



City of Rockport
CITY COUNCIL BUDGET WORKSHOP #5 AGENDA
TUESDAY, JUNE 23, 2026 - 1:00 PM
CITY HALL
212 N. LIVE OAK
ROCKPORT, TEXAS 78382

Mayor Tim Jayroe
Mayor Pro Tern (Ward 4) Andrea Hattman
Councilmember (Ward 1) Stephanie Rangel

Councilmember (Ward 2) Matt Anderson
Councilmember (Ward 3) Brad Brundrett
Vanessa Shrauner, City Manager

Notice is hereby given that Rockport City Council will hold a Budget Workshop #5 on Tuesday, June 23, 2026, at 1:00 PM. The meeting will be held in person in the Council Chambers in City Hall, 212 N. Live Oak, Rockport, Texas 78382. The live stream link to view the meeting is <https://rockporttx.portal.civicclerk.com/>.

The City Council welcomes citizen participation and comments at all City Council Meetings on an Agenda item or any subject matter.

Written comments submitted by 3:30 p.m. the day before the meeting.

- Complete the Speaker Card - locate the card online (<https://rockporttx.gov/FormCenter/Citizen-Participation-Form-7/Citizen-Participation-Form-52>)
- Written Comments received by the deadline may be read.

Sign up in person.

- Speaker's cards are located at the entrance of the meeting room and must be delivered to the City Secretary before the meeting begins.
- Any citizen with handouts should provide them to the City Secretary before the meeting. If you wish the City Council to receive your handouts for the meeting, please provide 8 copies; if not, the City Council will receive your handouts the following day.

Rules for Citizen Participation.

- Speakers will be limited to three minutes.
- While civic public criticism is not prohibited; disorderly conduct or disturbance of the peace as prohibited by law shall be cause for the chair to terminate the offender's time to speak.

NOTE: The City Council may adjourn into Executive Session to consider any item listed on this agenda if a matter is raised that is appropriate for discussion. An announcement will be made based on the Executive Session discussion. The City Council may also publicly discuss any item listed on the agenda for the Executive Session.

Notice is hereby given that other elected or appointed officials may attend the City Council Meeting at the date and time above in numbers that may constitute a quorum. No action or minutes will be taken by such in attendance.

This facility is wheelchair-accessible and accessible parking spaces are available. Requests for accommodation or interpretive services must be made 48 hours before this meeting. Please get in touch with the City Secretary's office at (361) 729-2213, ext. 225, or FAX (361) 790-5966 or email sgoodwin@rockporttx.gov for further information. Braille is not available.

I. CALL TO ORDER AND ROLL CALL

II. PLEDGE OF ALLEGIANCE

III. CITIZENS TO BE HEARD

Speaker participation instructions are provided in writing at the beginning of the agenda. NOTE: The Texas Open Meetings Act permits a member of the public or a member of the governmental body to raise a subject that has not been included in the notice for the meeting. However, any discussion of the subject must be limited to a proposal to place the subject on the agenda for a future meeting, and any response to a question posed to the City Council is limited to either a statement of specific factual information or a recitation of existing policy. TEX. GOV'T CODE § 551.042 has not been posted on the agenda.

IV. BUDGET AND TAX RATE ITEMS

(While this statement is required under the new legislation, it reflects last year's budget since it is too early in the process to include any FY 2026–2027 budget figures.) The City provides the following information in compliance with Texas Government Code § 551.043(c): (i) a copy of the City's proposed budget may be located on the City's home page of its website and at FY2025-2026 Budget; and (ii) Taxpayer Impact Statement – For the median-valued homestead property a comparison of the current property tax bill in dollars pertaining to the property for the current fiscal year ("FY"), an estimate if the proposed budget is adopted for the upcoming FY, and an estimate of a balanced budget at the no-new-revenue tax rate for the upcoming FY is below: Median-Valued Homestead Property of \$338,830 Property Tax Bill in Dollars Current FY 2024/25 \$ 1,373.26 An estimate if the proposed budget is adopted for FY 2025/26 \$1,445.03 An estimate if a balanced budget is funded and adopted at the no-new-revenue tax rate for FY 2025/26 \$1,299.91

1. Presentation on the recommendation for the award of the FY2026-2027 Hotel Occupancy Tax Grant Funding (Vanessa Shrauner, City Manager)
2. Economic Environment and Preliminary Revenue Estimates (Robbie Sorrell, Finance Director)
3. Receive an update from the Public Works Director on the Status of FY-25-26 Capital Projects (Ryan Picarazzi, Public Works Director)
4. Discussion of previously reviewed outstanding budget topics (Vanessa Shrauner, City Manager)
5. Next step in the process (Shelley Goodwin, City Secretary)

V. ADJOURN

CERTIFICATION

This is to certify that I, Shelley Goodwin, posted this Agenda at 5:20 p.m. on June 17, 2026, on the bulletin board of the City of Rockport City Hall, 212 N. Live Oak, Rockport, Texas 78382.



Shelley Goodwin, TRMC/MMC

City Secretary

BUDGET WORKSHOP #5

June 23, 2026



REVENUE ESTIMATES 2026-2027

*M&O Property Taxes capped at 3.5%

*Sales Taxes about 4% YoY

*Sanitation Revenues up 4% due to contractual CPI

*Hotel/Motel Taxes up due largely to prior year collections (Judy doing a great job)

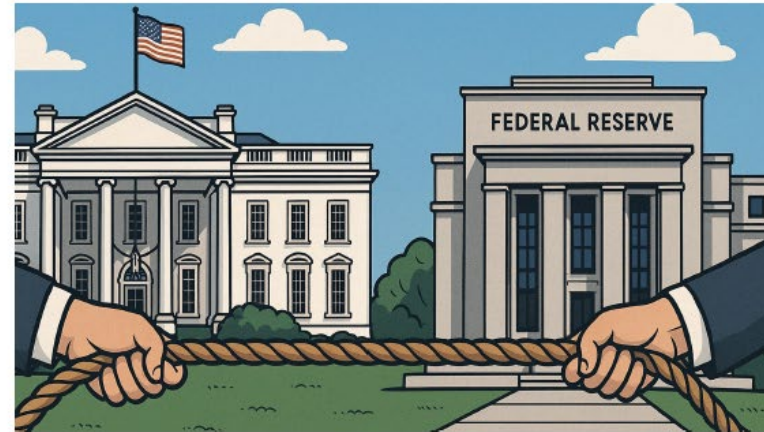
*Water/Wastewater rates up due to water restrictions and wholesale rate increases

