

CITY OF

Denton, Texas



PROPOSED ANNUAL PROGRAM OF SERVICES

Fiscal Year 2025-26



CORE VALUES:

- ✓ Inclusion
- ✓ Collaboration
- ✓ Quality Service
- ✓ Strategic Focus
- ✓ Fiscal Responsibility

Proposed Annual Program of Services
Fiscal Year 2025-2026

SUBMITTED TO THE MAYOR AND CITY COUNCIL
In Accordance with Texas Local Government Code 102.007

July 31, 2025

The following statement is provided in accordance with Texas Local Government Code 102.005:

This budget will raise more total property taxes than last year’s budget by an amount of \$7,172,588 which is a 6 percent increase from last year’s budget. The property tax revenue to be raised from new property added to the tax roll this year is \$3,570,143.

In accordance with Section 140.0045 of the Local Government Code, which requires the itemization of certain expenditures by a political subdivision, the City of Denton is expected to expend for fiscal year 2025 and has budgeted for fiscal year 2026 the following amounts:

- Notices required by law to be published in a newspaper (i.e. public hearing expense) \$26,379 and \$28,000, respectively.
- Legislative cost \$151,334 and \$146,000, respectively.

Tax Rate				
Fiscal Year	Property Tax Rate	No New Revenue Tax Rate	Effective O&M Tax Rate	Debt Rate
2025-26	0.595420	0.554279	0.334780	0.260640
2024-25	0.585420	0.531785	0.334780	0.250640

Municipal Debt Obligations – Principal & Interest		
Tax Supported	Revenue Supported	Total
\$736,061,585	\$ 1,477,852,376	\$ 2,213,913,961



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Denton
Texas**

For the Fiscal Year Beginning

October 01, 2024

Christopher P. Morill

Executive Director

Prepared By

Sara Hensley
City Manager

Cassey Ogden
Deputy City Manager

Christine Taylor
Assistant City Manager

Jessica Williams, CPFO, MPA
Chief Financial Officer (CFO)

Matt Hamilton
Assistant Director of Finance

Young Hwang
Senior Financial Analyst

Jenna Long
Senior Financial Analyst

Sunita Gautam
Financial Analyst

Frank Dixon
Assistant City Manager

Kristi Fogle
Chief of Staff

Aimee Kaslik
Chief Strategic Officer

Seth Herrell
Financial Analyst Supervisor

Sherly Joseph
Senior Financial Analyst

Katie Wester
Senior Financial Analyst

Eric Keith
Financial Analyst

Special Thanks to Marketing & Communications
for the design of the cover and dividers, publication of the
Annual Program of Services,
and web page design.

Visit our website at: www.cityofdenton.com

Elected Officials



Gerard Hudspeth
Mayor
Term Expires: May 2026
3rd Term



Vicki Byrd
Council Member
District 1
Term Expires: May 2027
2nd Term



Brian Beck
Council Member
District 2
Term Expires: May 2027
2nd Term



Suzi Rumohr
Mayor Pro Tem
District 3
Term Expires: May 2027
1st Term



Joe Holland
Council Member
District 4
Term Expires: May 2027
2nd Term



Brandon Chase McGee
Council Member
At Large, Place 5
Term Expires: May 2026
2nd Term

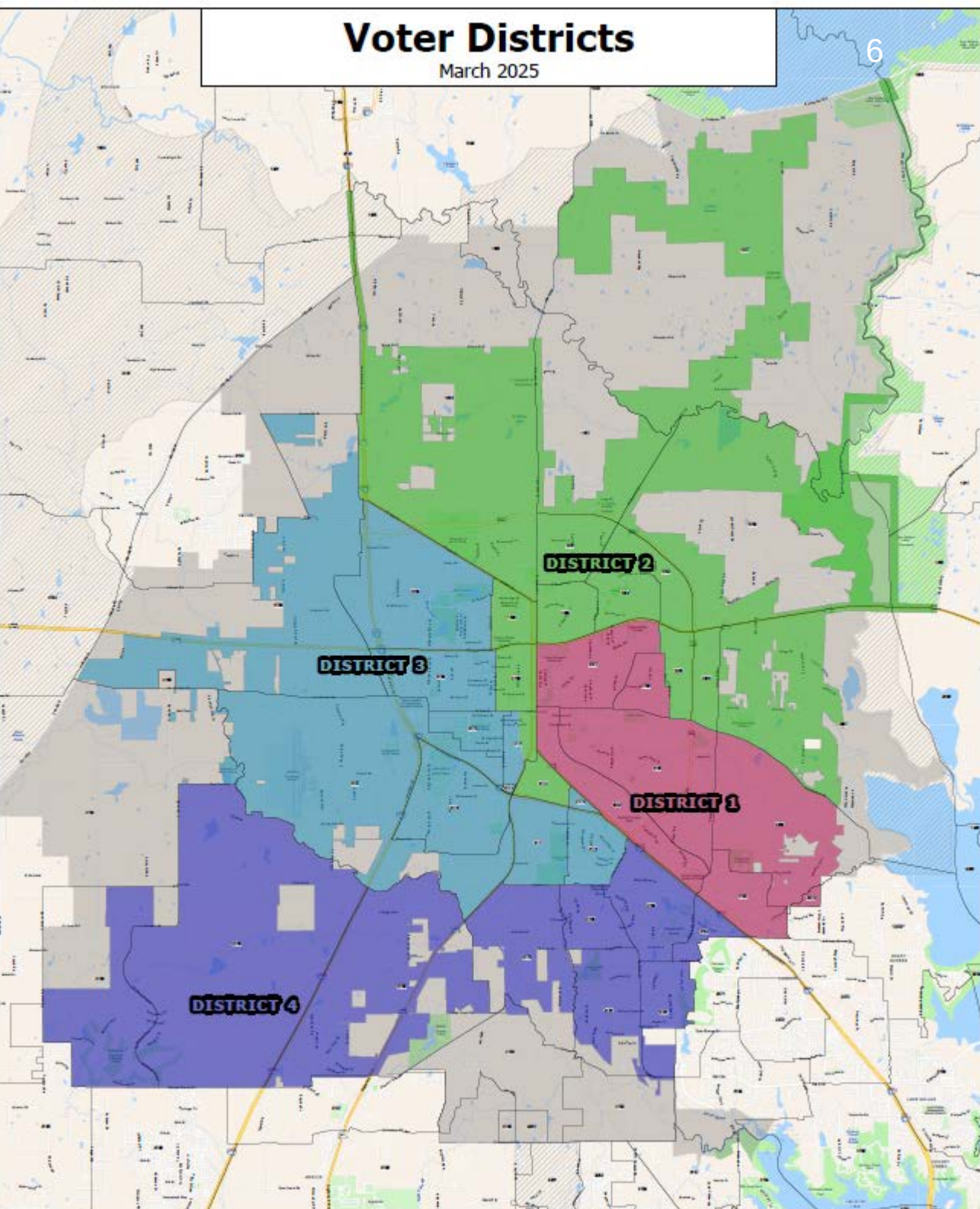


Jill Jester
Council Member
At Large, Place 6
Term Expires: May 2026
1st Term

Voter Districts

March 2025

6



Legend

District 1	ETJ 1	Voter Precincts
District 2	ETJ 2	
District 3		
District 4		



Special Reference: NAD 1983 StatePlane Texas
North Central FIPS 4202 Feet
Author: Development Services GIS - 2930105
Date: 3/17/2025 7:44 AM
This information is solely for general reference and is not to be relied upon for legal, engineering, or surveying purposes. It does not replace an on-site survey and provides only an approximate location of property boundaries. While every effort has been made to ensure accuracy, no guarantee is implied. The use of this map indicates acknowledgment that the data may not be entirely accurate.

CITY OF DENTON
Inclusion • Collaboration • Quality Service
Strategic Focus • Fiscal Responsibility

Citizens of Denton

City Council

City Attorney
Mack Reinwand

City Auditor
Madison Rorschach

City Manager
Sara Hensley

Municipal Judge
Tyler Atkinson

**Board, Commissions,
& Committees**

Deputy City Manager
Cassey Ogden

Assistant City Manager
Frank Dixon

Assistant City Manager
Christine Taylor

Chief of Staff
Kristi Fogle

**Marketing &
Communications**
Dustin Sternbeck, CCO

Police
Chief Jessica Robledo

• Municipal Court

Denton Municipal Electric
Tony Puente

• Customer Service/311

Fire/EMS
Chief Kenneth Hedges

• Emergency Management

Animal Services
Nikki Sassenus

**Water Utilities &
Street Operations**
Stephen Gay

• Drainage
• Street Operations
• Water/Wastewater

Human Resources
Megan Gilbreath

• Risk Management
• Safety
• Policy Administration

Development Services
Scott McDonald

• Building Safety
• Engineering
• Facilitation
• Planning
• Real Estate
• Traffic Transportation Services

Solid Waste & Recycling
Brenda Haney

Library
Jennifer Bekker

**Environmental Services
& Sustainability**
Michael Gange

Facilities & Fleet
Tom Gramer

Capital Projects
Seth Garcia

Airport
Ryan Adams

Finance
Jessica Williams, CFO

• Budget & Accounting
• Purchasing & Grants

Strategic Services
Aimee Kaslik, CSO

Economic Development
Brittany Sotelo

Technology Services
Leisha Meine, CTO

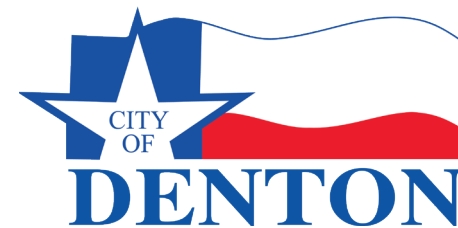
Community Services
Jesse Kent

Parks & Recreation
Gary Packan

Asset Management
Vacant

• Discover Denton
• Denton Television (DTV)

• Public Safety
Communications



Updated 6/18/25

CITY OF DENTON ORGANIZATIONAL CHART

Inclusion • Collaboration • Quality Service • Strategic Focus • Fiscal Responsibility

Boards, Commissions, and Council Committees

JUDICIAL OR QUASI-JUDICIAL BOARDS (Governmental Board Members)

Board of Ethics

Enforces the Ethics Ordinance, issues and enforces limited subpoenas to compel attendance of witnesses and the production of testimony, evidence, and/or documents as is reasonably relevant to complaints regarding violation of the Ethics Ordinance. Makes recommendations on amendments to the ordinance.

Civil Service Commission

Ensures compliance with Chapter 143 of the Texas Local Government Code governing police and fire. The duties of the Commission include approval of eligibility hiring lists and holding hearings, upon appeal, on matters of promotions, performance, reclassifications, and other civil service issues.

Health and Building Standards Commission

Hears and decides appeals of orders, decisions or determinations made by the Building Official, Code Official, or Fire Marshal made pursuant to Chapters 13, 14, 17, 28 and 29 of the Code of Ordinances; makes reasonable interpretations or rulings in matters properly before it pursuant to Section 2-460.

Historic Landmark Commission

Recommends to the Planning & Zoning Commission and City Council those buildings, structures, sites, districts, and areas in the city that the Commission has determined should be preserved and designated as historic landmarks. The Commission also regulates design review for designated properties and districts.

Planning & Zoning Commission

Makes decisions or recommendations to the City Council regarding the Comprehensive Plan, Development Code, zoning regulations, long-range planning, zoning changes, platting, and other development-related policies as required or permitted by State law or Council policy.

Zoning Board of Adjustment

Provides a forum for citizens to appeal zoning interpretations, decisions of the Building Official, and request variances from the zoning and sign regulations in the Denton Development Code. The Board may also make final decisions regarding changes, the reestablishment, or termination of nonconforming uses within the city.

Boards, Commissions, and Council Committees

ADVISORY BOARDS

Airport Advisory Board

Serves in an advisory capacity to the City Council on matters relative to airport safety, flight and ground operations, safety and security issues arising from the creation and development of long-term master plans; tenant/stakeholder outreach; the Airport Business Plan and the Airport Master Plan; airport infrastructure improvement or other major projects impacting the airport; grant funding for the airport; and long-term financial planning and budgetary issues affecting the airport.

Animal Shelter Advisory Committee

Assists the City in complying with the provisions of the Animal Shelter Act and makes recommendations to the City Council regarding methods and procedures necessary to ensure compliance with the Act.

Bond Oversight Committee (Ad Hoc)

Serves to ensure efficiency, equity, timeliness, and accountability in the implementation of the City's voter approved General Obligation (GO) bond program; monitors the City's plans relating to the issuance of bonds and the implementation of projects approved in bond elections, including the annual appropriation of bond funds, and any changes in the amount of bond funds issue or cash commitments made; assesses current City facilities and needs, prioritizes proposals, and makes recommendations to the City Council.

Committee on Persons with Disabilities

Advises the City in those areas of committee interest, including, but not limited to, disability concerns such as accessibility and accommodations for City projects and activities. Specific projects may include the following: (a) construction of new sidewalks, ramps, and crosswalk features; (b) replacing and repairing existing sidewalks, ramps, and crosswalk features; (c) the creation of an ADA Transition Plan; (d) the planning and development of an adaptive/handicap-accessible park; (e) providing guidance on incorporating new or enhanced signage at the City facilities; (f) advising on improvements for new and existing city facilities; (g) providing input on parking lot rehabilitation projects; (h) providing input for improving City operations (i) providing input for improving the operation of other entities; and (j) providing input on Parks and Recreation adaptive activities.

Community Services Advisory Committee

Advises the City Council on programs, services, and use of public resources to address complex social problems such as economic instability, housing, homelessness, and meeting community service needs.

Boards, Commissions, and Council Committees

Denton Police Department Chief of Police Advisory Board

Assists with review, gathering of community input, and establishing clear findings, conclusions and achievable recommendations that promote the use of best practices in the use-of-force policies and training for the Denton Police Department.

Development Code Review Committee

The Development Code Review Committee is hereby established as a standing City Committee to review proposed Denton Development Code amendments and make recommendations to the Planning and Zoning Commission and the City Council regarding proposed Denton Development Code amendments.

Discover Denton Advisory Board

Monitors, evaluates, and makes recommendations on the resources needed to secure, and promote conventions and tourism to the City.

Downtown Plan Update Advisory Group

Builds consensus and guides the planning process of the Downtown Plan Update, provide feedback to help guide staff and consultants throughout the length of the Downtown Plan Update Project.

Economic Development Partnership Board

Provides economic development policy guidance and makes recommendations to the City Council and Chamber of Commerce.

Library Board

Serves in an advisory capacity to the City Council to recommend policies, rules, and regulations for the operation of the library system. The Board also provides citizen input to the City Council and recommends fees for Council consideration.

Parks, Recreation and Beautification Board

Serves in an advisory capacity to the City Council to recommend improvements to park and recreation programs. The Board is charged to stimulate public interest in the development and maintenance of parks and playgrounds; to promote close cooperation between the City and private citizens so that all park and recreational facilities are used to their maximum benefit; and pursuant to the Charter, make recommendations regarding the appearance, beautification, and environment of the city.

Public Art Committee

Makes recommendations to the Parks, Recreation and Beautification Board and City Council on the commissioning, placing, and installation of public art; implementation of funding

Boards, Commissions, and Council Committees

mechanism for public art; effective and efficient management of public art; ongoing maintenance of public art; and the accessioning, deaccessioning, and re-siting of public art.

Public Utilities Board

Reviews utilities budget and makes recommendations to the City Council in the format required by the City Manager. The Board is authorized to expend funds for information and advertising. All matters relating to utility policies, capital projects, rates, and the sale and issuance of utility bonds are submitted to the Board for review and recommendation prior to Council consideration. The Public Utilities Board makes recommendations for the Capital Improvement Program pursuant to the provisions in the City Charter.

Sustainability Framework Advisory Committee

Advises the City Council on the implementation of, and matters related to, the City's Sustainability Framework.

Tax Increment Reinvestment Zone No. 1 Board

Makes recommendations to the City Council concerning the administration of the Zone; prepares and adopts a project plan and Tax Increment Financing Reinvestment Zone financing plan for the Zone and submits the plans to the City Council for approval; prepares, implements, and monitors such projects and financing plans for the Tax Increment Financing Reinvestment Zone as the City Council considers advisable, including the submission of an annual report on the status of the Zone.

Tax Increment Reinvestment Zone No. 2 Board

Makes recommendations to the City Council concerning the administration of the Zone; prepares and adopts a project plan and Tax Increment Reinvestment Zone financing plan for the Zone and submits the plans to the City Council for approval. Prepares, implements, and monitors such projects and financing plans for the Tax Increment Reinvestment Zone as the City Council considers advisable, including the submission of an annual report on the status of the Zone.

CITY COUNCIL COMMITTEES

Agenda Committee

Reviews the City Manager's proposed City Council agendas as to form and agenda content.

Committee on the Environment

Reviews, discusses, deliberates, and considers environmental issues and resources and makes recommendations to the City Council; and makes recommendations regarding any other matter delegated to the Committee by the City Council.

Boards, Commissions, and Council Committees

Community Partnership Committee

Monitors allocation and use of hotel occupancy tax and sponsorship funds, ensuring funds are being used to directly enhance and promote tourism and hotel/convention industry, ensuring the sponsorship funds are being used to further a charitable cause, economic or community growth and serve a public purpose in the best interest of the general welfare of the City of Denton, and recommends organizations to receive funding to City Council.

Mobility Committee

Reviews, considers, and makes recommendations to the City Council regarding any changes to the Mobility Plan, local transportation policy and any items concerning regional transportation policies and activities.

Southeast Denton Area Plan Steering Committee

Provides input and feedback related to the various ideas or concepts proposed, validates findings, builds consensus, and evaluates what is in the best interest of Southeast Denton for the long term; serves as a liaison to other interested persons within southeast Denton as a whole and is responsible for helping disseminate information to those persons who are interested in the project outcome.



City of Denton Airport



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DME staff educating the next generation



**City Manager's Office**

215 E. McKinney St., Denton, TX 76201 • (940) 349-7206

DATE: July 31, 2025
TO: Honorable Mayor and Members of the City Council
FROM: Sara Hensley, City Manager

Honorable Mayor and Members of the City Council
City of Denton, Texas

I'm pleased to present the Proposed Budget for Fiscal Year 2026 (FY 2026). This budget successfully balances revenues and expenditures while ensuring the continued delivery of essential City services. It reflects our commitment to providing quality services to our community, efficiently and effectively. Fiscal Year 2025 was a year of both challenges and opportunities. The City faced a deficit, which prompted a thorough examination of our programs and processes. We tackled this by implementing zero-based budgeting as well as asking key questions like:

- Are we duplicating efforts already handled by others?
- Are there activities we should no longer be doing?
- Where can we improve our existing services?

I want to commend our staff for their exceptional work during this process. Their commitment to thoroughly examining every program and seeking out efficiencies has been remarkable, ensuring we are effective stewards of our community's resources.

The City of Denton's budget is a direct reflection of the vision and priorities articulated by City Council. It strategically allocates resources to advance key initiatives that will shape Denton's future, enhance quality of life, and foster sustainable growth. Every dollar has been carefully considered to support the goals that will move Denton forward.

I am presenting a balanced FY 2026 budget totaling \$2,551,200,633 that includes:

- General Fund budget of \$218,824,966
- Capital Improvement Program budget of \$1,244,433,000
- 1,894 full-time equivalents (FTEs)
- Proposed property tax rate of \$0.595420, which is an increase of \$0.01 from last year's rate

OUR CORE VALUES

Inclusion • Collaboration • Quality Service • Strategic Focus • Fiscal Responsibility

Our resources will focus on programs that directly impact the day-to-day lives of our residents. We are ensuring our police and fire departments have the resources needed to keep the community safe. We are prioritizing capital improvements for our utilities, parks and recreation, and roadways, recognizing that these essential services form the backbone of a thriving city for all. This budget ensures that Denton continues to provide fundamental services that make our city a great place to live, work, and raise a family.

We recognize the current economic landscape presents its share of fiscal challenges. However, this budget is not merely a response to these challenges; it is a genuine effort to proactively manage our resources, identify efficiencies, and innovate in how we deliver services. Our approach has been one of prudent financial management, seeking solutions that protect our long-term financial health without compromising service quality. Examples of actions taken include:

- Implementation of a Managed Vacancy Program across all funds
- Conclusion of taxpayer supported funding for the Pilot Ambassador Program \$531,225
- Discontinuation of the After School Program \$220,000
- Strategic reduction in programming based on attendance \$110,000
- Pause in the Police K9 Program \$428,648
- Reduction in Irrigation and Rye Grass Overseeding \$148,691
- Reduction in allocation of in-kind funding for special events \$200,000
- Reduction in contractual services \$1,053,223
- Reduction in travel and training reduction \$197,155
- Reduction in equipment and supplies \$618,317
- Examination of the special events process and how resources are allocated
- Examination of the cost recovery of special event fees
- Implementation of evaluation criteria for Hotel Occupancy Tax funding requests and sponsorships

This comprehensive budget would not be possible without the incredible dedication and hard work of the entire City of Denton staff. Additionally, I extend my sincere gratitude to our community for the engagement, feedback, and support.

Thank you for your continued leadership and collaboration as we shape the next chapter of Denton's success.

Sincerely,

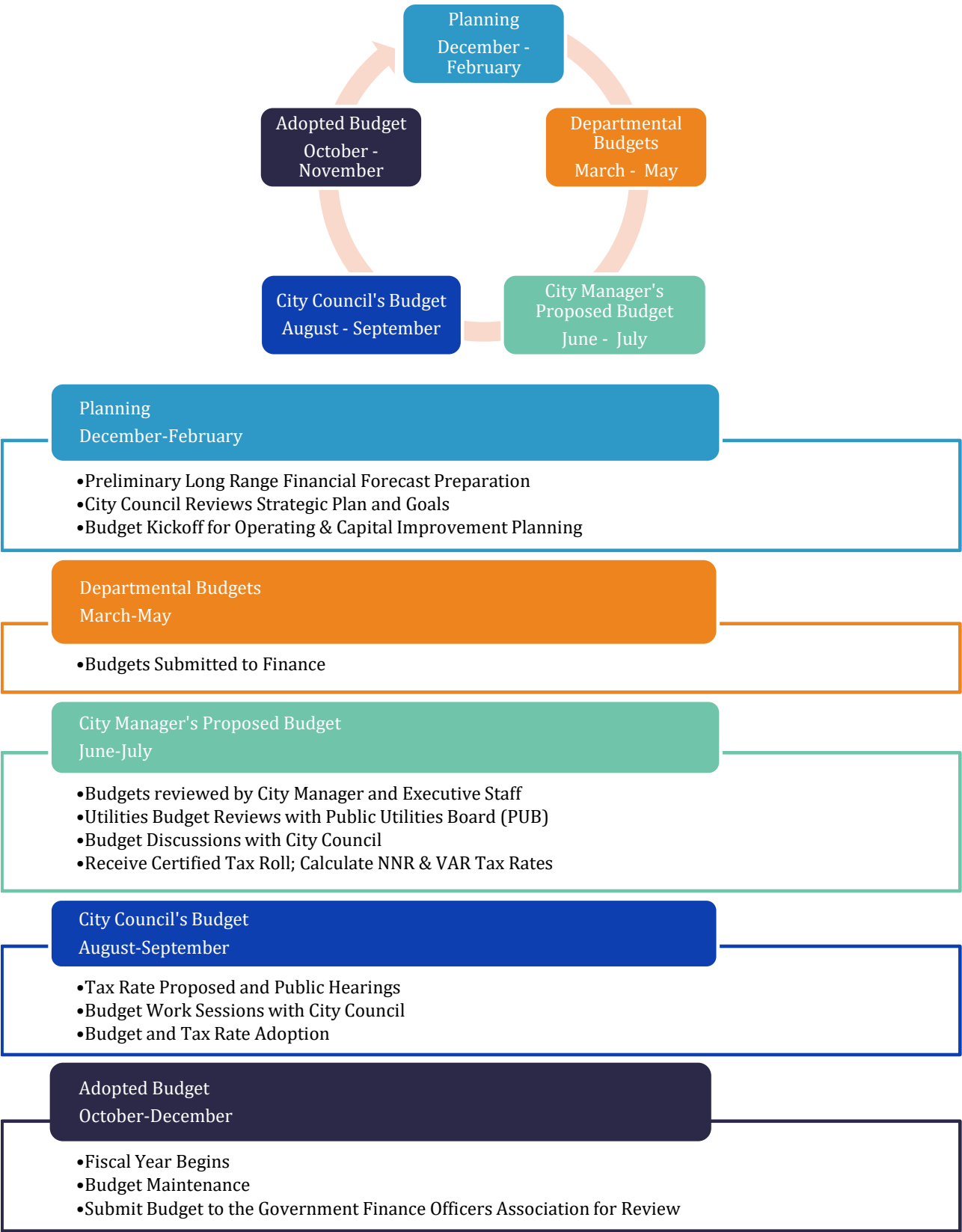


Sara Hensley
City Manager

OUR CORE VALUES

Inclusion • Collaboration • Quality Service • Strategic Focus • Fiscal Responsibility

Budget Calendar



Reader's Guide

The Reader's Guide provides an overview of the City of Denton's budget process and budget documents. The City of Denton has prepared a budget designed to meet the highest standards of performance in municipal budgeting. This document provides a summary of all budgeted funds, including both revenue and expenditure summaries. Major budget documents, the budget process, and organization of the budget itself are described below.

Major Budget Documents

The City of Denton's budget process includes the production of six key documents. It is important to understand the timing and purpose of these documents in order to fully understand the process itself.

1. The Budget Instruction Manual – January

Prior to budget development and training of departmental support staff, the Budget Instruction Manual is drafted and completed in January. This document serves as a development guide and includes sections on annual budget highlights and specific development instructions, as well as, appendices with rate calculations, format examples, and supplemental forms.

2. The Budget Overview and Manager's Message – July

The Budget Overview and Manager's Message is submitted to the City Council in late July as part of the proposed budget. This report summarizes and identifies key issues with regard to revenues and expenditures for the coming year.

3. The Proposed Budget – August

The proposed budget is reviewed by City Council in early August of each fiscal year. This document represents a balanced version of departmental budget requests versus projected resources. The proposed budget is a product of policy as expressed by the City Council and is submitted by the City Manager.

4. The Adopted Budget – September

The adopted budget represents a modified version of the proposed budget after public hearings and City Council review in August/September. Any changes deemed necessary by City Council to funding levels or revenue projections are reflected in the adopted budget. Revisions may also be made to reflect any updates to budget information. In accordance with state law the adopted budget document is prepared as soon as possible after council approval.

5. Budget-In-Brief – December

The Budget in Brief represents a condensed version of the adopted budget. Budget is summarized showing key budget information, ideal for quick facts and public reference.

Reader's Guide

The Budget Process

The City of Denton utilizes a zero-based budgeting process. Each department evaluates their department expenditures for cost-recovery, program outcomes, and efficiency in service delivery, allocating funding in a line-itemed standard to promote transparency, and accountability, and fiscal responsibility.

1. Budget Training for Support Staff

January is the time when existing budget guidelines, procedures, and forms are reviewed. Changes may be made to the budget process in order to make budget development more efficient and address format changes.

Preliminary budget training for departments is available prior to budget kickoff. During preliminary training, staff is informed of budgeting concepts and the budget process and given an introduction to the City's budget forms.

During kickoff, departments receive the budget instruction manual, which includes specific instructions and a review of any changes to the budget process.

2. Revenue Projection

The budget revenue projections for the new fiscal year begin early in the current fiscal year. The projections are made by the departments responsible for the revenues with help from the Finance Department staff. Projections are based upon consultations with state and local agencies, trend analysis, anticipated changes in the local and regional economy, and discussions with directly associated staff members. Although revenue projections are prepared early in the budget process, the budget revenue analysis continues with departmental budget development and extends until the budget is adopted based upon any new information.

3. Proposed Budget Development

During budget development, the Finance Department works with departments to analyze requests, provide advice, and lend assistance. Budget requests are based upon a zero-based budget and no supplementals.

4. Proposed Budget Compilation

Once division and departmental budget requests are completed, the Finance Department reviews and compiles a preliminary draft of departmental budgets to present to the Executive Management Team, which is comprised of the City Manager, Deputy City Manager, and Assistant City Managers. A total recommended funding level is determined by the zero-based budget strategy. At this time, the funding level is weighed against

Reader's Guide

available resources. A tax rate increase may or may not be recommended depending upon City Council program priorities and issues previously expressed in the budget process.

5. *Budget Discussions with City Council*

A series of budget work sessions were held from May to July with the City Council to discuss the City's financial forecasts, strategies, rates and fees, and the capital budget. The proposed budget is prepared in July and submitted to the City Council prior to the Budget workshop.

6. *City Council Budget Workshop*

The proposed budget, including the Budget Overview, is compiled after final appraised property values and other data are received. This report highlights and summarizes funding requirements, major changes in programs, and alternatives for funding. A budget workshop is held with the City Council to review and discuss the proposed budget. Discussions and study may follow at subsequent work sessions until budget adoption.

7. *Public Hearing/Budget Adoption*

A public hearing on the budget and the tax rate is held in September prior to final budget consideration. At the public hearing, citizens may make formal comments concerning the proposed budget and tax rate.

Budget adoption occurs in September after City Council deliberations and the public hearings. City Council may take action to modify the proposed budget. The City Council also adopts a tax rate to support adopted funding levels. Pursuant to City Charter, the proposed budget as submitted by the City Manager becomes the adopted budget if no City Council action is taken before the end of the fiscal year, September 30. The Council may make any changes to the budget it considers warranted by law or deemed to be in the best interest of the taxpayers (LGC, §102.007).

8. *Compilation of Adopted Budget/Budget Maintenance*

The adopted budget is compiled and published during the first months of the new fiscal year. The annual program of services in the form of an amended proposed budget is available for public inspection in December. After the budget is adopted, the City Council must adopt an ordinance amending the budget and annual program of services if an increase to appropriations is needed. Amendments may not increase total appropriations except in two instances: projects that are ongoing, and an emergency as defined by City Charter and LGC (LGC, §102.009).

Reader's Guide

Budget maintenance is a year-round activity of the organization. Spending controls consist of budget holds, position control reviews, and budget transfers. Additional spending control mechanisms include monthly review of expenditures by the Finance Department.

During the budget process, departments make revenue and expenditure estimates for the current year.

Finally, program goals, objectives, and measures are evaluated during budget development to determine effectiveness of program activities and levels of appropriate funding for subsequent years.

Budgetary and Financial Policies

The City of Denton has developed administrative policies which govern the formulation and administration of the annual budget. These administrative policies are incorporated within the City's Administrative Policies and Procedures.

