



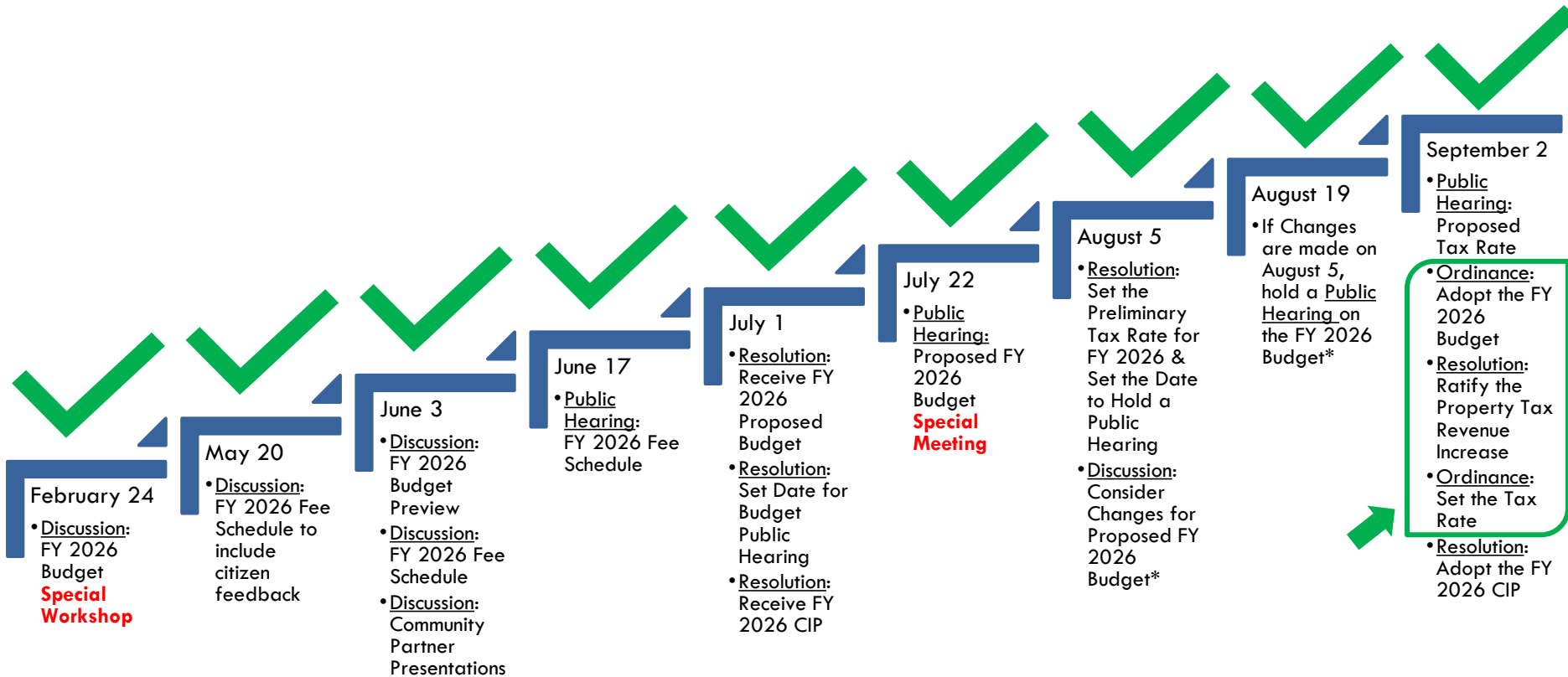
# FY 2026 PROPOSED BUDGET ADOPTION, RATIFY INCREASE, SET RATE

