fund	Operating Cost	TBD	TBD	TBD	TBD	TBD	TBD
PC 1:	PC 2:	PC 3:	PC 4:	PC 5:	PC 6:	PC 7:	Total					
0	10	0	0	10	10	10	40					

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# DEBT

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## Effects of Current Debt Levels

### City Budget:

Debt payments pledged with property taxes don't have a negative impact on current operations as it doesn't reduce funding for maintenance and operations in the General Fund. The approved budget projects a total of \$1,898,475 in property tax revenue allocated to the General Debt Service Fund. The approved budget also includes a total of \$2,013,428 for debt payments (principal and interest) in the General Debt Service Fund.

For the venue tax related debt, debt service represents about 16.67% of total venue tax revenues, and currently revenues are much higher than venue tax operating expenditures as some projects are still in planning stages. The approved budget includes a total of \$507,288 of other financing sources allocated to the Venue Debt Service Fund. Other financing sources relate to transfers from the Venue Tax Fund. The approved budget also includes a total of \$507,288 for debt payments (principal and interest) in the Venue Debt Service Fund.

### Component Unit Budget:

Debt issued by the City's Component Unit also known as South Padre Island Economic Development Corporation (EDC) are secured by a lien and pledge of the sales tax revenues of the EDC. The annual debt service issued by the EDC was reduced through a refunding in past fiscal years which, combined with a significant increase in sales tax during and after pre-COVID times, have provided additional funding for economic development. The approved budget includes a total of \$397,650 of other financing sources allocated to the EDC Debt Service Fund. Other financing sources relate to transfers from the EDC Fund. The approved budget also includes a total of \$392,900 for debt payments (principal and interest) in the EDC Debt Service Fund.

## Outstanding Debt

Fiscal Year Ended	General Obligation Debt			Tax Anticipation Notes			Venue Tax Revenue Bonds			Total Principal & Interest	% of Principal Retired
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total		
2029	270	21	291	1,690	146	1,836	245	262	507	2,634	11.40%
2025	590	55	645	975	390	1,365	215	291	506	2,516	20.59%
2026	245	44	289	1,470	334	1,804	225	285	510	2,603	30.62%
2027	255	37	292	1,530	274	1,804	230	278	508	2,604	41.03%
2028	260	29	289	1,585	217	1,802	235	271	506	2,597	51.78%
2030-2034	560	17	577	2,205	72	2,277	1,380	1,154	2,534	5,388	73.20%
2035-2039	-	-	-	-	-	-	1,700	841	2,541	2,541	81.99%
2040-2044	-	-	-	-	-	-	2,065	470	2,535	2,535	92.66%
2045-2047	-	-	-	-	-	-	1,420	101	1,521	1,521	100.00%
	<u>\$ 2,180</u>	<u>\$ 202</u>	<u>\$ 2,382</u>	<u>\$ 9,455</u>	<u>\$ 1,432</u>	<u>\$ 10,887</u>	<u>\$ 7,715</u>	<u>\$ 3,953</u>	<u>\$ 11,668</u>	<u>\$ 24,937</u>	

Note: The schedule above is in thousands.

## Schedule of Overlapping Debt

Taxing Body	Debt Amount	As Of	% Ovlpg	Ovlpg Amt
Cameron Co	\$229,410,000	* 09/30/24	12.03	27,598,023
Laguna Madre Water Dist	54,965,000	* 09/30/24	73.4	40,344,310
Point Isabel ISD	40,030,000	* 09/30/24	60.42	24,186,126
Texas Southmost College	17,805,000	* 09/30/24	17.83	3,174,632
Total Overlapping Debt:				<u>\$95,303,091</u>
South Padre Island, City of **		09/30/24		\$11,635,000*
Total Direct and Overlapping Debt:				<u>\$106,938,091</u>
Total Direct and Overlapping Debt % of A.V.:				2.50%
Total Direct and Overlapping Debt per Capita:				\$44,819

\* Gross Debt.

