



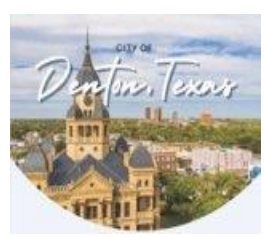
Budget Workshop FY 2025-26

**Christine Taylor, Assistant City
Manager**
August 09, 2025



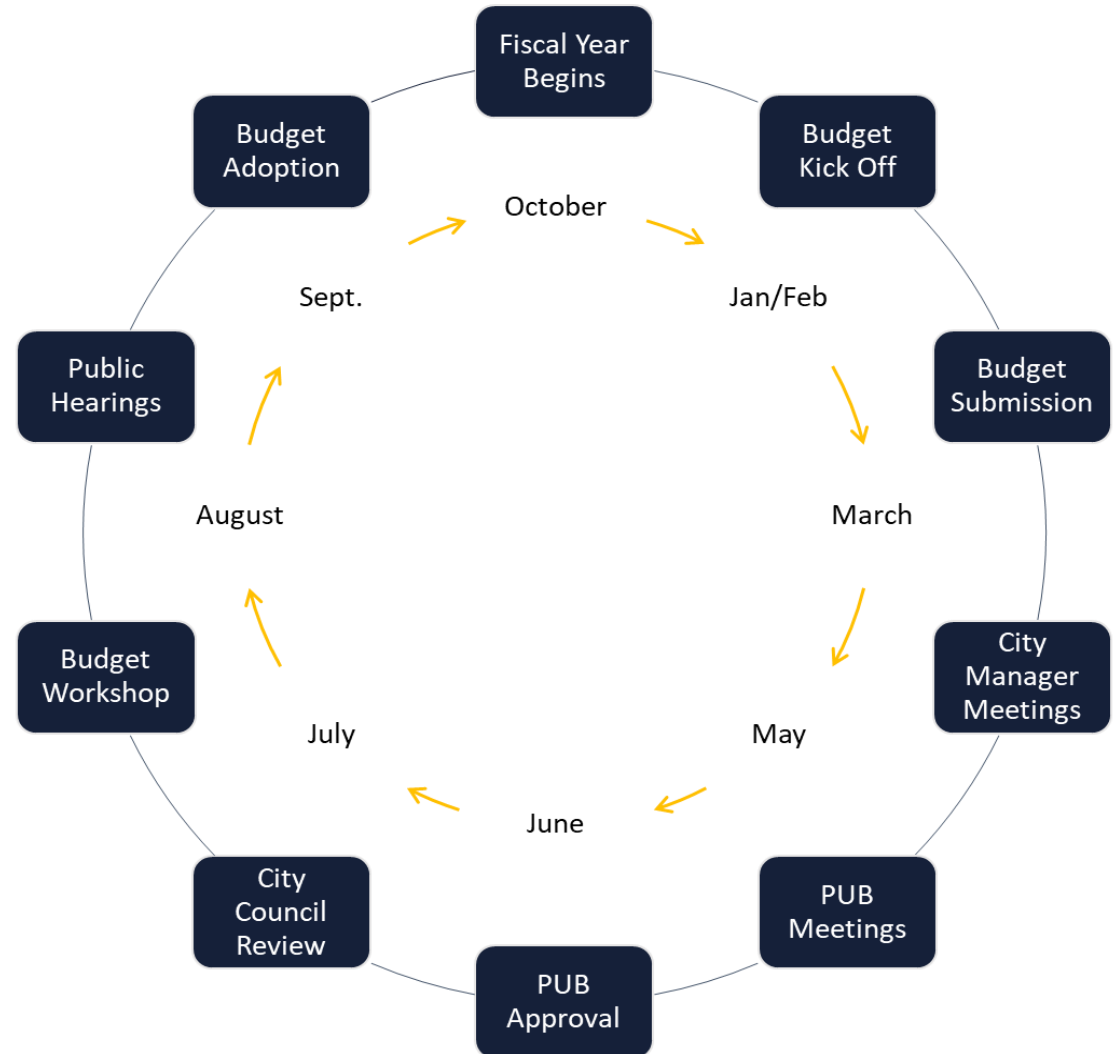
Fiscal Year 2025-26 Agenda

- Budget Process & Structure
- Budget Assumptions
- Tax Rate and Revenue Assumptions
- General Fund Assumptions
- General Fund Operations
- Internal Service and Special Revenue Funds
- Capital Budget
- Next Steps



Fiscal Year 2025-26 Budget Process

- Budget Kickoff
- Budget Submission
- City Manager Meetings
- PUB Meetings
- City Council Review
- Budget Workshop
- Public Hearings
- Budget Adoption
- October 1 - Effective Date





Fiscal Year 2025-26

Budget Methodology & Strategy

Zero-Based Budgeting

- All spending is justified from a "zero-base" regardless of past allocations.
- **Objective:** Ensure every dollar provides maximum impact.
- **Key Questions:**
 - Are we duplicating efforts or resources?
 - Are there activities we should no longer be doing?
 - Where can we improve our existing services?

