

Presentation of Proposed FY 2026 Budget

Sharon Citino, City Manager

Terrence Beaman, Chief Financial Officer

July 21, 2025

Agenda

- Budget Objectives
- Appropriation
- Assumptions
- General Fund (budget book pages 1-49)
- Enterprise Fund (budget book pages 58-79)
- Drainage Fund (budget book pages 50-57)
- Supplemental Requests
- Vehicles, Equipment & Technology Funds (budget book pages 112-114, 130)
- Capital Improvement Funds (budget book pages 115-119, 5-Year CIP 120-128)

Our Purpose

To enhance the quality of life for our residents by providing services and amenities that make Bellaire a great place to live, work, play, and raise a family.



Community • Governance • Infrastructure & Asset Management • Public Safety • Land Use & Zoning

Budget Objectives

- ✓ Fund the delivery of exceptional services and amenities
- ✓ Fund priority tasks that advance strategic goals
- ✓ Meet legal and regulatory requirements
- ✓ Maintain structural balance and reserve requirements
- ✓ Maintain tax rate that does not exceed the voter-approval rate

Appropriation

General Fund	\$ 31,234,000
Drainage Utility Fund	895,000
Enterprise Fund	16,917,000
Debt Service Fund	10,069,000
VET funds	6,050,161
Capital improvement funds	82,837,362
Special revenue funds	1,805,359
Total	\$149,807,882
Less: Interfund transfers	(\$ 9,996,500)
Net Appropriations	\$ 139,811,382

Appropriation

	FY 2024	FY 2025	FY 2026
General Fund	\$ 27,115,817	\$ 29,362,207	\$ 31,234,000
Drainage Utility Fund	-	175,000	895,000
Enterprise Fund	11,669,200	13,603,347	16,917,000
Debt Service Fund	9,599,554	9,775,528	10,069,000
VET funds	644,400	1,371,760	6,050,161
Capital improvement funds	8,301,194	2,083,725	82,837,362
Special revenue funds	698,060	1,707,300	1,805,359
Total	\$ 58,028,225	\$ 58,078,867	\$149,807,882
Less: Interfund transfers	(\$ 5,004,756)	(\$ 5,766,892)	(\$ 9,996,500)
Net Appropriations	\$ 53,023,469	\$ 52,311,975	\$139,811,382

Assumptions

Revenue:

- \$0.4333 property tax rate (voter approval rate)
- 3% increase in sales tax revenue
- 4% increase in city fees (budget book pages 143-156)
- Increases to water, wastewater, drainage, solid waste rates per rate study (budget book pages 157-158)

Expenditures/Expenses:

- 3% step increase for employees
- 20% increase in medical benefit costs
- 3-5% increase in contracts costs

General Fund

Recurring revenues:	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
Property taxes	\$16,641,781	\$17,450,000	\$17,403,100	\$18,319,000
Franchise fees	1,220,251	1,200,500	1,220,400	1,215,000
Sales tax	3,481,347	3,616,000	3,650,500	3,723,000
Permits and licenses	1,318,411	1,623,500	1,506,000	1,699,400
Fines	419,467	648,800	614,000	678,000
Recreation fees	1,181,747	1,315,200	1,340,000	1,378,000
Investment income	655,175	600,000	550,550	483,000
Public safety	569,300	570,500	470,500	763,900
Miscellaneous	68,939	150,665	116,428	54,200
Transfers from other funds	1,167,000	2,150,250	2,166,250	2,511,700
Total	\$26,723,419	\$29,325,415	\$29,037,728	\$30,825,200

