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**City Council Regular Meeting**

**DEPARTMENT:** Finance

**FROM:** Kevin Hennessey, Director of Finance

**MEETING:** September 8, 2026

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**SUBJECT:**

Consider and take possible action of an ordinance providing Fiscal Year 2026-2027 rates for water and wastewater service. (First Reading) (*Staff Contact: Kevin Hennessey, Director of Finance*)

**STRATEGIC PRIORITY AND GOAL(S):**

| Strategic Priority                                                                                                                                                                         | Strategic Goal                                                                                                                                                                                                                               |
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|  <p><b>High Performing City Organization</b><br/>Providing Exceptional,<br/>People Focused Services</p> | 1.4 Be a responsible steward of the city's financial resources by providing rates and fees that represent a strong value to our citizens; providing timely, accurate and transparent financial reporting; and utilizing long-range planning. |

**SUMMARY:**

A rate study was completed for the City of Burleson in 2024 by a contracted consultant. Since completion of the study, staff annually update the rate model as part of the City's budget development process to evaluate projected revenues, expenditures, and rate requirements.

For FY 2026-2027, the proposed budget includes a 7.0% increase to both water and sewer rates to support the ongoing costs of providing utility services and maintain a healthy financial position in the utility fund.

On August 3, 2026, the City Manager formally filed the proposed annual budget for Fiscal Year 2026-2027 and provided a copy of the proposed budget to the City Council in accordance with the City's annual budget development and adoption process. The proposed budget establishes the financial framework for providing municipal services, funding operational priorities, and implementing the City Council's strategic objectives during the upcoming fiscal year.

At the August 10, 2026, Special City Council meeting, the City Manager presented the proposed budget to the City Council and members of the public. As part of the City's consideration of the

proposed budget and property tax rate, the City Council voted to establish a proposed maximum tax rate for Tax Year 2026. Establishing the proposed maximum tax rate identifies the highest property tax rate the City Council may consider for adoption as the budget and tax rate process moves forward. The City Council may ultimately adopt a tax rate that is lower than the proposed maximum tax rate but may not adopt a rate exceeding the proposed maximum without restarting the applicable statutory process.

The proposed ordinance will set rates for water and wastewater services for Fiscal Year 2026-2027.

**RECOMMENDATION:**

Approve the ordinance providing Fiscal Year 2026-2027 rates for water and wastewater service.

**PRIOR ACTION/INPUT (Council, Boards, Citizens):**

At the June 1, 2026, City Council meeting, Finance staff presented the budget calendar, tax rate, capital improvement program, and 5-year forecast for the General Fund, Water and Wastewater Fund, Water and Sewer rates, 4A Fund, 4B Fund, (In combination with Golf Fund, Park Performance Funds, Bartlett Park Soccer Complex Fund, and Chisenhall Sport Complex Fund), and TIF2 Fund (Tax Increment Financing) to the council and members of the public.

At the August 10, 2026, Special City Council meeting, the City Manager presented the proposed budget to the council and members of the public.

**REFERENCE:**

N/A

**FISCAL IMPACT:**

N/A

**STAFF CONTACT:**

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