*Interim water/wastewater rate increases expected to take effect in July 2026

REVENUE ESTIMATES 2026-2027

What's In Focus: The BIG Picture

**Inflation &
Interest Rates**

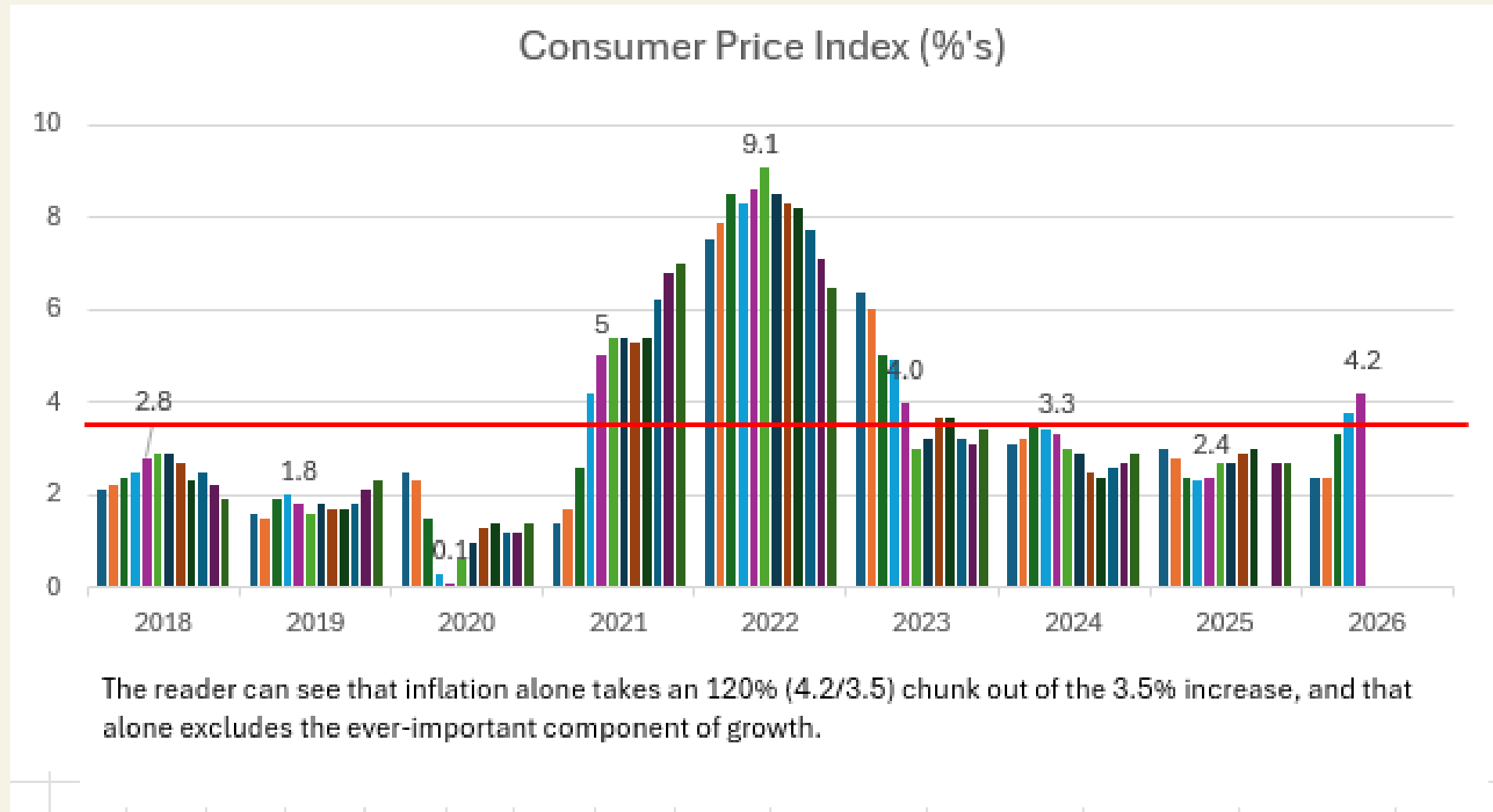


Kevin Warsh
is new Fed
Chair rates
were left
alone on
6.17.26



War & Gas Prices

REVENUE ESTIMATES 2026-2027

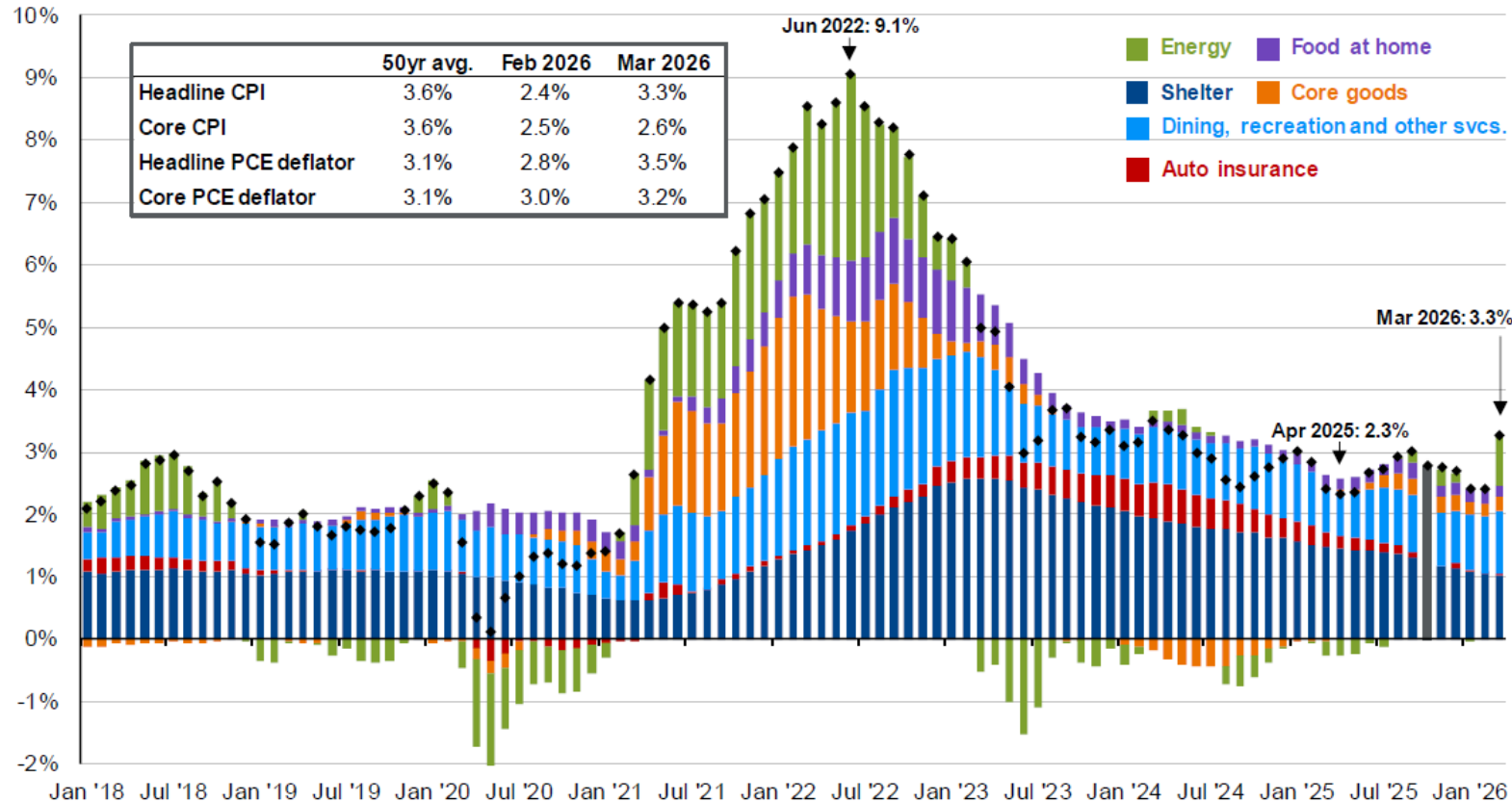


REVENUE ESTIMATES 2026-2027

Inflation Components

Contributors to headline CPI inflation

Contribution to year-over-year % change in CPI, non-seasonally adjusted



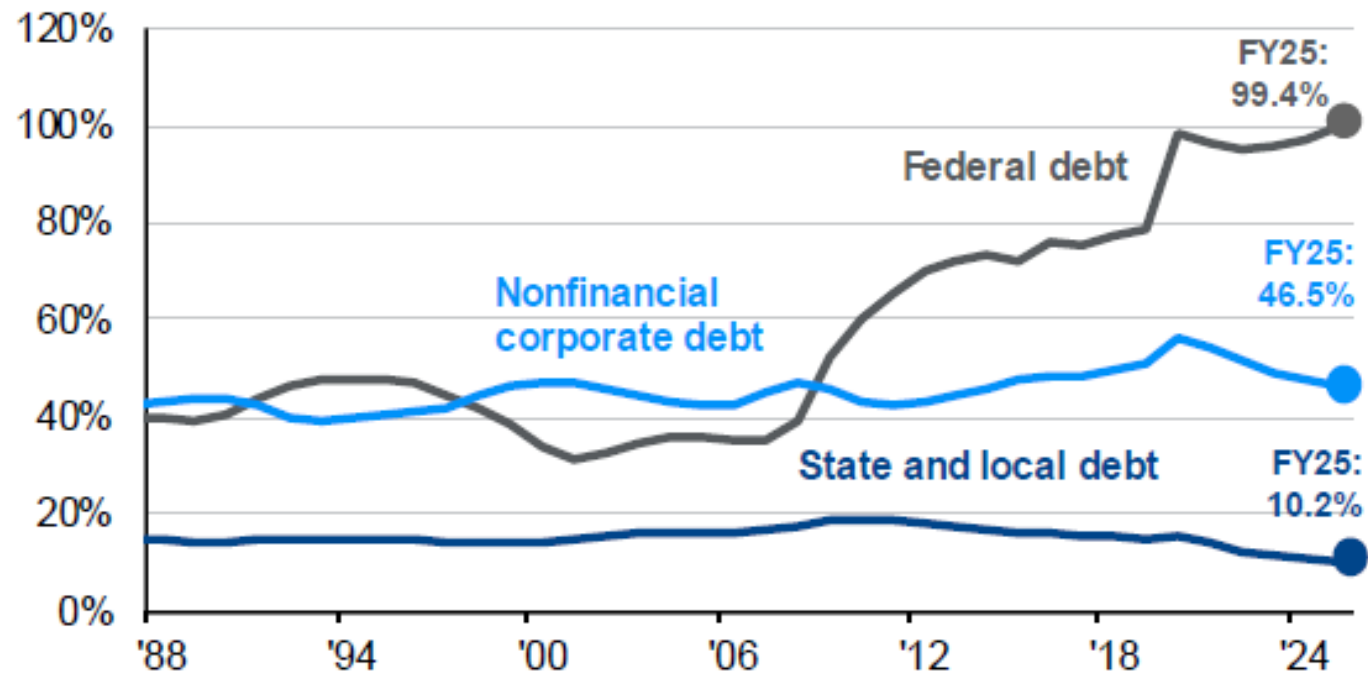
May CPI 4.2%, driven largely by energy prices geopolitical conflict

Source: U.S. Census Bureau, U.S. Department of Treasury, U.S. International Trade Commission, J.P. Morgan Asset Management. *Guide to the Markets* - U.S. Data are as of March 31, 2026. For illustrative purposes only. The estimated weighted average statutory U.S. tariff rate includes all tariffs that are currently in effect, not announced. Imports for consumption: goods brought into a country for direct use or sale in the domestic market. *Figures are based on 2024 import levels and assume no change in demand due to tariff increases. Tariff revenue shown are figures from the Monthly Treasury Statement. Import figures included in the table are from the U.S. Census Bureau. Estimates, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated.

REVENUE ESTIMATES 2026-2027

State and local, federal and corporate debt

% of GDP, 1988 - 2025, end of fiscal year



Federal Debt spending is what is out of control – state and local debt has remained steady

REVENUE ESTIMATES 2026-2027

Consumer Confidence is below 50%

*Inflation is higher due to energy prices

*Latest CPI for May YoY was 4.2% (higher than 3.5% M&O Cap)

*Wage growth is 3.4% (below inflation)

*Federal Student Loan Debt is now having to be paid back and is not dischargeable in bankruptcy (although people are filing anyway for other debts to gain margin to pay)

PRELIMINARY BUDGET

- *State 2026 Property Tax Rate Calculation Worksheet still has not been released – will affect tax rate calculations
- *Tax Rate Valuations are Preliminary with Final Values out end of July
- *Preliminary numbers do not include new projects (COPS Grant, Parks Equipment/Pickleball Courts, etc.)
- *Do not have insurance increases (Medical/Nonmedical)
- *Revenues are conservative