Financial Structure

The financial structure of the budget is organized by funds. A fund is generally defined as a fiscal and accounting entity which has its own self-balancing set of accounts for recording cash and other financial resources, as well as, any liabilities or residual equities or balances. Normally, funds are segregated for the purpose of carrying on specific activities or achieving certain objectives in accordance with special regulations, restrictions, or limitations. However, when appropriate, funds are made up of departments. The two types of funds utilized in this budget are Governmental and Proprietary. The specific funds that make up the Governmental Fund type are General Fund, General Debt Service Fund, Street Improvement Fund, Tourist and Convention Fund, Police Confiscation Fund, Catalyst Fund (formerly Economic Development Investment Fund), Parks Gas Well Fund, Roadway Impact Fee Fund, Tree Mitigation Fund, Public Education Government (PEG) Fund, McKenna Trust Fund, Park Land Dedication and Development Trust Funds, Downtown Tax Increment Reinvestment Zone (TIRZ) Fund, Westpark Tax Increment Reinvestment Zone (TIRZ) Fund, Donation Funds, Sustainability Framework Fund, Meadows Municipal Utility District (MUD) Fund, Legends Municipal Utility District (MUD) Fund, Tourism Public Improvement District Fund, and Public Housing Finance Corporation Fund. The Proprietary Fund types are Electric Fund, Water Fund, Water Impact Fees Fund, Wastewater Fund, Wastewater Impact Fees Fund, Solid Waste Fund, Customer Service Fund, Airport Fund, Environmental Services Fund, Technology Services Fund, Materials Management Fund, Fleet Management Fund, Health Insurance Fund, Risk Retention Fund, Engineering Services Fund and Facilities Management. Each of the above-mentioned funds operates separately and independently from one another; therefore, they are budgeted separately and include separate financial statements.

Reader's Guide

Budgeted Funds

The City of Denton, like other state and local governments, uses fund accounting to provide more detailed information about the City's most significant funds, not the City as a whole. Each fund represents a specific function and maintains individual objectives. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by state law or bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities.

All City funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The City's major funds are the General Fund, the Debt Service Fund, the Enterprise funds. Non-major funds include Special Revenue and Internal Service Funds. The City of Denton's budget includes the following funds:

General Fund (major fund) – The General Fund reflects the City's general service operations such as public safety, libraries, and parks. The General Fund's two major revenue sources are sales and property taxes. The City's Fund Balance Policy is 20% to 25% of budgeted expenditures, which includes up to a 5% resiliency reserve (City Ordinance 21-2111).

Debt Service Fund (major fund) – The Debt Service Fund is used to record and control the accumulation of resources for payment of general obligation long-term debt principal and interest. The City issues debt to acquire or construct capital assets such as roads or parks for the general benefit of Denton residents. Resources include a portion of the ad valorem tax levy and a portion of the interest income from debt service. The fund balance is restricted to payment of principal and interest or refunding of tax supported debt. The tax rate consists of two components, the amount of taxes to pay maintenance and operation expenditures, and the amount needed to fund interest and sinking obligations (debt service) (Property Tax Code, §26.05a).

Special Revenue Funds (non-major) – Special Revenue Funds are used to account for the receipt of specific revenue sources that are restricted for expenditures for a specified purpose. Included in the special revenue funds are the Catalyst Fund, Donation Funds, Downtown Tax Increment Reinvestment Zone Fund, Health Fund, McKenna Trust Fund, Legends Municipal Utility District (MUD) Fund, Meadows Municipal Utility District (MUD) Fund, Park Land Dedication and Development Trust Funds, Parks Gas Well Fund, Police Confiscation Fund, Public Education Government (PEG) Fund, Public Housing Finance Corporation Fund, Roadway Impact Fee Fund, Street Improvement Fund, Sustainability Framework Fund, Tourism Public Improvement District Fund, Tourist and Convention Fund, Tree Mitigation Fund, and Westpark Tax Increment Reinvestment Zone Fund.

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Catalyst Fund – The Catalyst Fund, prior known as the Economic Development Investment Fund, was created in FY 2022. This fund is used to account for grants provided to attract businesses to the City. Fund balance is restricted to economic development grants meeting specific criteria (City Ordinance 22-1803).

Donation Funds – The Donation Funds are comprised of the Animal Control Donation, Police Donation, Fire Donation, Library Donation, and Parks Donation Fund. The fund balances are maintained for the purpose in which they were donated.

Downtown Tax Increment Reinvestment Zone Fund – The Downtown TIRZ Fund is used for downtown development projects, and it accounts for the tax revenues that are collected above the FY 2010-11 level in the downtown area. The fund balance is restricted for use on public improvements within the boundaries of the Downtown TIRZ during the term of the TIRZ agreement.

Health Insurance Fund – The Health Insurance Fund accommodates self-insurance operations. The fund balance is restricted for defined health fund purposes as a self-insurance health plan and under Section 125 of the Federal Tax Code.

McKenna Trust Fund – The McKenna Trust Fund is used to account for interest received from the George McKenna Trust, which was established in 1958 and is currently managed by JP Morgan Chase Bank. One half of the net income from this trust is distributed to Cook Children's Hospital in Fort Worth and one half of the net income is distributed to the City of Denton for use only in maintaining, developing, preserving, and improving the George McKenna Park in the City. The fund balance is restricted to developing, preserving, and improving McKenna Park under the terms of the trust.

Legends Municipal Utility District (MUD) Fund – The Legends MUD Fund is a new fund created to provide fire services and capital improvements. Resources in this fund are restricted to the Legends utility district.

Meadows Municipal Utility District (MUD) Fund – The Meadows MUD Fund is a new fund created to provide fire services and capital improvements. Resources in this fund are restricted to the Meadows utility district.

Park Land Dedication and Development Trust Funds – The Park Land Dedication and Development Trust Funds are funds received from developers. These fees provide for community and neighborhood parks and projects within a service area of the development or platting. The fund balance is restricted to purchasing community or neighborhood park land or improvements to community or neighborhood parks within the service area of the development (City Ordinance 22-254).

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Parks Gas Well Fund – The Parks Gas Well Fund was established to record the receipt of restricted gas well revenues on park property. Revenues from this fund will be used for park system projects. The fund balance is restricted to park system uses based on a legal opinion of state grant funding requirements.

Airport Gas Well Fund – The Airport Gas Well fund was established to record the receipt of restricted gas well revenues on Airport property. Revenues from this fund will be used for Airport projects. The Fund balance is restricted to Airport related uses.

Police Confiscation Fund – The Police Confiscation Fund is used to record the receipt and expenditure of confiscated contraband that is used in the commission of a variety of criminal offenses. Expenditures from this fund are allocated to the Police Department for materials, supplies, and operational costs. The fund balance is restricted to law enforcement purposes under federal guidelines.

Public Education Government (PEG) Fund – The PEG Fund provides for the acquisition of production equipment, capital, and other lawful PEG purposes. PEG fees are remitted to the City on a quarterly basis from cable subscribers. The fund balance is restricted by state law to capital purchases of facilities and equipment used to provide PEG services (City Ordinance 24-1900).

Public Housing Finance Corporation Fund – The Public Housing Finance Corporation Fund is a new fund created to provide for more affordable housing facilities. Resources from Debt and grant programs are used for planning, designing, acquiring, constructing, renovating, improving, and equipping infrastructure for low to moderate-income persons and families. This fund will also be used for land acquisition, and for funding affordable housing and home repair programs as may be permitted by law.

Roadway Impact Fee Fund – The Roadway Impact Fee Fund, created in FY 2017, was established to record the receipt and expenditure of impact fees associated with development affecting City roadways. The fund balance is restricted to roadway capital improvements within each roadway zone that were included in the Impact Fee Capital Improvement Plan (City Ordinance 2016-189).

Street Improvement Fund – The purpose of the fund is to provide a dedicated mechanism to account for street maintenance and rehabilitation activities. The fund will receive revenue from a portion of the franchise fees previously accounted for in the General Fund, as well as street cut reimbursements. Additionally, when market rates are low, and with guidance from the Cities financial advisors, interest cost savings associated with the sale of Certificates of Obligation in lieu of Revenue Bonds will also be recorded as revenue. The fund balance is restricted to street maintenance and improvement activities (City Ordinance 2013-219).

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Sustainability Framework Fund – The Sustainability Framework Fund was created for sustainability initiatives as recommended by City Council (City Ordinance 21-1689) and is funded with franchise fees.

Tree Mitigation Fund – The Tree Mitigation Fund is used to maintain and plant trees on public property. This includes the preservation of wooded property that remains in a naturalistic state, to perform and maintain a citywide tree inventory; and, to educate citizens and developers on the benefits and value of trees. The fund balance is restricted to purchasing, planting, and maintaining trees and tree canopy related programs (City Ordinance 2015-252).

Tourism Public Improvement District Fund – The Tourism Public Improvement District Fund (TPID) was established in 2024 (City Ordinance 24-1901). This fund is specifically designated for initiatives that promote tourism and enhance hotel activity, including advertising, promotion, and business recruitment and development. Revenue for the TPID comes from an assessment on taxable room rates at hotels with 75 or more rooms located within the district.

Tourist and Convention Fund – The Tourist and Convention Fund was established to report the receipt and distribution of the City's Hotel Occupancy Tax, which is levied on room rental rates. Funding is utilized to promote tourism and the convention and hotel industry in Denton.

Westpark Tax Increment Reinvestment Zone Fund – The Westpark TIRZ Fund, located near the Denton Enterprise Airport, is used for development projects and to account for the tax revenues that are collected above the FY 2012-13 level in the Westpark area. The fund balance is restricted for use on public improvements within the boundaries of the Westpark TIRZ during the term of the TIRZ agreement.

Enterprise Funds (major funds) – Enterprise funds are used to account for governmental activities that are similar to those found in private businesses. The City budget includes Electric, Water, Wastewater, Solid Waste, and Airport Funds. Each fund reflects the services denoted in the title of each fund. The major revenue source for these enterprise funds is the rate revenue generated from the customers who receive the services provided.

The City's Airport Fund is required to use the revenues received at the Airport including gas well revenues from Airport property for Airport uses due to state and federal rules on the grant funding received for airport improvements.

Internal Service Funds (non-major) – Internal Service Funds are used to account for the financing of goods or services provided by one department to another department within the same government organization. The internal service funds are Customer Service, Engineering Services, Environmental Services, Facilities Management, Fleet Management, Materials

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Management, Risk Retention, and Technology Services. Each internal service fund listed is funded through payments from various City departments for the actual services received from the specific fund. The internal service fund balances are not restricted by a specific fund balance policy or City Ordinance unless otherwise noted.

Customer Service Fund – The Customer Service Fund is responsible for tracking utility service, producing bills, and collecting revenue from customers.

Engineering Services Fund – The Engineering Services Fund is comprised of the following operations: Engineering, Capital Projects, Real Estate, Public Works Inspections, and Development Review. This internal service fund is responsible for providing the above services primarily to internal City departments although some services are provided to external entities.

Environmental Services Fund – The purpose of this fund is to consolidate and budget divisions within the City which are providing environmental services. The Fund includes the following eight divisions: Environmental Administration, Water Sustainability, Watershed Protection, Water & Wastewater Municipal Labs, Wastewater Industrial Pre-Treatment, Gas Well Inspection, Solid Waste Landfill Compliance and Solid Waste Sustainability.

Facilities Management – The Facilities Management Fund is responsible for maintaining all City owned facilities.

Fleet Management Fund – The Fleet Management Fund accounts for the maintenance and repair of the City's vehicle and equipment fleet.

Materials Management Fund – The Materials Management Fund is comprised of purchasing and warehouse operations. This internal service fund is responsible for procuring goods and services for City departments and the warehouse maintains an inventory of materials and supplies used by City departments.

Risk Retention Fund – The Risk Retention Fund records the activities associated with providing general liability insurance coverage and self-funded activities for City operations.

Technology Services Fund – The Technology Services Fund provides computer services such as programming, support, training, and maintenance of the City's computer resources and telephone maintenance.

Budget Basis

The budget for the General, Special Revenue, Debt Service, and Capital Improvement Program (CIP) Funds are prepared on the modified accrual basis of accounting. Under this basis of accounting,

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revenues are recognized when they become both "measurable" and "available" to finance expenditures of the current period except where the accrual basis is specified by Generally Accepted Accounting Principles (GAAP). Expenditures are recognized when the related fund liability is incurred, except for (1) inventories of material and supplies which may be considered expenditures either when purchased or when used; (2) prepaid insurance and similar items which need not be reported; (3) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period; (4) interest on special assessment indebtedness which may be recorded when due rather than accrued, if approximately offset by interest earnings on special assessment levies; and (5) principal and interest on long-term debts which are generally recognized when due. Budgets for the Governmental Enterprise and Internal Service Funds are prepared on the full accrual basis of accounting under which transactions are recognized when they occur regardless of timing or related cash flow. This basis of budgeting explained above is consistent with the City's accounting basis.

Organizational Relationships

A department is a major administrative segment of the City, which indicates overall management responsibility for an operation or a group of related operations within a functional area. The smallest organizational unit budgeted is the division. The division indicates responsibility for one functional area, and in many cases these functional areas are put together to demonstrate a broader responsibility. When this is done, the divisions are combined to make up a department.



Organizational Strategy

Core Values

The City’s core values, adopted in FY 2022, guide all activities, including decision-making, and how our employees in the organization interact with one another, and those they serve. Denton’s Core Values are as follows:

- Inclusion**
Creating an environment where individuals and groups are valued, respected, and supported.
- Collaboration**
Listening, being open-minded and forward-thinking, while working together towards a collective goal.
- Quality Service**
Anticipating, recognizing, and proactively addressing the needs of those we serve.
- Strategic Focus**
Always thinking with the future in mind.
- Fiscal Responsibility**
Ensuring financial sustainability through the responsible use of City resources.

Strategic Plan

Having a strategic focus is one of the core values driving Denton forward as the City works to meet the needs of a growing community with the future in mind. Through strategic planning, the City is able to focus on what is most important to the community and what drives advancement in the areas that matter most.

Strategic Planning Process
After a comprehensive analysis of the City’s operational environment, emerging trends, and an evaluation of our strengths, weaknesses, opportunities, and threats, Council is tasked with developing Key Focus Areas. These form the foundation of Denton’s strategic plan. They are broad, long-term,



and aim to achieve specific outcomes within a 3 to 5-year timeframe. Council then identifies strategic objectives, providing a broad framework for advancing these key focus areas. This allows City management and staff to develop specific initiatives aligned with these objectives.

Council held a retreat in June 2022, establishing six key focus areas along with 13 strategic objectives. This guides the annual budget process and department initiatives. The key focus areas and strategic objectives are as follows:

Key Focus Area	Strategic Objectives
Pursue Organizational Excellence and Collaborative and Respectful Leadership	• Become an Employer of Choice • Ensure Quality Operations and Services • Strengthen Community and Surrounding Region
Enhance Infrastructure and Mobility	• Support Strategic Investment in City Infrastructure and Facilities • Ensure High Standard of Development
Foster Economic Opportunity and Affordability	• Grow Denton's Economic Vitality • Promote Housing Affordability and Family Stability
Strengthen Community and Quality of Life	• Preserve Community Character and Identity • Strengthen Community Amenities
Support Healthy and Safe Communities	• Enhance Safety of the Traveling Public • Build Public Safety Capacity
Promote Sustainability and the Environment	• Preserve Existing Natural Resources • Increase Environmental Sustainability

Action Plan for Monitoring Progress

To bolster transparency and accountability, the City actively tracks the progress of over 100 initiatives supporting the Strategic Plan through a public-facing dashboard. This dashboard is updated at least quarterly to ensure the most current information is readily available.

https://performance.envisio.com/dashboard/City_of_Denton_Strategic_Plan



City of Denton Excavator



Fiscal Year 2026 Budget Overview

The Fiscal Year 2026 Operating and Capital Budget city-wide for all funds totals \$2,551,200,633. A summary of the proposed expenditure budgets by fund is shown below:

General Fund

General Fund Summary

The General Fund is the City’s primary operating fund used to account for revenues and expenses related to essential city services such as Police, Fire, Parks, Library, Community Services, Development Services, and administrative functions. The General Fund is primarily funded by ad valorem (property) taxes, sales tax, fees, and investment income. The General Fund is not restricted to specific purposes and can be used for a wide range of city operations.

The Fiscal Year 2026 expenditure budget for the General Fund is \$218,824,966.

Reserve Level

The City of Denton maintains a General Fund reserve balance for unanticipated expenditures, unforeseen revenue fluctuations, or other adverse circumstances. To ensure that resources are available for these types of issues, the City of Denton targets a fund balance equivalent to 20 to 25% of budgeted expenditures, which includes a resiliency reserve up to 5%. The resiliency reserve will only be utilized in cases of economic distress. As such, the purpose of the resiliency reserve is to minimize budget and service fluctuations due to economic conditions.

The estimated ending reserve balance of \$42,508,217 at the end of FY 2025 represents approximately 20.98% of estimated expenditures and is within the targeted goal of 20 to 25%. The chart below provides a listing of the ending fund balances for the past year, an estimated balance for the fiscal year ending September 30, 2025, and the projected balance for the fiscal year ending September 30, 2026.

	As of 9/30/24	Estimated 9/30/25	Projected 9/30/26
Ending Balance	\$42,353,136	\$42,508,217	\$42,508,217
% of Total Expenditures	22.38%	20.98%	19.42%
Target %	20% - 25%	20% - 25%	20% - 25%

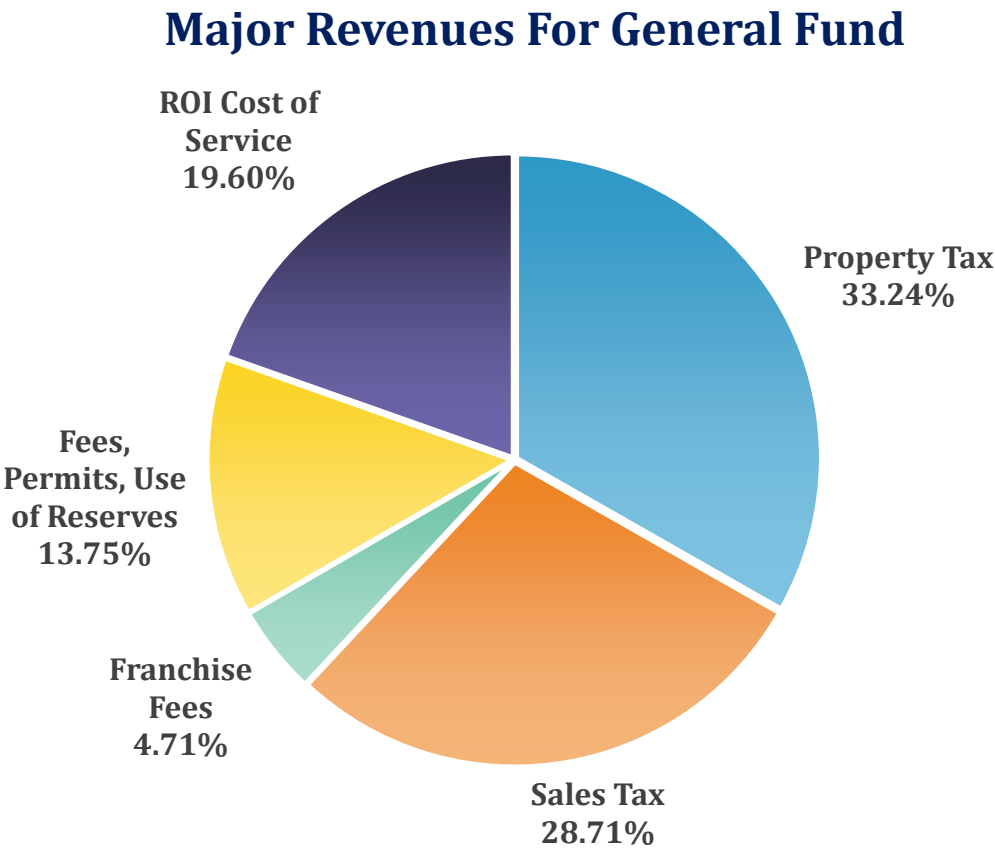
As detailed in the chart, the City has continued to maintain strong reserve balances near the policy target over the past several years. City Management will continue to monitor our financial

Fiscal Year 2026 Budget Overview

performance and make appropriate expenditure and/or revenue adjustments as necessary to manage the fund balance level. The projected fund balance for the end of fiscal year 2026 is below the minimum targeted goal of 20%. The General fund balance is anticipated rise above 20% in fiscal year 2027.

Revenues

The key General Fund revenue sources are discussed below. The chart below shows the source of the major revenues for FY 2026:



Property Tax

Greater than one-third of the total General Fund revenue is generated from property taxes, also referred to as ad valorem taxes. As shown below, the 2025 certified value increased by 7.10%, approximately, or \$1,509,020,092 (excluding TIRZ) from the 2024 certified value. Analysis of the increase shows there was approximately \$599.6 million in new value added to the appraisal roll due to new growth and construction. Below is a chart with a detailed breakdown of certified values:

Fiscal Year 2026 Budget Overview

	2024 Certified Total AV	2025 Certified Total AV	Increase (Decrease)	Percent Change	New Value
General Government	\$21,246,581,740	\$22,755,601,832	\$1,509,020,092	7.10%	\$599,600,902
Downtown TIRZ ¹	\$136,240,592	\$172,838,244	\$36,597,652	26.86%	\$23,677,508
Westpark TIRZ ²	\$165,462,701	\$179,489,315	\$14,026,614	8.48%	\$ -
Total	\$21,548,285,033	\$23,107,929,391	\$1,559,644,358	7.24%	\$623,268,410

¹ Downtown TIRZ – Reflects 90% of incremental value through FY 2039 per Ordinance No. 2010-316. Original boundaries expanded by city ordinance #24-2389.

² Westpark TIRZ – Reflects 40% of incremental value through FY 2037 per Ordinance No. 2013-033.

The increase in the annual certified value is a combination of the new property values added to the tax rolls and the increase in value for existing properties. The chart below has a detailed breakdown of the new property values and the change in existing property values (excluding TIRZ) for the last 10 years:

Tax Year	New Property Value	Change in Value of Existing Properties
2025	\$599,600,902	\$909,419,190
2024	\$1,211,067,354	\$747,691,089
2023	\$1,023,634,611	\$1,499,322,114
2022	\$524,609,421	\$1,804,399,997
2021	\$461,312,678	\$ 590,765,527
2020	\$450,814,266	\$ 279,652,064
2019	\$386,062,956	\$ 917,562,289
2018	\$323,830,656	\$ 660,998,175
2017	\$317,877,303	\$ 926,733,421
2016	\$208,688,574	\$ 500,415,159

The Over 65/Disabled tax limitation (freeze) represents approximately \$3.38 billion in value, a 13.04% increase from the prior year. Since eligible homeowners pay a frozen amount, the loss of taxable value represents a loss of approximately \$6.83 million in revenue to the City.

The FY 2026 budget includes a tax rate greater than the FY 2025 tax rate. The FY 2026 tax rate is \$0.595420 per \$100 of assessed valuation. Of this amount, \$0.334780 is provided for operations and maintenance, and \$0.260640 is provided for debt service. The rate for debt service has increased by \$0.01 and the operations and maintenance rate has remained the same from FY 2025 to FY 2026.

Fiscal Year 2026 Budget Overview

The following chart provides a 5-year history of certified assessed values and tax rates:

Fiscal Year	Certified Assessed Value*	Operations and Maintenance Tax Rate	Debt Service Tax Rate	Total Tax Rate
2025-26	\$22,755,601,832	\$0.334780	\$0.260640	\$0.595420
2024-25	\$21,246,581,740	\$0.334780	\$0.250640	\$0.585420
2023-24	\$19,287,823,297	\$0.354780	\$0.205902	\$0.560682
2022-23	\$16,764,866,572	\$0.356432	\$0.204250	\$0.560682
2021-22	\$14,403,105,063	\$0.350444	\$0.215379	\$0.565823

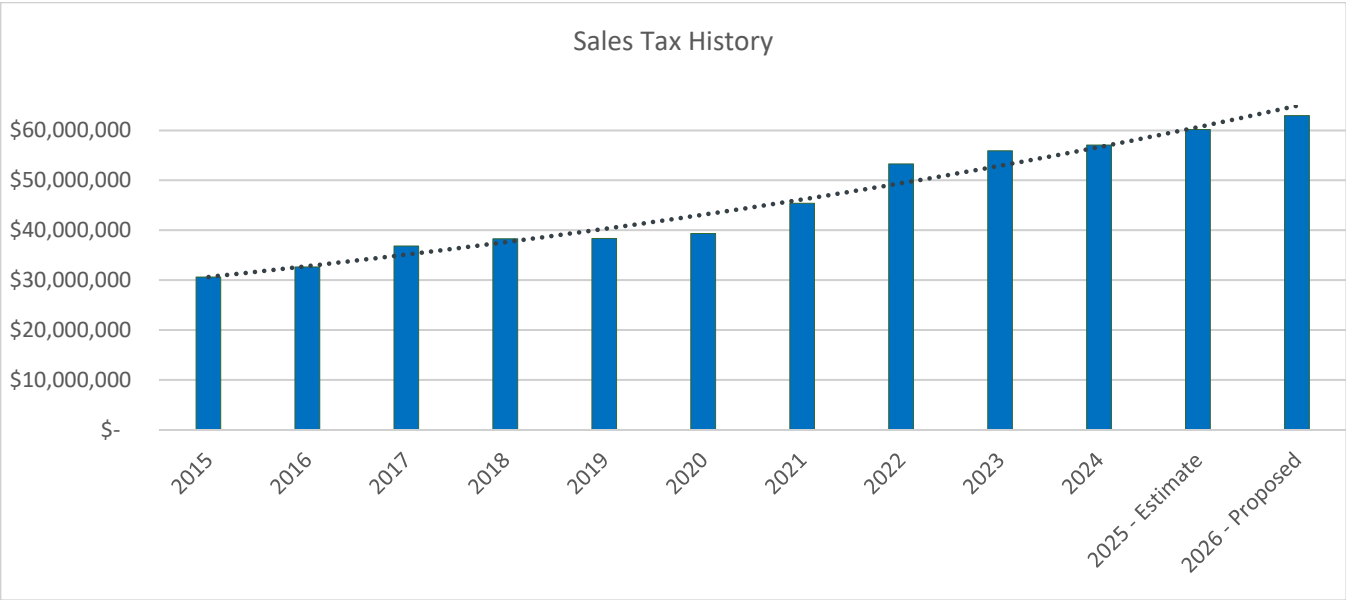
*Certified Assessed Value excludes Downtown and West Park TIRZs, but includes frozen values.

Sales Tax

The FY 2025 year-end estimate of \$60,164,000 is -1.11% or -\$677,793 below the adopted FY 2025 budget. Revenue growth from sales tax is expected to continue at around 5%, a reduction from prior year trends of 7%.

The FY 2026 budget projects sales tax will be \$62,944,986 which is approximately 4.62% above the FY 2025 estimated amount. The five-year financial forecast projects increases in sales tax receipts annually which includes collections related to the Rayzor Ranch and Golden Triangle Mall. The City has economic development agreements with Golden Triangle Mall, Rayzor Ranch, WinCo, Buc-ees and O'Reilly Hospitality for sales tax rebates which are shown as expenses in the Economic Development department budget.

The following chart provides a 10-year history of sales tax collection and growth:



Fiscal Year 2026 Budget Overview

Franchise Fees

Approximately 4.71% of the General Fund’s revenues are related to franchise fees. Typically assessed as a percentage of gross revenues, the purpose of the franchise fee is to provide compensation to the City in return for allowing utilities to access City rights-of-way. The FY 2026 budget includes \$27,056,448 in total franchise fees from various utilities operating in the City, including city-owned utilities. In FY 2026, the budget allocates \$16,300,000 of franchise fee revenue to the Street Improvement Fund. Since franchise fees are generally considered to be compensation for the use of the city-owned rights-of-way, the City designates a portion of the franchise fees to the Street Improvement Fund, which was created in FY 2012. By doing so, this better establishes the linkage between the payment of franchise fees and the use of these funds on street maintenance activities. With this in mind, it is important to also note that the City is not required to spend franchise fees on street maintenance or any other specific activity. Rather, franchise fees are meant to be a General Fund resource, and as such, they may be spent on any activity deemed appropriate by the City Council. Additional details regarding the franchise fee allocation to street maintenance activities are contained in the Street Improvement Fund section of this document.

Expenditures

To navigate current budget conditions, departments conducted zero-based budgeting for FY 2025-26. In addition, departments have assessed existing operations to identify opportunities for cost savings through service reductions, eliminations, technology implementation, or internalization of services. A Budget Task Force was created to further examine the reductions. The FY 2026 budget includes approximately \$7 million in General Fund reductions. The following tables illustrate the reduction amounts by service category.

Category	Proposed Reductions
Personnel	\$ 3,066,035
Programs	2,179,064
Contractual Services	1,053,223
Travel and Training	197,155
Equipment, Supplies, Other Discretionary	618,317
Total	\$ 7,113,794

Fiscal Year 2026 Budget Overview

General Fund Expenditure Reductions by Service Category

The following chart illustrates the major reductions included in the proposed FY 2026 operating budget.

Total Funding Reductions (\$7,113,794)
The FY 2026 operating budget includes the following funding reductions.

Personnel (Managed Vacancies)

The City has implemented a managed vacancy program as a strategy for applying controls on expenditures in FY 2026. This program will evaluate operational needs for filling new and current vacancies throughout the fiscal year.

Programs

Conclusion of taxpayer funding for the Pilot Ambassador Program - \$531,225

In 2023, the City Council approved a two-year pilot program funded by the City’s General Fund. The Council provided staff direction to explore a Public Improvement District (PID) as a sustainable funding source. City staff conducted research and held meetings with downtown property owners regarding the potential formation of a PID.

After research, outreach, and property owner feedback, creation of a PID was not supported at this time by property owners. Without an alternative funding source, the program will no longer be funded from the General Fund. The proposed budget includes consideration of funding a scaled-down version of the program from Hotel Occupancy Funds.

Discontinue the After School Program - \$220,000

The City of Denton and Denton ISD offer after-school programs. The DISD program is conducted onsite at select campuses, and the City's program includes transporting participants from select elementary schools to recreation facilities.

Working with the ISD, they have capacity to absorb the program to continue services while optimizing resources through collaboration.

Fiscal Year 2026 Budget Overview

Reduce Clear Creek Programming - \$50,000

Various Clear Creek Nature Preserve programming with low attendance will be scaled back or discontinued. Maintenance service levels will remain unchanged.

Reduce Irrigation and Rye Grass Overseeding - \$148,691

Watering schedules will be adjusted to enhance efficiency, reducing water use and lowering costs while extending the lifespan of irrigation systems. While some landscaping and turf will need to adapt to the new schedule, athletic fields will continue to receive full irrigation to ensure safe and playable conditions. In addition, staff evaluated the cost of rye grass application and its impact on athletic field quality. To optimize resources, overseeding will focus primarily high-traffic areas. This approach aligns with the City's Drought Contingency and Water Conservation Plan.

Pause Police K9 Program - \$428,648

Since the K-9 program (New in FY 2024-25) was not yet implemented, this will not impact current service levels. Without it, the department will continue to use mutual aid.

Discontinue Select In-House Special Events - \$60,000

After assessing community needs and cost recovery and working with the Community Partnership Committee select Independence Day events will be discontinued or shifted to third-parties. In addition, over the past year, staff have prioritized permitting third-party special events over coordinating internal ones. These changes will allow staff to focus more efforts on Denton Halloween. Staff is still evaluating other holiday events, such as the Easter Egg Hunt, for further reductions.