Managed Vacancy Program

- **Objective:** To generate budgetary savings by strategically freezing open positions.
- **Purpose:** The program analyzes and prioritizes staffing needs, ensuring resources are allocated to the most critical roles

Budget Task Force

- **Objective:** To identify, review, and recommend cost saving measures
- **Purpose:** A cross functional dedicated team to review departmental budgets to recommend reductions and efficiencies



Fiscal Year 2025-26

Budget Methodology & Strategy

Expected Outcomes:

Improved Financial Health

- Achieve a balanced budget and capture significant savings.
- Increase the City's financial stability and resilience for future challenges.

Enhanced Strategic Alignment

- Eliminate non-essential or duplicated services and projects.
- Reallocate funds to support high-impact programs and critical services.

Increased Transparency & Accountability

- Promote a culture of data-driven decision-making.
- Provide greater clarity and justification for all budgetary expenditures.
- Create a consistent process for reviewing and prioritizing all spending requests, from staffing to programs.



Fiscal Year 2025-26

Budget Structure

Fund Accounting

- **Governed by Rules:** Our budget structure is guided by governmental accounting principles, regulations, and statutes.
- **Core Principle:** Fund accounting ensures that revenue and expenditures are tracked together in distinct "self-balancing" units.
- **Goal:** To demonstrate compliance with legal and regulatory restrictions on how funds can be used.
- **City funds:**
 - **Major funds (governmental and business type):** General Fund, Debt Service Fund, Electric Fund, Water Fund, Wastewater Fund, Solid Waste Fund, Airport Fund
 - **Special revenue funds:** Community Development Block Grant (CDBG), Catalyst, Sustainability Framework, Police Confiscation, Tourist and Convention, Street Improvement, Gas Well Revenues, Park Trusts, Roadway Impact Fees, Tax Increment Reinvestment Zones (TIRZs), Donations
 - **Internal service funds:** Technology Services, Materials Management, Fleet, Risk Retention, Health Insurance, Facilities, Engineering Services, Customer Service, and Environmental Services



Fiscal Year 2025-26

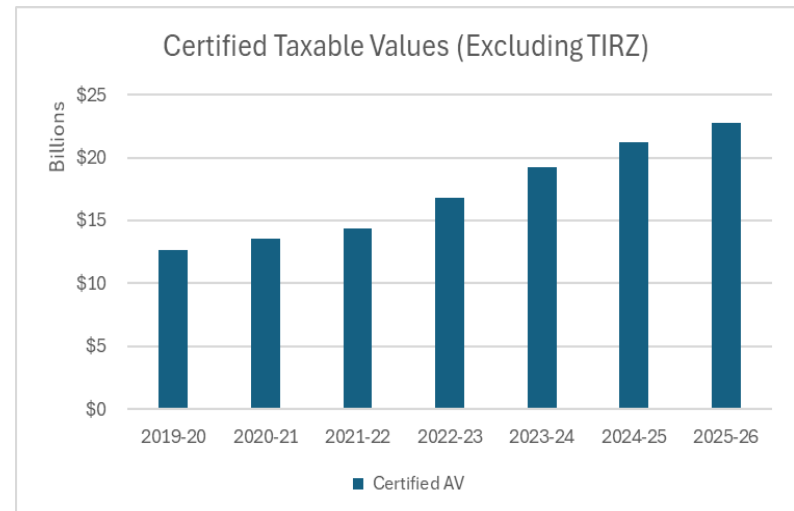
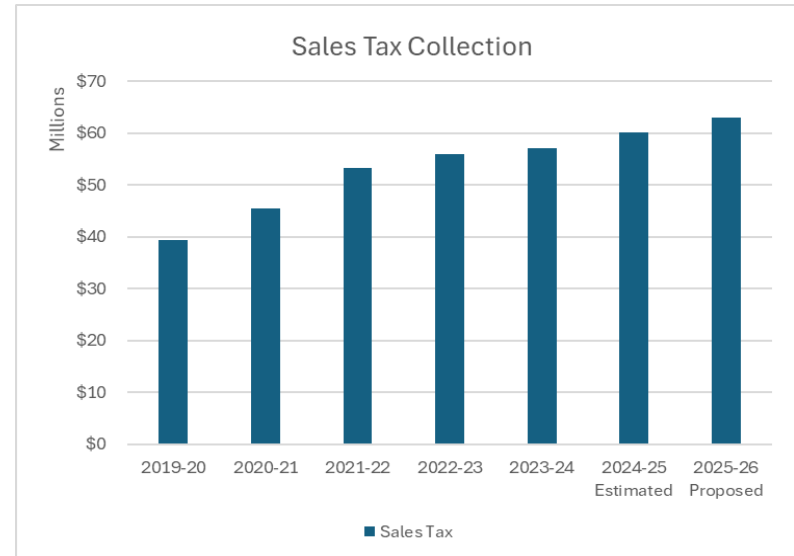
Financial Assumptions

Sales Tax:

- FY 2025/26 - 4.62% increase from 2025 estimates
- FY 2026/27 - 5.00% average estimated growth

Certified Appraised Values (Excluding TIRZ):

- FY 2025/26 - Total Certified Appraised Value is \$22.7 billion
- FY 2025/26 - 7.10% increase over the prior tax year
 - \$599,600,902 in new value added to the tax roll (-50% decrease)
- Assumes 98.5% collection rate





Financial Assumptions – Fund Balance Targets

City's Bond Rating AA+

General Fund

- **Target:** 20 -25% of budgeted expenditures and an additional 5% resiliency reserve (20% operating + 5% reserve).
- **Purpose:** To cover unexpected events, such as unusual financial circumstances, large legal settlements, or emergencies.