Certified Ad Valorem Tax Rate Comparison FY 2026-2027

50% 132,068 add'l debt

6/12/2026

		I&S Rate \$.				
				De Minimis		
		Preliminary	2026	Tax Rate		2026
	Adopted	2026 No-New	Voter-Approval	\$500,000		Preliminary
	2025 Tax Rate	Revenue Tax Rate	Tax Rate	Above NNR		Voter-Appr Tax Rate
M & O Tax Rate	\$ 0.231403	\$ 0.224003	\$ 0.231843	\$ 0.242767	\$	\$ 0.231843
I & S Tax Rate	\$ 0.195072	\$ 0.185436	\$ 0.185965	\$ 0.186670	\$	\$ 0.185965
Total Tax Rate	\$ 0.426475	\$ 0.409439	\$ 0.417808	\$ 0.429437	\$	\$ 0.417808
Total Taxable Value	\$ 2,482,504,271	\$ 2,529,702,784	\$ 2,529,702,784	\$ 2,529,702,784	\$	\$ 2,529,702,784
Total Tax Levy						
Total Tax Levy	\$ 10,587,260	\$ 10,357,592	\$ 10,569,298	\$ 10,863,473	\$	\$ 10,569,298
Over 65 Frozen Taxes	\$ 1,534,812	\$ 1,689,808	\$ 1,689,808	\$ 1,689,808	\$	\$ 1,689,808
Disabled Frozen Taxes	\$ 18,099	\$ 22,667	\$ 22,667	\$ 22,667	\$	\$ 22,667
Total Tax Levy	\$ 12,140,171	\$ 12,070,068	\$ 12,281,773	\$ 12,575,948	\$	\$ 12,281,773
Total Tax Revenue						
Total Levy	\$ 12,140,171	\$ 12,070,068	\$ 12,281,773	\$ 12,575,948	\$	\$ 12,281,773
Collection Ratio	100.00%	100.00%	100.00%	100.00%		100.00%
Total Tax Revenue	\$ 12,140,171	\$ 12,070,068	\$ 12,281,773	\$ 12,575,948	\$	\$ 12,281,773
Revenue Allocation by Fund						
M & O General Fund	\$ 6,587,190	\$ 6,603,492	\$ 6,815,197	\$ 7,109,372	\$	\$ 6,815,197
I&S Debt Service Fund	\$ 5,552,981	\$ 5,466,576	\$ 5,466,576	\$ 5,466,576	\$	\$ 5,466,576
Total Tax Revenue	\$ 12,140,171	\$ 12,070,068	\$ 12,281,773	\$ 12,575,948	\$	\$ 12,281,773
Revenue Difference from 2025						
Additional Revenue		\$ 0	\$ 211,705	\$ 505,880		\$ 211,705
% Increase in Revenue		0.0%	1.8%	4.0%		1.8%

Preliminary, this will change.

Rate is almost lower by a penny (.008667)

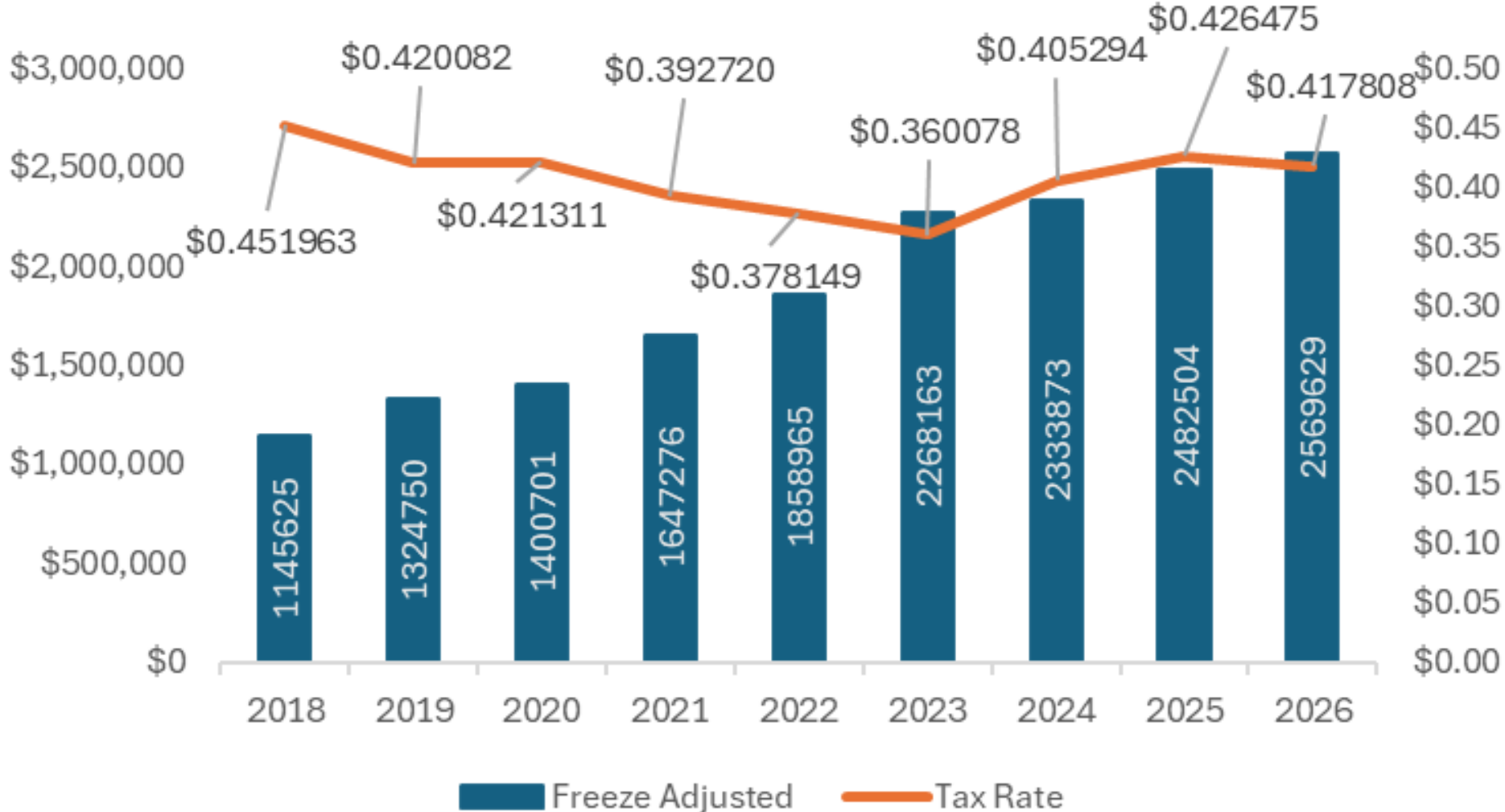
Residential Taxpayer Impact Analysis					
	Tax Paid		Tax Paid for each rate		
Residential Value	2025 Rate	2026 NNR	2026 VAR	De Minimus Rate	Preliminary VAR
Average Market - \$406,926	\$1,711.92	\$1,666.11	\$1,700.17	\$1,747.49	\$1,700.17
Average Taxable - \$385,148	\$1,565.23	\$1,576.95	\$1,609.18	\$1,653.97	\$1,609.18
	Tax Paid		Difference from No-New-Revenue Rate		
Residential Value	2025 Rate	2026 NNR	2026 VAR	De Minimus Rate	Preliminary VAR
Average Market - \$406,926	\$1,711.92	\$1,666.11	\$34.05	\$81.38	\$34.05
Average Taxable - \$385,148	\$1,565.23	\$1,576.95	\$32.23	\$77.02	\$32.23
	Tax Paid	NNR 2026 Tax	Difference in Tax Paid from 2025		
Residential Value	2025 Rate	Difference from 2025	2026 VAR	De Minimus Rate	Preliminary VAR
Average Market - \$406,926	\$1,711.92	-\$45.81	-\$11.75	\$35.57	-\$11.75
Average Taxable - \$385,148	\$1,565.23	\$11.72	\$43.95	\$88.74	\$43.95

Preliminary, this will change.