Reduce In-Kind Budget for Special Events - \$200,000

The FY 2024-25 General Fund Budget includes \$400,000 which is allocated to select special events by the Community Partnership Committee to offset services utilized for special events including: public safety, solid waste services, facility rentals etc. The proposed will reduce the in-kind amount to \$200,000 for FY 2025-26. Following the Special Event Work Session in June staff will be working to offer organizers workshops on various topics including: marketing and fundraising.

Fiscal Year 2026 Budget Overview

Discretionary Expenditures

Contractual Services - \$1,053,223

Departments have assessed existing contracts to identify opportunities for cost savings through service reductions, eliminations, technology implementation, or internalization. By streamlining contracted services where feasible, the City can optimize resources while ensuring continuity in essential functions.

Travel and Training - \$197,155

Departments reviewed training-related expenditures to identify cost-saving opportunities. In lieu of external conferences and offsite training, when possible, departments will leverage internal training opportunities, virtual training resources, and industry webinars. These reductions are expected to be temporary, as ongoing professional development remains a priority to ensure Denton remains an employer of choice. Additionally, departments will continue to support training necessary for employees to maintain required licenses and certifications, ensuring that essential qualifications remain current and compliance standards are met.

Equipment, Supplies, and Other - \$618,317

Budgets for equipment, supplies, and other discretionary expenses have been adjusted to better reflect prior years' actual expenditures and as needed to realize additional savings. Departments are adopting resourceful practices by optimizing existing inventory and ensuring efficient use of available materials. These cost-saving measures aim to minimize financial impact while maintaining operational effectiveness.

Compensation

The FY 2026 budget does not include a merit or cost of living adjustment (COLA). The following charts are summaries of compensation increases for employees over the past four years:

Non-Civil Service Compensation History

Fiscal Year	Compensation Equivalent - Non-Civil Service
2025-26	No COLA or Merit Increase.
2024-25	2.5% Average Merit Based Increase + 3% Cost of Living Adjustment (COLA)
2023-24	2% Average Merit Based Increase
2022-23	3%+ (Compensation Study)

Fiscal Year 2026 Budget Overview

Civil Service Compensation Increase History

Fiscal Year	Compensation Equivalent - Civil Service
2025-26	Eligible STEP Pay* Increases only, no market plus 5% pay adjustment.
2024-25	Meet & Confer Agreements and Eligible STEP Pay* Increases
2023-24	Meet & Confer Agreements and Eligible STEP Pay* Increases
2022-23	Meet & Confer Agreements and Eligible STEP Pay* Increases

*STEP Pay for eligible employees who meet the requirements in both Police and Fire Civil Service positions
*City management and public safety employee associations have agreed to pause Meet and Confer pay increases for 2025-26 to stay in line with all other non-civil service employees, who will not receive COLA or merit increases this fiscal year.

City Management and public safety employee associations have signed meet-and-confer agreements that include provisions for compensation. Agreements apply to civil service employees only. The City’s contribution to the Texas Municipal Retirement System (TMRS) for civil service employees in the Police Department and the Denton Firemen’s Relief and Retirement Fund (DFRRF) for civil service employees in the Fire Department is 18.60%.

All other City employees (non-civil service) earn retirement benefits from TMRS. The new TMRS contribution rate is 18.60%.

Other Agency Contributions

Other agency contributions represent allocations for the City of Denton to outside organizations for specific agreed upon public purposes. The Human Services Committee received requests totaling \$535,355 for FY 2026, which is an approximate 2.4% increase from the FY 2025 funding level. The FY 2026 funding is split between support from the Community Development Block Grant (CDBG) of \$157,400, and \$377,955 from the General Fund. The General Fund’s FY 2026 proposed contribution is unchanged from FY 2025.

Grants

The City benefits from a variety of federal, state and local grants. In addition, the City routinely provides matching funds for various programs. A complete list of grants is provided in the Financial Summary section of the document. The total grant budget for FY 2026 is \$61,069,582 of which \$12,837,418 is non-capital, and \$48,232,164 is capital related and included in the Capital Improvement Program. This is a decrease of \$44,084,056 from the prior year.

Fiscal Year 2026 Budget Overview

Capital Improvement Program

For FY 2026 the Finance Department hosted a city-wide budget kickoff meeting that focused on cross-departmental collaboration. A submittal method was created for each department to enter their respective capital budgets which were ultimately reviewed by leadership and City Council. This collaborative effort resulted in a city-wide budget that ensures capital projects are appropriately budgeted across the various funds. The FY 2026 Capital Improvement Program (CIP) includes \$1.24 billion in city-wide capital projects. This amount includes \$691.63 million representing unexpended previously budgeted funds and \$552.81 million in planned new funding for FY 2026. Funding for the CIP will come from several different sources including revenue, General Obligation (GO) Bonds, Certificate of Obligations (CO) Bonds, Federal and State Loan Programs, and Impact Fees. The CIP is reviewed each year to reflect changing priorities, as well as to monitor the impact of capital projects on operating budgets and for project scheduling and coordination. The General Government CIP includes non-utility projects such as streets, parks, and other general government facilities that are typically funded through GO bonds or CO bonds. In 2023, voters approved a \$291.36 million bond program which included \$45.13 million for streets improvements, \$58.86 million for drainage and flood control, \$33.45 million for park systems, \$42.02 million for public safety, \$15.00 million for affordable housing, \$47.36 million for an active adult center, and \$49.55 million for a new library.

The Utility CIP includes projects for the City's enterprise funds, such as Electric, Water, Wastewater, and Solid Waste that are funded from non-tax revenue. The Utility CIP is designed to make sufficient investments in infrastructure to provide reliable service to customers. The Public Utilities Board (PUB) provided a recommendation of the Utility CIP which is included in the budget.

DIVISION	TOTAL	NEW FUNDING							FY 25-26 GRAND TOTAL
	CURRENT APPROPRIATED	EXTERNAL FUNDING ¹	REVENUE FUNDING	IMPACT FEE FUNDING	GO ISSUANCES	CO ISSUANCES	REVENUE ISSUANCES	NEW FUNDING TOTAL	
General Government	\$ 361,213	\$ 5,000	\$ 7,258	\$ 5,000	\$ 44,223	\$ 65,548	\$ -	\$ 127,029	\$ 488,242
Electric	96,178	4,050	1,475	-	-	58,435	-	63,960	160,138
Water	95,568	-	1,333	-	-	93,591	-	94,924	190,491
Wastewater	111,511	-	2,830	-	-	240,167	-	242,997	354,508
Solid Waste	25,386	-	3,463	-	-	18,249	-	21,712	47,098
Airport	1,777	1,755	435	-	-	-	-	2,190	3,967
TOTAL	\$ 691,632	\$ 10,805	\$ 16,794	\$ 5,000	\$ 44,223	\$ 475,989	\$ -	\$ 552,811	\$ 1,244,443

Note: All dollars shown on the table above are in thousands (000's).

Fiscal Year 2026 Budget Overview

Enterprise Funds

Utility Reserve Levels

The Utility Departments and the Public Utilities Board have developed financial strategies and objectives to maintain financial stability and resiliency. One objective is to achieve and maintain reserve balances that provide adequate working capital and operating reserve levels. These reserve targets are based primarily on the Government Finance Officers Association’s (GFOA) best practices for enterprise funds. In general, “Reserves” are divided into two components: working capital and operating reserves. Working capital provides a minimum unrestricted fund balance to provide the liquidity needed to allow regular management of payables and payment cycles. The working capital target for each utility is 30 days (8%) of average budgeted expenditures. The operating reserve component provides a means of managing expense and demand volatility, ensuring that funding is available for emergencies such as equipment or infrastructure failure, and serving to improve overall resiliency. The table below summarizes the Council-approved targets and forecasted FY 2026 operating reserves as a percentage of total expenditures.

	Electric	Water	Wastewater	Solid Waste
Actual Percentage	17%	56%	30%	19%
FY 2026 Target	46-61%	25-42%	20-31%	6-10%
Equivalent Days of Operating Expenses	140-225 Days	90-150 Days	75-110 Days	20-35 Days

In addition to the above amounts, the Water and Wastewater departments maintain separate impact fee funds and development plan line reserves. The Wastewater Fund also maintains a separate drainage reserve to be used for repairs of the drainage system in the event of major unforeseen circumstances. Lastly, the Solid Waste department maintains a separate fund for landfill closure/post-closure purposes.

The operating budgets, capital improvement plans, and future rate increases projected in the utilities’ five-year financial plans have been developed to support these targeted reserve fund balances and are addressed in the Enterprise Fund details following this section.

Aging Infrastructure

The utility departments will continue their financial strategy of replacing aging assets with current revenue and debt. The projected operating budgets, capital improvement plans, and rates contained in the five-year financial plans contemplate a phased approach to revenue-funded asset replacements and maintain debt coverage ratios at bond covenant levels. Bond covenants are legally binding

Fiscal Year 2026 Budget Overview

agreements between the bond issuer and the bondholder that outlines what the issuer can and cannot do while the bond is outstanding.

Electric Fund

The FY 2026 Electric budget includes \$526,631,020 in revenues, \$509,582,231 in expenditures, and no use of reserves. The proposed expense budget is a 29.3% increase from the prior fiscal year.

Rates

The Denton Municipal Electric (DME) FY 2026 budget contemplates the following rate assumptions.

- No base rate change for residential and commercial customers in FY 2026. The ECA and TCRF rates will adjust as needed to recover the net cost of energy and transmission expenses.

Personnel Changes

There are no position changes in FY 2026.

Return on Investment (ROI) and Franchise Fees

The ROI for the Electric Fund was increased from 3.50% to 6.00% in FY 2022 and will remain at 6.00% for FY 2026.

Major Capital Improvement Projects

The Electric Fund CIP budget includes funding for the following major capital projects in FY 2026:

- Debt: \$58.43 million
- Revenue: \$5.48 million

Including the improvements discussed above, the FY 2026-30 five-year capital improvement program is \$390.12 million. The program is necessary to meet the expected growth in demand for electric services, improve the reliability of the electric system, replace aging infrastructure, and comply with new regulatory requirements.

Water Fund

The FY 2026 Water Fund budget includes \$59,167,356 in revenues, \$62,799,520 in expenditures, and \$3,632,164 in use of reserves. The proposed expense budget is a 12.9% increase from the prior fiscal year.

Fiscal Year 2026 Budget Overview

Rates

The FY 2026 budget contemplates the following rate assumptions.

- An increased rate change of 3.00% for residential and commercial customers in FY 2026.

Personnel Changes

There are no position changes in FY 2026.

Major Capital Improvement Projects

The Water Fund CIP budget includes funding for the following major capital projects in FY 2026:

- Debt: \$93.59 million
 - Revenue: \$1.33 million
-

Wastewater Fund

The FY 2026 Wastewater budget includes \$50,426,572 in revenues, \$51,361,578 in expenditures, and \$935,006 in use of reserves. The proposed expense budget is a 12.5% increase from the prior fiscal year.

Rates

The FY 2026 budget contemplates the following rate assumptions.

- An increased rate change of 11.00% for residential and commercial customers in FY 2026.

Personnel Changes

There are no position changes in FY 2026.

Major Capital Improvement Projects

The Wastewater Fund CIP budget includes funding for the following major capital projects in FY 2026:

- Debt: \$240.17 million
 - Revenue: \$2.83 million
-

Solid Waste Fund

The FY 2026 Solid Waste budget includes \$45,353,673 in revenues, \$44,949,845 in expenditures, and no use of reserves. The proposed expense budget is a 4.2% increase from the prior fiscal year.

Fiscal Year 2026 Budget Overview

Rates

No base rate change for residential and commercial customers in FY 2026.

Personnel Changes

The positions in FY 2026 decreased by one position.

Major Capital Improvement Projects

The Solid Waste Fund CIP budget includes funding for the following major capital projects in FY 2026:

- Debt: \$18.25 million
- Revenue: \$3.463 million

Utility Rate Change Summary

The following chart summarizes the annual rate increases/ (decreases) for the last seven fiscal years. This chart illustrates the City’s commitment to fiscal accountability and a continued effort to responsibly and appropriately set rates that provide optimal service levels.

Rate Increases / (Decreases)							
Utility	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Electric	-	-	-	-	3.00%	1.50%	-
Water	-	-2.00%	-	-	-	3.00%	3.00%
Wastewater	-	-	-	-	11.00%	11.00%	11.00%
Solid Waste	-12.00%	-5.00%	-	-	-	1.50%	-

Airport Fund

The Airport Fund was established in FY 2011 as a self-sustaining enterprise. The fund is comprised of both Airport operations and Airport gas wells. Beginning in FY 2017, the Airport debt service was paid by the City’s General Debt Service Fund in order to ensure the long-term financial sustainability of the Airport Fund. However, in FY 2021 the Airport began funding and continues to fund their debt service.

The FY 2026 Airport budget includes \$2,585,416 in revenues, \$2,521,361 in expenditures, and no use of reserves. The proposed expense budget is a -0.6% decrease from the prior fiscal year.

Fiscal Year 2026 Budget Overview

Rates

The FY 2026 budget contemplates the following rate assumptions.

- Airport rates were adjusted in FY 2025.

Personnel Changes

Airport proposes to reduce a vacant 0.5 part-time FTE that is no longer needed for airport operations in FY 2026.

Major Capital Improvement Projects

The Airport Fund CIP budget includes funding for the following major capital projects in FY 2026:

- Debt: \$0.95 million
- Grants: \$8.55 million

Internal Service, Special Revenue, and Donation Funds

Customer Service Fund

The Customer Service Fund was established in FY 2019 and allows for more visibility to the allocation of Customer Service costs. The FY 2026 Customer Services budget includes \$11,873,598 in revenues, \$11,873,598 in expenditures, and no addition of personnel or use of reserves. The proposed expense budget is a -0.8% decrease from the prior fiscal year. This includes a proposal for consideration to implement a credit card fee to recover cost associated with credit card processing transactions.

Technology Services Fund

The Technology Services Fund reflects the costs of providing technical support services to City departments. This internal service fund is comprised of eight separate functional areas, including administration, telecommunications, geographic information systems, application development, user support, public safety support, and regulatory compliance. The FY 2026 budget includes no additions to personnel. The FY 2026 Technology Services budget includes \$24,774,431 in revenues,

Fiscal Year 2026 Budget Overview

\$24,774,431 in expenditures, and no use of reserves. The proposed expense budget is a -0.2% decrease from the prior fiscal year.

Materials Management Fund

The Materials Management Fund is comprised of purchasing and warehouse operations. Materials Management is an internal service fund responsible for procuring goods and services for City departments, which is regulated by local, state, and federal law. The department is also responsible for the warehousing of materials and supplies necessary for City departments to serve the community. The FY 2026 Materials Management budget includes \$20,934,328 in revenues, \$20,934,328 in expenditures, and no use of reserves. The proposed expense budget is a 0.2% increase from the prior fiscal year.

Fleet Management Fund

The Fleet Management Fund reflects the costs of providing vehicle maintenance and equipment-related support services to City departments. This internal service fund is comprised of four functional areas, including vehicle maintenance, fuel purchasing, vehicle parts contract, and motor pool administration. The FY 2026 Fleet Management budget includes \$18,663,445 in revenues, \$18,663,445 in expenditures, and no use of reserves. The proposed expense budget is a 4.9% increase from the prior fiscal year.

Risk Retention Fund

The Risk Retention Fund was established to record the activities of providing insurance coverage and self-funded activities for City operations including vehicle, property, general liability, and worker's compensation claims. The FY 2026 Risk Retention budget includes \$8,327,477 in revenues, \$8,327,477 in expenditures, and no use of reserves. The proposed expense budget is a -6.0% decrease from the prior fiscal year.

Fiscal Year 2026 Budget Overview

Health Insurance Fund

The City is self-insured. The Health Insurance Fund reflects the City's cost to provide medical, dental, vision, life, disability and other insurance to eligible City employees and retirees. The City switched to a self-funded health insurance plan in 2008, projecting long-term savings for the Health Insurance Fund. In an effort to address rising costs, the City opened the Employee Health Center (clinic) in December 2011. The clinic provides primary care benefits at no cost to our employees, retirees, and dependents that are covered under the City's self-funded program. As a result of medical and pharmacy inflation, the FY 2026 budget includes an increase in the medical and pharmacy employer contribution per employee to \$1,331; an increase over FY 2025 of 2.18%. The budget also accounts for anticipated employee contribution increases or decreases depending on the plan and tier selected during the open enrollment period. The FY 2026 Health Insurance budget includes \$43,900,363 in revenues, \$43,900,363 in expenditures, and no use of reserves. The proposed expense budget is a 4.0% increase from the prior fiscal year.

Engineering Services Fund

The Engineering Services Fund was created in FY 2014. The engineering functions that were previously budgeted in the Water Fund, Wastewater Fund, and General Fund were reorganized and consolidated into this new fund. This fund is made up of Engineering Administration, Capital Projects, Public Works Inspections, Development Review, Real Estate, and Engineering. The department does not include engineering functions for Denton Municipal Electric. The FY 2026 Engineering Services budget includes \$13,314,400 in revenues, \$13,314,400 in expenditures, and no use of reserves. The proposed expense budget is a -1.5% decrease from the prior fiscal year.

Facilities Management

The Facilities Fund was created in FY 2021 and allows for more visibility of the allocation of costs. This budget was previously part of the General Fund. As an Internal Service Fund, the cost of maintaining facilities is allocated to departments through a cost allocation model. The FY 2026 Facilities Management budget includes \$8,459,548 in revenues, \$8,459,548 in expenditures, and no use of reserves. The proposed expense budget is a 0.5% increase from the prior fiscal year.

Fiscal Year 2026 Budget Overview

Street Improvement Fund

The Street Improvement Fund was established in FY 2012. The purpose of the fund is to provide a dedicated mechanism to account for street maintenance and improvement activities. The Street Improvement Fund receives revenue from a portion of franchise fees previously accounted for in the General Fund. Growth in Franchise Fee Revenue is accounted for in the Street Improvement Fund.

Interest cost savings associated with issuing Certificates of Obligation (CO) Bonds in lieu of Revenue Bonds are also transferred to the Street Improvement Fund from the utility funds. Beginning in 2010, the City changed the manner by which the utilities issue debt to fund capital improvements by selling CO Bonds instead of Revenue Bonds. Using the AA+ credit rating of the City, rather than the A+ credit rating of the Utility System, the City was able to lower the interest costs to the Utility funds. As such, this budget transfers \$2,189,864 in interest cost savings from the utility funds to the Street Improvement Fund in FY 2026. The FY 2026 Street Improvement budget includes \$21,202,892 in revenues, \$23,432,130 in expenditures, and \$2,229,238 in use of reserves. The proposed expense budget is a 14.1% increase from the prior fiscal year.

Tourist and Convention Fund

The Tourist and Convention Fund records the receipt and distribution of the City's Hotel Occupancy Tax, which is levied at 7.00% of room rental rates. The Community Partnership Committee is responsible for determining a recommendation on the allocation of funds annually. The FY 2026 budget includes revenues of \$4,072,466, expenditures of \$5,061,486, and \$988,520 in use of reserves. For FY 2026, the City implemented a rubric to score applications for funding requests. The proposed expense budget is a 11.6% increase from the prior fiscal year.

Police Confiscation Fund

The Police Confiscation Fund was established to record the receipt of confiscated contraband and the expenditures funded by that revenue as approved by the courts. The FY 2026 budget includes expenses of \$756,180 to fund additional Police training, materials, and supplies. A state law passed

Fiscal Year 2026 Budget Overview

in FY 2021 does not allow cities to budget revenues for the Police Confiscation Fund. The proposed expense budget is a 51.2% increase from the prior fiscal year.

Catalyst Fund

The Economic Development Investment Fund was created in FY 2016 and was reassigned as the Catalyst Fund beginning in FY 2023 (Ordinance No. 22-1803). The FY 2026 budget includes revenues of \$1,150,000, expenses of \$2,150,000 and \$1,000,000 use of reserves. The City created an expiring incentives program considered annually during the budget process. With Council consensus, expiring incentives budgets can be moved to the Catalyst Fund (City Ordinance 25-1015) for future grants. The proposed expense budget shows an 87% increase from the prior fiscal year.

Parks Gas Well Fund

The City's Parks Gas Well Fund was established to record the receipt of restricted gas well revenues on park property. Expenditures from this fund will be used for park system projects. The City currently has several producing gas wells located under City owned property and throughout the community. As gas well revenue is considered a short-term resource, the expenditures programmed from these funds will be used for one-time capital project completion. The FY 2026 budget includes revenues of \$70,000, and expenditures of \$70,000. The proposed expense budget is unchanged from the prior fiscal year.

Roadway Impact Fee Fund

The Roadway Impact Fee Fund was established in FY 2016 to record the receipt and expenditure of impact fees associated with developing city roadways (City Ordinance 16-189). The FY 2026 budget includes revenues of \$5,000,000, expenditures of \$5,000,000, and no use of reserves. The proposed expense budget is a -23.7% decrease from the prior fiscal year.

Fiscal Year 2026 Budget Overview

Tree Mitigation Fund

The Tree Mitigation Fund is currently used to fund tree plantings on both public and private property. The budget includes revenues of \$1,000,000 and \$1,000,000 of expenditures. The budget will be used for the continuation of the current programs for tree planting. The budget includes \$46,576 for Keep Denton Beautiful (KDB) tree initiative programs, \$902,755 for tree preservation, and \$50,669 for tree rebates. The proposed expense budget is unchanged from the prior fiscal year.

Public Education Government (PEG) Fund

The Public Education Government (PEG) Fund provides for the acquisition of production equipment, capital, and other lawful PEG purposes. PEG fees are remitted to the City on a quarterly basis. Resources are programmed to support four public education government channels operated by the University of North Texas, Texas Woman’s University, Denton Independent School District, and Public Access. The FY 2026 budget includes \$150,000 in total revenues and \$500,000 in expenses. Reserves in the amount of \$350,000 are being utilized to balance the budget for the acquisition of equipment, capital, materials, and supplies. The proposed expense budget is unchanged from the prior fiscal year.

McKenna Trust Fund

The McKenna Trust Fund was created to account for interest received from the George McKenna Trust, which was established in 1958 and currently is managed by JP Morgan Chase Bank. One half of the net income from this trust is distributed to Cook Children’s Hospital in Fort Worth and one half of the net income is distributed to the City of Denton for use only in maintaining, developing, preserving, and improving the George McKenna Park. The FY 2026 budget includes revenues of \$11,500, expenditures of \$20,000, and a use of reserves of \$8,500 for park maintenance at McKenna Park. The proposed expense budget is unchanged from the prior fiscal year.

Fiscal Year 2026 Budget Overview

Parks Land Dedication and Development Trust Funds

The Parks Land Dedication and Development Trust Funds are funded by developer contributions which provide for neighborhood parks and projects within a service area of the development or platting. Due to the specific use of these funds, projects planned for the next fiscal year are concentrated in community and neighborhood park areas in the community. The Park Land Dedication fund will be used for the acquisition of prospective park property. Both funds may also be used to cover the labor expenses of employees who are working on trust fund projects. The FY 2026 budget includes revenues of \$2,175,000, expenditures of \$1,000,000, and no use of reserves for the Park Land Dedication Trust Fund. The FY 2026 budget for the Park Development Trust Fund includes revenues of \$2,700,000, expenditures of \$1,000,000, and no use of reserves for the Park Development Trust Fund. Funds will be used for Bowling Green Park, Village of Carmel Park, Briercliff Park, Denia Park, and other park projects. The proposed expense budget is unchanged from the prior fiscal year.

Downtown Tax Increment Reinvestment Zone Fund

The Downtown Tax Increment Reinvestment Zone Fund (TIRZ #1) was created in FY 2012 through Ordinance No. 2010-316, which was adopted on December 7, 2010. The fund accounts for the tax revenues that are collected above the FY 2011 levels in the downtown area. The base value for TIRZ #1 is \$79,356,854, and the certified total for FY 2026 is \$271,399,347 which represents an incremental value of \$ \$172,838,244, which is 90% of the increment. For FY 2026, revenues of \$1,209,955, expenditures of \$1,542,251 and a use of reserves of \$332,296 are budgeted. Ordinance No. 2010-316 states in years 1-5, 100% of the tax increment produced by the City shall be paid into this fund. In years 6-10, 95% of the tax increment produced by the City shall be paid into this fund. In years 11-20, 90% of the tax increment produced by the City shall be paid into this fund. In years 21-30, 85% of the tax increment produced by the City shall be paid into this fund. FY 2026 represents the fourteenth year for this fund. The Original boundaries of the Downtown TIRZ were expanded by city ordinance #24-2389 in FY 2024. The proposed expense budget is unchanged from the prior fiscal year.

Fiscal Year 2026 Budget Overview

Westpark Tax Increment Reinvestment Zone Fund

The Westpark Tax Increment Reinvestment Zone Fund (TIRZ #2) was created through Ordinance No. 2012-366, which was adopted on December 18, 2012. The fund accounts for the tax revenues that are collected above the FY 2013 levels. The base value for TIRZ #2 is \$119,458. The City and Denton County contribute 40% of the tax increment to this fund. The 2025 certified total for FY 2026 is \$448,842,745, which represents an incremental value of \$ \$179,489,315 which is 40% of the increment. For FY 2026, revenues of \$1,492,682 expenditures of \$474,006, and no use of reserves are budgeted. The proposed expense budget is a -86.5% decrease from the prior fiscal year.

Sustainability Framework Fund

The Sustainability Framework Fund was created for sustainability initiatives as recommended by City Council through Ordinance No. 21-1689. For FY 2026 revenues of \$1,050,150 and expenditures of \$1,050,150 are budgeted. The proposed expense budget is a 31.3% increase from the prior fiscal year.

Environmental Services Fund

The Environmental Services Fund was created to consolidate environmental related services provided across the City through Ordinance No. 23-1871. For FY 2026 revenues of \$5,815,738, and expenditures of \$5,815,738 are budgeted with no use of reserve. The proposed expense budget is a -5.4% decrease from the prior fiscal year.

Donation Funds

Periodically the City receives donations from the community for special purposes. The Donation Funds consist of separate collections for Police, Fire, Animal Control, Library, and Parks. Revenue and expenses for these funds will be represented collectively for budgeting purposes. The FY 2026 budget

Fiscal Year 2026 Budget Overview

includes \$217,500 in revenues, \$280,500 in expenditures, and \$63,000 in use of reserves. The proposed expense budget is a 5.1% increase from the prior fiscal year.

Meadows Municipal Utility District

On April 29, 2020, the City received a petition for consent to the creation of Denton County Municipal Utility District No. 16. This Municipal Utility District (MUD) is located near FM 156 and US 380 and is also known as “Olex MUD” or “Meadows MUD”. The MUD will feature 1,600 residential lots, 396 multifamily units, and 19 acres of commercial property. A development agreement was approved by the City Council on August 18, 2020, and included provisions on Denton County’s consent, utilities, floodplain/ESA, roadway construction specifications, and limited purpose annexation to receive sales tax for commercial property. A first amendment was made to the development agreement on January 25, 2022, to name the City of Denton as the fire service provider and approve a Fire Services Agreement. The development agreement included a Strategic Partnership Agreement (SPA) which allows for the limited purpose annexation of portions of the property for commercial use for the purpose of collecting sales tax. Following the limited-purpose annexation, the City is required to provide 50 percent of the sales tax collected back to the MUD. The City held a first public hearing on June 4, 2024, and the second public hearing on June 18, 2024 to consider adoption of the Strategic Partnership Agreement through Ordinance No. 24-1103. For FY 2026, the City will not be providing Fire service and no revenues or expenditures are budgeted.

Legends Municipal Utility District

On February 14, 2020, the City received a Petition for Consent from Legends Ranch Development, LLC to create a 496.136 acre MUD in the City’s ETJ Division I through the Texas Commission on Environmental Quality (TCEQ) process. The property lies within the City’s Certificate of Convenience and Necessity (CCN) area for both water and wastewater. The Fire Protection Services Agreement concerning Legends Ranch Municipal Utility District (MUD) was entered into by the City effective on May 12, 2023. The FY 2026 budget includes revenues of \$147,000 and expenditures of \$147,000. The proposed expense budget is a -13.1% decrease from the prior fiscal year.

Fiscal Year 2026 Budget Overview

Tourism Public Improvement District

A Tourism Public Improvement District (TPID) in Texas is a specific type of public improvement district designed to enhance and promote tourism-related activities within a designated area by providing resources to attract convention and group business. A majority of hoteliers by the appraised value (61.5%) and surface area (65.1%) successfully petitioned the City to establish the TPID. On July 16, 2025, Council held a second public hearing and authorized a contract for the TPID management, service plan, assessment plan, and assessment roll with the Denton Tourism Public Improvement District Corporation (DTPIDC), and Chamber of Commerce. For FY 2026 revenues of \$1,203,334, and expenditures of \$1,203,334 are budgeted. The proposed expense budget is a 9.1% increase from the prior fiscal year.



Save the Environment



BUDGET RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
General Fund	\$ 189,080,909	\$ 207,579,154	\$ 202,699,584	\$ 218,824,966
General Debt Service Fund	106,221,238	129,462,195	130,388,506	143,561,695
Electric Fund	290,494,152	393,977,690	319,554,727	526,631,020
Water Fund	52,142,264	55,635,824	54,444,191	62,799,520
Wastewater Fund	42,005,214	45,662,165	45,069,351	51,361,578
Solid Waste Fund	41,039,634	43,519,287	43,248,395	45,353,673
Airport Fund	2,369,756	2,602,226	2,435,673	2,585,416
Customer Service Fund	9,096,937	11,965,917	11,046,422	11,873,598
Technology Services Fund	20,598,682	25,100,222	23,659,450	25,051,383
Materials Management Fund	14,979,528	20,890,460	15,290,263	20,934,363
Fleet Management Fund	16,843,551	17,797,472	17,594,867	18,663,445
Risk Retention Fund	8,176,075	8,855,546	9,181,430	8,327,477
Health Insurance Fund	37,191,946	42,196,727	41,668,120	43,900,363
Engineering Services Fund	11,476,670	13,521,518	9,603,988	13,314,400
Facilities Management Fund	6,799,459	8,418,765	8,409,371	8,459,548
Street Improvement Fund	23,844,466	20,532,635	18,713,173	23,432,130
Tourist & Convention Fund	3,537,757	4,536,104	4,260,934	5,061,486
Police Confiscation Fund ⁽¹⁾	302,154	-	18,713,173	756,180
Environmental Services Fund	4,660,315	6,145,567	5,084,203	5,815,738
Catalyst Fund	1,019,592	1,150,000	409,927	2,150,000
Parks Gas Well Fund	27,319	70,000	34,341	70,000
Tree Mitigation Fund	1,152,706	1,000,000	295,096	1,000,000
Public Education Government Fund	216,140	500,000	119,369	500,000
McKenna Trust Fund	9,868	20,000	9,501	20,000
Park Land Dedication Trust Fund	1,324,560	2,175,000	1,434,066	2,175,000
Park Development Trust Fund	1,510,050	2,200,000	3,648,235	2,700,000
Downtown Tax Increment Financing Fund	1,153,584	1,542,251	1,272,280	1,542,251
Westpark Tax Increment Financing Fund	1,309,775	1,301,378	3,499,900	1,492,682
Sustainability Framework Fund	564,161	800,000	88,516	1,050,150
Roadway Impact Fee Fund	3,682,360	6,554,000	5,500,000	5,000,000
Water Impact Fees Fund	12,644,648	12,400,000	16,317,220	15,400,000
Wastewater Impact Fees Fund	8,436,054	13,000,000	13,147,718	13,000,000
Donation Special Revenue Funds	203,793	267,000	77,903	280,500
Tourism Public Improvement District	-	1,103,385	966,683	1,203,334
Public Housing Finance Corporation	-	5,000,000	-	-
Meadows Municipal Utility District	307,887	307,750	307,750	-
Legends Municipal Utility District	563,575	169,250	142,053	147,000
TOTAL OPERATING RESOURCES	\$ 914,986,778	\$ 1,128,492,123	\$ 1,047,049,553	\$ 1,284,438,896
Grant Program	84,817,622	94,995,840	94,995,840	61,069,582
Capital Improvements Program	738,755,000	926,014,483	926,014,483	1,244,443,000
TOTAL RESOURCES	\$ 1,738,559,400	\$ 2,149,502,446	\$ 2,068,059,876	\$ 2,589,951,478

⁽¹⁾U.S. Department of Justice Guide to Equitable Sharing dictates that no revenue budget is created for this fund. Amount shown is an appropriation for use of reserves to provide a balanced budget for this fund.