\*\* Includes General Obligation Bonds and Tax Anticipation Notes.

## Legal Debt Margin

The Citizens adopted the Home Rule Charter for the City of South Padre Island Local Government at an election held on November 3, 2009. The City is permitted by Article II, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. Consequently, no legal debt margin can be calculated. A practical limitation on taxes levied for debt service is \$1.50 per \$100 of assessed valuation as established by the Attorney General of the State of Texas.

## 2012 General Obligation Refunding Bonds

### SOUTH PADRE ISLAND

#### General Obligation Refunding Bonds, Series 2012

#### Debt Service Schedule

Date	Principal	Coupon	Interest	Total Debt Service	Annual Total
3/1/2012	-			-	-
9/1/2012				-	-
3/1/2013	-		44,479.17	44,479.17	
9/1/2013			43,750.00	43,750.00	88,229.17
3/1/2014	25,000.00	2.000%	43,750.00	68,750.00	
9/1/2014			43,500.00	43,500.00	112,250.00
3/1/2015	25,000.00	2.000%	43,500.00	68,500.00	
9/1/2015			43,250.00	43,250.00	111,750.00
3/1/2016	270,000.00	3.000%	43,250.00	313,250.00	
9/1/2016			39,200.00	39,200.00	352,450.00
3/1/2017	280,000.00	3.000%	39,200.00	319,200.00	
9/1/2017			35,000.00	35,000.00	354,200.00
3/1/2018	285,000.00	3.000%	35,000.00	320,000.00	
9/1/2018			30,725.00	30,725.00	350,725.00
3/1/2019	300,000.00	3.000%	30,725.00	330,725.00	
9/1/2019			26,225.00	26,225.00	356,950.00
3/1/2020	310,000.00	3.000%	26,225.00	336,225.00	
9/1/2020			21,575.00	21,575.00	357,800.00
3/1/2021	315,000.00	3.000%	21,575.00	336,575.00	
9/1/2021			16,850.00	16,850.00	353,425.00
3/1/2022	325,000.00	3.000%	16,850.00	341,850.00	
9/1/2022			11,975.00	11,975.00	353,825.00
3/1/2023	335,000.00	3.000%	11,975.00	346,975.00	
9/1/2023			6,950.00	6,950.00	353,925.00
3/1/2024	345,000.00	2.000%	6,950.00	351,950.00	
9/1/2024			3,500.00	3,500.00	355,450.00
3/1/2025	350,000.00	2.000%	3,500.00	353,500.00	
9/1/2025			-	-	353,500.00
3/1/2026	-		-	-	
9/1/2026			-	-	-
3/1/2027	-		-	-	
9/1/2027			-	-	-
3/1/2028	-		-	-	
9/1/2028			-	-	-
3/1/2029	-		-	-	
9/1/2029			-	-	-
3/1/2030	-		-	-	
9/1/2030			-	-	-
3/1/2031	-		-	-	
9/1/2031			-	-	-
3/1/2032	-		-	-	
9/1/2032			-	-	-
	<u>\$ 3,165,000.00</u>		<u>\$ 689,479.17</u>	<u>\$ 3,854,479.17</u>	<u>\$ 3,854,479.17</u>

This bond issue was used for refunding the 2005 General Obligation Bond Series. The purpose for the refunding was to capitalize on the lower interest rates. The 2005 Bonds were at 4.625%, the 2012 refunding interest rate is 3%. This resulted in a net present value savings of \$201,900.