Taxes Paid Comparison on Same Property 2025 vs 2026					
	2025 Taxes	2026 Taxes	2025 vs 2026		
2026 Average Market - \$406,926	\$1,711.92	\$1,700.17	-\$11.75		
2026 Average Taxable - \$385,148	\$1,565.23	\$1,609.18	\$43.95		
	2025	2026			
Average Market - \$406,926	401,412	406,926	5,514.0	1%	
<u>Average Taxable - \$385,148</u>	367,016	385,148	18,132.0	5%	

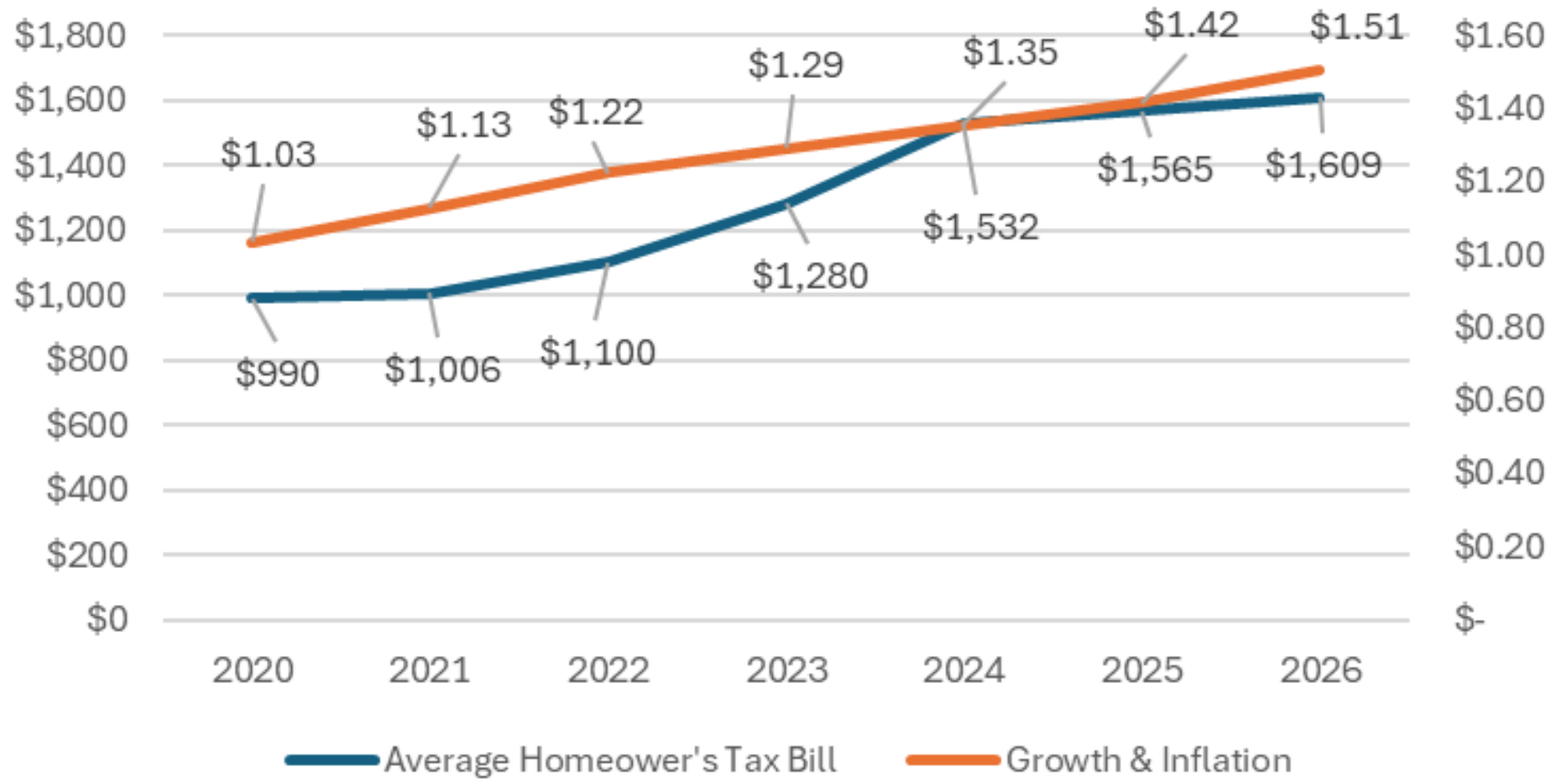
Preliminary, this will change.

Increases Due to Tax Rate (per \$100) vs. Taxable Value



Preliminary, this will change.