Proprietary Funds

- **Target:** Comprised of two components
 - Working capital target: minimum of **8%** ending working capital balance (current assets - current liabilities).
 - Operating reserve target: Varies per fund, based on expenses and demand volatility.
 - If the balance falls below this level, a 5-year plan is required to replenish the fund.
- **Purpose:** Operating reserves help minimize rate fluctuations for customers due to unforeseen revenue and expense variations.

Fund	Target Reserve %	Meets	Will Meet
General Fund	20-25% of expenses	No	Yes, in FY 26-27
Electric	38% - 61% of expenses	No	Yes, in FY 29-30
Wastewater	20% – 31% of expenses	Yes	Yes
Water	25% - 42% of expenses	Yes	Yes
Solid Waste	6% - 10% of expenses	Yes	Yes



Fiscal Year 2025-26

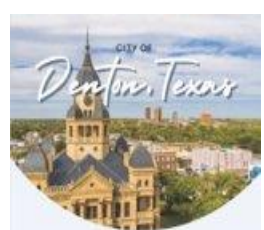
Compensation & Benefits

Compensation

Salary Adjustments: There are no proposed cost-of-living or merit adjustments for non-civil service employees. As part of Meet and Confer, civil service employees who are eligible and meet the requirements will receive STEP Pay increases. These increases will continue at designated intervals throughout the year.

Employee Benefits

- **Health Insurance:** The employer-paid premium is increasing by 2.19% over the prior year, bringing the cost to \$1,331 per employee per month. Employee contribution changes will vary based on plan selections, effective in January 2026.
- **Retirement Contributions (rate set by TMRS annually)**
 - Texas Municipal Retirement System (TMRS): The rate is decreasing from 18.88% to 18.60%.
 - Fire Pension: The rate remains aligned with TMRS at 18.60%.
 - This change represents a city-wide savings of \$400,000
- **Work Schedules:**
 - Administrative Offices: 4.5-day work week is proposed to be piloted tentative for October 2025
 - Fire Department: schedule will move to 48/96 Hours Schedule is tentative for January 2026

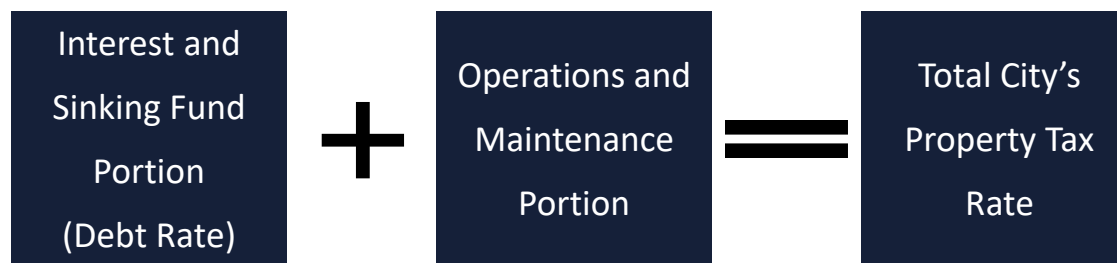


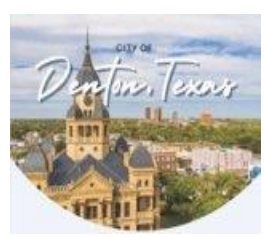
Fiscal Year 2025-26

Tax Rate Definitions

Rate Definitions:

- Senate Bill 2 - Property Tax Reform and Transparency Act, 2019
- Changed Terminology:
 - No-new revenue rate
 - The operations and maintenance portion of the tax rate needed to raise essentially the same maintenance and operations tax revenue as the prior year, less new value and tax ceilings added to the tax roll
- Voter-approval tax rate
 - Limits the operations and maintenance portion of the tax rate increase to 3.5% over the prior year, less new property and tax ceilings added to the tax roll
- (No-new revenue maintenance and operations rate X 1.035) + current debt service rate = Total Tax Rate





Fiscal Year 2025-26

Assessed Values & Tax Rate

Fiscal Year	Certified Assessed Value*	Operations & Maintenance Rate	Debt Service Rate	Total Tax Rate	% Change
2020-21	\$ 13,581,648,271	0.380364	0.210090	0.590454	0.00%
2021-22	14,403,105,063	0.350444	0.215379	0.565823	-4.17%
2022-23	16,764,866,572	0.356432	0.204250	0.560682	-0.91%
2023-24	19,287,823,297	0.354780	0.205902	0.560682	0.00%
2024-25	21,246,581,740	0.334780	0.250640	0.585420	4.48%
2025-26	\$ 22,755,601,832	0.334780	0.260640	0.595420	1.71%

Proposed Rate

* Excludes TIRZ

Proposed Tax Rate:

Operations & Maintenance	\$0.334780 (unchanged)
Debt Service	\$0.260640 (increase \$0.01)
Total Proposed Tax Rate	\$0.595420