BUDGET RESOURCE & EXPENDITURE SUMMARY

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
General Fund	\$ 189,080,909	\$ 207,579,154	\$ 202,544,503	\$ 218,824,966
General Debt Service Fund	106,221,238	129,462,195	129,462,195	143,561,695
Electric Fund	290,494,152	393,977,690	319,554,727	509,582,231
Water Fund	47,899,073	55,635,824	53,787,573	62,799,520
Wastewater Fund	41,325,924	45,662,165	44,871,851	51,361,578
Solid Waste Fund	41,039,634	43,519,287	42,962,750	45,353,673
Airport Fund	2,369,756	2,602,226	2,435,673	2,585,416
Customer Service Fund	9,049,407	11,965,917	11,046,422	11,873,598
Technology Services Fund	20,591,047	25,100,222	23,945,764	25,051,383
Materials Management Fund	14,954,517	20,890,460	15,117,113	20,934,363
Fleet Management Fund	16,843,551	17,797,472	17,055,892	18,663,445
Risk Retention Fund	6,892,636	8,855,546	7,947,202	8,327,477
Health Insurance Fund	37,191,946	42,196,727	41,668,120	43,900,363
Engineering Services Fund	10,965,901	13,521,518	9,603,988	13,314,400
Facilities Management Fund	13,723,704	8,418,765	8,182,862	8,459,548
Street Improvement Fund	23,844,466	20,532,635	18,264,995	23,432,130
Tourist & Convention Fund	3,537,757	4,536,104	4,226,177	5,061,486
Police Confiscation Fund	99,465	500,000	310,351	756,180
Environmental Services Fund	4,403,488	6,145,567	5,084,203	5,815,738
Catalyst Fund	1,000,000	1,150,000	144,000	2,150,000
Parks Gas Well Fund	-	70,000	32,973	70,000
Tree Mitigation Fund	570,426	1,000,000	299,199	1,000,000
Public Education Government Fund	216,140	500,000	69,220	500,000
McKenna Trust Fund	9,868	20,000	-	20,000
Park Land Dedication Trust Fund	1,324,560	1,000,000	1,000,000	1,000,000
Park Development Trust Fund	259,454	1,000,000	1,000,000	1,000,000
Downtown Tax Increment Financing Fund	103,695	1,542,251	219,998	1,542,251
Westpark Tax Increment Financing Fund	210,047	3,522,650	3,499,900	474,006
Sustainability Framework Fund	564,161	800,000	80,000	1,050,150
Roadway Impact Fee Fund	1,519,000	6,554,000	5,500,000	5,000,000
Water Impact Fees	-	1,635,340	1,635,866	1,732,674
Wastewater Impact Fees	-	2,990,345	2,990,345	8,858,946
Donation Special Revenue Funds ⁽¹⁾	122,910	267,000	77,903	280,500
Tourism Public Improvement District	-	1,103,385	966,683	1,203,334
Public Housing Finance Corporation	-	5,000,000	-	-
Meadows Municipal Utility District	-	307,750	307,750	-
Legends Municipal Utility District	-	169,250	169,250	147,000
TOTAL OPERATING EXPENDITURES ⁽²⁾	\$ 886,428,831	\$ 1,087,531,444	\$ 976,065,447	\$ 1,245,688,051
Grant Program	84,817,622	94,995,840	94,995,840	61,069,582
Capital Improvements Program	738,755,000	926,014,483	926,014,483	1,244,443,000
TOTAL EXPENDITURES	\$ 1,710,001,453	\$ 2,108,541,767	\$ 1,997,075,770	\$ 2,551,200,633

⁽¹⁾Includes donation funds for Animal Services, Police, Fire, Parks and Recreation, and Library.

⁽²⁾FY 2024 budget is reflective of the adopted budget and does not include budget amendments.

CONSOLIDATED FUNDS SUMMARY

	<i>Major Funds</i>			<i>Non-Major Funds</i>		
	General Fund	Enterprise Funds	General Debt Service Fund	Internal Service Funds	Special Revenue Funds	Total All Funds
	FY 2026 PROPOSED	FY 2026 PROPOSED	FY 2026 PROPOSED	FY 2026 PROPOSED	FY 2026 PROPOSED	FY 2026 PROPOSED
PROJECTED APPROPRIABLE FUND BALANCE FYE 2025	\$ 42,508,217	\$ 189,105,570	\$ 2,336,448	\$ 5,805,195	\$ 171,781,443	\$ 411,536,873
REVENUES						
Ad Valorem Taxes	\$ 71,889,200	\$ -	\$ 55,556,965	\$ -	\$ 7,824,809	\$ 135,270,974
Sales Tax	62,944,986	-	-	-	-	62,944,986
Franchise Agreements	10,756,448	-	-	-	16,300,000	27,056,448
Other Taxes	566,134	-	-	-	2,400,000	2,966,134
Service Fees	12,832,606	-	-	-	4,782,000	17,614,606
Fines and Fees	2,528,462	-	-	-	-	2,528,462
Licenses and Permits	6,846,632	-	-	-	900,000	7,746,632
Return on Investment	21,437,926	-	-	-	1,544,370	22,982,296
Utilities Operating	-	680,009,132	-	-	-	680,009,132
Other Revenues	7,067,799	-	151,732	53,033,309	30,796,500	91,049,340
<i>Subtotal Revenues</i>	<i>\$ 196,870,193</i>	<i>\$ 680,009,132</i>	<i>\$ 55,708,697</i>	<i>\$ 53,033,309</i>	<i>\$ 64,547,679</i>	<i>\$ 1,050,169,010</i>
<i>Transfers from other funds</i>	<i>\$ 21,954,773</i>	<i>\$ 4,154,905</i>	<i>\$ 87,852,998</i>	<i>\$ 103,307,006</i>	<i>\$ 6,689,864</i>	<i>\$ 223,959,546</i>
TOTAL REVENUES*	\$ 218,824,966	\$ 684,164,037	\$ 143,561,695	\$ 156,340,315	\$ 71,237,543	\$ 1,274,128,556
TOTAL RESOURCES	\$ 261,333,183	\$ 873,269,607	\$ 145,898,143	\$ 162,145,510	\$ 243,018,986	\$ 1,685,665,429
EXPENDITURES						
Personnel Services	\$ 151,582,811	\$ 69,433,778	\$ -	\$ 41,254,635	\$ 5,262,591	\$ 267,533,815
Purchased Power	-	337,496,859	-	-	-	337,496,859
Material and Supplies	4,617,746	10,419,723	-	8,583,502	405,229	24,026,200
Maintenance and Repair	2,349,279	7,517,419	-	3,243,735	7,616,086	20,726,519
Insurance	3,868,485	3,103,594	-	45,664,327	99,156	52,735,562
Miscellaneous	2,503,462	1,130,501	-	557,550	1,851,950	6,043,463
Operations	25,386,802	28,407,305	-	28,154,937	6,909,176	88,858,220
Fixed Assets	477,588	966,576	-	-	581,500	2,025,664
Return on Investment	-	21,437,926	-	-	-	21,437,926
Franchise Fees	-	23,504,148	-	-	-	23,504,148
Debt Service	-	107,277,327	143,561,695	2,408,522	10,591,620	263,839,164
Inventory Purchases	-	-	-	14,600,000	-	14,600,000
Tourist and Convention	-	-	-	-	-	-
Capital Outlay	1,063,450	11,037,234	-	-	13,970,757	26,071,441
<i>Subtotal Appropriations</i>	<i>\$ 191,849,623</i>	<i>\$ 621,732,390</i>	<i>\$ 143,561,695</i>	<i>\$ 144,467,208</i>	<i>\$ 47,288,065</i>	<i>\$ 1,148,898,981</i>
<i>Transfers to other funds</i>	<i>\$ 26,975,343</i>	<i>\$ 49,950,028</i>	<i>\$ -</i>	<i>11,873,107</i>	<i>\$ 7,990,592</i>	<i>\$ 96,789,070</i>
TOTAL EXPENDITURES	\$ 218,824,966	\$ 671,682,418	\$ 143,561,695	\$ 156,340,315	\$ 55,278,657	\$ 1,245,688,051
ENDING FUND BALANCE	\$ 42,508,217	\$ 201,587,189	\$ 2,336,448	\$ 5,805,195	\$ 187,740,329	\$ 439,977,379
NET CHANGE IN FUND BALANCE	\$ -	\$ 12,481,619	\$ -	\$ -	\$ 15,958,886	\$ 28,440,506

(*) Use of reserves is not included in revenue.

PROJECTED APPROPRIABLE FUND BALANCES

	APPROPRIABLE			PROJECTED APPROPRIABLE			PROJECTED APPROPRIABLE	
	FUND	ESTIMATED	ESTIMATED	FUND	PROPOSED	PROPOSED	FUND	
	BALANCE ⁽¹⁾	REVENUES ⁽⁵⁾	EXPENDITURES	BALANCE ⁽¹⁾	REVENUES ⁽⁵⁾	EXPENDITURES	BALANCE ⁽¹⁾	
	10-1-24	FY 2025	FY 2025	9-30-25	FY 2026	FY 2026	9-30-26	
General Fund								
General Fund	\$ 42,353,136	\$ 202,699,584	\$ 202,544,503	\$ 42,508,217	\$ 218,824,966	\$ 218,824,966	\$ 42,508,217	
General Debt Service Fund	1,410,137	130,388,506	129,462,195	2,336,448	143,561,695	143,561,695	2,336,448	
Enterprise Funds								
Electric Fund	\$ 112,128,803	\$ 317,794,028	\$ 319,554,727	\$ 110,368,104	\$ 526,631,020	\$ 509,582,231	\$ 127,416,893	
Water Fund ⁽²⁾	43,229,553	54,444,191	53,787,573	43,886,171	59,167,356	62,799,520	40,254,007	
Wastewater Fund ⁽³⁾	18,925,173	45,069,351	44,871,851	19,122,673	50,426,572	51,361,578	18,187,667	
Solid Waste Fund ⁽⁴⁾	12,248,136	43,248,395	42,962,750	12,533,781	45,353,673	45,353,673	12,533,781	
Airport Fund	3,215,342	2,415,171	2,435,673	3,194,840	2,585,416	2,585,416	3,194,840	
Enterprise Funds Subtotal	\$ 189,747,007	\$ 462,971,136	\$ 463,612,573	\$ 189,105,570	\$ 684,164,037	\$ 671,682,418	\$ 201,587,189	
Internal Service Funds								
Customer Service Fund	\$ 550,280	\$ 11,046,422	\$ 11,046,422	\$ 550,280	\$ 11,873,598	\$ 11,873,598	\$ 550,280	
Technology Services Fund	663,655	23,659,450	23,945,764	377,341	25,051,383	25,051,383	377,341	
Materials Management Fund	69,117	15,290,263	15,117,113	242,268	20,934,363	20,934,363	242,268	
Fleet Management Fund	(538,975)	17,594,867	17,055,892	-	18,663,445	18,663,445	-	
Risk Retention Fund	2,358,377	9,181,430	7,947,202	3,592,604	8,327,477	8,327,477	3,592,604	
Health Insurance Fund	857,484	41,361,147	41,668,120	550,511	43,900,363	43,900,363	550,511	
Engineering Services Fund	126,902	9,477,086	9,603,988	-	13,314,400	13,314,400	-	
Facilities Management Fund	(13,237)	8,409,371	8,182,862	213,272	8,459,548	8,459,548	213,272	
Environmental Services Fund	278,919	5,084,203	5,084,203	278,919	5,815,738	5,815,738	278,919	
Internal Service Funds Subtotal	\$ 4,352,522	\$ 141,104,239	\$ 139,651,566	\$ 5,805,195	\$ 156,340,315	\$ 156,340,315	\$ 5,805,195	
Special Revenue Funds								
Street Improvement Fund	\$ 4,390,784	\$ 18,713,173	\$ 18,264,995	\$ 4,838,962	\$ 21,202,892	\$ 23,432,130	\$ 2,609,724	
Tourist & Convention Fund	1,478,843	4,260,934	4,226,177	1,513,600	4,072,966	5,061,486	525,080	
Police Confiscation Fund	1,621,498	310,756	310,351	1,621,903	-	756,180	865,723	
Catalyst Fund	5,312,248	409,927	144,000	5,578,175	1,150,000	2,150,000	4,578,175	
Parks Gas Well Fund	190,698	34,341	32,973	192,066	70,000	70,000	192,066	
Roadway Impact Fee Fund	11,203,420	4,748,677	5,500,000	10,452,097	5,000,000	5,000,000	10,452,097	
Tree Mitigation Fund	2,120,587	222,308	299,199	2,043,696	1,000,000	1,000,000	2,043,696	
Public Education Government Fund	1,199,798	119,369	69,220	1,249,947	150,000	500,000	899,947	
McKenna Trust Fund	28,753	1,365	-	30,118	11,500	20,000	21,618	
Park Land Dedication Trust Fund	5,815,836	1,434,066	1,000,000	6,249,902	2,175,000	1,000,000	7,424,902	
Park Development Trust Fund	6,927,177	3,648,235	1,000,000	9,575,412	2,700,000	1,000,000	11,275,412	
Downtown TIRZ Fund	4,573,851	1,272,280	219,998	5,626,133	1,194,519	1,542,251	5,278,401	
Westpark TIRZ Fund	2,546,024	1,420,938	3,499,900	467,062	1,492,682	474,006	1,485,738	
Sustainability Framework Fund	1,583,163	88,516	80,000	1,591,679	1,050,150	1,050,150	1,591,679	
Special Revenue Funds (Donations)	285,893	77,903	77,903	285,893	217,500	280,500	222,893	
Tourist Public Improvement District	59,378	966,683	966,683	59,378	1,203,334	1,203,334	59,378	
Public Housing Corporation	-	-	-	-	-	-	-	
Meadows Municipal Utility District	307,887	307,750	307,750	307,887	-	-	307,887	
Legend Municipal Utility District	313,575	142,053	169,250	286,378	147,000	147,000	286,378	
Water Impact Fees	56,865,161	16,317,220	1,635,866	71,546,515	15,400,000	1,732,674	85,213,841	
Wastewater Impact Fees	38,381,728	13,147,718	2,990,345	48,539,101	13,000,000	8,858,946	52,680,155	
Special Revenue Funds Subtotal	\$ 145,206,302	\$ 67,644,212	\$ 40,794,610	\$ 172,055,904	\$ 71,237,544	\$ 55,278,657	\$ 188,014,790	
TOTAL	\$ 383,069,104	\$ 1,004,807,677	\$ 976,065,447	\$ 411,811,334	\$ 1,274,128,557	\$ 1,245,688,051	\$ 440,251,840	

⁽¹⁾ Appropriable fund balance reflects working capital available for appropriation.⁽²⁾ Excludes Impact Fee funds and Development Planned Lines (\$1,000,000) through 9-30-25⁽³⁾ Excludes Impact Fee funds and Development Planned Lines (\$1,000,000) through 9-30-25.⁽⁴⁾ Excludes Closure/Post Closure reserves.⁽⁵⁾ Use of reserves is not included in revenue.

Change In Ending Fund Balance Greater Than 10%

	PROJECTED APPROPRIABLE FUND BALANCE 9-30-25	PROJECTED APPROPRIABLE FUND BALANCE 9-30-26	% Change
Enterprise Funds			
Electric Fund	\$ 110,368,104	\$ 127,416,893	15%
Special Revenue Funds			
Street Improvement Fund	\$ 4,838,962	\$ 2,609,724	-46%
Tourist & Convention Fund	\$ 1,513,600	\$ 525,080	-65%
Police Confiscation Fund	\$ 1,621,903	\$ 865,723	-47%
Public Education Government Fund	\$ 1,249,947	\$ 899,947	-28%
McKenna Trust Fund	\$ 30,118	\$ 21,618	-28%
Park Land Dedication Trust Fund	\$ 6,249,902	\$ 7,424,902	19%
Park Development Trust Fund	\$ 9,575,412	\$ 11,275,412	18%
Westpark TIRZ Fund	\$ 467,062	\$ 1,485,738	218%
Special Revenue Funds (Donations)	\$ 285,893	\$ 222,893	-22%
Water Impact Fees	\$ 71,546,515	\$ 85,213,841	19%

Explanation of changes in fund balance greater than 10%

<u>Electric Fund</u> - The Electric Fund has a budgeted net income of \$17,048,789 due to an increase in operating revenues associated with large load customers, which is a planned increase to their ending fund balance.
<u>Street Improvement Fund</u> - The Street Improvement Fund has programmed use of reserves to offset the additional funds needed to complete the 2019 Bond projects.
<u>Tourist & Convention Fund</u> - The Tourist and Convention Fund has programmed use of reserves for the Halloween program (\$250,000) and contingency programs (\$131,000) authorized by the City Council.
<u>Police Confiscation Fund</u> - The Police Confiscation Fund has programmed use of reserves because of a change in state law that prohibits the budgeting of revenues.
<u>Public Education Government Fund</u> - The Public Education Government Fund has programmed use of reserves as a contingency and to purchase capital equipment.
<u>McKenna Trust Fund</u> - The McKenna Trust Fund has programmed use of reserves for park improvements such as irrigation, signage, and landscaping.
<u>Park Land Dedication Trust Fund</u> - The Park Land Dedication Trust Fund has restricted use of funds programmed for land purchases. Any positive net revenue will go into the fund balance reserves.
<u>Westpark TIRZ Fund</u> - The Westpark TIRZ Fund revenue surplus will be utilized in future budgets for one-time incentive obligations.
<u>Special Revenue Funds (Donations)</u> - The Special Revenue Funds (Donations) have programmed use of reserves for on time purchases.
<u>Water Impact Fees Fund</u> - The Water Impact Fees Fund is restricted to using programmed funds programmed for projects in specifically identified zones. Revenue surpluses are budgeted to be expended for large infrastructure capacity projects over the next several years.

POSITION SUMMARY

CITYWIDE

PERSONNEL Full Time Equivalents (FTE)	FY 2024 ACTUAL	FY 2025 ADOPTED ⁽¹⁾	FY 2025 ESTIMATE	FY 2026 PROPOSED
Neighborhood Services	321.40	246.50	246.50	248.50
Public Safety	599.73	608.00	608.00	604.00
Transportation	12.00	12.00	12.00	18.00
Administrative	122.88	130.00	129.00	134.00
TOTAL GENERAL FUND	1,056.01	996.50	995.50	1,004.50

PERSONNEL Full Time Equivalents (FTE)	FY 2024 ACTUAL	FY 2025 ADOPTED ⁽¹⁾	FY 2025 ESTIMATE	FY 2026 PROPOSED
Electric Fund	188.00	189.00	189.00	189.00
Water Fund	112.00	115.00	115.00	115.00
Wastewater Fund	100.00	101.00	101.00	101.00
Solid Waste Fund	126.54	131.00	131.00	130.00
Airport Fund	7.50	7.50	7.50	7.00
Customer Service Fund	61.50	65.50	65.50	65.50
Technology Services Fund	69.00	71.00	71.00	71.00
Facilities Management Fund	20.00	22.00	22.00	22.00
Materials Management Fund	23.00	23.00	23.00	23.00
Fleet Management Fund	32.00	32.00	32.00	32.00
Risk Retention Fund	13.00	13.00	13.00	8.00
Engineering Services Fund	54.00	55.00	55.00	53.00
Street Improvement Fund	41.00	41.00	41.00	41.00
Environmental Services	32.50	32.00	32.00	32.00
Tree Mitigation Fund	0.50	-	-	-
TOTAL OTHER FUNDS	880.54	898.00	898.00	889.50
TOTAL ALL FUNDS	1,936.55	1,894.50	1,893.50	1,894.00

⁽¹⁾ Beginning in FY 2025 totals do not include seasonal/temporary headcounts.

MAJOR BUDGET ITEMS

FY 2025	FY 2026
The General Fund budget included fifteen new positions. Electric Fund budget included the addition of nine new positions. Additionally, due to position reclassifications, eight positions are budgeted to move to other departments within the City. This results in a net position increase in the Electric Fund of one position. Water Fund budget included nine new positions in which two existing positions will be moved to General Fund. Wastewater Fund budget included one new position. Technology Services Fund budget included three new positions. Facilities Management Fund budget included two new positions & Environmental Services Fund budget included one new position.	The General Fund budget includes seven reallocated positions from two other departments: Two from the Engineering Fund, and five from the Risk Fund. The Solid Waste Fund includes the reduction of an Assistant Director. The Risk Fund budget includes a reduction of five positions which were moved to the Human Resources department in the General Fund. The Engineering fund includes a reduction of two positions which were moved to Planning in the General Fund. The Airport Fund (DTO) includes the reduction of one part-time position.

ESTIMATED AD VALOREM TAX COLLECTIONS & DISTRIBUTION

City of Denton Overall Tax Collections

Assessed Valuation for 2025	\$	23,107,929,389
Gain or Loss in Value		19,306,898
Loss of Tax Limitation Values		(3,383,021,690)
Loss of TIRZ Values		(352,327,557)
Net Assessed Valuation for 2025	\$	19,391,887,040
Tax Rate Per \$100 Valuation	x	0.595420
	\$	115,463,174
Estimated Collections	x	98.50%
Subtotal - Tax Levy	\$	113,731,226

Subtotal - Tax Limitation Actual Tax	\$	13,304,308
Estimated Collections	x	98.50%
Total Tax Limitation	\$	13,104,743

TOTAL GENERAL FUND AND DEBT SERVICE REVENUE	\$	126,835,969
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Downtown TIRZ Value ⁽¹⁾	\$	172,838,244
Tax Rate Per \$100 Valuation	x	0.595420
	\$	1,029,113
Estimated Collections	x	98.50%
TOTAL DOWNTOWN TIRZ REVENUE	\$	1,013,676

Westpark TIRZ Value ⁽²⁾	\$	179,489,315
Tax Rate Per \$100 Valuation	x	0.595420
	\$	1,068,715
Estimated Collections	x	98.50%
TOTAL WESTPARK TIRZ REVENUE	\$	1,052,684

TOTAL TAX REVENUE ⁽³⁾	\$	128,902,329
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TAX RATE PER \$100

DISTRIBUTION	2024-25 TAX RATE	2025-26 TAX RATE	2025-26 REVENUE
General Fund (M&O)	\$ 0.334780	\$ 0.334780	\$ 71,426,894
General Debt Service Fund (I&S)	\$ 0.250640	\$ 0.260640	\$ 55,673,697
Sub-Total	\$ 0.585420	\$ 0.595420	\$ 127,100,591
Downtown TIRZ Fund	\$ 0.585420	\$ 0.595420	\$ 1,013,676
Westpark TIRZ Fund	\$ 0.585420	\$ 0.595420	\$ 1,052,684
TOTAL			\$ 129,166,951

⁽¹⁾ 90% of incremental value
⁽²⁾ 40% of incremental value
⁽³⁾ Total ad valorem taxes are inclusive of other funds; total excludes interest and penalties for the current FY.

GENERAL FUND*Five Year Forecast**Major Assumptions*

Revenue	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Freeze Adjusted Assessed Value Growth	5%	5%	5%	5%	5%
Sales Tax Growth	5%	5%	7%	7%	7%
Fund Balance Target	20-25%	20-25%	20-25%	20-25%	20-25%

Expenditures	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Compensation ¹	• STEP Increases for Civil Service • No market plus 5% pay adjustment for Civil Service² • No COLA/Merit (Civil & Non-Civil Service)	• STEP Increases for Civil Service • Market plus 5% pay adjustment for Civil Service • COLA/Merit (Civil & Non-Civil Service)	• STEP Increases for Civil Service • Market plus 5% pay adjustment for Civil Service • COLA/Merit (Civil & Non-Civil Service)	• STEP Increases for Civil Service • Market plus 5% pay adjustment for Civil Service • COLA/Merit (Civil & Non-Civil Service)	• STEP Increases for Civil Service • Market plus 5% pay adjustment for Civil Service • COLA/Merit (Civil & Non-Civil Service)

¹Compensation is reviewed and recommended annually during the budget process, contingent on available funding.

²City management and public safety employee associations have agreed to pause Meet and Confer pay increases for 2025-26 to stay in line with all other non-civil service employees, who will not receive COLA or merit increases this fiscal year

GENERAL FUND

Five Year Forecast

	FY 2025 Estimate	FY 2026 Proposed	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
BEGINNING FUND BALANCE	\$ 42,353,136	\$ 42,508,217	\$ 42,508,217	\$ 44,696,467	\$ 49,182,379	\$ 53,758,009
REVENUES	\$ 202,699,584	\$ 218,824,966	\$ 225,389,715	\$ 232,151,406	\$ 236,794,435	\$ 241,530,323
Use of Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL RESOURCES	\$ 245,052,720	\$ 261,333,183	\$ 267,897,932	\$ 276,847,873	\$ 285,976,813	\$ 295,288,332
EXPENDITURES	\$ 202,544,503	\$ 218,824,966	\$ 223,201,465	\$ 227,665,495	\$ 232,218,805	\$ 236,863,181
NET INCOME (LOSS)	\$ 155,081	\$ -	\$ 2,188,250	\$ 4,485,912	\$ 4,575,630	\$ 4,667,143
ENDING FUND BALANCE	\$ 42,508,217	\$ 42,508,217	\$ 44,696,467	\$ 49,182,379	\$ 53,758,009	\$ 58,425,151
Operating Fund Balance	21.0%	19.4%	20.0%	21.6%	23.1%	24.7%
RESERVE TARGET (percent)	20-25%	20-25%	20-25%	20-25%	20-25%	20-25%

ELECTRIC
Five Year Forecast

	FY 2025 Estimate	FY 2026 Proposed	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
Beginning Fund Balance	\$ 112,128,803	\$ 110,368,104	\$ 127,416,893	\$ 152,997,168	\$ 187,932,173	\$ 236,044,858
REVENUES	\$ 317,794,028	\$ 526,631,020	\$ 612,374,818	\$ 681,743,912	\$ 704,540,330	\$ 723,730,018
Use of Reserves	1,760,699	-	-	-	-	-
TOTAL RESOURCES	\$ 319,554,727	\$ 526,631,020	\$ 612,374,818	\$ 681,743,912	\$ 704,540,330	\$ 723,730,018
EXPENDITURES	\$ 319,554,727	\$ 509,582,231	\$ 586,794,542	\$ 646,808,907	\$ 656,427,645	\$ 654,856,605
NET INCOME/LOSS	\$ (1,760,699)	\$ 17,048,789	\$ 25,580,276	\$ 34,935,005	\$ 48,112,685	\$ 68,873,413
Working Capital Balance ⁽¹⁾	\$ 25,564,378	\$ 40,766,578	\$ 46,943,563	\$ 51,744,713	\$ 52,514,212	\$ 52,388,528
Operating Reserve Balance ⁽²⁾	84,803,726	86,650,315	106,053,605	136,187,460	183,530,646	252,529,743
Total Ending Fund Balance	\$ 110,368,104	\$ 127,416,893	\$ 152,997,168	\$ 187,932,173	\$ 236,044,858	\$ 304,918,271
Working Capital Balance ⁽³⁾	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Operating Reserve Balance ⁽³⁾	26.5%	17.0%	18.1%	21.1%	28.0%	38.6%
Target Balance	38%-61%	38%-61%	38%-61%	38%-61%	38%-61%	38%-61%
Rate Increases		0.0%	6.5%	7.0%	7.0%	6.5%

⁽¹⁾ Target 30 Days - 8% Exp
⁽²⁾ Target 140-225 days - 38-61% Exp
⁽³⁾ Percentage of Expenses

WATER*Five Year Forecast*

	FY 2025 Estimate	FY 2026 Proposed	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
Beginning Fund Balance	\$ 43,229,553	\$ 43,886,171	\$ 40,254,007	\$ 39,698,818	\$ 38,950,474	\$ 38,066,388
REVENUES	\$ 54,444,191	\$ 59,167,356	\$ 64,290,359	\$ 71,117,409	\$ 78,701,187	\$ 85,590,518
Use of Reserves	-	3,632,164	555,189	748,344	884,086	685,519
TOTAL RESOURCES	\$ 54,444,191	\$ 62,799,520	\$ 64,845,548	\$ 71,865,753	\$ 79,585,273	\$ 86,276,037
EXPENDITURES	\$ 53,787,573	\$ 62,799,520	\$ 64,845,548	\$ 71,865,753	\$ 79,585,273	\$ 86,276,037
NET INCOME/LOSS	\$ 656,618	\$ (3,632,164)	\$ (555,189)	\$ (748,344)	\$ (884,086)	\$ (685,519)
Working Capital Balance ⁽¹⁾	\$ 4,303,006	\$ 5,023,962	\$ 5,187,644	\$ 5,749,260	\$ 6,366,822	\$ 6,902,083
Operating Reserve Balance ⁽²⁾	39,583,165	35,230,045	34,511,174	33,201,214	31,699,566	30,478,786
Total Ending Fund Balance	\$ 43,886,171	\$ 40,254,007	\$ 39,698,818	\$ 38,950,474	\$ 38,066,388	\$ 37,380,869
Working Capital Balance⁽³⁾	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Operating Reserve Balance⁽³⁾	73.6%	56.1%	53.2%	46.2%	39.8%	35.3%
Target Balance	25%-42%	25%-42%	25%-42%	25%-42%	25%-42%	25%-42%
Rate Increases		3.0%	5.0%	7.0%	7.0%	5.0%

Note: Fund Balance excludes Impact Fee Reserves and Development Plan Lines.

