



FY2027

Trial Budget

Presented by:
Freddy Martinez, Budget Director
City Council "A" Session
June 18, 2026



Agenda

Recap Goal Setting Session

Trial Budget

Next Steps



General Fund FY27 Trial Budget

- Preliminary Allocation of Resources
- Focuses on two-year balanced budget
- Builds on assumptions from 5-Year Forecast
- Incorporates City Council Input from Goal Setting Session
- Allows for additional feedback from City Council for development of FY27 Proposed Budget



Goal Setting Session May 22

City Council & Community Priorities

City Council Priorities

- **Public Safety**
(Police, Fire, ACS)
- **Infrastructure**
(Streets and sidewalks)
- **Human Services**
(Seniors, Housing, and Homeless)
- **Parks, Community Spaces and Libraries**

Community Priorities

- **Homeless Services**
- **Affordable Housing**
- **Police Services**
- **Streets**
- **Fire & EMS**

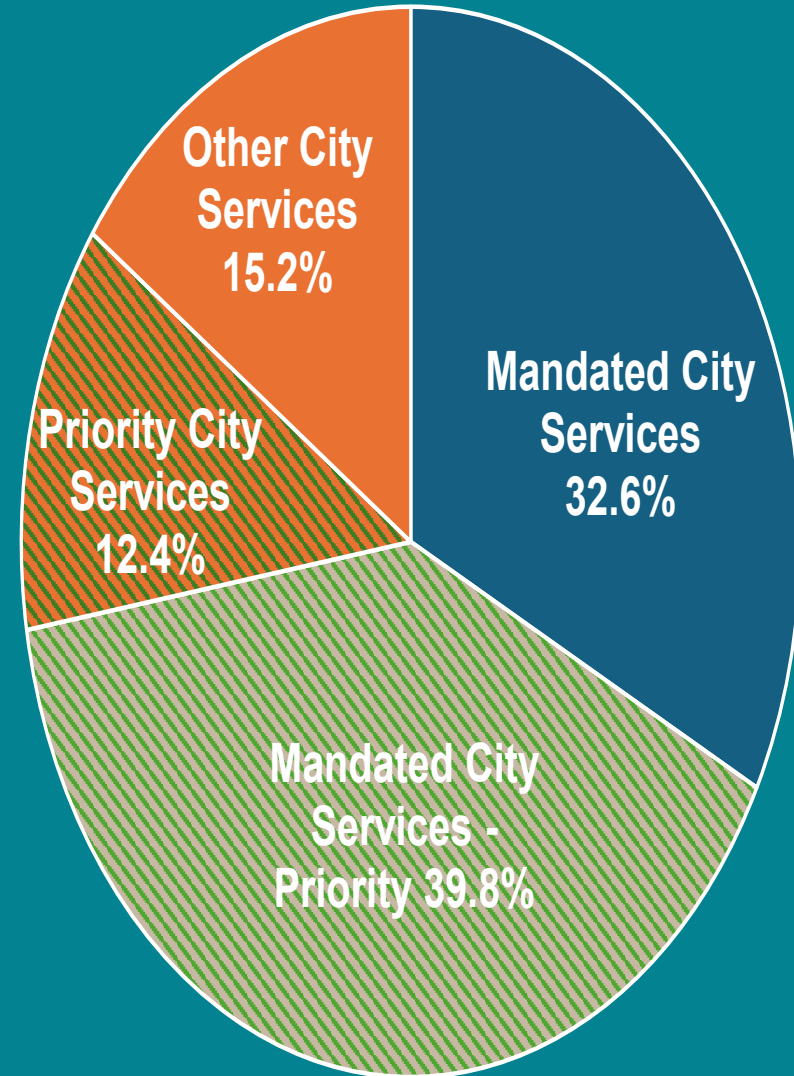
Goal Setting Session

General Fund Overview

Program Inventory Analysis for
\$1.55 Billion of \$1.69 Billion
General Fund

- \$1.12 Billion or 72.4% are mandated City services of which 39.8% are also priority City services
- \$427 Million or 27.6% are non-mandated City services of which 12.4% are priority City services

Program Inventory Analysis
Public Facing Departments
(\$1.55 Billion)



Recommended FY27 Trial Budget

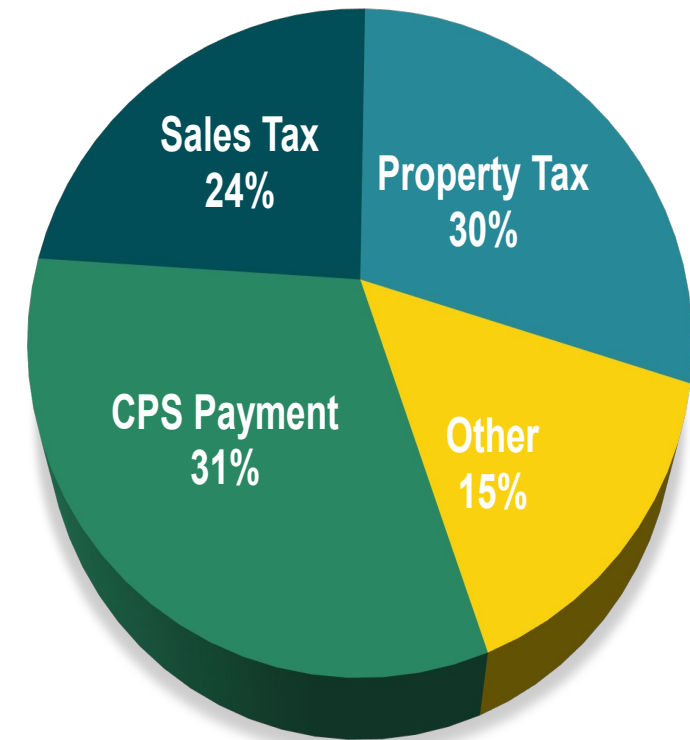
- Recommends property tax increase from unused increment and state allowed revenue growth
 - \$6.75 per month on average homestead
 - 46% of homesteads not impacted due to senior and disabled tax freeze
- Maintains Mandated City Services and Priority City Services
- Reductions to Other City Services
- Includes adjusted and new revenues



