



AGENDA ITEM COMMENTARY

MEETING NAME: City Council
MEETING DATE: August 4, 2025
ITEM TITLE: Consider and take appropriate action on FY '25-'26 Budget Workshop #4.
STAFF INITIATOR: Randy Criswell, City Manager

BACKGROUND:

We received our 2025 Tax Rate Calculation Worksheet on Thursday evening, July 31. At the time of the preparation of the packet, I'm still working through numbers. Here are the rates we'll be talking about:

Property Tax Rates	2024	2025 NNR	2025 VAR	2025 De Min
O & M	\$0.630257	\$0.595230	\$0.616063	\$0.651494
Debt	\$0.149722	\$0.196110	\$0.196110	\$0.196110
Total	\$0.779979	\$0.791340	\$0.812173	\$0.847604

Historically, we've tried to maximize our revenue capability with the property tax rate because we know local control remains a target in Austin.

Also, you can see that the NNR O&M rate for 2025 is 3.5 cents less than the 2024 O&M rate, and the debt service rate needed is nearly 5 cents higher than the previous debt rate. All things considered, I will be strongly leaning toward recommending adoption of the De Minimis rate.

EXHIBITS:

COUNCIL ACTION/STAFF RECOMMENDATION:

This evening the one budget item of business that must occur, is take a record vote on the proposed *maximum* tax rate. I would recommend the following:

"I move that the maximum tax rate that will be adopted for the Fiscal Year 2025-2026 Budget will be \$0.847604."