⁽¹⁾ Target 30 Days - 8% Exp

⁽²⁾ Target 90-150 days - 25-42% Exp

⁽³⁾ Percentage of Expenses

WASTEWATER*Five Year Forecast*

	FY 2025 Estimate	FY 2026 Proposed	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
Beginning Fund Balance	\$ 18,925,173	\$ 19,122,673	\$ 18,187,667	\$ 18,761,336	\$ 19,324,449	\$ 20,898,444
REVENUES	\$ 45,069,351	\$ 50,426,572	\$ 51,818,914	\$ 59,824,443	\$ 68,548,143	\$ 77,234,484
Use of Reserves	-	935,006	-	-	-	-
TOTAL RESOURCES	\$ 45,069,351	\$ 51,361,578	\$ 51,818,914	\$ 59,824,443	\$ 68,548,143	\$ 77,234,484
EXPENDITURES	\$ 44,871,851	\$ 51,361,578	\$ 51,245,245	\$ 59,261,330	\$ 66,974,148	\$ 74,699,445
NET INCOME/LOSS	\$ 197,500	\$ (935,006)	\$ 573,669	\$ 563,113	\$ 1,573,995	\$ 2,535,039
Working Capital Balance ⁽¹⁾	\$ 3,589,748	\$ 4,108,926	\$ 4,099,620	\$ 4,740,906	\$ 5,357,932	\$ 5,975,956
Operating Reserve Balance ⁽²⁾	15,532,925	14,078,741	14,661,717	14,583,543	15,540,513	17,457,528
Total Ending Fund Balance	\$ 19,122,673	\$ 18,187,667	\$ 18,761,336	\$ 19,324,449	\$ 20,898,444	\$ 23,433,483
Working Capital Balance⁽³⁾	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Operating Reserve Balance⁽³⁾	34.6%	27.4%	28.6%	24.6%	23.2%	23.4%
Target Balance	20%-31%	20%-31%	20%-31%	20%-31%	20%-31%	20%-31%
Rate Increases		11.0%	9.0%	8.0%	7.0%	5.0%

Note: Fund Balance excludes Impact Fee Reserves and Development Plan Lines.

⁽¹⁾ Target 30 Days

⁽²⁾ Target 75-110 days - 20-31% Exp

⁽³⁾ Percentage of Expenses

SOLID WASTE*Five Year Forecast*

	FY 2025 Estimate	FY 2026 Proposed	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
Beginning Fund Balance	\$ 12,248,136	\$ 12,533,781	\$ 12,533,781	\$ 9,815,112	\$ 8,857,354	\$ 8,731,250
REVENUES	\$ 43,248,395	\$ 45,353,673	\$ 47,500,235	\$ 49,762,696	\$ 51,061,576	\$ 52,400,345
Use of Reserves	-	-	2,718,670	957,758	126,103	-
TOTAL RESOURCES	\$ 43,248,395	\$ 45,353,673	\$ 50,218,905	\$ 50,720,454	\$ 51,187,679	\$ 52,400,345
EXPENDITURES	\$ 42,962,750	\$ 45,353,673	\$ 50,218,905	\$ 50,720,454	\$ 51,187,679	\$ 50,387,187
NET INCOME/LOSS	\$ 285,645	\$ -	\$ (2,718,670)	\$ (957,758)	\$ (126,103)	\$ 2,013,158
Working Capital Balance ⁽¹⁾	\$ 3,437,020	\$ 3,628,294	\$ 4,017,512	\$ 4,057,636	\$ 4,095,014	\$ 4,030,975
Operating Reserve Balance ⁽²⁾	9,096,761	8,905,488	5,797,599	4,799,717	4,636,236	6,713,433
Total Ending Fund Balance	\$ 12,533,781	\$ 12,533,781	\$ 9,815,112	\$ 8,857,354	\$ 8,731,250	\$ 10,744,408
Working Capital Balance⁽³⁾	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Operating Reserve Balance⁽³⁾	21.2%	19.6%	11.5%	9.5%	9.1%	13.3%
Target Balance	6%-10%	6%-10%	6%-10%	6%-10%	6%-10%	6%-10%
Rate Increases		0.0%	2.5%	2.5%	0.0%	0.0%

⁽¹⁾ Target 30 Days - 8% Exp⁽²⁾ Target 20-35 days - 6-10% Exp⁽³⁾ Percentage of Expenses

**GENERAL FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Ad Valorem Taxes	\$ 66,281,547	\$ 68,879,918	\$ 67,804,582	\$ 71,889,200
Sales Tax	57,074,842	60,841,793	60,164,000	62,944,986
Franchise Agreements	3,121,117	9,144,539	3,770,382	10,756,448
Other Taxes	566,827	608,330	502,136	566,134
Service Fees	12,407,156	12,097,103	13,020,436	12,832,606
Fines and Fees	2,525,000	2,106,531	2,527,452	2,528,462
Licenses and Permits	5,561,811	6,415,806	6,956,839	6,846,632
Other Revenues	7,800,184	5,865,977	6,334,600	7,067,799
Transfers	31,345,691	41,619,157	41,619,157	43,392,699
TOTAL REVENUES	\$ 186,684,175	\$ 207,579,154	\$ 202,699,584	\$ 218,824,966
Use of Reserves	2,396,734	-	-	-
TOTAL RESOURCES	\$ 189,080,909	\$ 207,579,154	\$ 202,699,584	\$ 218,824,966

EXPENDITURES BY CLASSIFICATION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Personnel Services	\$ 132,516,994	\$ 140,013,011	\$ 142,946,395	\$ 151,582,811
Materials & Supplies	4,066,883	5,181,511	4,442,079	4,619,811
Maintenance & Repairs	1,926,679	2,333,586	2,128,311	2,349,279
Insurance	3,920,724	4,521,766	4,521,766	3,868,485
Other Expenses	2,820,794	3,751,929	3,044,578	2,501,397
Operations	23,194,362	23,086,766	20,163,065	25,212,802
Legislative Costs*	121,750	147,000	151,334	146,000
Public Hearing Expenses	10,005	10,005	26,379	28,000
Cost of Service	18,778,762	26,255,952	23,201,776	26,975,343
Capital Outlay	1,062,502	1,573,142	1,451,450	1,063,450
Fixed Assets	661,455	704,483	467,371	477,588
TOTAL EXPENDITURES	\$ 189,080,909	\$ 207,579,154	\$ 202,544,503	\$ 218,824,966

PERSONNEL Full Time Equivalents (FTE)	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Neighborhood Services	321.40	246.50	246.50	248.50
Public Safety	599.73	608.00	608.00	604.00
Transportation	12.00	12.00	12.00	18.00
Administrative & Community Services	122.88	130.00	129.00	134.00
TOTAL PERSONNEL	1,056.01	996.50	995.50	1,004.50

*Includes funding for state and federal lobbying costs

**GENERAL FUND
RESOURCE SUMMARY**

DESCRIPTION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
AD VALOREM TAXES				
Current Year Ad Valorem	\$ 65,948,172	\$ 68,431,077	\$ 67,800,000	\$ 71,426,894
Delinquent Ad Valorem	(67,207)	105,340	\$ (397,976)	108,500
Current Year - Penalties and Interest	273,283	189,369	\$ 257,272	195,050
Prior Year - Penalties and Interest	96,453	107,021	\$ 102,638	110,232
Rendition Penalties	30,846	47,111	\$ 42,648	48,524
TOTAL	\$ 66,281,547	\$ 68,879,918	\$ 67,804,582	\$ 71,889,200
SALES TAX				
Sales Tax	\$ 57,074,842	\$ 60,841,793	\$ 60,164,000	\$ 62,944,986
TOTAL	\$ 57,074,842	\$ 60,841,793	\$ 60,164,000	\$ 62,944,986
OTHER TAXES				
Mixed Beverage Tax	\$ 553,199	590,754	\$ 488,505	\$ 551,601
Bingo Tax	13,628	17,576	13,631	14,533
TOTAL	\$ 566,827	\$ 608,330	\$ 502,136	\$ 566,134
LICENSES AND PERMITS				
Food Handler Permits	\$ -	\$ 494	\$ 265	\$ 273
Zoning Permits	594,605	691,604	774,838	711,300
Moving Permits	5,191	6,145	17,328	14,806
Demolition Permits	5,919	20,299	15,376	23,117
Pool, Spa, Hot Tub Permits	26,211	30,804	23,929	26,364
Building Permits	4,562,798	5,249,353	5,748,405	5,654,688
Curb Cut Permits	2,550	2,500	1,605	1,677
Mobile Home Park Licenses	2,378	2,965	2,693	2,621
Sign Permits	77,134	78,743	69,655	65,510
Fence Permits	98,742	105,878	108,555	115,000
Mechanical Permits	56,810	58,501	55,228	56,884
Certificate of Occupancy Fees	43,908	72,609	51,649	59,280
Landscape Fees	9,194	7,500	8,119	9,338
Short-Term Rentals	8,900	4,000	9,803	10,700
Miscellaneous Permits	8,655	7,488	8,465	8,280
Park Vendor Fees	21,820	20,000	18,725	30,000
Beer & Wine Permits	35,050	54,929	40,647	55,000
CPR Training	1,946	1,994	1,556	1,794
TOTAL	\$ 5,561,811	\$ 6,415,806	\$ 6,956,839	\$ 6,846,632

**GENERAL FUND
RESOURCE SUMMARY**

DESCRIPTION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
FRANCHISE FEES				
DMU Electric ⁽¹⁾	1,693,413	5,459,004	2,124,208	6,539,813
DMU Water ⁽¹⁾	342,958	889,692	375,598	1,113,470
DMU Wastewater ⁽¹⁾	252,900	639,197	269,847	821,881
Solid Waste	303,978	769,395	324,812	869,047
Gas	317,144	840,464	354,815	878,462
Private Electric	75,217	190,963	80,618	204,098
Cable	118,693	317,529	134,050	289,823
Telephone	16,814	38,293	106,435	39,854
TOTAL	\$ 3,121,117	\$ 9,144,537	\$ 3,770,382	\$ 10,756,448
FINES AND FEES				
Warrant Fees	\$ 79,016	\$ 75,330	\$ 81,881	\$ 83,532
Juvenile Case Manager Fees	1,345	2,124	1,079	1,173
Truancy Prevention Fees	208	339	155	180
Library Fines & Fees	61,867	58,002	65,913	61,423
Animal Services Fees	190,724	184,766	150,841	170,571
Animal Services Fines	4,740	7,075	4,376	3,918
Auto Pound & Towing Fees	2,515	4,285	182,806	203,694
Police Escort & Guard Fees	13,356	14,051	11,621	14,051
Civil Fines	-	27,480	14,988	-
Arrest Fees	63,028	54,000	62,000	55,927
Community Improvement Fines	1,723	1,000	1,366	1,500
Inspection Fines & Fees	4,149	4,000	3,141	3,235
Fire Department Fines	2,767	2,000	2,371	2,957
School Crossing Fines	11,705	6,000	13,585	11,486
Denton Municipal Fines	764,108	622,573	732,185	688,617
UNT Police Fines	68,377	67,846	72,561	68,498
TWU Police Fines	16,926	11,000	26,243	21,189
Parking Fines	130,700	116,256	109,546	165,000
Uniform Traffic Fees	23,945	19,000	22,915	19,549
False Alarm Fees	37,130	6,726	4,573	7,700
Court Security	210,402	170,000	170,248	214,000
Court Cost Service Fees	95,265	77,678	79,169	81,544
Court Administration Fees	741,004	575,000	713,887	648,718
TOTAL	\$ 2,525,000	\$ 2,106,531	\$ 2,527,452	\$ 2,528,462

⁽¹⁾ Denton Municipal Utilities.

**GENERAL FUND
RESOURCE SUMMARY**

DESCRIPTION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
SERVICE FEES				
Community Building Rentals	\$ 713,109	\$ 680,238	\$ 735,874	\$ 633,056
Police Academy Revenue	46,193	47,953	60,240	47,953
Ambulance Service Fees	4,709,643	4,082,649	5,062,591	5,200,000
Ambulance Reimbursements	10,722	450,000	-	-
Hazardous Materials Billing	3,103	8,354	6,431	6,000
Fire Inspections	261,472	235,579	196,548	232,618
Restaurant Inspections	308,477	303,570	336,009	302,096
Swimming Pool Inspections	31,980	30,000	36,572	29,429
Reinspection Fees	56,773	108,277	52,705	77,017
Electrical Inspections	74,706	102,650	80,244	93,597
Plumbing Inspections	225,903	281,891	242,228	249,825
Gas Well Inspections ⁽²⁾	43,705	-	-	-
Library Non-Resident Fees	47,228	49,476	47,146	45,667
Parks Identification Card Fees	44,333	46,031	46,357	36,182
Athletic Program Fees	2,799,469	1,959,540	2,458,981	2,327,067
Special Events - Parks	23,535	59,560	22,240	24,000
Swimming Pool	79,954	64,000	72,292	53,296
Cemetery Fees	32,500	40,639	36,362	36,261
Development Fees	459,744	540,990	466,693	497,191
Plan Review Fees	1,068,516	1,328,588	1,472,493	1,307,787
Development Postage	15,486	21,628	19,616	19,902
Traffic/Police Reports	20,345	36,327	11,740	44,644
Natatorium Fees	179,093	151,015	391,017	175,125
Water Works Parks Fees	1,127,694	1,448,568	1,150,018	1,373,136
Interest Charge Past Due Balance	1,595	1,580	1,444	1,538
Clear Creek Rentals	21,878	18,000	14,595	19,219
TOTAL	\$ 12,407,156	\$ 12,097,103	\$ 13,020,436	\$ 12,832,606
MISCELLANEOUS REVENUES				
Interest Income	\$ 3,567,702	\$ 2,352,098	\$ 2,426,166	\$ 2,742,602
County Vehicle Registration Fee	234,785	191,321	-	217,723
County Contribution - Ambulance Service	123,545	128,489	155,927	146,115
DISD Contribution-School Resource Officer	933,968	873,404	1,096,962	872,793
State - Signal Reimbursement	16,062	16,062	19,681	11,963
Williams Square Parking Fees	450	1,550	3,191	2,500
Little Elm Dispatch Service	1,188,792	960,314	644,799	1,185,000
Miscellaneous Revenues	202,584	18,800	111,199	259,566
Recovery of Prior-Year Expenditures	4,596	1,000	3,643	-
Mowing Admin Fees	26,034	16,716	17,861	19,374
Property Liens	17,096	11,817	15,316	12,912
Police Phone/Fire Training	6,384	8,812	4,150	7,285
DISD Reimbursement - Water Park	1,033,801	1,028,066	1,354,010	1,138,146
Sale of Surplus Supplies and Fixed Assets	385,098	198,528	412,462	390,257
Training Facility Burn Fee	59,287	59,000	69,232	61,563
TOTAL	\$ 7,800,184	\$ 5,865,977	\$ 6,334,600	\$ 7,067,799

**GENERAL FUND
RESOURCE SUMMARY**

DESCRIPTION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
RETURN ON INVESTMENT				
DMU Electric ⁽¹⁾	\$ 11,664,777	\$ 17,931,227	\$ 17,931,227	\$ 18,030,239
DMU Water ⁽¹⁾	1,582,295	1,732,889	1,732,889	1,960,553
DMU Wastewater ⁽¹⁾	1,166,801	1,244,990	1,244,990	1,447,134
TOTAL	\$ 14,413,873	\$ 20,909,106	\$ 20,909,106	\$ 21,437,926
COST OF SERVICE TRANSFERS				
Electric Fund	\$ 5,989,845	\$ 5,075,135	\$ 5,075,135	\$ 5,390,819
Water Fund	2,258,155	3,051,299	3,051,299	3,239,769
Wastewater Fund	1,841,838	2,536,127	2,536,127	2,692,105
Solid Waste Fund	1,830,890	2,384,403	2,384,403	2,531,552
Airport Fund	276,423	284,716	284,716	301,325
Recreation Fund	28,550	-	-	-
Materials Management Fund	712,638	862,972	862,972	879,776
Fleet Services Fund	400,936	478,060	478,060	508,071
Technology Services Fund	783,792	1,050,339	1,050,339	1,115,114
Facilities Fund	305,763	501,269	501,269	532,263
Street Improvement Fund	485,718	688,671	688,671	732,413
Risk Retention Fund	155,236	276,211	276,211	292,524
Health Insurance Fund	78,644	490,134	490,134	521,267
Engineering Services Fund	1,211,899	1,655,600	1,655,600	1,757,349
Customer Service Fund	571,491	869,917	869,917	923,763
Environmental Services Fund	-	505,198	505,198	536,663
TOTAL	\$ 16,931,818	\$ 20,710,051	\$ 20,710,051	\$ 21,954,773
TOTAL REVENUES	\$ 186,684,175	\$ 207,579,152	\$ 202,699,584	\$ 218,824,966
Use of Fund Balance	2,396,734	-	-	-
TOTAL RESOURCES	\$ 189,080,909	\$ 207,579,152	\$ 202,699,584	\$ 218,824,966

⁽¹⁾ Denton Municipal Utilities.

⁽²⁾ Gas well inspections are part of Environmental Services beginning in FY 2023-24.

**GENERAL FUND
EXPENDITURES BY PROGRAM SUMMARY**

	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 ADOPTED
NEIGHBORHOOD SERVICES				
Building Inspections	\$ 4,159,664	\$ 4,474,631	\$ 4,053,106	\$ 4,436,654
Libraries	6,901,755	7,444,079	7,198,429	6,994,248
Parks and Recreation	25,716,067	27,320,756	24,867,535	26,884,661
Development Services Admin.	1,650,132	1,708,581	1,669,901	1,769,788
Planning	3,064,847	3,812,282	3,634,167	2,986,386
Gas Well Inspections	866	-	-	-
Community Development	3,771,452	4,543,814	4,072,084	4,713,347
	<u>\$ 45,264,783</u>	<u>\$ 49,304,143</u>	<u>\$ 45,495,222</u>	<u>\$ 47,785,084</u>
PUBLIC SAFETY				
Animal Services	\$ 3,846,763	\$ 4,456,506	\$ 4,427,190	\$ 4,619,086
Fire	43,517,249	45,029,087	49,877,234	49,812,987
Municipal Judge	724,155	700,655	688,655	700,305
Police	49,641,386	53,886,749	53,388,088	54,946,337
Public Safety Communications	5,699,019	5,467,867	6,005,730	6,235,538
	<u>\$ 103,428,572</u>	<u>\$ 109,540,864</u>	<u>\$ 114,386,897</u>	<u>\$ 116,314,253</u>
TRANSPORTATION				
Traffic Operations	\$ 3,006,298	\$ 3,091,537	\$ 3,186,021	\$ 3,057,705
Street Lighting	936,041	950,000	1,040,019	1,028,940
	<u>\$ 3,942,339</u>	<u>\$ 4,041,537</u>	<u>\$ 4,226,040</u>	<u>\$ 5,538,094</u>
ADMINISTRATIVE & COMMUNITY SERVICES				
City Manager's Office	\$ 3,472,056	\$ 3,946,816	\$ 3,913,535	\$ 3,962,794
City Council Administration	197,638	306,615	250,164	253,295
Economic Development	5,996,082	6,053,018	3,702,359	6,153,621
Finance	6,300,087	8,233,257	7,241,742	8,482,666
Human Resources	3,708,545	4,473,174	3,976,759	5,083,941
Internal Audit	771,435	844,794	753,557	743,608
Legal	3,354,743	4,066,176	3,398,400	3,939,249
Marketing & Communications	2,166,684	2,792,910	2,221,515	2,663,388
Non-Departmental	10,553,565	13,975,847	12,978,741	17,904,973
	<u>\$ 36,520,835</u>	<u>\$ 44,692,607</u>	<u>\$ 38,436,772</u>	<u>\$ 49,187,535</u>
TOTAL EXPENDITURES	<u><u>\$ 189,156,529</u></u>	<u><u>\$ 207,579,151</u></u>	<u><u>\$ 202,544,931</u></u>	<u><u>\$ 218,824,966</u></u>

**GENERAL DEBT SERVICE FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Ad Valorem & Delinquent Taxes	\$ 38,198,658	\$ 50,012,675	\$ 50,012,675	\$ 55,556,965
Interest Income	721,415	27,368	953,679	151,732
Transfer In - Airport	806,779	751,655	751,655	745,650
Transfer In - Customer Service	79,875	78,525	78,525	77,175
Transfer In - Electric	39,961,905	42,394,596	42,394,596	39,488,804
Transfer In - Fleet	579,496	913,712	913,712	1,031,795
Transfer In - Solid Waste	4,817,838	5,269,872	5,269,872	6,417,619
Transfer In - Technology Svcs.	363,771	1,031,206	1,031,206	1,299,552
Transfer In - Wastewater	8,713,745	9,785,287	9,785,287	9,663,658
Transfer In - Water	11,849,983	14,571,614	14,571,614	18,537,125
Transfer In - Water Impact Fees	-	1,635,340	1,635,340	1,732,674
Transfer In - Wastewater Impact Fees	-	2,990,345	2,990,345	8,858,946
TOTAL REVENUES	\$ 106,093,465	\$ 129,462,195	\$ 130,388,506	\$ 143,561,695
Use of Reserves	127,773	-	-	-
TOTAL RESOURCES	\$ 106,221,238	\$ 129,462,195	\$ 130,388,506	\$ 143,561,695

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
General Debt Service	\$ 39,012,851	\$ 50,005,043	\$ 50,005,043	\$ 55,673,697
Airport Debt Service	806,778	751,655	751,655	745,650
Customer Service Debt Service	79,874	78,525	78,525	77,175
Electric Debt Service	39,961,904	42,394,596	42,394,596	39,488,804
Fleet Debt Service	579,496	913,712	913,712	1,031,795
Solid Waste Debt Service	4,817,837	5,269,872	5,269,872	6,417,619
Technology Debt Service	363,770	1,031,206	1,031,206	1,299,552
Wastewater Debt Service	8,713,745	12,775,632	12,775,632	18,522,604
Water Debt Service	11,849,983	16,206,954	16,206,954	20,269,799
Fiscal Charges	35,000	35,000	35,000	35,000
TOTAL EXPENDITURES	\$ 106,221,238	\$ 129,462,195	\$ 129,462,195	\$ 143,561,695

**ELECTRIC FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	FY2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Non-DEC Base Rate Revenues	\$ 103,677,168	\$ 124,918,730	\$ 107,872,573	\$ 116,593,242
TCRF Revenues	10,751,806	30,286,099	23,853,789	32,189,902
ECA Revenues	67,333,794	86,122,202	80,382,787	101,460,660
Non-Operating Revenues	64,754,825	97,282,117	49,284,593	208,235,092
Interest Income	5,373,331	1,200,000	3,042,813	2,461,679
Non-DEC Revenues	\$ 251,890,924	\$ 339,809,148	\$ 264,436,555	\$ 460,940,575
DEC Revenues	19,621,032	52,674,627	53,357,473	65,690,445
TOTAL REVENUES	\$ 271,511,956	\$ 392,483,775	\$ 317,794,028	\$ 526,631,020
Use of Reserves	18,982,196	1,493,915	1,760,699	-
TOTAL RESOURCES	\$ 290,494,152	\$ 393,977,690	\$ 319,554,727	\$ 526,631,020

EXPENDITURES BY DIVISION	FY2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Administration	\$ 97,046,224	\$ 116,810,218	\$ 103,362,050	\$ 113,361,044
Energy Management	3,256,593	6,172,781	3,233,685	4,629,917
Energy Services	2,281,303	2,714,327	2,338,393	2,575,277
Regulatory & Risk	1,095,300	1,194,758	1,115,486	1,199,627
Wholesale Power	130,893,481	182,707,057	135,015,204	295,910,009
Denton Energy Center	29,321,962	53,346,807	47,483,800	61,221,990
Operations & Maintenance	5,261,187	6,726,039	5,301,972	7,223,117
System Operations	3,937,418	3,941,630	3,907,941	3,751,485
Distribution	2,535,826	3,529,445	2,711,673	3,672,859
Substations	2,463,302	2,959,653	2,452,145	2,795,936
Engineering	5,637,554	6,391,371	6,297,883	6,058,033
Meter Operations	3,434,752	3,657,078	3,826,488	3,085,720
Safety & Training	1,476,186	1,916,102	1,422,960	1,891,888
Electric Technology Operations	1,853,062	1,910,424	1,085,047	2,205,329
TOTAL EXPENDITURES	\$ 290,494,152	\$ 393,977,690	\$ 319,554,727	\$ 509,582,231

PERSONNEL BY DIVISION Full Time Equivalents (FTE)	FY2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Administration	14.00	10.00	10.00	10.00
Energy Management	14.00	17.00	17.00	17.00
Energy Services	6.00	8.00	8.00	8.00
Regulatory & Risk	4.00	4.00	4.00	4.00
Denton Energy Center	17.00	18.00	18.00	18.00
Operations & Maintenance	26.00	27.00	27.00	27.00
System Operations	20.00	16.00	16.00	16.00
Distribution	28.00	27.00	27.00	27.00
Substations	10.00	10.00	10.00	10.00
Engineering	27.00	28.00	29.00	29.00
Meter Operations	16.00	17.00	16.00	16.00
Electric Technology Operations	3.00	4.00	4.00	4.00
Safety & Training	3.00	3.00	3.00	3.00
TOTAL PERSONNEL	188.00	189.00	189.00	189.00

**ELECTRIC FUND
EXPENDITURES BY CLASSIFICATION**

EXPENDITURES	FY2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Total Purchased Power	\$ 104,493,181	\$ 155,422,283	\$ 105,586,988	\$ 250,214,833
DEC Energy Expense (Fuel)	5,398,434	26,076,591	24,485,327	38,101,774
Transmission of Power	26,013,621	27,284,774	29,064,216	45,695,176
Total Wholesale Power	\$ 135,905,236	\$ 208,783,648	\$ 159,136,531	\$ 334,011,783
Personnel Services	\$ 24,660,768	\$ 29,214,928	\$ 24,916,278	\$ 29,473,911
Materials and Supplies	2,462,230	4,086,780	2,651,568	2,442,104
Maintenance and Repair	2,300,968	1,909,610	1,696,005	1,680,332
Insurance	1,947,434	4,830,159	1,524,402	1,453,738
Return on Investment	11,664,777	17,931,227	11,944,214	18,030,239
Franchise Fee	11,181,016	15,189,595	9,953,512	16,450,050
Other Expenses	1,434,746	1,049,100	1,023,590	1,031,615
Operations	9,831,688	13,588,457	8,659,926	12,279,294
Debt Service				
TMPA CABS	2,761,275	-	-	-
TMPA Scrubber	5,051,125	5,104,500	5,104,500	-
DME Non-DEC Other Debt	31,634,560	37,290,096	37,823,674	39,488,804
DEC Debt	18,318,500	18,302,375	18,302,375	18,073,500
Winter Storm Uri Debt Service	7,234,318	7,240,775	7,240,775	7,221,782
Summer 2023 Debt Service	4,301,136	8,221,772	8,221,771	7,129,189
Total Debt Service	\$ 69,300,914	\$ 76,159,518	\$ 76,693,095	\$ 71,913,275
Interfund Transfers	18,950,955	19,170,589	19,170,589	19,340,890
Capital Outlay	853,420	2,064,079	2,185,017	1,475,000
TOTAL EXPENDITURES	\$ 290,494,152	\$ 393,977,690	\$ 319,554,727	\$ 509,582,231

MAJOR BUDGET ITEMS

FY 2025	FY 2026
The budget included the addition of nine new positions. Additionally, due to position reclassifications, eight positions were budgeted to move to other departments within the City. This resulted in a net position increase in the Electric Fund of one position.	The budget includes 60% increase in wholesale power, Return on Investment (ROI) and Franchise Fee commensurate with revenues and the Capital Appreciation Bonds ("CABS") reaching maturity. \$3.36M of reductions are noted for Winter and Summer Outage Insurance, Campus Expansion and Focused Advocacy Contract.

**WATER FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Interest Income	\$ 1,771,248	\$ 1,226,964	\$ 1,226,964	\$ 1,104,267
Water Sales Residential	22,970,067	23,684,799	24,512,591	26,729,134
Water Sales Commercial	20,834,188	23,472,151	22,781,505	24,053,182
Water for Resale	1,685,960	2,354,168	853,786	3,058,829
Tap Fees	574,029	519,505	776,666	708,218
Other Revenues	613,645	574,316	488,758	568,852
Cost of Service - General Fund	226,833	233,638	233,638	-
Cost of Service - Electric	638,614	657,772	657,772	-
Cost of Service - Wastewater	2,127,032	2,190,843	2,190,843	2,944,874
Cost of Service - Solid Waste	700,648	721,668	721,668	-
TOTAL REVENUES	\$ 52,142,264	\$ 55,635,824	\$ 54,444,191	\$ 59,167,356
Use of Reserves	-	-	-	3,632,164
TOTAL RESOURCES	\$ 52,142,264	\$ 55,635,824	\$ 54,444,191	\$ 62,799,520

EXPENDITURES BY DIVISION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Water Administration	\$ 3,334,754	\$ 4,401,747	\$ 3,750,703	\$ 3,702,188
Sustainability	4,413	-	-	-
Water Planning and Engineering	1,548,800	2,016,417	1,699,660	2,415,307
Water Production	11,064,726	12,388,430	10,834,994	13,619,755
Water Distribution	6,179,572	5,526,693	5,611,247	7,376,547
Water Metering	2,719,367	2,358,371	2,370,914	3,104,055
Other Expenses	23,047,441	28,944,166	29,520,055	32,581,668
TOTAL EXPENDITURES	\$ 47,899,073	\$ 55,635,824	\$ 53,787,573	\$ 62,799,520

PERSONNEL BY DIVISION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Full Time Equivalents (FTE) ⁽¹⁾				
Water Administration	18.00	13.00	13.00	11.00
Asset Management	11.00	14.00	14.00	16.00
Water Production	42.00	48.00	48.00	48.00
Water Distribution	24.00	24.00	24.00	24.00
Water Metering	17.00	16.00	16.00	16.00
TOTAL PERSONNEL	112.00	115.00	115.00	115.00

⁽¹⁾ Excludes seasonal/temporary positions.

**WATER FUND
EXPENDITURES BY CLASSIFICATION**

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Purchased Power	\$ 1,987,888	\$ 1,481,328	\$ 2,095,120	\$ 2,212,016
Purchased Water	1,776	3,000	2,000	2,060
Personnel Services	10,461,688	13,144,979	10,725,238	13,616,587
Materials & Supplies	3,202,244	4,781,574	3,580,770	4,739,332
Maintenance & Repair	2,874,264	1,868,402	2,406,271	2,882,140
Insurance	442,337	519,789	519,789	495,690
Return on Investment	1,582,295	1,732,889	1,710,232	1,960,553
Franchise Fee	2,260,422	2,475,556	2,443,189	2,800,789
Other Expenses	54,932	112,865	55,705	55,288
Operations	2,921,092	3,963,028	2,980,455	4,281,631
Fixed Assets	-	36,050	-	-
Debt Service	11,771,059	14,571,614	15,699,435	18,537,125
Cost of Service - General Fund	2,258,155	3,051,299	3,051,299	3,239,769
Cost of Service - Other	5,846,064	7,462,889	8,087,508	6,644,040
Capital Outlay	2,234,857	430,562	430,562	1,332,500
TOTAL EXPENDITURES	\$ 47,899,073	\$ 55,635,824	\$ 53,787,573	\$ 62,799,520

MAJOR BUDGET ITEMS

FY 2025	FY 2026
The budget included seven positions for Water Operators. Three positions are housed at the Ray Roberts Water Treatment Plant, and four at the Lake Lewisville Water Treatment Plant. One position for a Water Apprentice, and one position for an Assistant General Manager were also included. Two existing positions were moved out of Water in to the General Fund. In 2025, the budget did not include the Water Impact Fees as these are shown separately.	This budget includes a 3% rate increase, increases in maintenance and repair, increase in Franchise Fees commensurate with revenue expectations, increases in operations, increase in debt service payments, and increase in revenue funded capital. Two positions were held by the managed vacancy program.

