


Finance Committee

DEPARTMENT: Finance
FROM: Mark Davies, Finance Director
MEETING: June 1, 2026

SUBJECT:

Receive a report, hold a discussion, and provide staff direction regarding the budget calendar, tax rate, capital improvement program, and 5-year forecast for the General Fund, Water and Wastewater Fund, 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) *(Staff Contact: Mark Davies, Finance Director, Presenting: Kevin Hennessey, Deputy Director of Finance, Randy Morrison, Capital Engineering Director)*

STRATEGIC PRIORITY AND GOAL(S):

| Strategic Priority | Strategic Goal |
|---|---|
|  <p>High Performing City Organization Providing Exceptional, People Focused Services</p> | <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.</p> |

SUMMARY:

As part of the proposed budget process for Fiscal Year 2026-2027, staff will provide the City Council with a comprehensive overview of the proposed budget development process, capital improvement plan, tax rate considerations, utility rate strategies, debt issuance planning, and multi-year financial forecasting for the General Fund, Water and Wastewater Fund, 4A Fund, 4B Fund (In combination with Golf Fund and Park Performance Funds, Bartlett Park Soccer Complex Fund, and Chisenhall Sports Complex Fund), and TIF2 Fund. The presentation will include a review of the proposed budget calendar and statutory deadlines associated with the Truth-in-Taxation process, including the relationship between the no-new-revenue rate, voter-

approval rate, debt rate calculations, and the timing requirements associated with adopting the tax rate and budget.

Staff will present historical and projected property tax value trends, tax rate comparisons with surrounding communities, and the estimated financial impacts associated with various tax rate strategies. The presentation will also include discussion regarding the City's long-term financial sustainability, projected operating impacts over the next five years, and policy considerations related to maintaining service levels while addressing inflationary pressures, personnel costs, infrastructure maintenance, and future capital needs.

In addition, staff will provide an overview of the proposed Capital Improvement Program (CIP) for the General Government, Water and Wastewater, 4A, and 4B funds, including projects currently programmed within the five-year plan, proposed modifications to project timing and funding sources, and recommendations previously discussed by the Infrastructure and Development Committee. The presentation will include discussions regarding projects proposed to be deferred beyond the current planning horizon, projects recommended for continued funding, and projects requiring future Council direction. Staff will also review projected debt issuance schedules and the impact of proposed capital projects on future debt service requirements and tax rates.

The Water and Wastewater portion of the presentation will include a summary of the recently completed utility rate study and financial forecast, including current utility rates, comparisons with neighboring communities, projected operating and capital costs, anticipated impacts associated with Fort Worth wholesale water and wastewater increases, projected water consumption trends, and the proposed FY 2027 utility rate adjustments. Staff will discuss how the proposed utility rates are intended to support continued financial stability of the utility system while funding necessary capital infrastructure improvements and maintaining compliance with long-term operational and infrastructure requirements.

Finally, staff will present several policy and financial considerations requiring Council feedback and direction, including tax rate strategy options, CIP prioritization, utility rate implementation strategies, and long-term funding approaches necessary to support the City's infrastructure, operational, and economic development objectives.

During the June 15, 2026, Regular City Council meeting, we plan to review the forecast for the smaller Funds.

RECOMMENDATION:

Hold a discussion and provide staff with feedback and/or direction regarding the budget calendar, capital improvement program, and 5-year forecast for the General Fund, Water and Wastewater Fund, 4A Fund, 4B Fund (In combination with Golf Fund, Park Performance Funds, Bartlett Park Soccer Complex Fund, and Chisenhall Sports Complex Fund), and TIF2 Fund.

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

N/A

REFERENCE:

N/A

FISCAL IMPACT:

N/A

STAFF CONTACT:

Mark Davies
Finance Director
mdavies@burlesontx.com
817-426-9601