## 2017 Venue Tax Revenue Bonds

### BOND DEBT SERVICE

South Padre Island (Venue HOT)  
Venue Hotel Occupancy Tax Revenue Bonds, Series 2017  
-- FINAL Pricing Numbers, 6/20/17 11:30 AM--

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2018	185,000.00	2.000%	324,837.50	509,837.50
09/30/2019	185,000.00	2.000%	321,137.50	506,137.50
09/30/2020	190,000.00	2.000%	317,437.50	507,437.50
09/30/2021	195,000.00	2.000%	313,637.50	508,637.50
09/30/2022	200,000.00	3.000%	309,737.50	509,737.50
09/30/2023	205,000.00	3.000%	303,737.50	508,737.50
09/30/2024	210,000.00	3.000%	297,587.50	507,587.50
09/30/2025	215,000.00	3.000%	291,287.50	506,287.50
09/30/2026	225,000.00	3.000%	284,837.50	509,837.50
09/30/2027	230,000.00	3.000%	278,087.50	508,087.50
09/30/2028	235,000.00	4.000%	271,187.50	506,187.50
09/30/2029	245,000.00	4.000%	261,787.50	506,787.50
09/30/2030	255,000.00	4.000%	251,987.50	506,987.50
09/30/2031	265,000.00	4.000%	241,787.50	506,787.50
09/30/2032	275,000.00	4.000%	231,187.50	506,187.50
09/30/2033	285,000.00	4.000%	220,187.50	505,187.50
09/30/2034	300,000.00	4.250%	208,787.50	508,787.50
09/30/2035	310,000.00	4.250%	196,037.50	506,037.50
09/30/2036	325,000.00	4.250%	182,862.50	507,862.50
09/30/2037	340,000.00	4.250%	169,050.00	509,050.00
09/30/2038	355,000.00	4.500%	154,600.00	509,600.00
09/30/2039	370,000.00	4.500%	138,625.00	508,625.00
09/30/2040	385,000.00	3.500%	121,975.00	506,975.00
09/30/2041	400,000.00	3.500%	108,500.00	508,500.00
09/30/2042	415,000.00	3.500%	94,500.00	509,500.00
09/30/2043	425,000.00	3.500%	79,975.00	504,975.00
09/30/2044	440,000.00	3.500%	65,100.00	505,100.00
09/30/2045	455,000.00	3.500%	49,700.00	504,700.00
09/30/2046	475,000.00	3.500%	33,775.00	508,775.00
09/30/2047	490,000.00	3.500%	17,150.00	507,150.00
	<b>\$ 9,085,000.00</b>		<b>\$ 6,141,087.50</b>	<b>\$ 15,226,087.50</b>

A hotel occupancy tax was approved by the voters at the November 8, 2016 election. This additional tax shall be used to finance a portion of the Venue Projects approved by the voters. During the regular council meeting of November 16 2016, City Council approved Resolution 2016-35 to establish a venue project fund. The two percent (2%) tax on hotel rooms in the City began to be imposed and collected on January 1, 2017.

## 2020 General Obligation Refunding Bonds

### BOND DEBT SERVICE

City of South Padre Island, Texas  
General Obligation Refunding Bonds, Series 2020 - PRC  
-- FINAL Verified Pricing Numbers, 10/28/20, 2 PM --

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2021	-	-	48,048.33	48,048.33
09/30/2022	-	-	68,100.00	68,100.00
09/30/2023	210,000.00	3.000%	64,950.00	274,950.00
09/30/2024	230,000.00	3.000%	58,350.00	288,350.00
09/30/2025	240,000.00	3.000%	51,300.00	291,300.00
09/30/2026	245,000.00	3.000%	44,025.00	289,025.00
09/30/2027	255,000.00	3.000%	36,525.00	291,525.00
09/30/2028	260,000.00	3.000%	28,800.00	288,800.00
09/30/2029	270,000.00	3.000%	20,850.00	290,850.00
09/30/2030	275,000.00	3.000%	12,675.00	287,675.00
09/30/2031	285,000.00	3.000%	4,275.00	289,275.00
	<b>\$ 2,270,000.00</b>		<b>\$ 437,898.33</b>	<b>\$ 2,707,898.33</b>

In October of 2020, the City issued Series 2020 General Obligation Refunding Bonds in the amount of \$2,270,000 to provide resources to refund the remaining balance of the City's 2011 Series General Obligation bonds and cover costs of issuance. As a result, the Series 2011 bonds are considered to be defeased and the liability has been removed from the accounts of the City. The cost of issuance totaled \$79,192 on the Series 2020 Bonds. Principal is due annually on February 15 starting in February of 2023, and interest payments are due in February and August of each year until maturity in the fiscal year ending September 30, 2031.