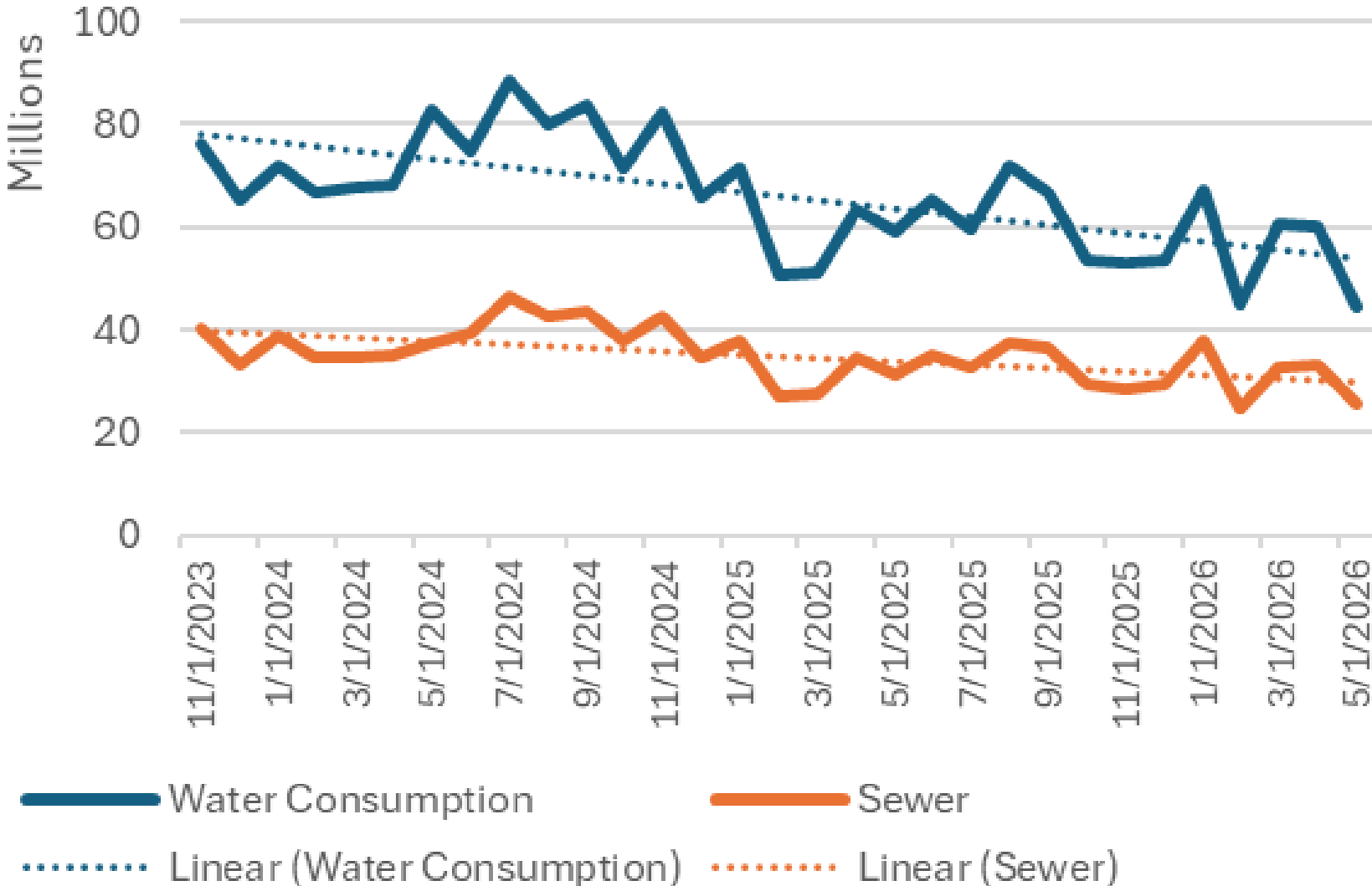
Average Homeowner Tax Bill vs. Growth & Inflation



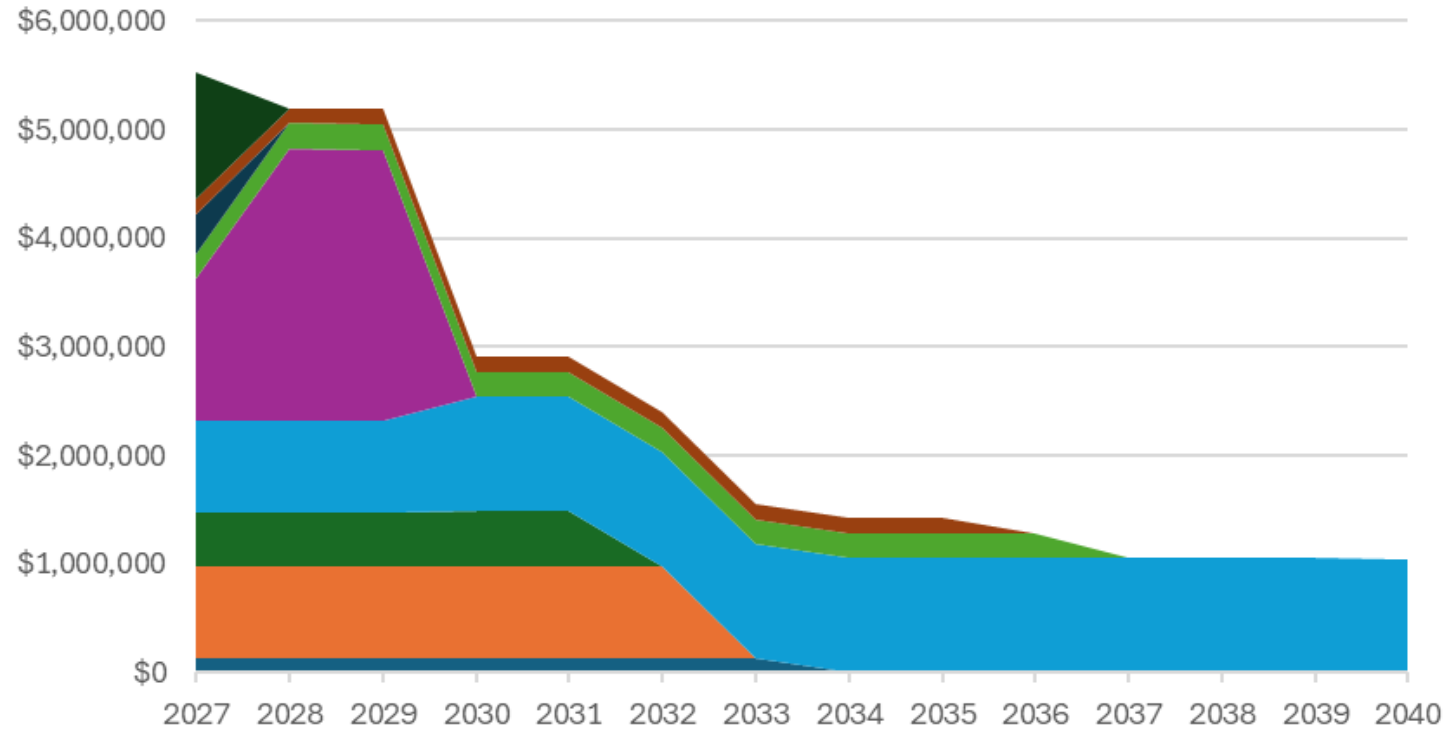
Preliminary, this will change.