No New Revenue Rate	\$0.554279/ \$100
Voter Approval Rate	\$0.612904/ \$100



Fiscal Year 2025-26

Tax Bill Impact

Proposed: Average Tax Bill Impact: Approximately \$7 per month / \$84 annually

- Increase on the I&S Only
- Rate is per \$100 in assessed value

No New Revenue Rate	\$0.554279/\$100
Proposed Rate	\$0.595420/\$100
Voter Approval Rate	\$0.612904/\$100

Estimated Property Tax Bill	FY 2025	Proposed .01 Increase Increase to I&S only
Average Homestead Residential Value	\$ 378,849	\$ 386,698
O&M Rate	0.33478	0.33478
I&S Rate	0.25064	0.26064
Total Rate	0.58542	0.59542
Tax Bill	\$ 2,218	\$ 2,302
Annual Change (\$)		\$84
Monthly Change (\$)		\$7



Fiscal Year 2025-26

Assessed Values & Debt Service

Proposed Debt Tax Rate:

Prior Certificates & Bond Programs	\$0.231663
<u>2023 Bond Program*</u>	<u>\$0.028977</u>
Total I&S Rate	\$0.260640

Factors Influencing Debt Tax Rate:

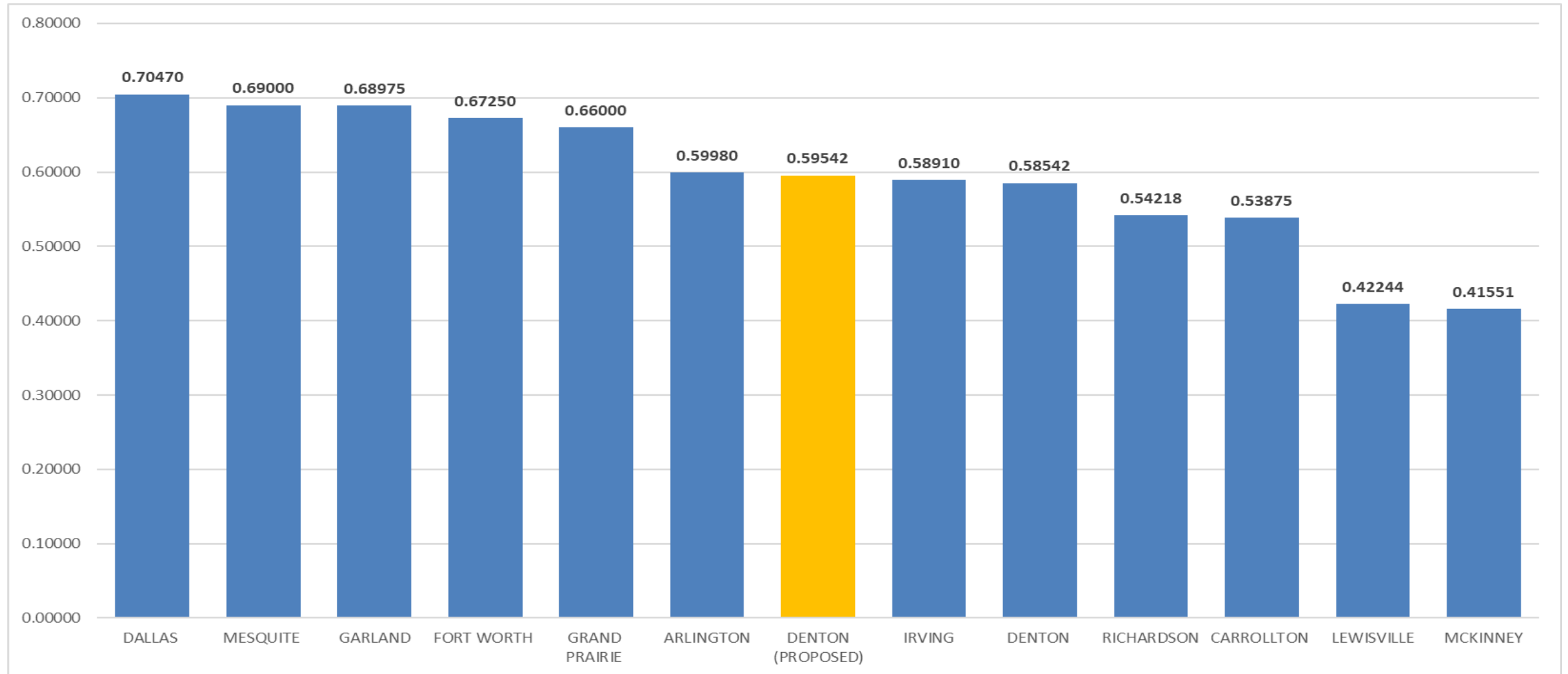
- Taxable Value Growth
- Market Rates
- Bond Program Issuance Schedule
- CO Issuance
- Refunding/Refinancing

* Tax rate includes the first two years of the bond program. Staff anticipates the net rate to remain under the \$0.0526 forecast presented to City Council in August 2023.



