



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Finance

ACM: Christine Taylor

DATE: August 9, 2025

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding the Fiscal Year 2025-26 City Manager's Proposed Budget, Capital Improvement Program, and Five-Year Financial Forecast.

BACKGROUND

The fiscal year 2025-26 Proposed Budget is submitted to the City Council as Exhibit 2. The proposed budget balances revenues and expenditures while ensuring the continued delivery of essential City services. The current fiscal year 2024-25 was a year of both challenges and opportunities. The City faced a deficit, which prompted a thorough examination of our programs and processes. Staff implemented a zero-based budgeting approach, a budgeting technique in which budgets start from zero, versus starting with the previous budget and adjusting it as needed. This approach allowed departments to identify discretionary spending reductions and ensure every dollar is justified regardless of prior year allocations. The proposed budget reflects our commitment to providing quality services to our community, efficiently and effectively.

FY 2026 budget totals \$2,551,200,633 which includes:

- General Fund budget of \$218,824,966
- Capital Improvement Program budget of \$1,244,433,000
- 1,894 full-time equivalents (FTEs)
- Proposed property tax rate of \$0.595420, which includes no change to the Maintenance & Operations (M&O) rate, and an increase of \$0.01 to the Interest & Sinking rate (I&S) from last year's rate.

The purpose of this work session is to discuss this information and provide the City Council with details concerning the proposed budget. This work session item is intended to provide a forum for discussions with management and allow for an opportunity for questions.

Below is the schedule for the budget workshop:

- Budget Overview
- Tax Rate & Revenues
- General Fund Overview
- Special Revenue Fund Overview
- Internal Service Funds Summary

- Capital Improvement Program
- Summary & Next Steps

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On July 15, 2025, City Council received the FY 2025-26 Utility Fund presentations. On July 22, 2025, City Council received the FY 2025-26 Capital Improvement Program presentation.

NEXT STEPS

August 19, 2025 – Adoption of Intention to Set a Tax Rate

September 9, 2025 – Public Hearing on Tax Rate (Tentative)

September 16, 2025 – Budget Adoption, Tax Rate Adoption, Capital Improvement Plan Adoption

EXHIBITS

Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Budget Workshop Presentation

Exhibit 3 - Proposed Annual Program of Services

Exhibit 4 - Budget Information Sheet

Respectfully submitted:
Matt Hamilton
Assistant Director of Finance