The advance refunding was undertaken to reduce the City's interest payments. The advance refunding resulted in an economic gain (difference between the present value of the debt service payment of the refunded and refunding bonds) of \$298,490, and a gross savings of \$140,000. At September 30, 2021, the defeased portion of the 2005 Series General Obligation bonds had a balance of \$2,410,000.

## 2021 Tax Notes

### BOND DEBT SERVICE

City of South Padre Island, Texas  
Tax Notes 2021  
-- FINAL Pricing Numbers as of 7/20/21-- 11:15 AM --

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2022	45,000.00	3.000%	145,199.17	190,199.17
09/30/2023	320,000.00	3.000%	140,950.00	460,950.00
09/30/2024	795,000.00	3.000%	124,225.00	919,225.00
09/30/2025	825,000.00	3.000%	99,925.00	924,925.00
09/30/2026	850,000.00	4.000%	70,550.00	920,550.00
09/30/2027	880,000.00	3.000%	40,350.00	920,350.00
09/30/2028	905,000.00	3.000%	13,575.00	918,575.00
	<b>\$ 4,620,000.00</b>		<b>\$ 634,774.17</b>	<b>\$ 5,254,774.17</b>

In July of 2021, the City issued Series 2021 Tax Notes for \$4,620,000 primarily to finance the cost of improvements to streets, sidewalks, and related drainage improvements on Laguna Boulevard. The tax notes are collateralized by the pledged tax revenues of the City and will be repaid over the next 7 years with final maturity in fiscal year end 2028. Principal is due annually, and interest payments are due on February 15 and August 15 of each year.

## 2023 Tax Notes

### BOND DEBT SERVICE

City of South Padre Island, Texas  
Tax Notes 2023  
-- Final Pricing Numbers, 6/21/23 --

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2024	140,000	5.000%	111,594.44	251,594.44	
08/15/2024			91,250.00	91,250.00	
09/30/2024					342,844.44
02/15/2025	150,000.00	5.000%	91,250.00	241,250.00	
08/15/2025			87,500.00	87,500.00	
09/30/2025					328,750.00
02/15/2026	270,000.00	5.000%	87,500.00	357,500.00	
08/15/2026			80,750.00	80,750.00	
09/30/2026					438,250.00
02/15/2027	285,000.00	5.000%	80,750.00	365,750.00	
08/15/2027			73,625.00	73,625.00	
09/30/2027					439,375.00
02/15/2028	300,000.00	5.000%	73,625.00	373,625.00	
08/15/2028			66,125.00	66,125.00	
09/30/2028					439,750.00
02/15/2029	1,290,000.00	5.000%	66,125.00	1,356,125.00	
08/18/2029			33,875.00	33,875.00	
09/30/2029					1,390,000.00
02/15/2030	1,355,000.00	5.000%	33,875.00	1,388,875.00	
09/30/2030					1,388,875.00
	<b>\$ 3,790,000.00</b>		<b>\$ 977,844.44</b>	<b>\$ 4,767,844.44</b>	<b>\$ 4,767,844.44</b>

In June 2023, the City issued Series 2023 Tax Notes for \$3,790,000 primarily to finance the cost related to street, sidewalk, median, and related drainage improvements and pay costs of issuance of the notes. The tax notes are collateralized by the pledged tax revenues of the City and will be repaid over the next 7 years with final maturity in fiscal year and 2030. Principal is due annually, and interest payments are due on February 15 and August 15 of each year commencing February 15, 2024, until stated maturity.

