

City of Combes – Proposed Budget Highlights (FY 2025–2026)

Executive Summary – FY 2025–2026 Proposed Budget

City of Combes, Texas

As Mayor of Combes, I am proud to present a **balanced and forward-looking budget** for Fiscal Year 2025–2026. This proposal reflects our commitment to **fiscal responsibility, community wellness, and strategic growth**. Developed in collaboration with our City Commissioners and Administration, this budget prioritizes infrastructure, public safety, economic development, and quality of life for all residents.

Key Budget Themes

- **Efficiency & Transparency:** Clear allocation of resources to meet operational needs while maintaining a stable tax rate.
- **Growth & Development:** Investment in infrastructure and planning to support new subdivisions, commercial projects, and annexations.
- **Community Health & Safety:** Continued support for wellness programs, emergency services, and public works improvements.

1. Water Department

- **Infrastructure Upgrades:** Allocation of \$130 thousand of bond funds towards entry point water meter, booster pump and system modernization to improve water pressure and reduce service interruptions.
- **Water Quality Enhancements:**
 - **Filtration System Upgrades:** \$10 thousand is dedicated to replacing aging filtration units and installing advanced treatment technologies to improve taste, odor, and clarity of drinking water.

- **Disinfection Improvements:** Implementation of upgraded chlorination systems to ensure consistent and safe disinfection levels throughout the distribution network.
- **New Equipment Acquisition:** The department's newest asset is a **Vector Truck**, purchased at a cost of **\$352,000**, to be financed over **five years**. This equipment will significantly enhance the city's ability to maintain and clean sewer lines efficiently.
- **Fee Structure Adjustments:**
 - **Wastewater Fees:** Adjustments will be made to **commercial wastewater accounts**, which represent the largest impact on the city's sewer infrastructure, to help offset maintenance and equipment costs.
 - **Fire Protection Fees:** A new structure will increase **fire protection fees for commercial properties**, based on **property value**, to better align costs with service demand. This serves as an interim funding strategy while the City explores long-term solutions.
 - **Subdivision & Lot Impact Fees:** **Impact fees for new subdivisions and lot owners** will be increased to help offset the **water and sewer impact fees** the City is obligated to pay to **Harlingen Waterworks**. This revenue will support infrastructure expansion, sustainability, and repairs—including fire hydrants, the water tower, and other critical water and sewer system assets.
- **Emergency Services District (ESD) Planning:** The City is evaluating the creation of an **Emergency Services District**, which would require **voter approval**. If passed, **Cameron County would levy a 6% property tax** on Combes residents to fund fire protection services. This would shift the financial responsibility from the City to the County, ensuring sustainable fire service funding.
- **Uncollected Utilities & Policy Reform:** The department currently has over **\$78,000 in uncollected utility bills** accumulated over six or more years. To address this, a new **utility billing policy** is being developed that will make **property owners responsible for utility accounts instead of renters**. This change is expected to improve accountability, reduce delinquent accounts, and ensure more consistent revenue collection.
- **Employee Compensation:** Waterworks employees will receive a **5% cost of living adjustment (COLA)** to support workforce retention and recognize their essential role in maintaining critical infrastructure.

5. Solid Waste Management

- **New Vendor Transition:** The City of Combes has approved **Waste Connections** as the new solid waste service provider, effective **October 1, 2025**.

This transition will begin on **September 23, 2025**, as services shift from the current provider, **Republic Services**.

- **Rate Stability:** Waste Connections has agreed to **match the current customer rates**, ensuring no immediate increase in residential or commercial solid waste fees.
- **Franchise Fee Revenue:** As part of the new agreement, the **Water Department will receive a 10% franchise fee**, generating approximately **\$22,000 in additional annual revenue**. These funds will support water and sewer infrastructure improvements and operational needs.
- **Service Continuity:** The City is coordinating closely with both vendors to ensure a **smooth transition** with no disruption in service to residents and businesses.