OR-25-010, RS-25-143,  
OR-25-011

September 2, 2025

# Budget Calendar

2



# Required Order

3

Record Vote on  
Budget

Vote to Ratify  
Property Tax  
Increase

Record Vote on  
Setting Tax  
Rate

# FY 2026 Proposed Budget

4

| Fund Group                     | Projected Beginning Fund Balance | FY 2026 Revenues      | FY 2026 Expenses      | Change in Fund Balance | Projected Ending Fund Balance | Fund Balance Reserve |
|--------------------------------|----------------------------------|-----------------------|-----------------------|------------------------|-------------------------------|----------------------|
| General Fund                   | \$ 34,594,025                    | \$ 133,347,455        | \$ 133,347,455        | \$ -                   | \$ 34,594,025                 | 25.94%               |
| Water & Sewer Fund             | 12,047,696                       | 52,406,737            | 52,406,737            | -                      | 12,047,696                    | 22.99%               |
| Capital Project Funds          | 26,480,878                       | 24,509,303            | 39,357,498            | (14,848,195)           | 11,632,683                    | 29.56%               |
| Solid Waste Fund               | 6,610,715                        | 28,451,661            | 28,451,661            | -                      | 6,610,715                     | 23.23%               |
| Internal Service Funds         | 7,824,728                        | 22,340,464            | 23,340,569            | (1,000,105)            | 6,824,623                     | 29.24%               |
| Debt Service Fund              | 5,060,622                        | 20,396,741            | 21,087,558            | (690,817)              | 4,369,805                     | 20.72%               |
| Other Special Revenues         | 5,465,085                        | 12,549,024            | 14,570,258            | (2,021,234)            | 3,443,851                     | 23.64%               |
| Street Maintenance Fund        | 7,408,128                        | 10,245,240            | 9,686,850             | 558,390                | 7,966,518                     | 82.24%               |
| Aviation Fund                  | 6,770,344                        | 7,011,248             | 6,461,604             | 549,644                | 7,319,988                     | 113.28%              |
| Drainage Utility Fund          | 1,474,785                        | 5,582,230             | 5,582,230             | -                      | 1,474,785                     | 26.42%               |
| Hotel Occupancy Tax            | 716,982                          | 3,119,421             | 3,119,421             | -                      | 716,982                       | 22.98%               |
| Golf Course Fund               | 292,914                          | 1,548,836             | 1,696,977             | (148,141)              | 144,773                       | 8.53%                |
| <b>Subtotal</b>                | <b>\$ 114,746,900</b>            | <b>\$ 321,508,360</b> | <b>\$ 339,108,818</b> | <b>\$ (17,600,458)</b> | <b>\$ 97,146,442</b>          |                      |
| Less Interfund Activity        |                                  | (34,633,257)          | (34,633,257)          |                        |                               |                      |
| Less Health Insurance Transfer |                                  | (7,469,990)           | (7,469,990)           |                        |                               |                      |
| <b>Adjusted Total</b>          |                                  | <b>\$ 279,405,113</b> | <b>\$ 297,005,571</b> |                        |                               |                      |

# Budget Adoption

5

Record Vote on Budget

# Ratify Property Tax Revenue Increase

6

Per Local Government Code 102.007(c), a separate vote is required to ratify any property tax revenue increase over the prior year.

Total tax revenue increase is \$6,431,349 (9.18%)

M&O \$3,309,964

I&S \$3,121,385

# Ratify Property Tax Revenue Increase

7

**Vote to Ratify Property  
Tax Increase**

# Set Tax Rate

8

|                   | Tax Rate | Budgeted Revenue |
|-------------------|----------|------------------|
| Operations<br>M&O | 0.5277   | \$58,498,395     |
| Debt<br>I&S       | 0.1737   | \$17,967,067     |
| Total<br>Tax Rate | 0.7014   | \$76,465,462     |



# Taxpayer Impact

9

|   | Current<br>FY 2025 | Proposed<br>FY 2026 | Difference |
|---|--------------------|---------------------|------------|
| Median-Valued Homestead Property                                      | \$221,214          | \$233,428           | \$12,214   |
| Tax Rate  | 0.6573             | 0.7014              | 0.0441     |
| Annual Property Tax Levy  | \$1,454.04         | \$1,637.26          | \$183.22   |
| Monthly Cost  | \$121.17           | \$136.44            | \$15.27    |
| Property tax amount = tax rate x taxable value of your property / 100 |                    |                     |            |

# Setting the Tax Rate

10

Per Tax Code 26.05(b), if the tax rate exceeds the no-new-revenue rate:

A record vote is required

Approval by at least 60% of Council (5 members)

Motion must state:

'I move that the property tax rate be increased by the adoption of a tax rate of \$0.7014, which is effectively a 8.12% increase in the tax rate.'

# Tax Rate Adoption

11

Record Vote on Tax Rate