Recommended FY 27 Trial Budget General Fund Operating Revenues

Category (\$ in Millions)	FY26 Estimate	FY27 Projection	Increase/ (Decrease)	% Change
Property Tax	\$473.4	\$465.2	(\$8.2)	(1.7%)
Property Tax Rate Increase (3.5% and unused increment)	0	53.8	53.8	N/A
Sales Tax	416.7	425.0	8.3	2.0%
CPS Revenue	559.0	547.8	(11.2)	(2.0%)
Other	254.2	252.3	(1.9)	(0.8%)
New/Adjusted Revenue		9.8	9.8	N/A
Total	\$1,703.3	\$1,753.9	\$50.6	3.0%

FY27 General Fund
Revenue Projection **\$1,753.9 Million**



FY27 Trial Budget

Potential Fee Adjustments/Cost Recovery

Fee Adjustments (\$ In Millions)	FY27 Amount	FY28 Amount	Two-Year Total
EMS Transports Fee (from \$1,500 to \$1,700/transport)	\$2.6	\$2.6	\$5.2
Fire Prevention Fees	1.3	1.3	2.6
Fire Hazardous Material Fees	0.4	0.4	0.8
Parks Environmental Monthly Fee (from \$2 to \$2.5 over two years)	2.0	4.0	6.0
Library Non-San Antonio Resident fee \$10 annual	1.0	1.0	2.0
Cost recovery of City support for Fiesta events	0.7	0.7	1.4
Other Adjustments (credit card fees, waste hauler permit)	1.8	2.1	3.9
Total Recommended Fee Adjustments	\$9.8	\$12.1	\$21.9

Recommended FY 27 Trial Budget

General Fund Increase in Spending: \$105.7 Million

FY26 Adopted Budget (\$ in Millions)	\$1,695.9
Collective Bargaining and Healthcare	66.7
Civilian Compensation	16.3
Mandated costs*	10.8
Inflation and contractual increases	10.9
Equipment and building costs and fuel	5.2
Technology costs	2.9
Liability and Worker's compensation	1.3
Other (net one times and 2 nd year cost of improvements)	3.3
Minimum amount for reductions to balance two-year budget	(11.7)
Total FY 2027 Trial Budget	\$1,801.6

*Mandated costs include operations and maintenance for completed 2022 Bond Projects & grant matches.

Recommended FY27 Trial Budget

Public Safety Growth:\$80 Million

\$53.8M in additional property tax revenue used to fund Fire and Police

FY26 Adopted Budget (\$ in Millions)	\$1,060.5
Collective Bargaining and Healthcare Benefits	55.0
Civilian Compensation and Benefits	4.1
Mandated costs	4.8
Inflation and contractual increases	4.7
Equipment and building costs and fuel	3.2
Technology costs	1.5
Liability and Worker's compensation	0.8
Other (net one times and 2 nd year cost of improvements)	5.6
Total FY 2027 Trial Budget	\$1,140.2

Recommended FY27 Trial Budget

- Recommended strategies balance budget over two years
- Reduces the deficit in FY31 from \$264M to \$156.9M

(\$ in Millions)	FY27	FY28
Projected Resources ^a	\$1,921.2	\$1,814.1
Projected Expenses - Current Services ^b	1,813.3	1,884.3
Reserve for 2-year balance budget ^c	107.9	87.5
Balance/Deficit	\$0	(\$157.7)

Strategies to Balance Budget	FY27	FY28	Total
Property Tax – Use of unused increment	\$29.1	\$29.1	\$58.2
Property Tax – State allowed growth of 3.5%	24.7	41.9	66.6
New Revenues	9.8	12.1	21.9
Minimum amount of reductions to balance budget	11.7	11.7	23.4
Increase to financial reserves to maintain 15%		(12.5)	(12.5)
		Total	\$157.7

a: Includes Use of Reserves from Prior Fiscal Year

b: Excludes the planned revenue increases and reductions that were included in the FY27 Plan

c: includes \$3 million to maintain 10% budgeted reserves.

Potential Reductions to Balance Budget without a Property Tax Increase (Not Recommended)

- Potential reductions if property tax rate is not increased as recommended

Examples of Reductions (\$ in Millions)	FY27 Amount	FY28 Amount	Two-Year Total	Filled Positions	Vacant Positions
Reductions from Comprehensive Budget Reviews	\$3.6	\$3.6	\$7.2	20	22
Transfer operating capital to debt and other line-item reviews	10.6	5.7	16.3		
Vacant Positions	3.8	3.8	7.6		46
Hiring Freeze	1.0	2.0	3.0		
Department Re-organizations	2.4	5.5	7.9	44	2
Delegate Agencies – Discretionary Funding	0	4.9	4.9		
Program service level reductions	27.1	27.1	54.2	68	7
No Civilian Compensation Increase	12.1	24.5	36.6		
Total	\$60.6	\$77.1	\$137.7	132	77

General Fund FY27 Trial Budget

- Seeking policy input from City Council on staff recommendation:
 - Increasing City Property Tax Rate
 - New Revenues
 - Reductions
- Proposed Budget will be presented on August 13



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