WATER IMPACT FEES
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Impact Fees	\$ 10,296,800	\$ 11,000,000	\$ 14,320,899	\$ 14,000,000
Interest Income	2,347,848	1,400,000	1,996,321	1,400,000
TOTAL REVENUES	\$ 12,644,648	\$ 12,400,000	\$ 16,317,220	\$ 15,400,000
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 12,644,648	\$ 12,400,000	\$ 16,317,220	\$ 15,400,000

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Transfers to Debt Service	\$ -	\$ 1,635,340	\$ 1,635,866	\$ 1,732,674
TOTAL EXPENDITURES	\$ -	\$ 1,635,340	\$ 1,635,866	\$ 1,732,674

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
The budget includes the use of \$1,635,340 in impact fees for Water debt service.	Budget includes an increase of \$96,808 in impact fees for Water debt service.

**WASTEWATER FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Interest Operating	\$ 643,509	\$ 523,269	\$ 523,269	\$ 470,942
Wastewater Residential	14,788,925	17,083,964	16,497,020	19,270,543
Wastewater Commercial	16,381,807	18,487,168	17,946,269	20,933,470
Effluent Irrigation	113,971	75,417	119,046	95,801
Wastewater Wholesale	972,596	862,521	972,899	1,033,879
Other Revenues	3,005,083	2,668,038	2,697,394	2,759,330
Drainage Fees	5,486,156	5,072,777	5,416,943	5,552,941
Transfers In	613,166	638,822	896,511	309,666
TOTAL REVENUES	\$ 42,005,214	\$ 45,411,976	\$ 45,069,351	\$ 50,426,572
Use of Reserves	-	250,189	-	935,006
TOTAL RESOURCES	\$ 42,005,214	\$ 45,662,165	\$ 45,069,351	\$ 51,361,578

EXPENDITURES BY DIVISION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Water Reclamation	\$ 7,986,149	\$ 8,391,309	\$ 7,609,335	\$ 9,253,150
Wastewater Collection	6,443,758	5,835,550	5,370,761	9,535,585
Beneficial Reuse	2,335,978	2,553,766	2,331,846	1,539,967
Drainage	2,992,175	3,755,290	3,689,965	4,902,280
Watershed Protection	1,126,533	1,558,736	1,772,812	1,220,099
Other Expenses	20,008,018	23,223,837	23,753,454	23,857,652
Drainage Miscellaneous	432,998	343,677	343,677	1,052,845
Field Services	315	-	-	-
TOTAL EXPENDITURES	\$ 41,325,924	\$ 45,662,165	\$ 44,871,851	\$ 51,361,578

PERSONNEL BY DIVISION	FY 2024	FY 2025	FY 2025	FY 2026
Full Time Equivalents (FTE) ⁽¹⁾	ACTUAL	ADOPTED	ESTIMATE	PROPOSED
Water Reclamation	33.00	34.00	34.00	34.00
Wastewater Collection	35.00	35.00	35.00	35.00
Beneficial Reuse	7.00	7.00	7.00	7.00
Drainage	17.00	17.00	17.00	17.00
Watershed Protection	8.00	8.00	8.00	8.00
TOTAL PERSONNEL	100.00	101.00	101.00	101.00

(1) Excludes seasonal/temporary positions.

WASTEWATER FUND
EXPENDITURES BY CLASSIFICATION

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Purchased Power	\$ 1,155,393	\$ 1,221,000	\$ 1,231,142	\$ 1,271,000
Personnel Services	9,043,972	10,343,892	9,001,951	11,276,521
Materials & Supplies	1,907,652	2,134,500	2,066,364	2,718,756
Maintenance & Repair	2,926,467	2,819,872	2,390,462	2,674,362
Insurance	408,225	463,483	463,483	441,991
Other Expenses	10,970	26,098	20,562	10,513
Operations	2,283,535	2,285,264	1,984,436	3,076,792
Return on Investment	1,166,801	1,244,990	1,283,152	1,447,134
Franchise Fee	1,666,858	1,778,557	1,833,074	2,067,334
Debt Service	8,656,914	9,785,287	10,193,589	9,663,658
Cost of Service - General Fund	1,841,838	2,536,127	2,536,127	2,692,105
Cost of Service - Other	7,708,249	9,098,100	9,098,100	9,357,255
Capital Outlay	2,549,050	1,924,995	2,769,410	4,664,157
TOTAL EXPENDITURES	\$ 41,325,924	\$ 45,662,165	\$ 44,871,851	\$ 51,361,578

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
The budget included one position for a Water Reclamation Technician housed at the Pecan Creek Water Reclamation Plant. In 2025, the budget did not include the Wastewater Impact Fees as these are shown separately.	The budget includes an 11% increase in rates. Increases in personnel, operations, franchise fees, revenue funded capital, and \$1.3M true up to Drainage capital projects. One position was held by the managed vacancy program.

WASTEWATER IMPACT FEES
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Impact Fees	\$ 6,803,661	\$ 12,000,000	\$ 11,726,506	\$ 12,000,000
Interest Income	1,632,393	1,000,000	1,421,212	1,000,000
TOTAL REVENUES	\$ 8,436,054	\$ 13,000,000	\$ 13,147,718	\$ 13,000,000
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 8,436,054	\$ 13,000,000	\$ 13,147,718	\$ 13,000,000

EXPENDITURES	FY 2024 ACTUAL	FY2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Transfer to Debt Service	\$ -	\$ 2,990,345	\$ 2,990,345	\$ 8,858,946
TOTAL EXPENDITURES	\$ -	\$ 2,990,345	\$ 2,990,345	\$ 8,858,946

MAJOR BUDGET ITEMS

FY 2025	FY 2026
The budget includes the use of \$2,990,345 in impact fees for Wastewater debt service.	This budget includes an increase of \$5,868,601 in impact fees for Wastewater debt service.

**SOLID WASTE FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Interest Operating Income	\$ 374,685	\$ 179,145	\$ 326,531	\$ 184,519
Residential Refuse	5,120,907	5,569,670	5,425,265	5,805,820
Residential Recycling	6,165,354	5,659,503	6,243,434	5,899,462
Front /Side Load	9,575,025	9,755,316	9,888,102	10,147,342
Roll Off Open Top	6,306,479	7,396,379	5,976,826	6,990,417
Commercial Recycling	1,611,495	1,733,318	1,797,086	1,998,560
Landfill Gate	5,882,484	6,073,431	5,733,758	7,011,881
Landfill Wholesale	4,005,845	5,296,940	5,296,940	5,521,140
Other Solid Waste	1,698,627	1,669,080	2,373,948	1,794,532
Transfers In	186,555	186,505	186,505	-
TOTAL REVENUES	\$ 40,927,455	\$ 43,519,287	\$ 43,248,395	\$ 45,353,673
Use of Reserves	112,178	-	-	-
TOTAL RESOURCES	\$ 41,039,634	\$ 43,519,287	\$ 43,248,395	\$ 45,353,673

EXPENDITURES BY DIVISION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Solid Waste Administration	\$ 3,676,746	\$ 3,166,339	\$ 2,700,246	\$ 2,888,014
Residential Collection	7,319,810	6,973,544	6,725,549	7,028,493
Commercial Collection	6,635,272	6,388,615	6,513,905	6,706,627
Collection Special Projects	708,984	818,576	755,003	820,128
Solid Waste Disposal	5,760,444	6,412,259	6,690,383	5,520,953
Home Chemical Collection	761,519	878,222	795,870	878,904
Site Operations	700,799	873,970	860,915	748,275
Transfers & Capital Expenses	15,476,060	18,007,762	17,920,878	20,762,279
TOTAL EXPENDITURES	\$ 41,039,634	\$ 43,519,287	\$ 42,962,750	\$ 45,353,673

PERSONNEL BY DIVISION	FY 2024	FY 2025	FY 2025	FY 2026
Full Time Equivalents (FTE)	ACTUAL	ADOPTED	ESTIMATE	PROPOSED
Solid Waste Administration	20.54	20.00	20.00	19.00
Residential Collection	38.00	40.00	40.00	40.00
Commercial Collection	32.00	34.00	34.00	34.00
Collection Special Projects	7.00	7.00	7.00	7.00
Solid Waste Disposal	21.00	23.00	23.00	23.00
Home Chemical Collection	6.00	6.00	6.00	6.00
Site Operations	2.00	1.00	1.00	1.00
TOTAL PERSONNEL	126.54	131.00	131.00	130.00

SOLID WASTE FUND
EXPENDITURES BY CLASSIFICATION

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Personnel Services	\$ 13,869,421	\$ 14,468,792	\$ 13,837,394	\$ 14,210,046
Materials & Supplies	511,714	688,667	508,566	509,831
Maintenance & Repair	223,662	239,516	286,685	247,035
Insurance	717,541	696,804	696,804	664,506
Franchise Fee	2,003,512	2,140,829	2,140,829	2,185,975
Other Expenses	33,061	43,320	40,419	33,085
Operations	8,048,133	7,785,415	8,363,044	8,395,181
Debt Service	4,775,075	5,269,872	5,269,872	6,417,619
Landfill Closure	752,628	752,631	752,631	946,819
Cost of Service - General Fund	1,830,890	2,384,403	2,384,403	2,531,552
Cost of Service - Other	5,221,291	7,179,038	6,812,103	5,749,024
Capital Outlay	3,052,707	1,870,000	1,870,000	3,463,000
TOTAL EXPENDITURES	\$ 41,039,634	\$ 43,519,287	\$ 42,962,750	\$ 45,353,673

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
The budget included increases to Personnel costs and Cost of Service transfers, as well as two positions moving from Solid Waste to the General Fund.	The budget includes \$980,814 in budget reductions. This includes the reduction of a Deputy Director position, a decrease in materials and supplies, and an increase in operations and capital outlay.

**AIRPORT FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Airport Land Leases	\$ 870,328	\$ 800,331	\$ 1,082,581	\$ 1,335,139
Hangar Leases	157,065	170,400	171,375	199,800
FBO Fuel Commissions	288,979	260,000	234,974	300,000
FBO Hangar/Tiedown Commissions	328,238	275,000	300,986	300,000
Other Airport Income	12,721	4,331	90,767	42,581
Airport Gas Royalties	239,355	350,000	215,002	200,000
Interest Income	345,696	196,509	319,486	207,896
TOTAL REVENUES	\$ 2,242,381	\$ 2,056,571	\$ 2,415,171	\$ 2,585,416
Use of Reserves	127,375	545,655	20,502	-
TOTAL RESOURCES	\$ 2,369,756	\$ 2,602,226	\$ 2,435,673	\$ 2,585,416

EXPENDITURES BY CLASSIFICATION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Personnel Services	\$ 848,082	\$ 851,660	\$ 864,134	\$ 856,713
Materials & Supplies	12,770	23,720	16,685	9,700
Maintenance & Repair	8,868	60,100	15,120	33,550
Insurance	44,579	49,984	49,984	47,669
Operations	127,998	263,899	86,887	258,418
Debt Service	806,779	751,655	751,655	745,650
Cost of Service - General Fund	276,423	284,716	284,716	301,325
Cost of Service - Other	233,188	285,729	316,492	268,336
Capital Outlay	11,070	30,763	50,000	64,055
TOTAL EXPENDITURES	\$ 2,369,756	\$ 2,602,226	\$ 2,435,673	\$ 2,585,416

PERSONNEL	FY 2024	FY 2025	FY 2025	FY 2026
Full Time Equivalents (FTE)	ACTUAL	ADOPTED	ESTIMATE	PROPOSED
TOTAL PERSONNEL	7.50	7.50	7.50	7.00

MAJOR BUDGET ITEMS

FY 2025	FY 2026
The budget included no major changes.	The budget includes the reduction of a part time Airport Maintenance and Operations Coordinator, and an increase in land lease and decrease in maintenance and repair.

**CUSTOMER SERVICE FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	FY 2024 ACTUAL	FY2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Other Fees	\$ 517,037	\$ 318,607	\$ 492,036	\$ 397,198
Cost of Service - General Fund	157,319	853,328	765,710	749,409
Cost of Service - Electric	4,341,068	5,117,252	4,569,453	5,551,134
Cost of Service - Water	1,165,823	1,703,145	1,520,824	1,793,762
Cost of Service - Wastewater	1,375,609	1,660,835	1,697,468	1,736,379
Cost of Service - Solid Waste	1,516,290	2,139,418	1,910,393	1,519,476
Other Transfers	23,791	23,332	90,538	126,240
TOTAL REVENUES	\$ 9,096,937	\$ 11,815,917	\$ 11,046,422	\$ 11,873,598
Use of Reserves	-	150,000	-	-
TOTAL RESOURCES	\$ 9,096,937	\$ 11,965,917	\$ 11,046,422	\$ 11,873,598

EXPENDITURES	FY 2024 ACTUAL	FY2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Personnel Services	\$ 4,425,549	\$ 6,565,684	\$ 5,220,284	\$ 6,275,996
Materials & Supplies	388,864	474,130	393,418	408,995
Maintenance & Repair	140	1,500	-	-
Insurance	109,142	113,609	113,609	108,340
Other Expenses	1,475	2,350	1,500	2,310
Operations	2,763,110	2,850,074	3,356,303	3,180,964
Capital Outlay	-	150,000	150,000	-
Cost of Service - General Fund	571,491	869,917	869,917	923,763
Cost of Service - Other	709,760	860,128	860,128	896,055
Debt Service	79,875	78,525	81,263	77,175
TOTAL EXPENDITURES	\$ 9,049,407	\$ 11,965,917	\$ 11,046,422	\$ 11,873,598

PERSONNEL BY DIVISION	FY 2024	FY2025	FY 2025	FY 2026
Full Time Equivalents (FTE)	ACTUAL	ADOPTED	ESTIMATE	PROPOSED
TOTAL PERSONNEL	61.50	65.50	65.50	65.50

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
The budget included the addition of four positions, and their expenses, moved from the Electric Fund to the Customer Service Fund for the 311 Call Center.	The budget includes a decrease in maintenance and repair and an increase in operations. In the process of exploring to add credit card fees.

**TECHNOLOGY SERVICES FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Cost of Service - Electric Fund	\$ 4,785,790	\$ 4,506,978	\$ 4,506,971	\$ 4,706,690
Cost of Service - Water Fund	801,797	1,009,151	967,777	1,010,660
Cost of Service - Wastewater Fund	845,947	800,985	1,021,077	1,066,324
Cost of Service - Solid Waste Fund	674,894	885,991	814,613	850,710
Cost of Service - General Fund	10,826,820	14,594,242	13,099,446	13,956,866
Cost of Service - Risk Retention Fund	48,823	123,175	58,931	61,542
Cost of Service - Facilities Fund	216,472	355,541	328,213	342,757
Cost of Service - Street Improvement Fund	209,057	283,358	252,337	263,518
Cost of Service - Airport Fund	75,821	104,147	91,518	95,574
Cost of Service - Materials Management Fund	347,770	366,984	419,767	438,367
Cost of Service - Fleet Services Fund	185,516	271,249	223,922	233,845
Cost of Service - Customer Service Fund	626,296	658,779	782,340	817,007
Cost of Service - Engineering Fund	493,448	509,343	595,605	621,997
Cost of Service - Environmental Services Fund	201,013	231,631	261,378	272,958
Other Income	259,219	398,668	235,557	312,568
TOTAL REVENUES	\$ 20,598,682	\$ 25,100,222	\$ 23,659,450	\$ 25,051,383
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 20,598,682	\$ 25,100,222	\$ 23,659,450	\$ 25,051,383

EXPENDITURES BY DIVISION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Administration	\$ 2,934,656	\$ 4,385,353	\$ 5,009,906	\$ 3,902,868
Business Services	551,649	1,284,235	662,440	706,100
Police Department Technology	1,358,006	2,269,174	2,234,534	2,892,649
Fire Department Technology	268,496	318,438	313,261	311,933
Infrastructure	5,218,176	6,388,428	5,713,432	6,571,455
IT Communications	2,532,805	2,349,935	2,315,513	2,342,193
Geographic Information Systems (GIS)	884,445	916,689	820,808	1,015,115
Application Support	3,548,668	3,649,539	3,729,017	4,022,773
Support Services	1,806,751	1,803,326	1,762,072	1,892,060
Public Safety IT	857,968	1,060,602	892,440	931,799
Information Security	629,427	674,503	492,343	462,438
TOTAL EXPENDITURES	\$ 20,591,047	\$ 25,100,222	\$ 23,945,764	\$ 25,051,383

PERSONNEL Full Time Equivalents (FTE)⁽¹⁾	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Administration	8.00	11.00	11.00	11.00
Business Services	5.00	5.00	5.00	5.00
Infrastructure	13.00	13.00	13.00	13.00
IT Communications	9.00	9.00	9.00	9.00
Geographic Information Systems (GIS)	5.00	6.00	4.00	4.00
Application Support	12.00	12.00	12.00	12.00
Support Services	11.00	11.00	11.00	11.00
Public Safety IT	4.00	4.00	4.00	4.00
Information Security	2.00	2.00	2.00	2.00
TOTAL PERSONNEL	69.00	71.00	71.00	71.00

⁽¹⁾ Excludes seasonal/temporary positions.

TECHNOLOGY SERVICES FUND
EXPENDITURES BY CLASSIFICATION

EXPENDITURE	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Personnel Services	\$ 8,712,577	\$ 11,571,086	\$ 9,580,865	\$ 11,255,885
Materials & Supplies	350,741	608,359	526,915	357,815
Maintenance & Repair	297,208	295,000	455,312	329,000
Insurance	128,572	180,808	180,808	172,428
Operations	8,034,697	9,924,192	10,520,296	10,103,356
Debt Service	363,771	1,031,206	1,031,206	1,299,552
Cost of Service - General Fund	783,792	1,050,339	1,050,339	1,115,114
Cost of Service - Other	553,431	434,232	434,232	415,783
Other Expenses	3,075	5,000	1,398	2,450
TOTAL EXPENDITURES	\$ 20,591,047	\$ 25,100,222	\$ 23,781,371	\$ 25,051,383

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
This budget included the addition of four new positions. The positions are Deputy Technology Director, Senior IT Project Manager, IT Training Coordinator and GIS Specialist. Overall budget increased due to increases in Personnel Services, Operations and Materials & Supplies.	The budget includes four positions held for managed vacancies and a decrease in materials and supplies, increase in operations, and an increase in debt service payments

**MATERIALS MANAGEMENT FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	FY 2024 ACTUAL	FY2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Postage Fees	\$ 49,631	\$ 40,000	\$ 44,638	\$ 45,000
Warehouse Sales	10,827,779	16,757,886	11,090,337	16,715,135
Miscellaneous Income	84,541	123,482	174,542	100,000
Cost of Service - General Fund	1,078,527	1,034,421	1,034,421	1,061,475
Cost of Service - Electric Fund	806,802	937,062	937,062	961,904
Cost of Service - Water Fund	278,458	370,453	370,453	380,375
Cost of Service - Wastewater Fund	530,134	180,147	180,147	184,904
Cost of Service - Solid Waste Fund	147,713	134,103	134,103	137,763
Cost of Service - Other Funds	1,165,428	1,302,906	1,302,906	1,337,807
Auction Proceeds	10,515	10,000	21,654	10,000
TOTAL REVENUES	\$ 14,979,528	\$ 20,890,460	\$ 15,290,263	\$ 20,934,363
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 14,979,528	\$ 20,890,460	\$ 15,290,263	\$ 20,934,363

EXPENDITURES BY DIVISION	FY 2024 ACTUAL	FY2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Purchasing	\$ 3,103,350	\$ 3,206,356	\$ 3,076,182	\$ 3,229,022
Warehouse	1,230,813	938,634	887,461	965,185
Inventory	10,620,354	16,745,470	11,153,470	16,740,156
TOTAL EXPENDITURES	\$ 14,954,517	\$ 20,890,460	\$ 15,117,113	\$ 20,934,363

PERSONNEL Full Time Equivalents (FTE)	FY 2024 ACTUAL	FY2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Purchasing	16.00	16.00	16.00	16.00
Warehouse	7.00	7.00	7.00	7.00
TOTAL PERSONNEL	23.00	23.00	23.00	23.00

MATERIALS MANAGEMENT FUND
EXPENDITURES BY CLASSIFICATION

EXPENDITURES BY CLASSIFICATION	FY 2024 ACTUAL	FY2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Personnel Services	\$ 2,476,449	\$ 2,536,972	\$ 2,447,820	\$ 2,597,168
Materials & Supplies	(93,158)	2,116,254	96,249	2,098,770
Inventory	10,688,018	14,600,000	11,018,298	14,600,000
Maintenance & Repair	5,551	18,750	1,665	9,750
Insurance	58,181	47,289	47,289	45,093
Miscellaneous	759	2,175	374	-
Operations	126,545	169,417	105,815	154,615
Cost of Service - General Fund	712,638	862,972	862,972	879,776
Cost of Service - Other	579,536	536,631	536,631	549,191
Capital Outlay	400,000	-	-	-
TOTAL EXPENDITURES	\$ 14,954,517	\$ 20,890,460	\$ 15,117,113	\$ 20,934,363

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
The budget includes additional funds for cost of goods sold and operations.	The budget includes reductions to materials and supplies, maintenance and repair, and operations.

**FACILITIES MANAGEMENT FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Other Income	\$ 36,075	\$ 41,045	\$ 31,651	\$ -
Cost of Service - General Fund	4,031,697	5,182,437	5,182,437	5,232,968
Cost of Service - Electric Fund	975,786	975,786	975,786	985,571
Cost of Service - Water Fund	254,696	617,626	617,626	623,488
Cost of Service - Wastewater Fund	250,951	408,312	408,312	411,993
Cost of Service - Solid Waste Fund	426,101	444,163	444,163	448,372
Cost of Service - Materials Management Fund	231,766	109,335	109,335	110,824
Cost of Service - Customer Service Fund	46,862	36,351	36,351	36,377
Cost of Service - Fleet Services Fund	104,032	210,033	210,033	212,342
Cost of Service - Technology Services Fund	238,314	95,811	95,811	96,442
Cost of Service - Engineering Services Fund	44,720	104,394	104,394	105,748
Cost of Service - Risk Retention Fund	11,274	12,849	12,849	12,689
Cost of Service - Airport Fund	134,337	144,101	144,101	145,511
Cost of Service - Street Improvement Fund	12,848	36,522	36,522	37,223
TOTAL REVENUES	\$ 6,799,459	\$ 8,418,765	\$ 8,409,371	\$ 8,459,548
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 6,799,459	\$ 8,418,765	\$ 8,409,371	\$ 8,459,548

EXPENDITURES BY DIVISION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Administration	\$ 10,620,354	\$ 2,404,687	\$ 2,470,074	\$ 2,711,711
Maintenance	3,103,350	6,014,078	5,712,788	5,747,837
TOTAL EXPENDITURES	\$ 13,723,704	\$ 8,418,765	\$ 8,182,862	\$ 8,459,548

PERSONNEL Full Time Equivalents (FTE)	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Administration	4.00	4.00	4.00	4.00
Maintenance	16.00	18.00	18.00	18.00
TOTAL PERSONNEL	20.00	22.00	22.00	22.00

FACILITIES MANAGEMENT FUND
EXPENDITURES BY CLASSIFICATION

EXPENDITURES BY CLASSIFICATION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Personnel Services	\$ 2,261,023	\$ 2,989,824	\$ 2,568,161	\$ 2,840,489
Materials & Supplies	36,976	66,000	40,353	56,500
Maintenance & Repair	1,506,775	1,916,051	1,797,266	1,901,758
Insurance	39,752	50,025	50,025	47,705
Miscellaneous	-	-	-	770
Operations	2,356,742	2,256,476	2,586,668	2,427,478
Cost of Service - General Fund	305,763	501,269	501,269	532,263
Cost of Service - Other	375,854	639,120	639,120	652,585
TOTAL EXPENDITURES	\$ 6,882,884	\$ 8,418,765	\$ 8,182,862	\$ 8,459,548

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
The budget includes the addition of two Facilities Licensed Technician IV. Outside Contract service,Vehicle maintenance, Gas/oil,Travel Expense,Employee training fees, Building repair & maintenance has increased.	The budget includes a \$225,000 reduction to janitorial services.

FLEET MANAGEMENT FUND
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Fuel Sales	\$ 4,078,833	\$ 4,925,283	\$ 4,041,029	\$ 4,206,197
Parts & Maintenance	9,083,003	6,850,256	8,283,434	8,402,887
Rental Fleet	-	10,000	896	10,000
Sublet Repairs	3,130,416	3,985,000	3,227,682	2,292,983
Other Income	25,671	11,500	31,689	10,778
Interest Income	6,069	5,296	-	-
Transfer In	-	2,010,137	2,010,137	3,740,600
TOTAL REVENUES	\$ 16,323,993	\$ 17,797,472	\$ 17,594,867	\$ 18,663,445
Use of Reserves	519,558	-	-	-
TOTAL RESOURCES	\$ 16,843,551	\$ 17,797,472	\$ 17,594,867	\$ 18,663,445

EXPENDITURES BY CLASSIFICATION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Personnel Services	\$ 3,658,230	\$ 3,885,204	\$ 3,468,467	\$ 3,593,507
Materials & Supplies	171,646	102,250	57,426	78,000
Inventory (Fuel only)	4,016,356	4,925,284	3,620,759	5,231,000
Maintenance & Repair	89,970	90,000	104,937	50,000
Insurance	92,379	79,090	79,090	75,426
Operations	7,340,890	6,650,652	7,660,986	7,400,771
Other Expense	-	1,505	740	1,820
Debt Service	579,496	913,712	913,712	1,031,795
Cost of Service - General Fund	400,936	478,060	478,060	508,071
Cost of Service - Other	493,648	671,715	671,715	693,055
TOTAL EXPENDITURES	\$ 16,843,551	\$ 17,797,472	\$ 17,055,892	\$ 18,663,445

PERSONNEL	FY 2024	FY 2025	FY 2025	FY 2026
Full Time Equivalents (FTE)	ACTUAL	ADOPTED	ESTIMATE	PROPOSED
TOTAL PERSONNEL	32.00	32.00	32.00	32.00

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
The budget include \$1.6Million increase for Contract Service,Vehicle Maintenance and debt service.	The budget includes an increase in operations and fuel charges.

**ENVIRONMENTAL SERVICES FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	FY 2024 ACTUAL	FY2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Gas Well Inspections	\$ 184,450	\$ 300,000	\$ 314,808	\$ 255,105
Coliform Analysis	121,440	120,000	126,446	-
Pretreatment Revenue	168,996	230,000	178,625	-
Transfer - General Fund	98,016	523,461	425,104	543,729
Transfer - Electric	245,445	242,381	196,838	320,480
Transfer - Water	1,531,670	1,449,156	1,176,864	1,045,913
Transfer - Wastewater	1,552,037	1,840,735	1,494,868	1,889,094
Transfer - Solid Waste	740,937	1,282,522	1,041,540	1,267,588
Other Transfers	-	120,312	97,706	462,424
Interest Income	17,324	37,000	31,404	31,405
TOTAL REVENUES	\$ 4,660,315	\$ 6,145,567	\$ 5,084,203	\$ 5,815,738
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 4,660,315	\$ 6,145,567	\$ 5,084,203	\$ 5,815,738

EXPENDITURES BY CLASSIFICATION	FY 2024 ACTUAL	FY2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Personnel Services	\$ 3,060,376	\$ 3,865,783	\$ 3,075,595	\$ 3,794,111
Materials & Supplies	250,401	269,340	249,779	244,357
Maintenance & Repair	87,314	86,650	86,650	67,065
Insurance	75,409	131,504	131,504	125,398
Other Expenses	32,137	41,955	21,683	23,690
Operations	651,838	971,818	740,475	739,301
Cost of Service - Other	201,013	778,517	778,517	821,816
Capital Outlay	45,000	-	-	-
TOTAL EXPENDITURES	\$ 4,403,488	\$ 6,145,567	\$ 5,084,203	\$ 5,815,738

PERSONNEL BY DIVISION	FY 2024	FY2025	FY 2025	FY 2026
Full Time Equivalents (FTE) ⁽¹⁾	ACTUAL	ADOPTED	ESTIMATE	PROPOSED
Environmental Services Administration	4.00	5.00	5.00	5.00
Sustainability	8.50	7.00	7.00	7.00
Municipal Laboratories	9.00	9.00	9.00	9.00
Industrial Pretreatment	8.00	8.00	8.00	8.00
Gas Well Inspections	1.00	1.00	1.00	1.00
Landfill Compliance	2.00	2.00	2.00	2.00
TOTAL PERSONNEL	32.50	32.00	32.00	32.00

⁽¹⁾ Excludes seasonal/temporary positions.

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
The budget included one position for an Administrative Manager.	The budget includes a reduction in personnel services due to the Internship Program, and in operations for 3 rd party Gas Well inspections, and travel.

RISK RETENTION FUND
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Transfer In - General Fund	\$ 3,920,723	\$ 4,200,943	\$ 4,522,689	\$ 3,869,346
Transfer In - Internal Service Fund	616,553	809,771	718,223	684,922
Transfer In - Utility Fund	2,855,902	3,254,461	3,254,462	3,103,594
Transfer In - Special Revenue Fund	157,760	-	103,074	98,295
Interest Income	88,717	31,868	68,485	56,823
Other Revenues	536,420	558,503	514,497	514,497
TOTAL REVENUES	\$ 8,176,075	\$ 8,855,546	\$ 9,181,430	\$ 8,327,477
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 8,176,075	\$ 8,855,546	\$ 9,181,430	\$ 8,327,477

EXPENDITURES BY CLASSIFICATION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Personnel Services	\$ 1,554,200	\$ 1,983,529	\$ 1,657,830	\$ 1,183,322
Materials & Supplies	56,338	83,000	59,503	62,500
Maintenance & Repair	637,834	562,069	598,440	886,162
Insurance	3,163,193	4,207,945	3,830,021	4,099,531
Other Expense	379,140	545,000	113,213	450,280
Operations	826,119	1,006,310	1,066,171	1,173,676
Cost of Service - General Fund	155,236	276,211	276,211	292,524
Cost of Service - Tech Services	48,823	58,931	58,931	61,542
Cost of Service - Other	71,753	132,551	132,551	117,940
Transfer to Capital	-	-	154,332	-
TOTAL EXPENDITURES	\$ 6,892,636	\$ 8,855,546	\$ 7,947,202	\$ 8,327,477

EXPENDITURES BY DIVISION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Risk	\$ 6,363,081	\$ 7,970,787	7,420,878	\$ 7,635,055
Safety	529,555	884,759	526,324	692,422
TOTAL EXPENDITURES	\$ 6,892,636	\$ 8,855,546	\$ 7,947,202	\$ 8,327,477

PERSONNEL	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Full Time Equivalents (FTE)				
Risk Personnel	9.00	9.00	9.00	4.00
Safety Personnel	4.00	4.00	4.00	4.00
TOTAL PERSONNEL	13.00	13.00	13.00	8.00

MAJOR BUDGET ITEMS

FY 2025	FY 2026
The budget included an increase for insurance premiums and litigation fees.	The budget proposes to move five positions from Risk to Human Resources to align with their current work functions. The budget also includes reductions to materials and supplies and an increase in transfers to the General Fund.