## 2024 Tax Notes

### BOND DEBT SERVICE

City of South Padre Island, Texas  
Tax Notes, Series 2024  
-- Final Webster Bank Rates, 6/21/24 --  
-- Callable 2/15/2028 at Par --

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2025			59,479.62	59,479.62	
08/15/2025			51,472.75	51,472.75	
09/30/2025					110,952.37
02/15/2026	350,000.00	4.390%	51,472.75	401,472.75	
08/15/2026			43,790.25	43,790.25	
09/30/2026					445,263.00
02/15/2027	365,000.00	4.390%	43,790.25	408,790.25	
08/15/2027			35,778.50	35,778.50	
09/30/2027					444,568.75
02/15/2028	380,000.00	4.390%	35,778.50	415,778.50	
08/15/2028			27,437.50	27,437.50	
09/30/2028					443,216.00
02/15/2029	400,000.00	4.390%	27,437.50	427,437.50	
08/15/2029			18,657.50	18,657.50	
09/30/2029					446,095.00
02/15/2030	415,000.00	4.390%	18,657.50	433,657.50	
08/18/2030			9,548.25	9,548.25	
09/30/2030					443,205.75
02/15/2031	435,000.00	4.390%	9,548.25	444,548.25	
09/30/2031					444,548.25
	<b>\$ 2,345,000.00</b>		<b>\$ 432,849.12</b>	<b>\$ 2,777,849.12</b>	<b>\$ 2,777,849.12</b>

During the regular council meeting of May 1, 2024, City Council approved Resolution 2024-11 to approve a plan of finance to issue a series of tax notes to finance vehicles and equipment for the City's Fire Department. The tax notes are collateralized by the pledged tax revenues of the City and will be repaid over the next 7 years with final maturity in fiscal year-end 2031. Principal is due annually, and interest payments are due on February 15 and August 15 of each year.

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# APPENDIX

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## Glossary

This document contains specialized and technical terminology that is unique to public finance and budgeting. A budget glossary follows to assist readers.

**Accounting System:** The total structure of records and procedures that identify, record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

**Accrual Basis:** The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows.

**Accrued Interest:** The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

**Ad Valorem Taxes (Current):** A property tax or millage tax that an owner of real estate pays on the value of the property being taxed.

**Ad Valorem Taxes (Delinquent):** All taxes are due on receipt of bill and are delinquent if not paid before February 1 of the fiscal year in which it is imposed.

**Ad Valorem Taxes (Penalty and Interest):** A delinquent tax incurs a combined penalty and interest of 7% of the amount of the tax for the first calendar month it is delinquent, plus 2% for each additional month or portion of the month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent.

**Adopted Budget:** A plan of financial operations, legally adopted by City Council, providing an estimate of expenditures for a given fiscal year and proposed means of financing them.

**Annual Comprehensive Financial Report:** Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

**Appropriation:** A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

**Arbitrage:** As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

**Assessed Valuation:** The taxing authority performs an appraisal of the monetary value of real or personal property, and tax is assessed in proportion to that value. (Note: Property values are established by the Cameron County Appraisal District.)

**Asset:** Resources owned or held which have monetary value.

**Audit:** An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

**Balanced Budget:** The goal of the City is to balance the operating budget with current revenue, whereby current revenues match and fund on-going expenditures/expenses.

**Beneficial Use of Dredge Material (BUDM):** Beach re-nourishment by relocating sand from the dredging of waterway navigation channels in conjunction with the US Army Corps of Engineers.

**Bond:** A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects (such as buildings, streets).

**Bond Rating (Municipal):** A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

**Budget:** A financial plan for allocating projected resources and proposed expenditures to support particular services, purposes, and functions over a specified period of time.

**Budget Document:** The compilation of the spending plans for the various funds, along with supporting schedules, tables and charts, which in total comprise the annual revenue and expenditure plan.

**Budget Message:** The opening section of the budget, which provides the reader with a general summary of the most important aspects of the budget and a review of the prior fiscal year.

**Budget Process Schedule:** The schedule of key dates or milestones that the City follows in the preparation, adoption, and administration of the budget.

**BUDM :** An acronym for Beneficial Use of Dredge Material.

**Capital Assets:** All real and tangible property used in the operation of a government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost.