2. General Fund

- **Tax Rate Allocation:**
 - **\$0.22 per \$100 valuation** will be allocated toward **Debt Service**, with **\$110,000 subsidized** by the **Combes Economic Development Corporation (EDC)** and the **Combes Municipal Development District (MDD)** as part of their financial obligations.
 - **\$0.48 per \$100 valuation** will be allocated toward **Maintenance and Operations (M&O)** to support core city services and operations.
- **Revenue Enhancements:**
 - **Fines and Citations:** Fees will increase in accordance with new state guidelines, contributing additional revenue to the General Fund.
 - **Property Value Growth:** An increase in property tax revenue is anticipated due to the completion of several subdivisions, including **Hidden Woods, Oak Hills, and San Marcos Subdivision**.
- **Future Growth & Annexation:**
 - The City is preparing for **proposed annexations** in the upcoming fiscal year to support long-term growth and infrastructure planning.
 - A **preliminary subdivision** on **Hand Road** is expected to be introduced within the next few months, bringing over **100 new residential lots**.
- **Commercial Development:**
 - New businesses such as **AutoZone** and **Border Town Supermarket** are under development, contributing to the city's commercial tax base.
 - Additional commercial projects, including **Lots 1 and 4**, will be discussed at the upcoming **Combes EDC meeting on Monday**, signaling continued economic development momentum.

- **Employee Compensation:** All full-time city employees will receive a **5% cost of living adjustment (COLA)** to help offset inflation and retain qualified staff.
- **Community Health & Wellness:**
 - The **Tu Salud Sí Cuenta** program will be **de-obligated after September 30, 2025**. However, the City will **retain its Community Health Worker**, who will continue to provide wellness programming.
 - Services will include **Zumba and Yoga classes** (for which she is certified), as well as outreach to **Amigos Del Valle** and other community groups.
 - The Community Health Worker will also introduce **new health, nutrition, and wellness programs** aimed at **seniors, children, and families**, ensuring continued support for public health initiatives.

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4. Capital Improvement Projects (CIP)

- **Public Works Facilities:**
 - Ongoing repairs to the **Public Warehouse** are nearing completion.
 - **Phase II** will focus on the development of an **Animal Holding Facility** to support animal control operations.
 - The current budget includes funding for **equipment, tools, and other assets** to enhance the efficiency and capabilities of the Public Works Department.
- **Grant-Funded Infrastructure Projects:**
 - The City has secured a **\$2 million grant** to enhance **lift stations and sewer manholes**, improving wastewater system reliability.
 - A **\$500,000 federal grant** in partnership with **Cameron County Drainage District #5** will fund **drainage infrastructure improvements**.
 - The City is awaiting approval for an additional **\$850,000** in funding for further **repairs to lift stations and manholes**.
 - **HOME Grants** continue to support Combes residents by funding the **reconstruction of dilapidated homes**, improving housing conditions for low-income families.
- **Street & Lighting Improvements:**
 - Plans are underway to install **street lighting** throughout the city to improve safety and visibility.
 - The City is actively seeking **additional funding sources** to support the **rehabilitation of city streets**.
- **Planning & Resilience:**

- Combes is a participant in the **Cameron County Hazard Mitigation Plan**, which does **not require a local match**. This plan is essential for eligibility for future **state and federal mitigation funding**.
- The City is currently preparing **RFQs and RFPs** for an **EDA grant** and to **update the City's Comprehensive Plan**, ensuring long-term strategic growth and infrastructure planning.

In closing, I want to express my sincere appreciation for the input and collaboration from our community. I applaud the dedication of our city departments, the hard work of our staff, and the continued support of our City Commissioners and citizens.

We recognize that we are not perfect—but we are committed. As your **non-paid Mayor and Commissioners**, we are proud to serve and represent you. Together, we are building a stronger, more resilient Combes. With the best team in place, we will continue moving this city forward—**for you, with you, and because of you**.

Mayor Silvestre Garcia