Fiscal Year 2025-26

Property Tax Rate Comparison





Fiscal Year 2025-26

General Fund - Revenues

	2023-24 ACTUALS	2024-25 BUDGET	2024-25 ESTIMATES	2025-2026 PROPOSED	FY 2026-27 PROJECTED	FY 2027-28 PROJECTED	FY 2028-29 PROJECTED	FY 2029-30 PROJECTED
Beginning Fund Balance	\$ 44,749,871	\$ 44,749,871	\$ 42,353,136	\$ 42,508,217	\$ 42,508,217	\$ 44,646,467	\$ 49,182,379	\$ 53,758,009
Property Tax	66,281,546	68,879,918	67,804,582	71,889,200	74,172,675	76,397,856	77,925,813	79,484,329
Sales Tax	57,074,842	60,841,793	60,164,000	62,944,986	64,833,336	66,778,336	68,113,903	69,476,181
Other Taxes	566,827	608,330	502,136	566,134	583,118	600,611	612,623	624,876
Licenses and Permits	5,561,811	6,415,806	6,956,839	6,846,632	7,052,031	7,263,592	7,408,864	7,557,042
Franchise Fees & ROI	17,534,987	30,053,643	24,679,488	32,194,374	33,160,205	34,155,011	34,838,112	35,534,874
Fines and Fees	2,525,000	2,106,531	2,527,452	2,528,462	2,604,316	2,682,446	2,736,095	2,790,817
Service Fees	12,420,160	12,108,150	13,020,436	12,832,606	13,252,945	13,650,534	13,923,544	14,202,015
Investment Income	3,567,673	2,352,098	2,742,602	2,742,602	2,697,338	2,778,258	2,833,824	2,890,500
Intergovernmental Revenue	3,530,952	3,197,656	3,169,666	3,571,740	3,678,892	3,789,259	3,865,044	3,942,345
Other Revenues	688,630	305,176	422,332	753,457	741,442	763,685	778,959	794,538
Transfers	16,903,268	20,710,051	20,710,051	21,954,773	22,613,416	23,291,819	23,757,655	24,232,808
Total Revenue	\$ 186,655,696	\$ 207,579,152	\$ 202,699,585	\$ 218,824,966	\$ 225,389,715	\$ 232,151,406	\$ 236,794,435	\$ 241,530,323



Fiscal Year 2025-26

General Fund - Expenditures

	2023-24 ACTUALS	2024-25 BUDGET	2024-25 ESTIMATES	2025-26 PROPOSED	FY 2026-27 PROJECTED	FY 2027-28 PROJECTED	FY 2028-29 PROJECTED	FY 2029-30 PROJECTED
Personnel Services	\$ 132,516,995	\$ 140,013,012	\$ 142,946,395	\$ 151,582,811	\$ 154,614,467	\$ 157,706,757	\$ 160,860,892	\$ 164,078,110
Materials & Supplies	4,066,883	5,228,307	4,442,079	4,617,746	4,710,101	4,804,303	4,900,389	4,998,397
Maintenance & Repair	1,926,679	2,342,906	2,128,311	2,349,279	2,396,265	2,444,190	2,493,074	2,542,935
Insurance	3,920,723	4,521,766	4,521,766	3,868,485	3,945,855	4,024,772	4,105,267	4,187,373
Miscellaneous	2,820,794	3,674,652	3,044,578	2,503,462	2,553,531	2,604,602	2,656,694	2,709,828
Operations	23,326,252	23,153,232	20,340,778	25,386,802	25,894,538	26,412,429	26,940,677	27,479,491
Fixed Assets	661,455	658,319	467,371	477,588	487,140	496,883	506,820	516,957
Capital Transfers	1,062,502	1,730,579	1,451,450	1,063,450	1,084,719	1,106,413	1,128,542	1,151,112
Interfund Transfers	18,778,627	26,256,380	23,201,776	26,975,343	27,514,850	28,065,147	28,626,450	29,198,979
Total Expenditures	\$ 189,080,910	\$ 207,579,152	\$ 202,544,503	\$ 218,824,966	\$ 223,201,465	\$ 227,665,495	\$ 232,218,805	\$ 236,863,181
Ending Fund Balance	\$ 42,324,656	\$ 44,749,871	\$ 42,508,217	\$ 42,508,217	\$ 44,696,467	\$ 49,182,379	\$ 53,758,009	\$ 58,425,151
Change in Fund Balance	(2,425,215)	-	155,081	-	2,188,250	4,485,912	4,575,630	4,667,143
Fund Balance as % of Total Expenditures	22.38%	21.55%	21.00%	19.43%	20.03%	21.60%	23.15%	24.70%

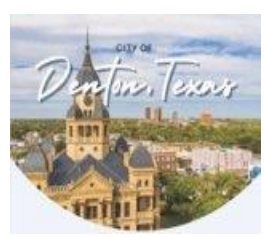


Fiscal Year 2025-26

General Fund – Proposed Reductions

To navigate current budget conditions, departments conducted zero-based budgeting for FY 2025-26. In addition, departments have assessed existing operations to identify opportunities for cost savings through service reductions, eliminations, technology implementation, or internalization of services.