**Capital Budget:** An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended.

**Capital Expenditures:** A capital expenditure is incurred when an entity spends money either to buy fixed assets or to add to the value of an existing fixed asset, with a useful life that extends beyond the taxable year.

**Capital Improvement Plan (CIP):** A five-year planning document that outlines the capital projects within the next five years and includes information regarding funding, project description and scheduling, and status. The City Council annually adopts a CIP as part of the budget process.

**Cash:** Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

**Cash Management:** The process of monitoring the flow of money in and out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short-term borrowing and investment of idle cash.

**Certificates of Obligation:** See definition of bond.

**CIP:** An acronym for Capital Improvement Plan.

**Component Unit:** Component units are legally separate organizations that must be included in the financial report of the primary government.

**Comprehensive Plan Advisory Committee (CPAC):** A twelve-person committee assembled to re-start the community outreach and planning process, created in 2005.

**Consumer Price Index:** The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

**Cost-Benefit Analysis:** A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

**COVID-19:** An acronym for Coronavirus disease 2019, the official name given by the World Health Organization to the disease caused by SARS-CoV-2.

**CPAC:** An acronym for Comprehensive Plan Advisory Committee.

**Current Property Taxes:** Taxes that are levied and due within the current year.

**Debt Service:** Principal and interest obligations for bonds and other debt instruments according to a pre-determined payment schedule.

**Delinquent Property Taxes:** Taxes that are unpaid on and after the date on which a penalty for non-payment is assessed.

**Department:** An administrative segment of the City consisting of multiple divisions that is organized by function and service provided.

**Depreciation:** Decline in value of an asset spread over its economic life. Depreciation includes deterioration from use, age, and exposure to the elements, as well as decline in value caused by obsolescence, loss of usefulness, and the availability of newer and more efficient means of serving the same purpose.

**Division:** A basic organizational unit that is functionally unique and provides service under the administrative direction of a department.

**DMAIC:** An acronym for Define, Measure, Analyze, Improve, and Control. The DMAIC process is a data-driven improvement cycle used for improving, optimizing, and stabilizing processes.

**EHS:** An acronym for Environmental Health Services Department.

**Effective Tax Rate (Now known as No-New Revenue Tax Rate):** The effective tax rate is the tax required to produce the same amount of taxes for the current year as the previous year. The rate is calculated by subtracting taxes on property lost this year from the prior year's total tax. This number is divided by the current value of property taxed in the prior year. Multiplying this number by 100 will produce the effective tax rate.

**Encumbrance:** A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

**Enhancements:** Newly requested budgeted amounts that will result in a new or expanded level of service over the previous year.

**Exemptions:** A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

**Expenditure:** The outflow of funds paid or to be paid for an asset or goods and service obtained, regardless of when the expense is actually paid. Note: An encumbrance is not an expenditure. An encumbrance reserves funds to be expended when goods or services are received.

**Expenses:** Charges incurred (whether paid or unpaid) for operation, maintenance, interest, and other charges.

**FAD:** An acronym for Fish Aggregate Devices.

**FDA:** An acronym for Food and Drug Administration.

**FEMA:** An acronym for Federal Emergency Management Association.

**Fiscal Year (FY):** The time period signifying the beginning and ending period for recording financial transactions. The City of South Padre Island has specified October 1 to September 30 as its fiscal year.

**Five-Year Planning Document:** This document contains the five-year goals of each department.

**Fixed Assets:** Long-lived, assets such as machinery and equipment, buildings, improvements, and land obtained or controlled as a result of past transactions or circumstances.

**Franchise Taxes:** A charge paid by businesses for the use of City streets and public right of way and is in lieu of all other municipal charges, fees, street rentals, easements or other like franchise taxes, inspection fees, and/or charges of every kind except Ad Valorem and special assessment taxes for public improvements.