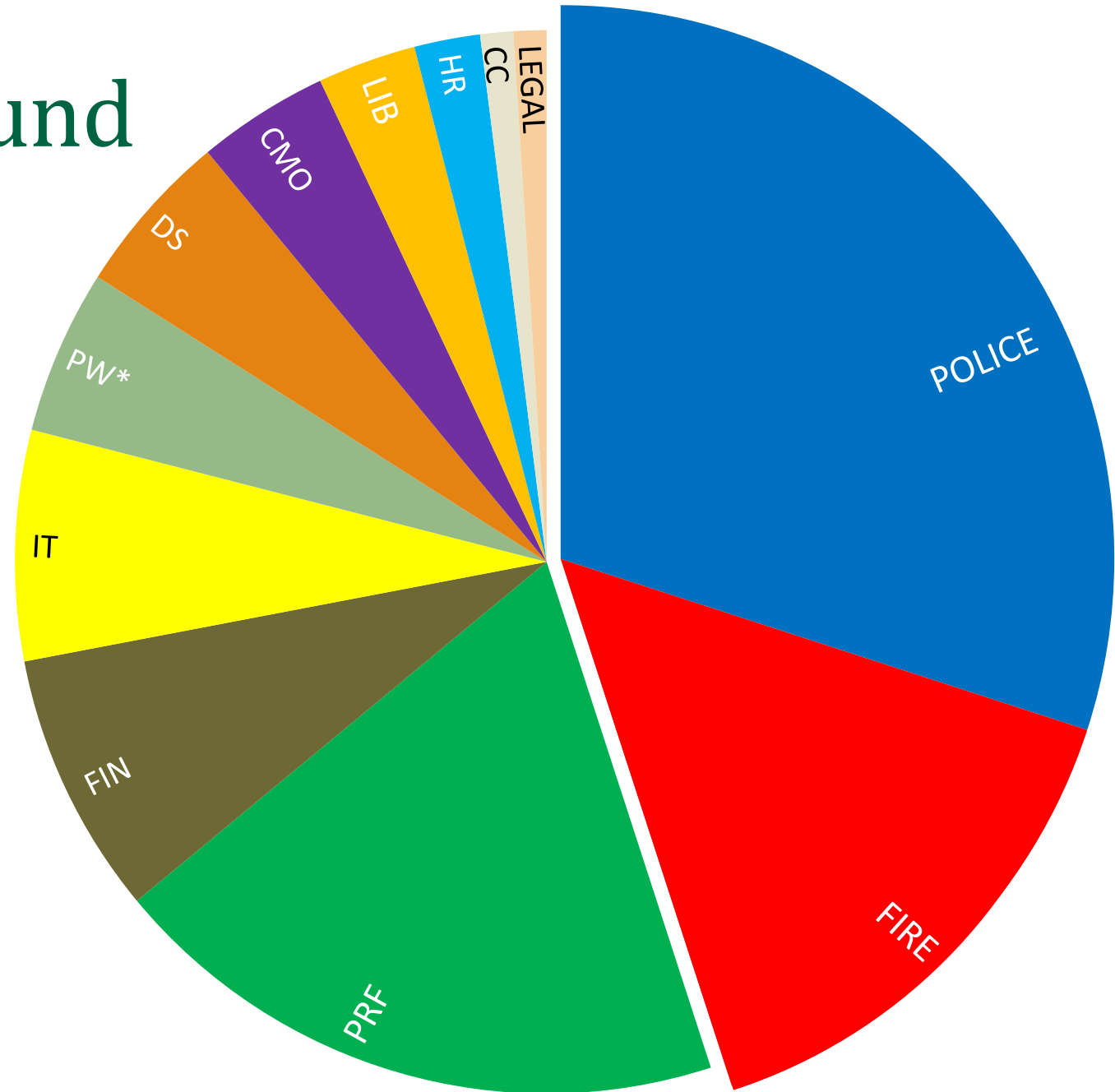
General Fund

Recurring expenditures:	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
City Administration	\$ 3,534,890	\$ 4,071,030	\$ 4,153,000	\$ 4,447,000
Finance and Courts	2,088,938	2,254,407	2,252,000	2,435,000
Legal	156,386	192,000	202,000	201,000
Development Services	1,357,034	1,649,133	1,548,000	1,762,000
Fire	3,957,906	4,287,956	4,205,000	4,479,000
Police	7,736,826	8,762,081	8,112,000	9,283,000
Library	822,091	945,455	832,000	848,000
Public Works	1,287,420	1,429,871	1,217,000	1,634,000
Parks, Recreation, and Facilities	4,440,144	4,944,274	4,944,000	5,074,000
Vacancy savings	-	(150,000)	-	(150,000)
Total	\$25,381,634	\$28,386,207	\$27,465,400	\$30,013,000

General Fund

Expenditures:

POLICE	- 30%
PRF	- 19%
FIRE	- 15%
FIN	- 8%
IT	- 7%
PW	- 5%
DS	- 5%
CMO	- 4%
LIB	- 3%
HR	- 2%
CC	- 1%
LEGAL	- 1%



Public Safety = 45%

* Note that PW reflects Admin. & Streets ONLY

Enterprise Fund

Recurring revenues:	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
Water	\$ 6,050,161	\$8,201,219	\$8,666,000	\$9,460,000
Wastewater	3,568,020	4,185,000	4,241,000	4,404,000
Solid waste and recycling	2,022,419	2,140,000	2,171,000	2,278,000
Miscellaneous	135,283	302,248	346,000	189,400
Investment income	1,604	20,000	64,000	92,200
Total	\$11,777,487	\$14,848,467	\$15,488,000	\$16,423,600

Enterprise Fund

Recurring expenses:

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
Water production	\$ 439,263	\$1,191,219	\$1,163,000	\$ 727,000
Water distribution	598,194	953,486	740,000	1,084,000
Utility billing	370,108	290,000	284,000	303,000
Surface water acquisition	3,348,310	3,227,000	2,527,000	3,396,000
