



AGENDA ITEM COMMENTARY

MEETING NAME:	City Council
MEETING DATE:	August 3, 2026
ITEM TITLE:	Consider and take appropriate action on FY '26-'27 Budget Workshop #5 and conduct record vote on maximum tax rate for 2026.
STAFF INITIATOR:	Randy Criswell, City Manager

BACKGROUND:

As anticipated, we received the Certified Property Tax values from LCAD on July 24, a copy of which is attached. You can see our property values are now officially well over \$1 billion, and \$89 million in new growth was added to the tax roll for 2026.

You'll also see the sentence in the letter that says our tax rate calculations won't be received until later, but no later than August 5. As a result, I'm not able to finalize any numbers yet. However, you've already directed me to build the budget without a tax rate increase, and I've done that to the best of my ability up to this point; therefore, we can go ahead and take the Record Vote on the maximum tax rate that we will adopt, which is the current rate of \$0.847604.

Since the last budget work session, I've changed the following:

- Added all costs including pickup and operating costs for new position of Building Inspector
- Added \$200,000 to Water Production expenses for purchase of 6 months' of Loop 88 water in anticipation of having that supply online next year. This will decrease the amount of funding available for water main replacements, so I haven't added anything in for that yet.
- Raises have been increased to 3.5%.
- Fire captain pay has been adjusted per your directive.
- All other previously discussed changes have been incorporated.

EXHIBITS:

LCAD Certification of Values letter

COUNCIL ACTION/STAFF RECOMMENDATION:

This evening the one budget item of business that must occur, is to 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 2026-2027 Budget will be \$0.847604." Each of you will be individually polled for your vote.