**Full Faith and Credit:** A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

**Full-Time Equivalent:** This refers to the numeric breakdown of city positions. A regular full-time employee (40 hours per week) equals one (1.0) full-time equivalent. Part-time positions are calculated as 0.5 full-time equivalents and seasonal stand positions are considered 0.25 full-time equivalents.

**Fund:** An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or government functions in accordance with specific regulations, restrictions, or limitations. Eight commonly used funds in public accounting are: general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, trust and agency funds, internal service funds, and special assessment funds.

**Fund Balance:** The term fund balance is used to describe the arithmetic difference between the assets and liabilities reported in a fund.

**General Fund:** The fund used to account for all financial resources and activities except those required to be accounted for in another fund.

**General Obligation Bonds:** Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority. General obligation bonds finance a variety of public projects such as streets, buildings, and improvements.

**Generally Accepted Accounting Principles (GAAP):** Uniform minimum standards of and guidelines for financial accounting and reporting. These principles: govern the form and content of the basic financial statements of an entity; encompass the conventions, rules, and procedures necessary to define accepted account practice at a particular time; include not only broad guidelines of general application, but also detailed practices and procedures; and, provide a standard by which to measure financial presentations.

**GFOA:** An acronym for Government Finance Officers Association.

**GLO:** An acronym for General Land Office of the State of Texas.

**Governing Council:** A board, committee, commission, or other executive or policymaking body of a municipality or school district.

**Governmental Funds:** Funds, within a governmental accounting system, that support general tax-supported governmental activities.

**Grants:** Contributions or gifts of cash or other assets from another governmental entity to be used or expended for a specific purpose, activity, or facility.

**HOT:** An acronym for Hotel Occupancy Tax, also known as Hotel/Motel Tax.

**Hotel/Motel Tax:** Pursuant to State law, hotel/motel tax is levied upon the cost of occupancy of any room or space. The tax covers hotels, motels, and bed and breakfasts, as well as condominiums, apartments, and houses rented for less than 30 consecutive days. The current rate of taxation is 17% with 6% to the State of Texas, of which 2% is remitted back to the City to finance the Beach Maintenance Fund, and 0.5% is for the County Venue Project. The remaining 10.5% of Hotel/Motel tax is used by the City (8% for use by the Convention and Visitors Center, 2% to finance a local Venue Project and 0.5% for beach nourishment).

**ICAN Initiative:** The ICAN initiative caters to the disability community by providing a boat that has been specifically designed to accommodate wheelchairs, medical beds, and other types of medical apparatus to provide them with the ability to make lifetime memories fishing on South Padre Island, TX.

**Interest:** Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

**Interest Rate:** The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

**Investments:** Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

**I&S:** An acronym for Interest and Sinking, which is the portion of the tax rate that is levied to pay General Obligation Bond debt service.

**Levy:** (Verb) To impose taxes, special assessments, or special charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or special charges imposed by a government.

**Long-Term Debt:** Debt with maturity of more than one year after the date of issuance.

**Major Fund:** Any fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10 percent of the revenues or expenditures of the appropriated budget should be considered a major fund for this purpose.

**Maturity Date:** The date that the principal of a bond becomes due and payable in full.

**Modified Accrual Basis:** The accrual basis of accounting adapted to the governmental fund by type spending measurement focus. Under this basis of accounting, revenues are recognized when they become both "measurable" and "available to pay expenditures within the current period". Expenditures are recognized when the related fund liability is incurred except for: (1) inventories of materials and supplies and items for re-sale which may be considered expenditures either when purchased or when used or sold; (2) prepaid insurance and similar items; (3) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period, but for which larger-than-normal accumulation must be disclosed in the notes to the financial statements; and (4) principal and interest on long-term debt which are generally recognized when due.

**Municipal(s):** (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

**M&O:** An acronym for maintenance and operation. That portion of the tax rate that is levied for the general operations of the government.

**Non-Major Funds:** Other funds not identified as a major fund. The City presents non-major funds as summary data in its Annual Comprehensive Financial Report.

