

August 26, 2026

**Cover Letter – Summary of Changes to the Proposed Budget
Fiscal Year 2025–2026**

The following revisions have been incorporated into the Proposed Budget for FY 2025–2026 based on a combination of Council direction and staff adjustments:

- **Tax Rate:** The proposed tax rate has been set at the Voter Approval Rate with increment (\$0.7218 per \$100 of taxable assessed valuation).
- **Merit and Step Increases:** These compensation adjustments, which were originally proposed to be delayed until January 1, 2026, will now be reinstated effective October 1, 2025.
- **Public Safety Equity Adjustments:** Similarly, these adjustments were initially proposed for a January 1, 2026 implementation but will now take effect on October 1, 2025.
- **New Public Safety Positions:** Funding for three paramedics and one police officer, originally proposed to begin on October 1, 2025, has been adjusted to a January 1, 2026 start date. Additionally, funding for the three paramedic positions has been moved from the General Fund to the Medical Transport Fund.
- **Street Maintenance:** A one-time addition of \$1 million has been allocated to the Public Works department in the General Fund for street maintenance. This funding will be reevaluated annually.
- **Workers' Compensation:** A minor adjustment of \$27,943 has been made to reflect updated Workers' Compensation costs.
- **General Government Adjustment:** A reduction of Tarrant County's portion of the project (\$3,030,000) that was originally included in the proposed budget for the Village Creek Parkway Expansion project.

These updates reflect the City's commitment to responsible financial planning, operational readiness, and strategic investment in core services.

Fund	FY24-25 Revised	FY25-26 Proposed	Variance
General Fund	\$64.6	\$64.0	(\$0.6)
Debt Service	\$20.8	\$22.9	\$2.1
Water & Wastewater Fund	\$31.7	\$31.2	(\$0.5)
Solid Waste Fund	\$4.7	\$5.0	\$0.3
Hidden Creek Golf Course Fund	\$3.6	\$3.6	\$0.0
Parks Performance Fund	\$5.7	\$6.6	\$0.9
4A Sales Tax SRF	\$13.4	\$13.1	(\$0.3)
4b Sales Tax SRF	\$8.4	\$9.2	\$0.8
Capital Projects	\$67.1	\$82.4	\$15.3
Other Funds	\$26.6	\$26.8	\$0.2
Total	\$246.6	\$264.7	\$18.1