**HEALTH INSURANCE FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Employee Contributions - Health	\$ 3,553,203	\$ 4,205,083	\$ 3,795,210	\$ 6,871,800
Employee Contributions - Dental	1,433,311	1,574,661	1,510,071	1,150,957
Employee Contributions - Vision	295,919	345,346	342,984	270,324
Employee Contributions - STD ¹	271,821	318,691	299,447	343,058
Retiree Contributions	1,628,912	1,848,017	1,903,637	1,490,151
City Contributions - Health Insurance	24,474,474	28,808,599	28,808,599	29,166,371
City Contributions - LTD ²	169,718	211,126	188,232	209,083
City Contributions - Life Insurance	77,074	90,842	85,503	95,023
Pharmacy Rebates	3,112,961	3,723,577	3,287,376	3,145,276
Other	1,165,470	1,070,785	1,140,088	1,158,320
TOTAL REVENUES	\$ 36,182,866	\$ 42,196,727	\$ 41,361,147	\$ 43,900,363
Use of Reserves	1,009,080	-	306,973	-
TOTAL RESOURCES	\$ 37,191,946	\$ 42,196,727	\$ 41,668,120	\$ 43,900,363

EXPENDITURES BY CLASSIFICATION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Long Term Disability	\$ 79,726	\$ 84,543	\$ 123,302	\$ 92,371
Life Insurance	594,556	487,104	694,281	680,472
Short Term Disability	282,134	301,918	332,510	317,936
Dental Insurance	1,487,484	1,574,661	1,679,775	1,150,957
Vision Insurance	307,337	345,346	381,926	270,324
Health Insurance	32,588,141	38,121,613	37,087,021	40,199,402
Materials and Supplies	463	1,000	1,430	-
Operations	247,679	286,313	217,387	222,084
Transfers	78,644	490,134	490,134	521,267
Other Expense	1,525,782	504,095	660,354	445,550
TOTAL EXPENDITURES	\$ 37,191,946	\$ 42,196,727	\$ 41,668,120	\$ 43,900,363

MAJOR BUDGET ITEMS

FY 2025	FY 2026
FY 2025 budget included an increase in the medical/pharmacy employer contribution per employee to \$1,303 that is an increase over FY 2024 of 2.4%. The budget also accounts for employee contribution increases or decreases depending on the plan and tier.	FY 2026 budget includes an increase in the medical employer contribution per employee per month to \$1,331.52, an increase over FY 2025 of 2.18%

¹ STD - Short Term Disability

² LTD - Long Term Disability

**ENGINEERING SERVICES FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Right of Way Inspections	\$ 680,865	\$ 535,000	\$ 660,497	\$ 635,000
Public Works Inspection	803,849	1,726,000	1,137,263	1,826,000
Engineering CIP Charges	3,283,693	4,055,170	2,668,117	4,088,753
Public Works CIP Charges	2,091,379	1,776,202	900,581	1,776,202
Real Estate CIP Charges	890,301	1,704,027	228,065	1,012,671
Other Income	18,465	7,127	15,590	3,000
Transfers In	1,822,437	1,822,437	1,822,437	1,685,863
Development Fees	523,628	964,557	470,368	964,557
External Development Review	\$ 1,362,053	930,998	1,574,168	1,322,354
TOTAL REVENUES	\$ 11,476,670	\$ 13,521,518	\$ 9,477,086	\$ 13,314,400
Use of Reserves	-	-	126,902	-
TOTAL RESOURCES	\$ 11,476,670	\$ 13,521,518	\$ 9,603,988	\$ 13,314,400

EXPENDITURES BY DIVISION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Engineering Administration	\$ 653,658	\$ 1,027,682	\$ 636,564	\$ 3,015,896
Capital Projects	2,492,045	3,998,406	2,472,314	3,149,561
Public Works Inspections	2,109,857	2,888,070	1,980,210	2,346,204
Engineering	1,659,164	2,453,952	1,614,102	1,828,930
Real Estate	1,034,414	1,382,407	1,122,961	1,012,671
External Development Review	3,016,763	1,771,001	1,777,837	1,961,138
TOTAL EXPENDITURES	\$ 10,965,901	\$ 13,521,518	\$ 9,603,988	\$ 13,314,400

PERSONNEL BY DIVISION	FY 2024	FY 2025	FY 2025	FY 2026
Full Time Equivalents (FTE)	ACTUAL	ADOPTED	ESTIMATE	PROPOSED
Engineering Administration	5.00	5.00	5.00	5.00
Capital Projects	14.00	15.00	15.00	15.00
Public Works Inspections	19.00	19.00	19.00	19.00
Engineering	11.00	11.00	11.00	9.00
Real Estate	5.00	5.00	5.00	5.00
TOTAL PERSONNEL	54.00	55.00	55.00	53.00

ENGINEERING SERVICES FUND
EXPENDITURES BY CLASSIFICATION

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Personnel Services	\$ 4,576,838	\$ 6,989,396	\$ 4,421,977	\$ 7,508,759
Materials & Supplies	38,625	74,629	13,969	45,565
Insurance	103,760	103,608	103,760	110,532
Miscellaneous	660	7,300	2,078	4,490
Operations	797,035	946,345	763,602	2,752,692
Transfers	1,397,806	2,246,832	1,397,806	2,892,362
External Development Review	3,016,763	1,771,001	1,777,838	1,961,138
Real Estate	1,034,414	1,382,407	1,122,962	1,012,671
TOTAL EXPENDITURES	\$ 10,965,900	\$ 13,521,518	\$ 9,603,992	\$ 13,314,400

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
The budget included \$1.3M increase to account for additional costs in Operations, Personnel Services, and Transfers.	The budget includes reduction in miscellaneous and Real Estate. Two positions moved out of Engineering and into the Planning department in General Fund.

**STREET IMPROVEMENT FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Bond Sale Savings	\$ 1,345,000	\$ 2,126,082	\$ 2,126,082	\$ 2,189,864
Interest Income & Misc.	445,635	100,000	272,591	213,028
Transfer from General Fund	-	1,573,632	-	2,500,000
Sale of Surplus Supplies	-	10,000	14,500	-
Franchise Fees	17,450,087	16,300,000	16,300,000	16,300,000
TOTAL REVENUES	\$ 19,240,722	\$ 20,109,714	\$ 18,713,173	\$ 21,202,892
Use of Reserves	4,603,744	422,921	-	2,229,238
TOTAL RESOURCES	\$ 23,844,466	\$ 20,532,635	\$ 18,713,173	\$ 23,432,130

EXPENDITURES BY CLASSIFICATION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Personnel Services	\$ 4,173,325	\$ 4,449,610	\$ 3,821,704	\$ 4,279,853
Materials & Supplies	202,143	106,000	94,239	171,629
Maintenance & Repairs	4,138,979	5,424,890	3,736,259	7,441,086
Insurance	157,760	103,074	103,074	98,295
Other Expenses	-	-	1,400	1,400
Operations	1,127,900	1,153,000	1,212,258	1,414,329
Transfers - Cost of Service	869,426	1,319,580	1,319,580	1,186,258
Transfers to Capital	13,174,933	7,976,481	7,976,481	8,839,280
TOTAL EXPENDITURES	\$ 23,844,466	\$ 20,532,635	\$ 18,264,995	\$ 23,432,130

PERSONNEL	FY 2024	FY 2025	FY 2025	FY 2026
Full Time Equivalents (FTE)	ACTUAL	ADOPTED	ESTIMATE	PROPOSED
TOTAL PERSONNEL	41.00	41.00	41.00	41.00

MAJOR BUDGET ITEMS

FY 2025	FY 2026
This budget included a transfer to Capital Projects for 2019 Bond projects and a transfer for the Roadway Funding Strategy program.	The budget includes increases in maintenance and repairs, transfer to capital and transfer from General Fund.

**TOURIST & CONVENTION FUND
RESOURCE & EXPENDITURE SUMMARY**

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Hotel Occupancy Tax	\$ 1,930,285	\$ 2,947,000	\$ 3,088,374	\$ 2,947,000
Convention Center Hotel	1,034,845	1,072,349	1,022,047	1,125,966
Interest Income & Refunds	95,605	25,000	150,513	-
TOTAL REVENUES	\$ 3,060,735	\$ 4,044,349	\$ 4,260,934	\$ 4,072,966
Use of Reserves	477,022	491,755	-	988,520
TOTAL RESOURCES	\$ 3,537,757	\$ 4,536,104	\$ 4,260,934	\$ 5,061,486

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Black Chamber of Commerce	\$ 111,500	\$ 60,100	\$ 60,100	\$ 48,000
Black Film Festival Institute	51,500	54,500	54,500	62,500
Denton Breakfast Kiwanis	6,200	7,000	7,000	-
Discover Denton	1,865,126	1,710,600	1,200,975	1,964,250
Denton Music and Art Collaboration	-	2,000	2,000	-
Mount Zion-Africa Festival	-	3,000	3,000	-
Cinco de Mayo	-	-	-	24,800
Denton Bach Society	-	1,000	1,000	-
Denton Community Market	68,400	68,600	68,600	-
Denton County History & Culture	290,000	296,200	296,200	-
Denton Day of the Dead Festival	65,000	65,100	65,100	80,000
Denton Halloween	-	-	250,000	250,000
Denton Festival Foundation	125,000	135,000	135,000	84,000
Denton Holiday Festival Association	47,304	50,000	50,000	20,000
Denton Main Street Association	80,000	80,200	80,200	121,680
Denton Parks Foundation	124,971	134,300	134,300	-
Denton Parks Foundation - Juneteenth	-	-	-	30,800
Denton Public Art Committee	(900)	100,000	100,000	70,728
Greater Denton Arts Council	160,000	160,400	160,400	160,400
North Texas State Fair Association	312,400	327,400	327,400	417,200
Real Waves Radio Network (KUZU)	13,300	13,400	13,400	-
Tejas Storytelling Association	57,556	59,055	59,055	59,055
Denton Community Theatre	27,000	30,100	30,100	35,100
Texas Filmmakers	50,000	50,700	50,700	75,000
Texas Veterans Hall of Fame	55,000	55,100	55,100	-
DMAC Amplify	-	-	-	9,900
O'Reilly Hospitality	-	1,072,349	1,022,047	1,125,966
Downtown Ambassador	28,400	-	-	291,107
SUBTOTAL RECURRING EXPENSES	\$ 3,537,757	\$ 4,536,104	\$ 4,226,177	\$ 4,930,486
Contingency	-	-	-	131,000
Transfers	75,000	-	-	-
TOTAL EXPENDITURES	\$ 3,537,757	\$ 4,536,104	\$ 4,226,177	\$ 5,061,486

MAJOR BUDGET ITEMS

FY 2025	FY 2026
The budget included an increase in Convention Center Hotel Revenue, Denton Music and Art Collaboration, Mount Zion-Africa Festival, Denton Bach Society.	Proposed allocations were recommended based on an application process with established scoring criteria. The allocations to the Cinco de Mayo and Juneteenth organizations are now included in the budget as separate allocations. These events were formerly funded via the Denton Parks Foundation until the organizations secured their own non-profit designations.

POLICE CONFISCATION FUND
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Seizures	\$ 221,442	\$ -	\$ 182,363	\$ -
Investment Income	76,654	-	64,574	-
Auction Proceeds	4,058	-	63,819	-
TOTAL REVENUES	\$ 302,154	\$ -	\$ 310,756	\$ -
Use of Reserves	-	500,000	-	756,180
TOTAL RESOURCES	\$ 302,154	\$ 500,000	\$ 310,756	\$ 756,180

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Materials & Supplies	\$ 3,176	\$ 250,000	\$ 294,450	\$ -
Maintenance & Repair	3,267	-	-	-
Operations	17,806	250,000	15,901	263,680
Fixed Assets	75,216	-	-	492,500
TOTAL EXPENDITURES	\$ 99,465	\$ 500,000	\$ 310,351	\$ 756,180

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
Budget included increased appropriations for training, uniforms, and materials & supplies.	Budget includes \$492,500 in fixed assets related to firearm purchases. Expenses for operations is increasing for outside contracts related to the purchase of equipment.

Note: U.S. Department of Justice Guide to Equitable Sharing dictates that no revenue budget is created for this fund.

CATALYST FUND
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Mixed Beverage Tax	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Interest Income	270,116	-	259,927	-
Transfers In	599,476	1,000,000	-	1,000,000
TOTAL REVENUES	\$ 1,019,592	\$ 1,150,000	\$ 409,927	\$ 1,150,000
Use of Reserves	-	-	-	1,000,000
TOTAL RESOURCES	\$ 1,019,592	\$ 1,150,000	\$ 409,927	\$ 2,150,000

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Operations	\$ -	\$ 100,200	\$ 144,000	\$ 150,000
Capital Outlay	1,000,000	1,049,800	-	2,000,000
TOTAL EXPENDITURES	\$ 1,000,000	\$ 1,150,000	\$ 144,000	\$ 2,150,000

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
The budget shows a reduction in Capital Outlay based on projected funding availability.	The budget includes an increase to capital outlay.

SUSTAINABILITY FRAMEWORK FUND
RESOURCE & EXPENDITURE SUMMARY

REVENUES	FY 2024 ACTUAL	FY2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Transfers In	\$ 451,008	\$ 750,000	\$ -	\$ 1,000,000
Interest Income	86,559	50,000	88,516	50,150
TOTAL REVENUES	\$ 537,567	\$ 800,000	\$ 88,516	\$ 1,050,150
Use of Reserves	26,594	-	-	-
TOTAL RESOURCES	\$ 564,161	\$ 800,000	\$ 88,516	\$ 1,050,150

EXPENDITURES	FY 2024 ACTUAL	FY2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Materials and Supplies	\$ 2,200	\$ 80,000	\$ 60,000	\$ 82,400
Operations	16,100	50,000	20,000	51,500
Capital Outlay	545,861	670,000	-	916,250
TOTAL EXPENDITURES	\$ 564,161	\$ 800,000	\$ 80,000	\$ 1,050,150

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
The estimates showed an increase in the Capital Outlay transfer for a Total Organics Carbon Analyzer and Gun Range Cleanup. The budget includes an increase in Capital Outlay to support the programs and projects identified in the Sustainability Framework Advisory Committee work plan.	The budget includes an increase in capital outlay to support the programs and projects identified in the Sustainability Framework Advisory Committee work plan.

PARKS GAS WELL FUND
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Gas Well Royalties	\$ 71,752	\$ 70,000	\$ 22,867	\$ 70,000
Interest Income	6,500	-	11,475	-
TOTAL REVENUES	\$ 78,252	\$ 70,000	\$ 34,341	\$ 70,000
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 78,252	\$ 70,000	\$ 34,341	\$ 70,000

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Capital Outlay	\$ 50,000	\$ 70,000	\$ 32,973	\$ 70,000
TOTAL EXPENDITURES	\$ 50,000	\$ 70,000	\$ 32,973	\$ 70,000

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
The budget is proposed to utilize \$70,000 to assist in the completion of Parks and Recreation Department projects that are currently planned or those that develop during the budget year.	The budget is proposed to utilize \$70,000 to assist in the completion of Parks and Recreation Department projects that are currently planned or those that develop during the budget year.

TREE MITIGATION FUND
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Landscaping Fee	\$ 1,022,444	\$ 575,000	\$ 134,187	\$ 900,000
Interest Income	130,262	50,000	88,121	100,000
TOTAL REVENUES	\$ 1,152,706	\$ 625,000	\$ 222,308	\$ 1,000,000
Use of Reserves	-	375,000	72,788	-
TOTAL RESOURCES	\$ 1,152,706	\$ 1,000,000	\$ 295,096	\$ 1,000,000

EXPENDITURES BY DIVISION	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Tree Preservation	\$ 524,745	\$ 906,207	\$ 217,841	\$ 902,755
Tree Rebates	28,282	62,593	36,267	50,669
KDB Tree Program	17,400	31,200	45,091	46,576
TOTAL EXPENDITURES	\$ 570,426	\$ 1,000,000	\$ 299,199	\$ 1,000,000

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Personnel Services	\$ 11,076	\$ 17,970	\$ 19,508	\$ 19,469
Insurance	-	923	923	861
Operations	339,350	482,433	274,665	484,433
Transfer to Capital	220,000	498,674	-	495,237
TOTAL EXPENDITURES	\$ 570,426	\$ 1,000,000	\$ 295,096	\$ 1,000,000

PERSONNEL	FY 2024	FY 2025	FY 2025	FY 2026
Full Time Equivalents (FTE) ⁽¹⁾	ACTUAL	ADOPTED	ESTIMATE	PROPOSED
TOTAL PERSONNEL	0.50	-	-	-

⁽¹⁾ Excludes seasonal/temporary positions.

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
The Tree Mitigation Fund is utilized to plant trees in parks and within right-of-ways. Funding will be used to support tree plantings and various activities related to the urban tree canopy. A portion of this allocation may also be used to purchase land if it is determined to be needed.	The Tree Mitigation Fund is utilized to plant trees in parks and within right-of-ways. Funding will be used to support tree plantings and various activities related to the urban tree canopy. A portion of this allocation may also be used to purchase land if it is determined to be needed. \$447,650 is budgeted to increase tree canopy growth. This funding will provide 3,342 trees to be planted in the community.

ROADWAY IMPACT FEE FUND
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Impact Fees	\$ 3,053,331	\$ 3,500,000	\$ 4,255,329	\$ 4,500,000
Interest Income	629,029	-	493,348	500,000
TOTAL REVENUES	\$ 3,682,360	\$ 3,500,000	\$ 4,748,677	\$ 5,000,000
Use of Reserves	-	3,054,000	751,323	-
TOTAL RESOURCES	\$ 3,682,360	\$ 6,554,000	\$ 5,500,000	\$ 5,000,000

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Capital Outlay	\$ 1,519,000	\$ 6,554,000	\$ 5,500,000	\$ 5,000,000
TOTAL EXPENDITURES	\$ 1,519,000	\$ 6,554,000	\$ 5,500,000	\$ 5,000,000

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
The budget includes revenues of \$3,500,000, expenditures of \$6,554,000, and the use of reserves of \$3,054,000 to fund additional needs for Service Area A.	The budget includes revenues of \$5,000,000, expenditures of \$5,000,000, to fund roadway projects in various service areas.

PUBLIC EDUCATION GOVERNMENT (PEG) FUND
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Subscriber Fees	\$ 134,621	\$ 150,000	\$ 119,369	\$ 150,000
TOTAL REVENUES	\$ 134,621	\$ 150,000	\$ 119,369	\$ 150,000
Use of Reserves	81,519	350,000	-	350,000
TOTAL RESOURCES	\$ 216,140	\$ 500,000	\$ 119,369	\$ 500,000

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Maintenance & Repair	\$ 88,030	\$ 170,000	\$ 68,767	\$ 115,000
Operations	59,145	260,000	-	360,000
Capital Outlay	37,272	70,000	453	-
Fixed Assets	31,693	-	-	25,000
TOTAL EXPENDITURES	\$ 216,140	\$ 500,000	\$ 69,220	\$ 500,000

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
The budget includes a decrease of \$120,000 to the expected revenue based on the trends of the last five years.	The budget includes increase in Operations and Fixed Assets. Out of \$360K in operations outside contract service would be \$100K and remaining would be prior year reserves.

MCKENNA TRUST FUND
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Fund Distributions	\$ 8,136	\$ 9,000	\$ 8,136	\$ 9,000
Interest Income	1,423	2,500	1,365	2,500
TOTAL REVENUES	\$ 9,559	\$ 11,500	\$ 9,501	\$ 11,500
Use of Reserves	309	8,500	-	8,500
TOTAL RESOURCES	\$ 9,868	\$ 20,000	\$ 9,501	\$ 20,000

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Operations	\$ 9,868	\$ 20,000	\$ -	\$ 20,000
TOTAL EXPENDITURES	\$ 9,868	\$ 20,000	\$ -	\$ 20,000

MAJOR BUDGET ITEMS

FY 2025	FY 2026
Funding is dedicated to maintaining and improving the George McKenna Park. The budget provides funding for irrigation, signage, and landscaping needs throughout the year.	Funding is dedicated to maintaining and improving the George McKenna Park. The budget provides funding for irrigation, signage, and landscaping needs throughout the year.

PARK LAND DEDICATION TRUST FUND
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Fees in Lieu of Property Dedication	\$ 1,031,619	\$ 2,000,000	\$ 1,212,614	\$ 2,000,000
Interest Income	287,731	175,000	221,452	175,000
TOTAL REVENUES	\$ 1,319,350	\$ 2,175,000	\$ 1,434,066	\$ 2,175,000
Use of Reserves	5,210	-	-	-
TOTAL RESOURCES	\$ 1,324,560	\$ 2,175,000	\$ 1,434,066	\$ 2,175,000

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Capital Outlay	\$ 1,324,560	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
TOTAL EXPENDITURES	\$ 1,324,560	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
Park dedication funding is used for the acquisition of land or if no land is available in the desired location, it can be used for park development. Funds in this budget year will be used for Bowling Green Park, Village of Carmel Park, Briercliff Park, Denia Park, and more.	Park dedication funding is used for the acquisition of land or if no land is available in the desired location, it can be used for park development. Funds in this budget year will be used for Bowling Green Park, Village of Carmel Park, Briercliff Park, Denia Park, and more.

PARK DEVELOPMENT TRUST FUND
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Development Fees	\$ 1,197,997	\$ 2,000,000	\$ 3,355,027	\$ 2,500,000
Interest Income	312,053	200,000	293,208	200,000
TOTAL REVENUES	\$ 1,510,050	\$ 2,200,000	\$ 3,648,235	\$ 2,700,000
Use of Reserves	-	-	-	-
TOTAL RESOURCES	\$ 1,510,050	\$ 2,200,000	\$ 3,648,235	\$ 2,700,000

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Capital Outlay	\$ 259,454	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
TOTAL EXPENDITURES	\$ 259,454	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
The budget includes funding for constructing parks and amenity enhancements at various parks as needs arise. Staff is focused on completing existing projects and beginning to implement new park improvements. Funds will be used for Bowling Green Park, Village of Carmel Park, Briercliff Park, Denia Park, and more.	The budget includes funding for constructing parks and amenity enhancements at various parks as needs arise. Staff is focused on completing existing projects and beginning to implement new park improvements.

DOWNTOWN TAX INCREMENT REINVESTMENT ZONE FUND
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Ad Valorem Taxes	\$ 917,616	\$ 797,580	\$ 1,062,247	\$ 1,013,677
Interest Income	235,968	180,842	210,033	180,842
TOTAL REVENUES	\$ 1,153,584	\$ 978,422	\$ 1,272,280	\$ 1,194,519
Use of Reserves	-	563,829	-	347,732
TOTAL RESOURCES	\$ 1,153,584	\$ 1,542,251	\$ 1,272,280	\$ 1,542,251

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Operations	\$ 103,695	\$ 1,542,251	\$ 219,998	\$ 1,542,251
TOTAL EXPENDITURES	\$ 103,695	\$ 1,542,251	\$ 219,998	\$ 1,542,251

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
The 2010 base value of the Tax Increment Reinvestment Zone (TIRZ) was \$79,356,854 and the value was based on the certified value of \$230,735,298. Per the TIRZ agreement, 2024 is the second year of five in which 90% of the incremental value was used. This represented an incremental value of \$136,240,592 or revenue of \$797,580 to the fund at a collection rate of 100%. The budget includes \$1,542,251 for future grants.	The 2010 base value of the Tax Increment Reinvestment Zone (TIRZ) was \$79,356,854 and the value was based on the certified value of \$271,399,347 Per the TIRZ agreement, 2026 is the fourth year of five in which 90% of the incremental value was used. This represented an incremental value of \$172,838,244 or revenue of \$1,013,677 to the fund at a collection rate of 98.5%. The boundary for the Downtown TIRZ has increased and the budget includes \$1,542,251 for fine arts and miscellaneous grants.

WESTPARK TAX INCREMENT REINVESTMENT ZONE FUND
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Ad Valorem Taxes- City	\$ 883,732	\$ 968,652	\$ 968,652	\$ 1,052,685
Ad Valorem Taxes- County	298,661	313,527	313,527	332,147
Interest Income	127,382	107,850	138,759	107,850
TOTAL REVENUES	\$ 1,309,775	\$ 1,390,029	\$ 1,420,938	\$ 1,492,682
Use of Reserves	-	1,592,787	2,078,962	-
TOTAL RESOURCES	\$ 1,309,775	\$ 2,982,816	\$ 3,499,900	\$ 1,492,682

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Operations	\$ 210,047	\$ 3,522,650	\$ 3,499,900	\$ 474,006
TOTAL EXPENDITURES	\$ 210,047	\$ 3,522,650	\$ 3,499,900	\$ 474,006

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
The City and County contributed 40% of the incremental increase in taxable value to the fund. The 2012 base value of the Westpark Tax Increment Reinvestment Zone (TIRZ) was \$119,458. The proposed budget was based on the certified value of \$413,776,211, which represented an adjusted incremental value of \$165,462,701 or revenue of \$968,652 at a collection rate of 100%. The budget includes estimated incentive payments of \$3,499,900.	The City and County contributed 40% of the incremental increase in taxable value to the fund. The 2012 base value of the Westpark Tax Increment Reinvestment Zone (TIRZ) was \$119,458. The proposed budget is based on the certified value of \$448,842,745, which represented an adjusted incremental value of \$179,489,315 or revenue of \$1,492,682 at a collection rate of 98.5%. The budget includes incentive payments of \$474,006.

MEADOWS MUNICIPAL UTILITY DISTRICT
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Operating Revenue	\$ 307,887	\$ 307,750	\$ 307,750	\$ -
TOTAL REVENUES	\$ 307,887	\$ 307,750	\$ 307,750	\$ -

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Transfers to Capital	\$ -	\$ 307,750	\$ 307,750	\$ -
TOTAL EXPENDITURES	\$ -	\$ 307,750	\$ 307,750	\$ -

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
Budget includes creation of a Municipal Utility District appropriating \$307,750 for Fire Services and Capital needs.	City will not be providing Fire services for FY2026

LEGENDS MUNICIPAL UTILITY DISTRICT
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Operating Revenue	\$ 563,575	\$ 169,250	\$ 142,053	\$ 147,000
TOTAL REVENUES	\$ 563,575	\$ 169,250	\$ 142,053	\$ 147,000

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Transfers to Capital	\$ -	\$ 169,250	\$ 169,250	\$ 147,000
TOTAL EXPENDITURES	\$ -	\$ 169,250	\$ 169,250	\$ 147,000

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
Budget includes creation of a new Municipal Utility District appropriating \$169,250 for Fire services and capital needs.	Budget includes appropriating \$147,000 for Fire services and capital needs.

TOURISM PUBLIC IMPROVEMENT DISTRICT
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Operating Revenue	\$ -	\$ 1,103,385	\$ 966,683	\$ 1,203,334
TOTAL REVENUES	\$ -	\$ 1,103,385	\$ 966,683	\$ 1,203,334

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Transfer to Capital	\$ -	\$ 1,103,385	\$ 966,683	\$ 1,203,334
TOTAL EXPENDITURES	\$ -	\$ 1,103,385	\$ 966,683	\$ 1,203,334

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
Budget included the creation of a new Tourism Public Improvement District (TPID). This fund will allocate revenue from hotel taxes to be spent within the district to promote tourism and further invest in the city's economic development.	This budget includes funding initiatives that promote tourism and enhance hotel activity, including advertising, promotion, and business recruitment and development.

PUBLIC HOUSING FINANCE CORPORATION
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Operating Revenue	\$ -	\$ 5,000,000	\$ -	\$ -
Interest Income	-	-	-	-
TOTAL REVENUES	\$ -	\$ 5,000,000	\$ -	\$ -

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Operations	\$ -	\$ -	\$ -	\$ -
Transfer to Capital	-	5,000,000	-	-
TOTAL EXPENDITURES	\$ -	\$ 5,000,000	\$ -	\$ -

MAJOR BUDGET ITEMS

FY 2025	FY 2026
Budget includes the creation of a new Public Housing Finance Corporation for the funding of affordable housing and home repair programs as may be permitted by law, and funding loans and grants for affordable housing purposes.	Bonds are anticipated to be issued in a future year as part of the 2023 Bond Program.

DONATION FUNDS
RESOURCE & EXPENDITURE SUMMARY

RESOURCES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Police Donations	\$ -	\$ 10,000	\$ 1,237	\$ 10,000
Fire Donations	1,250	5,000	-	5,000
Animal Control Donations	116,903	60,000	48,262	39,000
Library Donations	30,154	38,000	19,896	38,000
Parks Donations	55,486	126,000	8,508	125,500
TOTAL REVENUES	\$ 203,793	\$ 239,000	\$ 77,903	\$ 217,500
Use of Reserves - Animal Control Donations	-	20,000	-	41,000
Use of Reserves - Library Donations	-	3,000	-	22,000
Use of Reserves - Parks Donations	-	5,000	-	-
TOTAL RESOURCES	\$ 203,793	\$ 267,000	\$ 77,903	\$ 280,500

EXPENDITURES	FY 2024 ACTUAL	FY 2025 ADOPTED	FY 2025 ESTIMATE	FY 2026 PROPOSED
Police Donations	\$ -	\$ 10,000	\$ 1,237	\$ 10,000
Fire Donations	1,077	5,000	-	5,000
Animal Control Donations	88,317	80,000	48,262	80,000
Library Donations	19,815	41,000	19,896	60,000
Parks Donations	13,701	131,000	8,508	125,500
TOTAL EXPENDITURES	\$ 122,910	\$ 267,000	\$ 77,903	\$ 280,500

MAJOR BUDGET ITEMS	
FY 2025	FY 2026
Parks Donations budget included \$126,000 in donations and \$131,000 in expenses for park enhancements, memorials, scholarships and recognition programs. The Library donations budget included \$38,000 in revenues and \$41,000 in expenses. Police donations budget included \$10,000 in revenues and \$10,000 in expenses for miscellaneous supplies. Fire donations included \$5,000 in revenues and \$5,000 in expenses for miscellaneous supplies for new fire stations. The Animal Control donations budget included \$60,000 in revenues and \$80,000 in expenses for adoption subsidies, medical treatment for sheltered animals, and supplies.	Parks Donations budget includes \$125,500 in donations and \$125,500 in expenses for park enhancements, memorials, scholarships and recognition programs. The Library donations budget includes \$38,000 in revenues and \$60,000 in expenses. Police donations budget includes \$10,000 in revenues and \$10,000 in expenses for miscellaneous supplies. Fire donations includes \$5,000 in revenues and \$5,000 in expenses for miscellaneous supplies for new fire stations. The Animal Control donations budget includes \$39,000 in revenues and \$80,000 in expenses for adoption subsidies, medical treatment for sheltered animals, and supplies.