**No-New Revenue Tax Rate (Formerly Effective Tax Rate):** The effective tax rate is the tax required to produce the same amount of taxes for the current year as the previous year. The rate is calculated by subtracting taxes on property lost this year from the prior year's total tax. This number is divided by the current value of property taxed in the prior year. Multiplying this number by 100 will produce the effective tax rate.

**Operating Budget:** A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year. Operating budgets are carefully crafted budgets that focus on managing current expenses. The focus of an operating budget is to ensure there are funds to maintain the continued operation of a business, and those funds are distributed in the most cost-efficient manner.

**Ordinance:** A formal legislative enactment by the governing board of a municipality. If an ordinance is not in conflict with any higher form of law, such as a state statute of constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and those which may be by resolution. Revenue raising measures such as those required for imposition of taxes, special assessments, and service charges, universally require ordinances.

**Overlapping Debt:** A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

**Personnel Services:** Costs related to compensating employees which include salaries, wages, insurance, payroll taxes, and retirement contributions.

**Principal:** The face amount of a bond, exclusive of accrued interest.

**Program:** A combination of activities to accomplish an end.

**Property Tax:** Property taxes are levied on both real and personal property according to the property's valuation and the tax rate.

**Proprietary Fund:** Proprietary funds are employed to report on activities financed primarily by revenues generated by the activities themselves.

**Refunding Bonds:** Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

**Reserve:** A portion of a fund restricted for a specific purpose and is, therefore, not available or recommended for general appropriation.

**Reserve Fund:** Funds set aside to provide a funding source for extraordinary or unforeseen expenditures. These funds are restricted for a specific purpose and are, therefore, not available or recommended for general appropriation.

**Revenues:** Increases in governmental fund type net current asset from other than expenditure refunds and residual equity transfers. Under National Council on Governmental Accounting (NCGA) Statement 1, general long-term debt proceeds and operating transfers-in are classified as "other financing sources" rather than revenues.

**Revenue Bond:** A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

**RGV Reef:** At 1650 acres, RGV Reef is the largest and most complex industrial scale artificial nursery reef in the Gulf of Mexico. RGV Reef is a result of a vision to build a marine ecosystem 13 miles northeast of the South Padre Island Jetties.

**Sales Tax:** A general "sales tax" is levied on all persons and businesses selling merchandise in the City limits on a retail basis. The current sales tax rate for the City is 8.25% (0.5% for Economic Development, 1.5% for the City of SPI, and 6.25% for the State of Texas).

**Special Revenue Fund:** A separate fund, which accounts for resources that are legally restricted to expenditures for specific operational purposes.

**Surplus:** The excess of the assets or resources of a fund over its liabilities or obligations.

**Tax Increment Reinvestment Zone (TIRZ):** A designated area in which new city and county property taxes generated in future decades may be used only to pay for public improvements within that area. TIRZs are special zones created by City Council to attract new investment to an area. TIRZs help finance the cost of redevelopment in a timely manner.

**Taxes:** Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the public. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments.

**Tax Rate:** The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

**TIFT:** An acronym for Texas International Fishing Tournament, which is the largest saltwater fishing tournament in Texas.

**TML:** An acronym for Texas Municipal League.

**TOC:** An acronym for Table of Contents.

**Unreserved Fund Balance (Surplus Revenue Account):** The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected.

**Valuation (100 Percent):** The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.

**Venue Tax:** A hotel occupancy tax at a rate of two percent of the price paid for a hotel room that a city or county is authorized to levy to fund a "venue" project. A "venue" is an arena, coliseum, stadium or any other facility built to accommodate professional and amateur sports events, or community events. Additionally, it could be a convention center or any several types of related improvements in its vicinity.

**Voter-Approval Tax Rate (Formerly Rollback Tax Rate):** Provides the taxing unit with about the same amount of tax revenue it spent the previous year for day-to-day operations plus a three and one-half percent increase for those operations and sufficient funds to pay debts in the upcoming year. It is a calculated maximum rate allowed by law without voter approval.