Wastewater collection	663,454	874,500	790,300	844,000
Wastewater treatment	940,622	987,000	851,000	1,156,000
Solid waste and recycling	1,659,957	1,956,000	1,767,700	1,970,000
Transfer to General Fund	1,167,000	1,205,000	1,205,000	1,441,000
Transfer to Debt Service Fund	2,111,256	2,300,917	2,300,917	3,059,800
Other	1,105,158	718,225	744,083	411,200
Vacancy savings	-	(100,000)	-	(75,000)
Total	\$12,403,322	\$13,603,347	\$12,373,000	\$14,317,000

Drainage Fund

Recurring revenues:

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
Drainage	\$ 0	\$ 485,000	\$ 519,800	\$ 652,000
Investment income	0	0	3,300	14,000
Total	\$ 0	\$ 485,000	\$ 523,100	\$ 666,000

Drainage Fund

Recurring expenses:

	FY 2024 Actual	FY 2025 Budget	FY 2025 Projected	FY 2026 Proposed
Information technology	\$ 0	\$ 0	\$ 0	\$ 1,200
Drainage maintenance	0	175,000	179,000	318,800
Total	\$ 0	\$ 175,000	\$ 179,000	\$ 320,000

Supplemental Requests

Funded – Recurring:

- Part-time Fire Marshal: \$45,200
- Reclass 1 Police Officer to Sergeant to lead Traffic Unit: \$7,900
- Reclass 3 Firefighter/Paramedics to Engine Operator: \$6,600

(Staffing Position Summary, budget book pages 133-136)

Supplemental Requests

Funded – Recurring (cont'd):

- Mobile radio replacements: \$45,300
- Video production services/marketing support: \$12,000
- Incentive pay for Development Services-related credentialing: \$3,900
- YAB annual TML Youth Summit: \$3,750
- Random drug screening: \$3,000
- T-shirts for boards & commissions: \$1,000
- Rec Center open Sundays with corresponding increase in membership fees

Supplemental Requests

Funded – Nonrecurring:

- Monumentation system: \$46,000
- Rec Center air handler unit replacements: \$40,000
- Rec Center fitness room flooring replacement: \$22,000
- Strategic Plan consultant: \$20,000
- Evelyn's Park restaurant exterior repaint (10-year refresh): \$17,500

Supplemental Requests

Not Funded:

Recurring:

- Street light banner program: \$22,000 (Council decision)
- Communications intern: \$16,100
- Employee survey: \$3,000

Nonrecurring:

- Replaster BFAC pool and replace frog: \$125,000 (deferred to FY27)

Vehicle, Equipment & Technology Funds

General Fund:

Transfer: \$800,000

Expenditures: \$743,797

- Lease payments on existing vehicles: \$93,790
- PD vehicles (scheduled replacements): \$425,082
- FD equipment (new lift; SCBA replacement): \$224,925

(budget book page 112, detail page 130)

Vehicle, Equipment & Technology Funds

Enterprise Fund:

Transfer: \$500,000

Expenses (lease payments on existing vehicles): \$5,640

(budget book page 113, detail page 130)

Vehicle, Equipment & Technology Funds

Drainage Utility Fund:

Transfer: \$75,000

Expenses : \$0

(budget book page 114)

Capital Improvement Funds

Infrastructure Project Transfers:

- Lift Station and Force Main to Connect to Houston WWTP: \$4,950,000
- CIP Project Management: \$2,986,500
- Bellaire Lift Station: \$2,700,000
- Regional Drainage Program: \$60,000,000
- Public Works Building Remodel: \$7,200,000
- Water Storage Tank Rehabilitation: \$1,000,000
- Renwick Groundwater Well Generator: \$607,225
- Wastewater Facilities Lifecycle Management: \$300,000

Capital Improvement Funds

Infrastructure Projects Transfers (cont'd):

- Priority Water Line Improvements: \$270,000
- Feld Park Groundwater Well Generator: \$160,000
- SCADA: \$120,000
- Water Model Study: \$120,000

Capital Improvement Funds

Parks & Facilities Project Transfers:

- Rec Center Entrance/Parking Lot Accessibility: \$600,000
- Evergreen Park Improvements: \$600,000
- Library Architectural Review: \$120,000
- Parks Master Plan: \$228,000
- Library RFID: \$67,200
- Building Security Improvements: \$60,000

(budget book pages 115-119, 5-Year CIP 120-128)

30 Capital Projects Advancing In FY 2026

Infrastructure Projects:

- Regional Drainage Improvements (Cypress Ditch, South Detention Ponds, North Detention Ponds)
- Wastewater Facilities Lifecycle Management
- Lift Station Force Main for Houston WWTP Connection
- Bellaire Lift Station
- Lift Station Portable Generator
- Wastewater Collection System Improvements
- Priority Water Line Improvements
- Water Distribution System Valve Improvements
- Citywide Groundwater Well Automation & Rehabilitation
- Feld Park Groundwater Well Generator
- Renwick Groundwater Well Generator
- Central Groundwater Well Chlorine Building
- Water Storage Tank Rehab
- Water Model Study
- SCADA
- Fire Hydrant Rehab & Replacement
- Traffic Signal Timing Optimization
- Traffic Signalization Improvements
- Pavement Condition Analysis

Parks & Facilities Projects:

- Public Works Building
- Rec Center Entrance & Parking Lot Improvements
- Library Building Improvements
- Building Security Improvements
- City Hall Generator
- Fire Station LED Lighting Retrofit
- Library RFID
- Evergreen Park
- Parks Master Plan
- Safe & Accessible Parks Improvements
- Mulberry Park Tennis Court Lights

Next Steps

August 11: Public hearing on budget; budget workshop #1

August 12: Budget workshop #2 (if needed)

September 15: Budget adoption

October 6: Public hearing on tax rate; adoption of tax rate



Discussion

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<https://bellairetx.gov/FY2026Budget>