Category	Included Reductions
Personnel	\$3,066,035
Programs	2,179,064
Contractual Services	1,053,223
Travel and Training	197,155
Equipment, Supplies, Other Discretionary	618,317
Total	\$7,113,794



Fiscal Year 2025-26

General Fund – Additional Funding Considerations

Two Minute Pitch Items \$163,174 (One-Time Expenses)

- Expiring Incentives – Roll over to the Catalyst Fund
 - \$38,174
- Campaign Finance – Consultant (Research and Present at one Council Meeting)
 - \$70,000
- Civic Center Pool Comprehensive Site Analysis and End of Lifecycle Plan
 - \$55,000

Two Minute Pitch Item \$173,117 (Ongoing Expense)

FY 26-27 Budget Consideration

Election Day Holiday

- Next Mid-Term Election, November 2026
 - \$173,117 total city-wide overtime & benefit costs



Fiscal Year 2025-26

General Fund – Follow Up from June 17 Work Session

Council Consideration from June 17 \$411,107 (on-going)

In-Kind Funding for special events (not included in the City Manager's Proposed Budget)

- \$120,000 – currently funded at \$200,000 for FY 25-26

Ambassador Program

- \$291,107 – (included in the City Manager's Proposed Budget, recommended from the Community Partnership Committee to fund from Hotel Occupancy Tax Funds)



Fiscal Year 2025-26

General Fund – Options for Additional Reductions

Provide direction for One-Time Considerations (not included in the City Manager's Proposed Budget)

Staff Recommendation is to monitor expenses as we approach year-end and fund one-time considerations based on availability of savings and priority order

- Operating Funding
- Completed Projects
- Will revisit mid-year in FY 25-26 for any unfunded one-time considerations

One-Time Consideration	Amount
Expiring Incentive roll to Catalyst Fund	38,174
Campaign Finance Consultant	70,000
Civic Center Pool Site Analysis and End of Lifecycle Plan	55,000
In-Kind Funding for special events	120,000
Total	\$283,174



Fiscal Year 2025-26

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to another department within the same organization.

Fund Description	FY 2025 Adopted Budget	FY 2026 Proposed Budget
Customer Service Fund	\$ 11,965,917	\$ 11,873,598
Technology Services Fund	25,100,222	25,051,383
Materials Management Fund	20,890,460	20,934,363
Fleet Management Fund	17,797,472	18,663,445
Facilities Management Fund	8,418,765	8,459,548
Risk Management Fund	8,855,546	8,327,477
Engineering Services Fund	13,521,518	13,314,400
Environmental Services Fund	6,145,567	5,815,738
Total:	\$112,695,467	\$ 110,439,952



Fiscal Year 2025-26

Special Revenue Funds

- Special Revenue funds account for the receipt of specific revenue sources that are restricted for a specific purpose.
- **Funds include:**
 - Tourist and Convention Fund
 - Catalyst Fund
 - Sustainability Framework Fund
 - Street Improvement Fund
 - Tree Fund



Fiscal Year 2025-26

Other Special Revenue Funds

Fund Description	FY 2025 Adopted Budget	FY 2026 Proposed Budget
McKenna Trust Fund	\$ 20,000	\$ 20,000
Park Land Dedication Trust Fund	1,000,000	1,000,000
Park Development Trust Fund	1,000,000	1,000,000
Downtown TIRZ	1,542,251	1,542,251
Westpark TIRZ	3,522,650	474,006
Sustainability Framework Fund	800,000	1,050,150
Donation Funds	227,500	280,500
Legends Municipal Utility District Fund	169,250	147,000
Tourism Public Improvement District Fund	1,103,385	1,203,334
Water Impact Fees Fund	1,635,340	1,732,674
Wastewater Impact Fees Fund	2,990,345	8,858,946
Health Insurance Fund	42,196,727	43,900,363
Tourist and Convention Fund	4,536,104	5,411,486
Street Improvement Fund	20,532,635	23,432,130
Catalyst Fund	1,150,000	2,150,000
Tree Fund	1,000,000	1,000,000
Total:	\$ 83,426,187	\$ 93,202,840



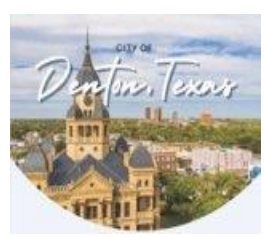
Fiscal Year 2025-26

Tourist & Convention – Proposed Budget

Revenues

- Hotel Occupancy Tax levied at 7% room rentals.
- Planned use of reserve of \$988,520
 - Supports local organizations that promote tourism and the hotel industry under state law.
 - Community Partnership Committee recommends funding allocations annually.