Utility Consumption continues to fall

Water/Sewer Sales in Gallons



Debt Service Avalanche



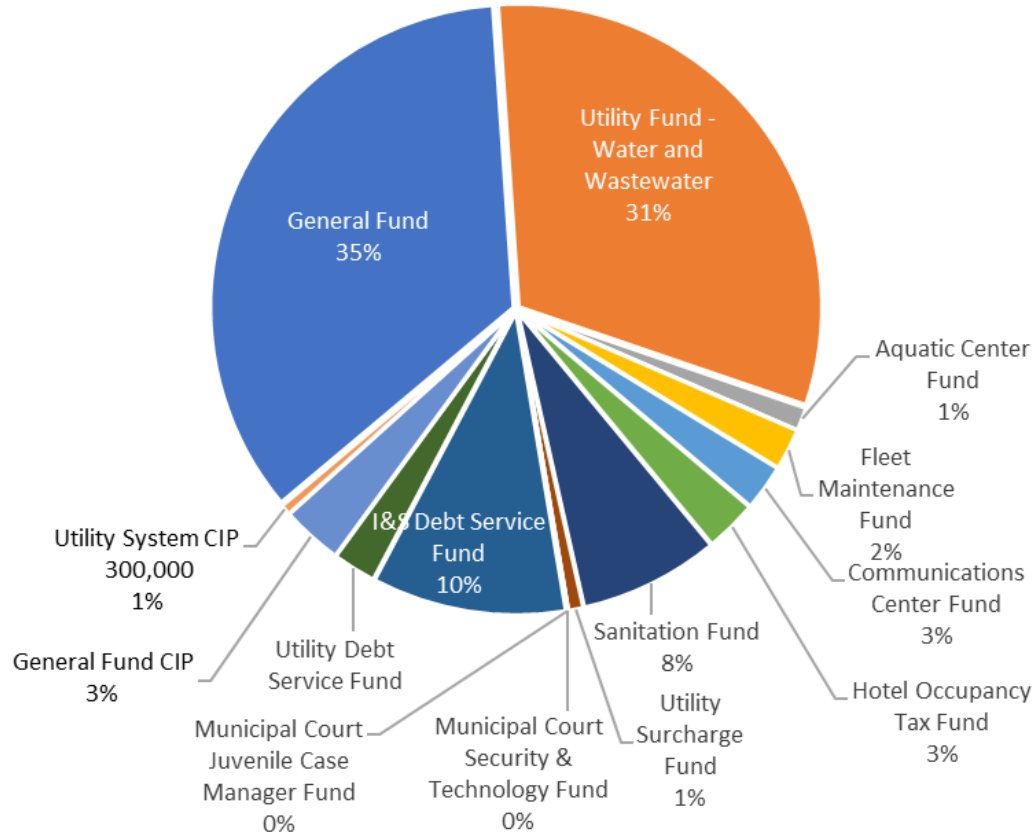
	Tax Notes 2026	Tax Notes 2025	Tax Notes 2024	GO Ref Bonds 2022	Tax Notes 2022	Com Tax & Rev 2016	GO Ref 2015	Com Tax & Rev 2015	GO Ref Bonds 2014	Total
2027	132,068	851,075	496,858	842,000	1,304,400	227,000	365,850	137,888	1,174,438	5,531,577
2028	132,068	852,233	495,869	840,500	2,505,400	231,750		139,556		5,197,376
2029	132,068	847,648	494,319	838,400	2,504,100	231,275		140,788		5,188,598
2030	132,068	852,238	497,115	1,052,825		230,650		141,569		2,906,465
2031	132,068	850,920	499,163	1,053,200		229,875		137,256		2,902,482
2032	132,068	848,778		1,051,825		228,950		137,850		2,399,471
2033	132,068			1,052,600		227,875		138,100		1,550,643
2034				1,050,800		231,575		138,000		1,420,375
2035				1,052,700		230,050		137,700		1,420,450
2036				1,053,200		228,375				1,281,575
2037				1,052,300						1,052,300
2038				1,054,900						1,054,900
2039				1,055,900						1,055,900
2040				1,045,500						1,045,500
	924,476	5,102,892	2,483,324	14,096,650	6,313,900	2,297,375	365,850	1,248,707	1,174,438	34,007,612

Preliminary, this will change and does not include COPS Grant nor Park Improvements.

