





## MEMORANDUM

**TO:** Mayor and City Council

**THROUGH:** Ed Van Eenoo, Chief Financial Officer 

**FROM:** Kerri Lang, Director, Office of Budget and Organizational Excellence 

**DATE:** April 4, 2025

**SUBJECT:** **Five-Year Financial Report for Fiscal Years 2026-2030**

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Attached please find the City of Austin, Five-Year Financial Forecast for fiscal years 2026 through 2030. The Forecast provides initial revenue and expenditure for the City's General Fund and for each of its Enterprise departments. Please note that the amounts included in this Forecast are not budget recommendations, but rather a comparison of the anticipated costs of providing existing City services with projected revenue collections.

With respect to the General Fund, the Forecast projects a deficit of \$33.4 million in FY 2026 and foresees the gap widening to \$79.9 million by FY 2030, primarily as a result of growth in sales tax collections being threatened by economic uncertainty. Since the Legislature's approval of a lower property tax revenue cap in 2019, the City has consistently projected significant General Fund deficits as part of its Financial Forecast. Over the next several weeks, City management and Budget staff will make necessary adjustments and plan to present a balanced budget for both Fiscal Year 2026 and Fiscal Year 2027 to City Council.

We will walk through the full Forecast and provide an opportunity for questions and discussion during the City Council's work session on Tuesday, April 8.

cc: T.C. Broadnax, City Manager  
Myrna Rios, City Clerk  
Corrie Stokes, City Auditor  
Judge Sherry Statman, Presiding Judge  
Mary Jane Grubb, Municipal Court Clerk  
CMO Executive Team