

**STATE OF TEXAS
COUNTY OF HIDALGO
CITY OF MCALLEN**

The McAllen Board of Commissioners convened in a Workshop on **Tuesday, August 5, 2025**, at 4:00 pm, at Champion Lakes Golf Course, 2701 South Ware Road, McAllen, Texas.

Mayor Javier Villalobos, Mayor Pro Tem Victor "Seby" Haddad, Commissioner Antonio "Tony" Aguirre, Commissioner Joaquin Zamora, Commissioner Rolando "Rolly" Rios, Commissioner Rodolfo "Rudy" Castillo, and Commissioner Jose R. "Pepe" Cabeza de Vaca

Staff: City Manager Isaac Tawil, City Attorney Austin Stevenson, Assistant City Manager Jeff Johnston, Deputy City Manager Michelle Rivera, Assistant City Manager Elvira Alonso, Assistant City Manager Juan Olaguibel, City Secretary Perla Lara, Budget Director Angie Rodriguez, Cesar Rodriguez Director of Strategy Management, Sonia Resendez Finance Director

CALL TO ORDER

Mayor Javier Villalobos called the meeting to order.

1. DISCUSSION OF FY 2025-2026 CITY OF MCALLEN BUDGET.

City Manager Isaac Tawil welcomed everyone and provided a brief overview of the scheduled budget workshop meetings. He then highlighted key elements of the 2025-2026 budget:

- **Property Tax Rate Reduction:** Proposed rate of 0.448989
- **Total Budget:** \$568 million
- **Capital Outlay/Projects:** \$211 million
- **Recommended Compensation Adjustment:** For all employees including compensation study and addition of 2 McAllen care days
- **New Positions:** 5 in general fund, including 1 in the Enterprise Fund
- **General Fund Ending Balance:** \$102.3 million
- **Total Ending Balance Across All Funds:** \$332 million
- **General Fund Revenue/Expenditures:** \$734,000
- **Working Capital:** 238 days for the General Fund (Policy requires 140 days)
- **Departmental Funding:** Over \$11 million funded from \$24 million in requests
- **Sales Tax Collection:** \$98 million
- **Sales Tax Allocation to Development Corporation:** \$23 million
- **Sales Tax Impact:** Reduces property tax rate by 17.97%
- **Capital Improvement Program (CIP):** Continued funding through segregated sales tax from Insight and gas royalties
- **Street Maintenance:** Continued funding of \$3.4 million for street repaving

A discussion followed, with Council sharing comments and posing questions, which were addressed by staff.

A brief overview of the proposed FY 2025-2026 budget was presented, covering the following areas:

- General Fund
- General Fund Departments
- Enterprise Fund
- Internal Service Fund
- General Fund Revenues by Source
- General Fund Expenditures by Service Area
- Recommended New Positions (General Fund and Enterprise Fund)
- Departmental Budget Requests
- General Fund Decision Package Summary
- Capital Projects Fund Appropriations
- Development Corporation Fund
- Convention Center Fund
- Performing Arts Center Fund
- Hotel Occupancy Tax Fund

- Venue Tax Fund
- Airport Fund
- Toll Bridge Fund
- Anzalduas Crossing Fund
- Anzalduas CIP Fund
- Anzalduas Cargo Fund
- CIP Fund
- Drainage Fee Fund
- Traffic/Drainage Bond Fund
- Parks Facility Construction Fund
- Infrastructure & Improvement Fund (ARPA)
- Health Insurance Fund
- Agencies
- Outstanding Issues

Further discussion took place, with staff continuing to respond to Council's questions.

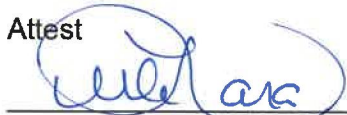
Mayor Javier Villalobos expressed appreciation to staff for their presentation.

EXECUTIVE SESSION, CHAPTER 551, TEXAS GOVERNMENT CODE, SECTION 551.071 (CONSULTATION WITH CITY ATTORNEY), SECTION 551.072 (DELIBERATION REGARDING REAL PROPERTY), SECTION 551.074 (PERSONNEL MATTERS) AND SECTION 551.087 (ECONOMIC DEVELOPMENT).

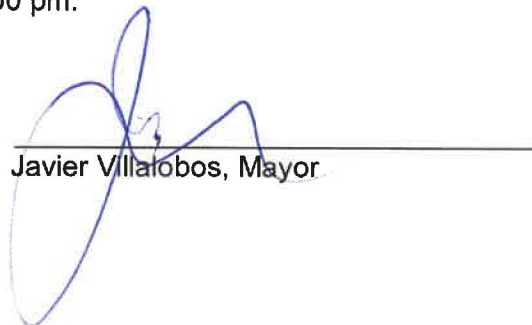
ADJOURNMENT

Without objection, the meeting was adjourned at 5:00 pm.

Attest



Perla Lara, TRMC/CMC, CPM
City Secretary



Javier Villalobos, Mayor