Revenues	Budget
Hotel Occupancy Tax	\$ 2,947,000
Convention Center Hotel	1,125,966
Use of Reserves	988,520
Total Revenues	\$ 5,061,486



Fiscal Year 2025-26

Special Event Funding – All Sources

Expenditures

- FY 2026 allocation recommendations were based on established scoring criteria
- Includes proposed funding for the Downtown Ambassador program (scaled down)

Expenditures	Request (HOT)	Recommendation (HOT)	Recommendation (Cash)	Recommendation (In- kind)	Total Sponsorships
Black Chamber of Commerce	\$ 80,000	\$ 48,000	\$ 4,000	\$ 14,140	\$ 66,140
Black Film Festival Institute	62,500	62,500	12,000	-	74,500
Boil Buddies Bash	-	-	3,000	260	3,260
CVB – Discover Denton	1,964,250	1,964,250	-	-	1,964,250
Cinco de Mayo	62,000	24,800	5,000	10,650	40,450
Denton Day of the Dead Festival	100,000	80,000	8,000	16,120	104,120
Denton Halloween 2026	250,000	250,000	-	-	250,000
Denton Festival Foundation	140,000	84,000	20,000	70,800	174,800
Denton Holiday Festival Association	100,000	20,000	6,000	10,160	36,160
Denton Main Street Association	152,100	121,680	10,000	80	131,760
Denton Parks Foundation - Juneteenth	77,000	30,800	4,000	19,090	53,890
Greater Denton Arts Council - Public Art	100,000	70,728	-	-	70,728
Greater Denton Arts Council - Operations	160,400	160,400	3,768	-	164,168
Kiwanis Youth Servies	-	-	26,800	16,020	42,820
North Texas State Fair Association	417,200	417,200	10,000	4,780	431,980
Tejas Storytelling Association	59,055	59,055	-	5,750	64,805
Denton Community Theatre	58,500	35,100	-	-	35,100
UNT Basketball – Nightmare on Elm St	-	-	-	5,670	5,670



Fiscal Year 2025-26

Special Event Funding – All Sources

Expenditures	Request (HOT)	Recommendation (HOT)	Recommendation (Cash)	Recommendation (In-kind)	Total Sponsorships
Texas Filmmakers	\$ 75,000	\$ 75,000	\$ 8,000	\$ 7,470	\$ 90,470
Touch a Truck	-	-	2,500	-	2,500
Friends of the Badge	-	-	2,932	-	2,932
Explorium Coffee Crawl	-	-	2,000	-	2,000
DMAC Amplify	11,000	9,900	2,600	860	13,360
O'Reilly Hospitality – ED Incentive Agreement	1,125,966	1,125,966	-	-	1,125,966
Downtown Ambassador	393,000	291,107	-	-	291,107
Contingency	-	131,000	-	-	131,000
Denton Bach Society	5,000	-	-	-	-
Denton Breakfast Kiwanis - Turkey Roll	8,000	-	-	-	-
Turkey Trot	-	-	-	5,000	5,000
Denton Community Market	80,200	-	11,800	6,690	18,490
Denton County Office of History & Culture	305,000	-	-	-	-
Denton Music and Art Collaborative - Joan of Bark	10,000	-	2,000	-	2,000
Denton Parks Foundation - Dog Days of Denton	57,000	-	-	3,340	3,340
Peterbilt Parade	-	-	800	2,710	3,510
Real Waves Radio Network	10,000	-	-	-	-
Texas Veterans Hall of Fame Foundation	97,000	-	2,000	-	2,000
Fry Street Charities	150,000	-	-	-	-
DMAC Monster Dash	16,500	-	1,800	410	2,210
Instant Film Society - PolaCon	5,000	-	1,000	-	1,000
Total Expenditures	\$ 6,131,671	\$ 5,061,486	\$ 150,000	\$ 200,000	\$ 5,411,486



Fiscal Year 2025-26

Catalyst Fund – Proposed Budget

Revenues

- \$150,000 allocation from Mixed Beverage taxes
- \$1,000,000 allocation from General fund
- \$1,000,000 in use of reserve

Expenditures

- \$150,000 in programmed grants
- \$2,000,000 in future grants

Projected Fund Balance

\$5,578,175

FY 2026 Beginning Balance

(\$1,000,000)

Planned Use of Reserves

\$4,578,175

FY 2026 Ending Fund Balance

Revenues	Budget
Taxes	\$ 150,000
Operating Transfers In from General Fund	1,000,000
Use of Reserve	1,000,000
Total Revenues	\$ 2,150,000

Expenditures	Budget
Operations	\$ 150,000
Economic Development Incentives & Grants	2,000,000
Total Expenditures	\$ 2,150,000



Fiscal Year 2025-26

Sustainability – Proposed Budget

Revenues

- \$1,000,000 in allocations from General Fund

Expenditures

- \$1,050,150 to support programs and projects identified in the Sustainability Framework Advisory Committee work plan.

Projected Fund Balance

\$1,591,679	FY 2026 Beginning Balance
<u>(\$0)</u>	Planned Use of Reserves
\$1,591,679	FY 2026 Ending Fund Balance

Revenues	Budget
Investments	\$ 50,150
Operating Transfers In	1,000,000
Total Revenues	\$ 1,050,150

Expenditures	Budget
Materials and Supplies	\$ 82,400
Operations	51,500
Interfund Transfers	916,250
Total Expenditures	\$ 1,050,150



Fiscal Year 2025-26

Street Improvement – Proposed Budget

Revenues

- \$16,300,000 in allocations from Franchise fees
- \$2,229,238 in programmed one-time use of reserves
- \$2,500,000 in allocations from General Fund
- \$2,189,864 in interest cost savings from Utility Funds

Expenditures

Major Projects:

- \$0.6 million - Sidewalks & ADA
- \$0.6 million - Crack Seal & Surface Treatments
- \$2.6 million - Responsive Maintenance
- \$1.6 million - Mill & Overlay
- \$4.2 million - Reconstruction
- \$6.0 million - Neighborhood Street Reconstruction

Projected Fund Balance

\$4,838,962 FY 2026 Beginning Balance
(\$2,229,238) Planned Use of Reserves
\$2,609,724 FY 2026 Ending Fund Balance

Revenues

Budget

Franchise Fees	\$	16,300,000
Investments		213,028
Operating Transfers In		4,689,864
Use of Reserves		2,229,238
Total Revenues	\$	23,432,130

Expenditures

Budget

Personnel Services	\$	4,279,853
Materials and Supplies		171,629
Maintenance and Repair		7,441,086
Insurance		98,295
Miscellaneous Expense		1,400
Operations		1,414,329
Interfund Transfers		10,025,538
Total Expenditures	\$	23,432,130



Fiscal Year 2025-26

Tree Fund – Proposed Budget

Revenues

- \$900,000 in planned licensing and permits
- \$100,000 in investment interest

Revenues	Budget
Licenses and Permits	\$ 900,000
Investments	100,000
Total Revenues	\$ 1,000,000

Expenditures

- \$447,650 in expenditures to support tree canopy growth
- Estimates 3,342 trees planted in FY 2026

Expenditures	Budget
Personnel Services	\$ 19,469
Insurance	861
Operations	484,433
Interfund Transfers	495,237
Total Expenditures	\$ 1,000,000



Fiscal Year 2025-26

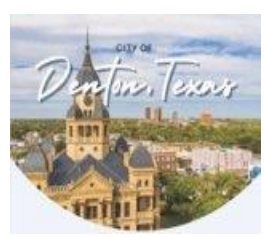
Tree Fund – 2-Minute Pitch Topics

Funding For Tree Canopy Goals

- Estimated \$447,650 from the Tree Fund
- Proposed funding would be utilized to plant and give-a-way approximately 3,200 annually (trees and irrigation) to increase the future tree canopy.
- This percentage does not include any erosion of the canopy from death or removal across the city.

Fiscal Year	Trees to Plant	Budget	Future Canopy
2025-2026	3,342	\$447,650	.15%
2026-2027	3,345	\$448,920	.15%
2027-2028	3,328	\$465,770	.15%
2028-2029	3,321	\$448,715	.15%
Total	13,336	\$1,811,055	.60%

FY 2026 Tree Preservation Fund beginning fund balance is estimated to be \$2,043,696.



Fiscal Year 2025-26

Capital Improvement Program Summary

The FY 2026 Capital Improvement Program (CIP) includes \$552.8 million in planned new funding for FY 2026

- \$127.0 million - General Government (Bond Programs, Streets, Parks, Public Safety Facilities)
- \$64.0 million - Electric Utility
- \$94.9 million - Water Utility
- \$243.0 million - Wastewater Utility
- \$21.7 million - Solid Waste
- \$2.2 million - Airport

Funding sources include:

- Current Year Revenue
- General Obligation (GO) Bonds
- Certificate of Obligations (CO) Bonds
- Federal and State Loan Programs
- Impact Fees



Fiscal Year 2025-26 2023 Bond Program

2026 Issuance Projects:

- \$18.125M Ruddell / Mingo Roadway & Quiet Zones
- \$15.595M Oakland Drainage & Upstream Detention
- \$10.0M Pecan Creek 4, Phases 3 & 4
- \$0.503M Public Art (Public Safety Facilities)

2026 Issuance Timeline:

PROGRAM DESCRIPTION	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Proposition A - Street Improvements	\$ 5,000,000	\$ 2,000,000	\$ 18,125,000	\$ 20,000,000	\$ -	\$ -	\$ 45,125,000
Proposition B - Drainage & Flood Control	10,000,000	6,268,000	25,595,000	16,997,000	-	-	58,860,000
Proposition C - Park System Improvements	9,450,000	1,000,000	-	12,000,000	8,000,000	3,000,000	33,450,000
Proposition D - Public Safety Facilities	26,170,000	15,342,000	503,000	-	-	-	42,015,000
Proposition E - Affordable Housing	-	-	-	5,000,000	5,000,000	5,000,000	15,000,000
Proposition F - Active Adult Center	-	-	-	5,000,000	25,930,000	16,430,000	47,360,000
Proposition G - South Branch Library	-	2,500,000	-	5,000,000	18,000,000	24,045,000	49,545,000
	\$ 50,620,000	\$ 27,110,000	\$ 44,223,000	\$ 63,997,000	\$ 56,930,000	\$ 48,475,000	\$ 291,355,000



Fiscal Year 2025-26

Discussion and Next Steps

Feedback and direction on the Proposed Fiscal Year 2025-26 Budget:

- Additional Funding Considerations in the General Fund
- Tax Rate
- Special Revenue Funds

Next Steps:

- Public Feedback Platform on Proposed Budget
- Line-item provided
- August 19, 2025:
 - General Fund Proposed Rates & Fees
 - Enterprise Funds
 - Budget Workshop Follow-Up (Work Session)
 - Intent to Set a Tax Rate (Regular Session)
 - September 16, 2025: Budget & Tax Rate Hearing & Adoption