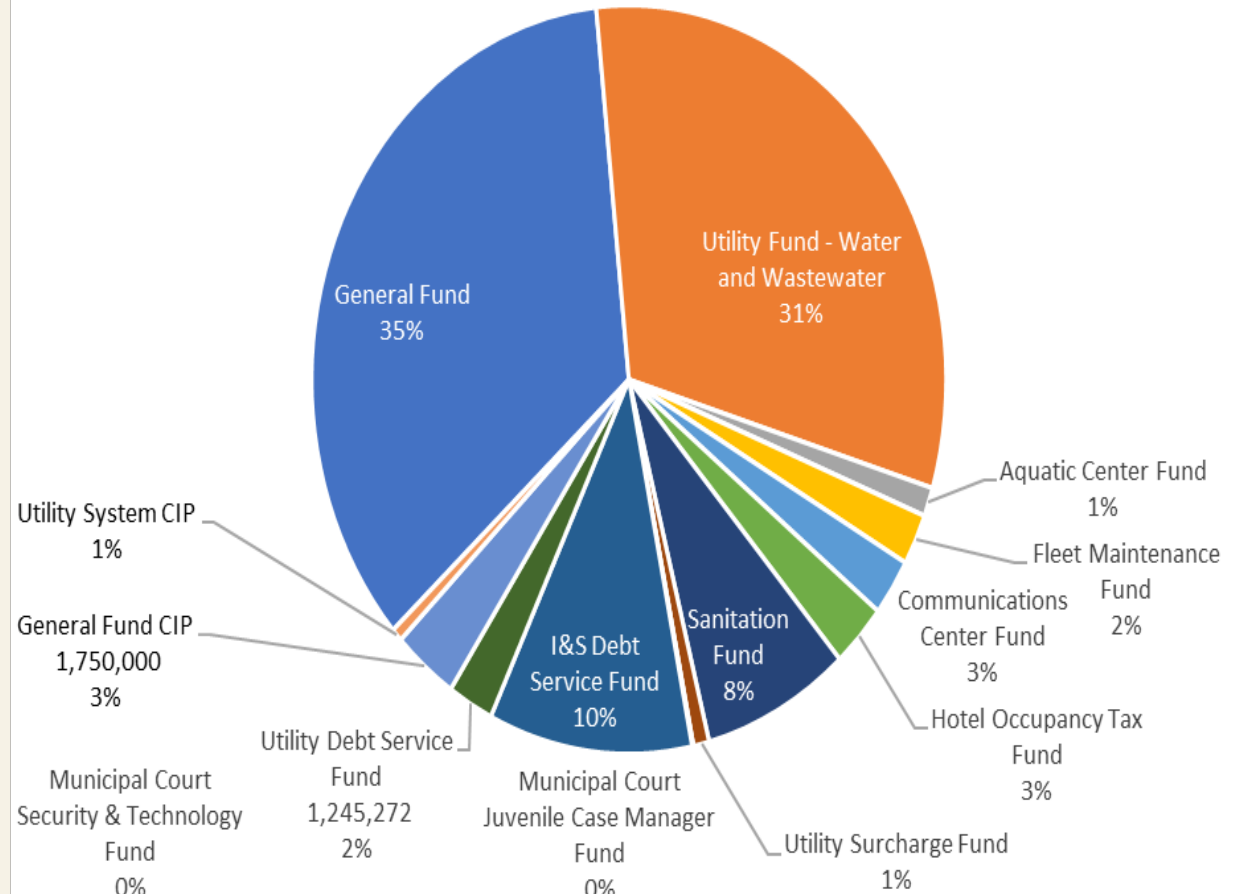
	FY 24-25	FY 25-26	FY 25-26	FY 26-27	% Change
	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>	<u>Budget to</u>
					<u>FY 2026-27</u>
					<u>Budget</u>
Resources					
General Fund	\$ 19,478,687	\$ 16,509,635	\$ 16,376,754	\$ 18,717,898	13.4%
Utility Fund - Water and Wastewater	18,658,367	15,564,164	13,838,061	16,746,364	7.6%
Aquatic Center Fund	944,953	657,036	667,898	665,757	1.3%
Fleet Maintenance Fund	1,129,814	1,115,823	1,318,212	1,183,430	6.1%
Communications Center Fund	1,199,587	1,228,674	1,228,674	1,324,988	7.8%
Hotel Occupancy Tax Fund	1,227,610	1,342,900	1,453,600	1,500,000	11.7%
Sanitation Fund	3,612,079	3,855,982	3,758,268	4,006,314	3.9%
Utility Surcharge Fund	402,370	484,045	406,154	432,835	-10.6%
Municipal Court Security & Technology Fund	6,508	7,085	7,085	7,085	0.0%
Municipal Court Juvenile Case Manager Fund	28,110	30,000	30,000	30,000	0.0%
I&S Debt Service Fund	4,531,084	5,155,324	5,190,938	5,539,076	7.4%
Utility Debt Service Fund	(1,148,700)	1,568,412	1,568,412	1,245,272	-20.6%
General Fund CIP	3,375,466	10,442,279	9,441,040	1,750,000	-83.2%
Utility System CIP	226,720	1,300,000	1,300,000	300,000	-76.9%
Total Resources	\$ 53,672,655	\$ 59,261,359	\$ 56,585,098	\$ 53,449,018	-9.8%
Expenditures					
General Fund	\$ 13,592,725	\$ 16,509,634	\$ 16,801,507	\$ 18,717,898	13.4%
Utility Fund - Water and Wastewater	12,337,399	15,564,164	15,591,712	16,746,364	7.6%
Aquatic Center Fund	698,855	657,036	657,382	665,757	1.3%
Fleet Maintenance Fund	983,752	1,115,823	1,101,400	1,183,430	6.1%
Communications Center Fund	1,199,587	1,228,674	1,233,762	1,324,988	7.8%
Hotel Occupancy Tax Fund	1,300,843	1,342,900	1,435,431	1,500,000	11.7%
Sanitation Fund	3,354,419	3,855,982	3,725,168	4,006,314	3.9%
Utility Surcharge Fund	367,757	484,045	406,154	432,835	-10.6%
Municipal Court Security & Technology Fund	2,383	7,085	7,085	7,085	0.0%
Municipal Court Juvenile Case Manager Fund	27,419	30,000	30,000	30,000	0.0%
I&S Debt Service Fund	4,313,053	5,155,324	5,155,478	5,539,076	7.4%
Utility Debt Service Fund	399,545	1,568,412	2,001,925	1,245,272	-20.6%
General Fund CIP	2,938,162	10,442,279	9,441,040	1,750,000	-83.2%
Utility System CIP	184,697	1,300,000	1,300,000	300,000	-76.9%
Total Expenditures	\$ 41,700,596	\$ 59,261,359	\$ 58,888,045	\$ 53,449,018	-9.8%
Resources Over(Under) Expenditures	\$ 11,972,059	\$ (0)	\$ (2,302,947)	\$ 0	

Preliminary, this will change
and does not include COPS
Grant nor Park
Improvements.

All Funds Revenues



All Funds Expenditures



FY26-27 Budget Calendar

JUNE		
6/23/2026	Budget Meeting #6 Hot Fund Budget Meeting & Awards @ 1:00 pm	
6/23/2026	City Council Meeting	
JULY		
7/3/2026	Provides City Manager Proposed Preliminary Budget	Finance Director
7/14/2026	City Council Meeting	
7/25/2026	Receive Certified Appraised Roll - must adopt Tax Rate within 60 days of receipt (Sept 23, 2026)	
7/27/2026	Update revenue estimates with Certified Appraised Roll	Finance
7/28/2026	City Council Meeting	
AUGUST		
8/7/2026	Tax Assessor Collector provides "Notice About 2025 Tax Rates" which City puts on website - No New Revenue. Voter Approved and De Minimis rates updates budgeted tax revenues again.	Finance gets from TAC gives to City Secretary
	<i>Tax Rates Submitted to City Council</i>	<i>Finance</i>
	City Council Meeting	
	Chief Appraiser publishes notice of "Estimated Taxes" in newspaper AND City must post same notice on website	
8/11/2026	File Proposed Budget with City Secretary* (starts min 15 days min before Budget Hearing-30 days before adoption)	
	Per Charter - City Manager Presents Proposed Budget to City Council with letter to Council	
	City Council holds public hearing on Utility Rates, Utility Fees & Fire Fund, 1st Reading of Ordinances	
	Recorded Vote on Proposed Tax Rate and email resolution of vote to TAC and Tax Rate Public Hearing Date.	
	Publish - Notice of Public Hearing on Tax Increase and Budget on 8.28: newspaper/website THURSDAY (8/28/24) Edition due Thursday 8/15/25 (no more than 30 nor less than 10 days before Budget Hearing)	City Secretary-website/newspaper
	Form 26.06 "Notice, Hearing, and Vote on Tax Increase" in newspaper in 24 point or larger print - do not post in legal/advertisement section. Also, post on website and Youtube with 60-second notice at least five times a day between the hours of 7am and 9pm	
8/25/2026	City Council Meeting	
8/29/2026	Deadline to File Proposed Budget with City Secretary	City Secretary post file copy on website or statement



AGENDA MEMO

DEPARTMENT: Public Works

TO: Mayor and City Council

FROM: Ryan Picarazzi, Public Works Director

MEETING DATE: June 23, 2026

CATEGORY: Presentation

CAPTION:

Receive an update from the Public Works Director on the Status of FY-25-26 Capital Projects

SUMMARY:

BACKGROUND:

FUNDING SOURCE:

FUNDING IMPACT:

STAFF RECOMMENDATION:

STRATEGIC INITIATIVES:

Presentation

ATTACHMENTS:

None

APPROVAL/REVIEW:

Ryan Picarazzi, Public Works Director

Date: June 17, 2026

Shelley Goodwin, City Secretary

Date: June 17, 2026

Vanessa Shrauner, City Manager

Date: June 17, 2026