**GRANTS BUDGET
EXPENDITURE SUMMARY**

DESCRIPTION

The grants budget is a summary of local, state and federal grants awarded to the City of Denton. Grants are awarded to support programs in the City and are not funded with City resources. Miscellaneous new grants are potential awards anticipated during the fiscal year.

GRANT NAME	GRANT YEAR	EXPIRATION DATE	Grant Awarded	Type	Life to Date Net Expense	Available Grant Award
Community Development Block Grant	2019-20	-	993,188	Federal	943,822	49,366
Community Development Block Grant	2021-22	-	1,031,032	Federal	871,114	159,918
Community Development Block Grant	2022-23	-	925,725	Federal	825,725	100,000
Community Development Block Grant	2023-24	-	964,531	Federal	960,953	3,578
Community Development Block Grant	2024-25	-	1,015,047	Federal	451,423	563,624
Community Development Block Grant-CV ²	2025-26	-	1,049,336	Federal	-	1,049,336
Sub-Total CDBG			\$ 5,978,859		\$ 4,053,037	\$ 1,925,822
HOME Investment Partnership Grant	2020-21	-	505,355	Federal	480,898	24,457
HOME Investment Partnership Grant	2021-22	-	487,076	Federal	400,598	86,478
HOME Investment Partnership Grant	2022-23	-	503,797	Federal	124,943	378,854
HOME Investment Partnership Grant	2023-24	-	513,327	Federal	122,364	390,963
HOME Investment Partnership Grant	2024-25	-	471,992	Federal	(32,658)	504,650
HOME Investment Partnership Grant	2025-26	-	462,239	Federal	-	462,239
HOME-American Rescue Plan (ARP) Act of 2021	2021-22	-	1,763,622	Federal	710,393	1,053,229
Sub-Total HOME			\$ 4,707,408		\$ 1,806,538	\$ 2,900,870
TOTAL COMMUNITY DEVELOPMENT			\$ 10,686,267		\$ 5,859,575	\$ 4,826,692
DWI Phlebotomy Program	2025-26	9/30/2026	100,000	Federal	-	100,000
FY2023 Edward Byrne Memorial Justice Assistance Grant	2022-26	9/30/2026	71,615	Federal	7,095	64,520
FY2024 Edward Byrne Memorial Justice Assistance Grant	2023-27	9/30/2027	62,534	Federal	-	62,534
2025 UASI- Mobile Barricades	2025-26	9/30/2026	137,338	Federal	-	137,338
2021 Staffing for Adequate Fire & Emergency Response (SAFER) Grant	2023-26	8/7/2026	3,731,892	Federal	2,515,887	1,216,005
2022 Staffing for Adequate Fire & Emergency Response (SAFER) Grant	2024-27	2/25/2027	2,035,458	Federal	865,758	1,169,700
Urban Search & Rescue Response System (TEEX)	2024-26	9/30/2026	400,000	Federal/State	-	400,000
Texas Intrastate Fire Mutual Aid System-Emergency Response	2025-26	9/30/2026	200,000	Federal	-	200,000
TOTAL PUBLIC SAFETY			\$ 6,738,837		\$ 3,388,740	\$ 3,350,097
2026 Airport RAMP Grant	2025-26	8/31/2026	100,000	State	-	100,000
Airport Master Plan	2023-28	3/28/2028	709,780	Federal	420,609	289,171
Bonnie Brae Road IH35 East to US 377	2018-19	Upon Completion	46,151,351	State	45,598,235	553,116
RTR McKinney Street	2016-17	1/5/2027	18,267,303	State	17,246,415	1,020,888
Hickory Creek FM2181-FM2499	2015-16	1/26/2026	2,400,000	State	1,728,706	671,294
Hickory Creek FM 1830 to Riverpass Drive	2022-23	Upon Completion	10,000,000	State	6,492,282	3,507,718
North Texas Boulevard Roundabout	2015-16	TBD	2,000,000	State	1,268,622	731,378
Sycamore-Welch Bike & Pedestrian	2017-18	Upon Completion	762,508	Federal	126,560	635,948
CMAQ-School Connection Sidewalks	2018-19	Upon Completion	438,820	Federal	110,134	328,686
Safe Routes to School-Ginnings & Lee	2018-19	Upon Completion	762,311	Federal	108,400	653,911
Safe Streets and Roads for All	2024-25	12/31/2025	576,000	Federal	-	576,000
NCTCOG - Work Zone Data Exchange	2025-26	Upon Completion	299,800	Federal	-	299,800
DCTA TRIP	2021-26	Upon Completion	20,815,078	Local	3,227,199	17,587,879
TOTAL TRANSPORTATION			\$ 103,282,951		\$ 76,327,162	\$ 26,955,789
Green Ribbon Grant-FM 2499	2021-23	Upon Completion	657,615	Federal	652,763	4,852
Green Ribbon Grant- HWY 377	2022-23	Upon Completion	420,000	Federal	399,270	20,730
Bonnie Brae Phase 6	2020-21	Upon Completion	10,895,350	Federal	2,876,555	8,018,795
TPWD Local Parks Grant 2022	2023-26	9/30/2026	621,562	Federal	-	621,562

TPWD Local Parks Grant 2023	2024-27	6/6/2027	598,532	Federal	-	598,532
TPWD Local Parks Grant 2024	2024-28	TBD	750,000	Federal	-	750,000
Boating Access 2023	2024-27	6/30/2027	97,500	Federal	-	97,500
NRPA SHAPR Grant	2024-26	7/31/2026	1,000	Federal	-	1,000
Transportation Alternatives 2023	2024-25	Upon Completion	10,971,904	Federal	-	10,971,904
Governor's Community Achievement Award	2021-24	TBD	290,000	State	-	290,000
American Rescue Plan (ARP) Act of 2021 ³	2021-26	12/31/2026	23,290,438	Federal	21,947,538	1,342,900
Miscellaneous New Grants ¹	2024-25	TBD	3,219,229	Federal and/or State	-	3,219,229
TOTAL OTHER			\$ 51,813,130		\$ 25,876,126	\$ 25,937,004
GRAND TOTAL			\$ 172,521,185		\$ 111,451,603	\$ 61,069,582
Non- Capital Grants			44,033,271		31,195,853	12,837,418
Capital Grants			128,487,914		80,255,750	48,232,164
Grant Total			\$ 172,521,185		\$ 111,451,603	\$ 61,069,582

¹Potential awards anticipated during the fiscal year.
²All expenditures incurred per grant awarded.
³All funds encumbered prior to Dec. 31,2024 deadline and must be spent by Dec. 31,2026.

**2025-2026 HUMAN SERVICES
FUNDING RECOMMENDATIONS**

Organization	2025	2026	Funding by Source	
	Contribution	Funding Request	General Fund	CDBG
CASA of Denton County	\$ 30,000	\$ 35,340	\$ 35,340	\$ -
Children's Advocacy Center for North Texas, Inc.	25,000	40,388	40,388	-
Cumberland Youth and Family Services	15,000	16,155	16,155	-
City of Denton - Parks & Recreation (Summer Camp)	45,000	43,922	-	43,922
Communities in Schools of North Texas, Inc.	27,500	35,340	35,340	-
Denton Christian Preschool	30,000	30,291	30,291	-
Denton City County Day School	10,000	15,145	15,145	-
Denton County Friends of the Family	40,000	45,437	-	45,437
Denton County MHMR	28,000	30,291	30,291	-
Refuge for Women	-	15,360	15,360	-
Giving Grace, Inc.	40,000	36,854	36,854	-
Health Services of North Texas, Inc.	50,000	50,485	-	50,485
North Texas Solutions for Recovery, Inc. (SONTX) ³	45,000	-	-	-
Opening Doors International Services, Inc.	15,000	15,145	15,145	-
Our Daily Bread, Inc.	39,134	39,378	39,378	-
PediPlace	30,000	35,339	35,339	-
SPAN, Inc.	25,500	25,243	7,687	17,556
The Salvation Army - Denton	30,000	25,242	25,242	-
SUBTOTAL HUMAN SERVICES GRANT	\$ 525,134	\$ 535,355	\$ 377,955	\$ 157,400
Children's Advocacy Center for North Texas ¹	\$ 233,280	\$ 215,520	\$ 215,520	\$ -
Interfaith Utility Assistance Program ²	225,000	225,000	225,000	-
SUBTOTAL OTHER SOCIAL SERVICES	\$ 458,280	\$ 440,520	\$ 440,520	\$ -
Barriers Fund (United Way)	\$ 80,000	\$ 80,000	\$ 80,000	\$ -
Denton's Community Shelter (Our Daily Bread)	400,000	400,000	400,000	-
Homelessness Initiatives (United Way)	80,000	80,000	80,000	-
Street Outreach (Giving Grace)	128,450	128,450	128,450	-
Homeless Mgmt. Information Systems (United Way)	15,000	15,000	15,000	-
SUBTOTAL HOMELESS INITIATIVES	\$ 703,450	\$ 703,450	\$ 703,450	\$ -
TOTAL	\$ 1,686,864	\$ 1,679,325	\$ 1,521,925	\$ 157,400

¹ Funding for the Children's Advocacy Center is \$215,520 and is reflected in the Police Department FY 2025-26 Contributions budget for Fairshare.

² Funding for Interfaith is \$225,000 and is reflected in the Customer Service FY 2025-26 budget.

³ North Texas Solutions for Recovery is no longer in business as of April 2025.



City of Denton Recycle Smart



Capital Improvement Program

Capital Improvement Program (CIP)
FY 2025 - 2026 Capital Budget

The Capital Improvement Program (CIP) represents the City's plan for infrastructure and equipment funding. The CIP is reviewed each year to reflect changing priorities, as well as to assess the impact of capital projects on operating budgets and for project scheduling and coordination.

The CIP adopted budget appropriates all available programmed funds and planned issuances of new General Obligation Bonds (GOs) and Certificates of Obligation (COs). Total existing appropriated funds in the amount of \$691.63 million include unspent bond proceeds, internal revenue transfers and outside contributions which may be encumbered but not yet expended. Proposed planned new funding for FY 2026 is \$552.81 million, which includes cost participation. Provided below is a summary of the total preliminary FY 2026 CIP capital budget. Further CIP detail for planned issuances is provided in the following pages for each division.

DIVISION	TOTAL	NEW FUNDING							FY 25-26
	CURRENT	EXTERNAL	REVENUE	IMPACT FEE	GO	CO	REVENUE	NEW FUNDING	
	APPROPRIATED	FUNDING ¹	FUNDING	FUNDING	ISSUANCES	ISSUANCES	ISSUANCES	TOTAL	GRAND TOTAL
General Government	\$ 361,213	\$ 5,000	\$ 7,258	\$ 5,000	\$ 44,223	\$ 65,548	\$ -	\$ 127,029	\$ 488,242
Electric	96,178	4,050	1,475	-	-	58,435	-	63,960	160,138
Water	95,568	-	1,333	-	-	93,591	-	94,924	190,491
Wastewater	111,511	-	2,830	-	-	240,167	-	242,997	354,508
Solid Waste	25,386	-	3,463	-	-	18,249	-	21,712	47,098
Airport	1,777	1,755	435	-	-	-	-	2,190	3,967
TOTAL	\$ 691,632	\$ 10,805	\$ 16,794	\$ 5,000	\$ 44,223	\$ 475,989	\$ -	\$ 552,811	\$ 1,244,443

¹Aid in Construction/Cost Participation.

²All figures in this document are in thousands ('000's).

Funding Table Definitions

Total Current Appropriated

This column represents the amount of existing funding set aside for a specific and particular purpose in projects which may be encumbered, but not yet expended.

External Funding

This column represents funding received from an outside agency. The FY 2025- 2026 external funding is comprised of \$5 million in TRIP funding, \$4.05 million in aid in construction funding, and \$1.755 million in cost participation funding.

Revenue Funding

This column represents the amount of funding the City will transfer into projects as revenue becomes available during the fiscal year. This can include property or sales tax receipts, or other sources of revenue such as fees and fines.

Impact Fee Funding

This column represents revenue collected by the City to offset the cost of providing additional public services for a new development.

GO Issuance

This column represents bond proceeds whose principal and interest are paid from either property tax or revenue. The issuance of GOs must be approved by voters.

CO Issuance

This column represents bond proceeds whose principal and interest are paid from either property tax or revenue. The issuance of COs does not require voter approval but are restrictive in their use to specific public purposes such as public safety, parks, vehicles, utility systems, and airports.

*Capital Improvement Program
General Government Summary
Cash Requirements
(In Thousands)*

CATEGORY	CIP Submissions					TOTAL
	2025-26	2026-27	2027-28	2028-29	2029-30	
2023 Bond Election (Proposition A) - Street Improvements	\$ 18,125	\$ 20,000	\$ -	\$ -	\$ -	\$ 38,125
2023 Bond Election (Proposition B) - Drainage & Flood Control	25,595	16,997	-	-	-	42,592
2023 Bond Election (Proposition C) - Park System Improvements	-	17,000	3,000	3,000	-	23,000
2023 Bond Election (Proposition D) - Public Safety Facilities	503	-	-	-	-	503
2023 Bond Election (Proposition E) - Affordable Housing	-	5,000	5,000	5,000	-	15,000
2023 Bond Election (Proposition F) - Active Adult Center	-	5,930	25,000	16,430	16,430	63,790
2023 Bond Election (Proposition G) - South Branch Library	-	5,000	18,000	24,045	-	47,045
General Obligation Bonds	\$ 44,223	\$ 69,927	\$ 51,000	\$ 48,475	\$ 16,430	\$ 230,055
General Government - Finance ERP Replacement	\$ -	\$ -	\$ 4,500	\$ -	\$ -	\$ 4,500
General Government - Service Center Renovation	-	-	15,000	25,000	5,000	45,000
General Government - Fire Station # 5	400	-	-	-	-	400
General Government - Fire Station # 6	1,100	-	-	-	-	1,100
General Government - Fire Station: Legends Ranch	-	500	15,000	-	-	15,500
General Government - Linda McNatt Animal Shelter	4,500	-	-	-	-	4,500
General Government - Facility Improvements	12,125	24,500	10,350	10,425	5,825	63,225
General Government - Parks Improvements	1,375	4,757	2,938	1,476	4,168	14,713
General Government - Fleet Management Improvements	500	-	-	-	-	500
General Government - Fleet Vehicle/Equipment Replacements	5,564	3,342	3,342	3,342	-	15,590
General Government - Technology Services Improvements	6,233	12,233	8,630	6,471	9,841	43,408
General Government - Traffic Improvements	6,458	7,658	7,658	7,658	7,658	37,090
General Government - Drainage Improvements	4,417	12,027	23,360	16,709	4,227	60,740
General Government - Roadway Improvements	22,875	26,513	30,250	12,917	9,133	101,689
Certificates of Obligation	\$ 65,548	\$ 91,531	\$ 121,027	\$ 83,998	\$ 45,852	\$ 407,955
Franchise Fees - Neighborhood Street Reconstruction	\$ 6,000	\$ 6,000	\$ -	\$ -	\$ -	\$ 12,000
General Fund - Bike Lanes	200	200	200	200	200	1,000
General Fund - Parks Capital Maintenance	175	521	322	388	254	1,660
General Fund - Recreation Center Capital Maintenance	200	191	160	153	122	826
General Fund - Aquatics Capital Maintenance	683	516	570	349	610	2,727
Revenue Funded	\$ 7,258	\$ 7,428	\$ 1,252	\$ 1,089	\$ 1,186	\$ 18,213
General Government - Street Improvements	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
Impact Fees	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
External Funding (TRIP)	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
External Funding	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
GRAND TOTAL	\$ 127,029	\$ 178,885	\$ 183,279	\$ 143,562	\$ 73,468	\$ 706,224
Revenue Funded	\$ 7,258	\$ 7,428	\$ 1,252	\$ 1,089	\$ 1,186	\$ 18,213
Impact Fees	5,000	5,000	5,000	5,000	5,000	25,000
External Funding	5,000	5,000	5,000	5,000	5,000	25,000
General Obligation Bonds	44,223	69,927	51,000	48,475	16,430	230,055
Certificates of Obligation	65,548	91,531	121,027	83,998	45,852	407,955
GRAND TOTAL	\$ 127,029	\$ 178,885	\$ 183,279	\$ 143,562	\$ 73,468	\$ 706,224
Total Current Appropriated	\$ 361,213					
GENERAL GOVERNMENT TOTAL	\$ 488,242					

*Capital Improvement Program**2023 Bond Election Timeline*

	Prior Issued	2026	2027	2028	2029	TOTAL
GENERAL OBLIGATION BOND PROGRAM						
Ruddell / Mingo Roadway & Quiet Zones	\$ 7,000	\$ 18,125	\$ 20,000	\$ -	\$ -	\$ 45,125
2023 Bond Election (Proposition A) - Street Improvements	\$ 7,000	\$ 18,125	\$ 20,000	\$ -	\$ -	\$ 45,125
Oakland Drainage & Upstream Detention	\$ 8,000	\$ 15,595	\$ 10,000	\$ -	\$ -	\$ 33,595
PEC 4 Phases 3 & 4	8,268	10,000	6,997	-	-	25,265
2023 Bond Election (Proposition B) - Drainage & Flood Control	\$ 16,268	\$ 25,595	\$ 16,997	\$ -	\$ -	\$ 58,860
Inclusive Playground	\$ 3,450	\$ -	\$ -	\$ -	\$ -	\$ 3,450
Trail Development	4,000	-	5,000	3,000	3,000	15,000
Aquatic Improvements	3,000	-	12,000	-	-	15,000
2023 Bond Election (Proposition C) - Park System Improvements	\$ 10,450	\$ -	\$ 17,000	\$ 3,000	\$ 3,000	\$ 33,450
Fire Station # 5	\$ 12,671	\$ -	\$ -	\$ -	\$ -	\$ 12,671
Fire Station # 6	12,671	-	-	-	-	12,671
Linda McNatt Animal Care & Adoption Center	15,850	-	-	-	-	15,850
Public Art - Public Safety	320	503	-	-	-	823
2023 Bond Election (Proposition D) - Public Safety Facilities	\$ 41,512	\$ 503	\$ -	\$ -	\$ -	\$ 42,015
Affordable Housing	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 15,000
2023 Bond Election (Proposition E) - Affordable Housing	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 15,000
Active Adult Center	\$ -	\$ -	\$ 5,000	\$ 25,000	\$ 16,430	\$ 46,430
Public Art - Public Safety	-	-	930	-	-	930
2023 Bond Election (Proposition F) - Active Adult Center	\$ -	\$ -	\$ 5,930	\$ 25,000	\$ 16,430	\$ 47,360
South Branch Library	\$ 2,500	\$ -	\$ 5,000	\$ 18,000	\$ 23,076	\$ 48,576
Public Art - South Branch Library	-	-	-	-	969	969
2023 Bond Election (Proposition G) - South Branch Library	\$ 2,500	\$ -	\$ 5,000	\$ 18,000	\$ 24,045	\$ 49,545
TOTAL 2023 BOND PROGRAM ISSUANCE	\$ 77,730	\$ 44,223	\$ 69,927	\$ 51,000	\$ 48,475	\$ 291,355

*Bond Program Information***2023 Bond Program Propositions**

The City of Denton's 2023 bond program consisted of seven voter-approved propositions. A proposition is a spending category that encompasses a group of similar infrastructure or amenity projects. The propositions within the proposed 2023 bond program were identified through the analysis of current use of facilities, overall road conditions, citizen surveys and feedback, and the impact that potential growth may have on mobility and public welfare. Each proposition includes information on the spending category and a maximum dollar amount that may be used for projects that fall in that category. Voters approve each individual proposition, not individual projects.

2023 Bond Program Projects

As part of the development of the proposed bond program, the Special Citizens' Bond Advisory Committee (SCBAC) considered potential bond program projects and developed funding levels for the bond program based on the cost of the potential projects. The City Council further evaluated the SCBAC list of potential projects and included the above projects in the 2023 Bond Program.

2023 Bond Program Timeline

When a bond program is approved by voters, the City of Denton issues the bonds over a period of 5-7 years. This ensures the projects are coordinated and sequenced correctly to avoid construction delays. Additionally, by issuing the bonds over a period of time, the financial impacts on the tax rate is minimized. Fiscal year 2025-26 represents the third year of the bond program.

Capital Improvement Program
Enterprise Fund Summary
Cash Requirements
(In Thousands)

ENTERPRISE FUNDS	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
Electric	\$ 63,960	\$ 78,739	\$ 68,836	\$ 97,463	\$ 81,117	\$ 390,116
Water	94,924	125,824	139,923	74,074	11,140	445,885
Wastewater	242,997	322,473	247,808	135,079	76,675	1,025,032
Solid Waste	21,712	5,995	6,221	10,400	3,981	48,309
Airport	2,190	2,315	-	12,000	8,000	24,505
Total Projects	\$ 425,782	\$ 535,346	\$ 462,788	\$ 329,016	\$ 180,913	\$ 1,933,846
Debt Funded Capital	\$ 410,442	\$ 507,822	\$ 441,802	\$ 302,751	\$ 166,148	\$ 1,828,966
Revenue Funded Capital	9,536	7,877	6,686	7,865	6,365	38,328
Cost Participation	4,050	17,600	14,300	6,400	400	42,750
External Funding	1,755	2,048	-	10,800	7,200	21,803
Total Funding	\$ 425,782	\$ 535,346	\$ 462,788	\$ 327,816	\$ 180,113	\$ 1,931,846
Total Current Appropriated	\$ 330,419					
UTILITY / ENTERPRISE TOTAL	\$ 756,201					

***Capital Improvement Program
Electric Summary
Cash Requirements
(In Thousands)***

5-Year Summary - Project Category

	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	TOTAL
Automated Meter Reading	\$ 1,805	\$ 1,940	\$ 761	\$ 853	\$ 833	\$ 6,192
Distribution Substations	8,210	6,220	3,850	5,200	4,600	28,080
Distribution Transformers	10,000	11,000	12,000	13,000	14,000	60,000
Feeder Extensions & Improvements	11,075	12,389	9,604	6,519	9,786	49,373
New Residential & Commercial	8,315	8,431	8,553	8,670	9,789	43,758
Power Factor Improvement	300	150	100	100	100	750
Street Lighting	650	650	250	250	250	2,050
Plant Production	-	-	6,000	11,000	-	17,000
Technology - Software & Hardware	4,409	2,909	2,009	24,250	24,850	58,427
Electric Relocations	5,500	5,500	5,500	1,500	1,500	19,500
Vehicles	1,475	3,060	3,060	3,060	3,060	13,715
Subtotal - Distribution	\$ 51,740	\$ 52,249	\$ 51,686	\$ 74,403	\$ 68,767	\$ 298,846
Transmission Lines	\$ 5,770	\$ 16,950	\$ 10,100	\$ 14,200	\$ 8,740	\$ 55,760
Transmission Substation	6,450	9,540	7,050	8,860	3,610	35,510
Subtotal - Transmission	\$ 12,220	\$ 26,490	\$ 17,150	\$ 23,060	\$ 12,350	\$ 91,270
GRAND TOTAL	\$ 63,960	\$ 78,739	\$ 68,836	\$ 97,463	\$ 81,117	\$ 390,116

5-Year Summary - Funding Source

	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	TOTAL
Debt Funded Capital	\$ 58,435	\$ 58,079	\$ 51,476	\$ 88,003	\$ 77,657	\$ 333,651
Revenue Funded Capital	1,475	3,060	3,060	3,060	3,060	13,715
Cost Participation	4,050	17,600	14,300	6,400	400	42,750
GRAND TOTAL	\$ 63,960	\$ 78,739	\$ 68,836	\$ 97,463	\$ 81,117	\$ 390,116
Total Current Appropriated	\$ 96,178					
FY 2025-26 Total	\$ 160,138					

Capital Improvement Program
Water Summary
Cash Requirements
(In Thousands)

5-Year Summary - Project Category

	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
Plant Improvements	\$ 34,905	\$ 74,300	\$ 113,900	\$ 60,000	\$ 2,750	\$ 285,855
Booster Stations	1,200	-	-	-	-	1,200
Facility Improvements	2,000	-	6,000	-	-	8,000
Transmission Lines	27,828	34,200	3,200	2,200	2,200	69,628
Taps, Fire Hydrants, & Meters	11,280	10,392	412	430	446	22,960
Replace Lines	10,200	4,000	4,000	4,000	4,000	26,200
Field Service Replacement	1,103	1,158	1,216	1,269	1,269	6,015
Oversize Lines	5,075	1,250	10,720	5,700	-	22,745
Water/Wastewater Modeling	250	-	-	-	-	250
Vehicle Replacement	1,083	524	475	475	475	3,032
GRAND TOTAL	\$ 94,924	\$ 125,824	\$ 139,923	\$ 74,074	\$ 11,140	\$ 445,885

5-Year Summary - Funding Source

	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
Debt Funded Capital ¹	\$ 93,591	\$ 125,300	\$ 139,448	\$ 73,599	\$ 10,665	442,603
Revenue Funded Capital	1,333	524	475	475	475	3,282
GRAND TOTAL	\$ 94,924	\$ 125,824	\$ 139,923	\$ 74,074	\$ 11,140	\$ 445,885
Total Current Appropriated	\$ 95,568					
FY 2025-26 Total	\$ 190,491					

¹Debt Funded Capital includes bonds and federal/state loans.

*Capital Improvement Program**Water CIP Projects*

Budget #		FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	TOTAL
BOOSTER STATIONS							
WTR-26.037	McKenna Park BPS Rehab & Fence Replacement	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000
WTR-26.038	Emergency Generator Evaluation	200	-	-	-	-	200
	TOTAL FUNDING	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ 1,200
FIELD SERVICE REPLACEMENT							
WTR-26.046	Annual Field Service Replacements	\$ 1,103	\$ 1,158	\$ 1,216	\$ 1,269	\$ 1,269	\$ 6,015
	TOTAL FUNDING	\$ 1,103	\$ 1,158	\$ 1,216	\$ 1,269	\$ 1,269	\$ 6,015
BUILDING IMPROVEMENTS & PLANNING							
WTR-26.018	LLWTP Admin Building	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ 6,000
WTR-26.052	Water/Wastewater Modeling	250	-	-	-	-	250
WTR-26.057	Service Center Renovation	2,000	-	-	-	-	2,000
	TOTAL FUNDING	\$ 2,250	\$ -	\$ 6,000	\$ -	\$ -	\$ 8,250
OVERSIZE WATER LINES							
WTR-26.048	Oversize Participation Agreements	\$ 5,075	\$ 1,250	\$ 10,720	\$ 5,700	\$ -	\$ 22,745
	TOTAL FUNDING	\$ 5,075	\$ 1,250	\$ 10,720	\$ 5,700	\$ -	\$ 22,745
REPLACEMENT LINES							
WTR-26.035	LCR (Lead and Copper Rule) Compliance	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 5,000
WTR-26.036	LCR (Lead and Copper Rule) Remediation	500	500	500	500	500	2,500
WTR-26.047	Water Distribution Replacement Program	2,500	2,500	2,500	2,500	2,500	12,500
WTR-26.056	Elm and Locust (Phase 2)	2,200	-	-	-	-	2,200
WTR-26.058	Supplement to Bond Election 2019 Projects	4,000	-	-	-	-	4,000
	TOTAL FUNDING	\$ 10,200	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 26,200
TAPS, FIRE HYDRANTS, & METERS							
WTR-26.031	Water Taps	\$ 317	\$ 327	\$ 343	\$ 360	\$ 373	\$ 1,720
WTR-26.032	Fire Hydrant Installs	63	65	69	70	73	340
WTR-26.033	Water Meters	900	-	-	-	-	900
WTR-26.034	AMI/AMR Replacements	10,000	10,000	-	-	-	20,000
	TOTAL FUNDING	\$ 11,280	\$ 10,392	\$ 412	\$ 430	\$ 446	\$ 22,960
PLANT IMPROVEMENTS							
WTR-26.001	RRWTP Expansion #1; RRWTP Expansion #2	\$ 5,000	\$ 48,000	\$ 112,000	\$ 57,000	\$ 750	\$ 222,750
WTR-26.002	RRWTP Capacity Rate and Performance Upgrades	9,100	14,000	-	-	-	23,100
WTR-26.003	RRWTP Disinfection Conversion and Chemical Improvements	4,500	4,500	-	-	-	9,000
WTR-26.004	RRWTP Raw Water Line Cleaning for Zebra Mussels	300	-	-	-	-	300
WTR-26.007	RRWTP Raw Water Bldg. Electric Room AC Replacement	25	-	-	-	-	25
WTR-26.008	RRWTP Ozone Generator Cleaning	550	-	-	-	-	550
WTR-26.009	RRWTP Automated Source Water Monitoring	100	-	-	-	-	100
WTR-26.010	RRWTP Sludge Dewatering	-	-	1,000	3,000	2,000	6,000
WTR-26.011	LLWTP Sludge Dewatering Improvement Project	3,250	-	-	-	-	3,250
WTR-26.013	Lake Lewisville Filter Media Replacement	1,000	-	-	-	-	1,000
WTR-26.014	LLWTP LAS Bulk Storage Capacity Redesign	500	-	-	-	-	500
WTR-26.015	LLWTP DME Pond Infill	400	1,500	500	-	-	2,400
WTR-26.017	LLWTP High Service Pump Station	250	-	-	-	-	250
WTR-26.019	LLWTP Condition Assessment & DPR Study	2,400	-	-	-	-	2,400
WTR-26.020	LLWTP Ozone Building AC Installation - ASAP	200	-	-	-	-	200
WTR-26.021	LLWTP Plant Electrical Building AC Replacement	50	-	-	-	-	50
WTR-26.022	LLWTP Automated Source Water Monitoring	100	-	-	-	-	100
WTR-26.023	LLWTP Plant Backwash Backup	-	100	400	-	-	500
WTR-26.024	Lake Lewisville Raw Water Station Rehab	2,000	4,000	-	-	-	6,000
WTR-26.039	Roselawn Elevated Storage Tank Improvements	3,780	-	-	-	-	3,780
WTR-26.040	Riney Road Tank Painting & Lighting Improvement	500	100	-	-	-	600
WTR-26.042	SCADAOT/IT Deliniation	250	500	-	-	-	750
WTR-26.043	Pump Station CIP-CI2 Conversion	100	100	-	-	-	200
WTR-26.044	NW EST Tank Painting	500	1,500	-	-	-	2,000
WTR-26.045	SWBPS - AC System Replacement	50	-	-	-	-	50
	TOTAL FUNDING	\$ 34,905	\$ 74,300	\$ 113,900	\$ 60,000	\$ 2,750	\$ 285,855

Capital Improvement Program

Water CIP Projects

Budget #		FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	TOTAL
TRANSMISSION LINES							
WTR-26.026	Sampling Station Upgrades	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 1,000
WTR-26.027	Large Valve Replacements	128	-	-	-	-	128
WTR-26.028	Transmission Line Condition Assessment	1,000	1,000	1,000	1,000	1,000	5,000
WTR-26.029	Transmission Line Condition Repairs	1,000	1,000	1,000	1,000	1,000	5,000
WTR-26.030	Ray Roberts Parallel 60" Transmission Line	500	-	-	-	-	500
WTR-26.049	24" Robson Ranch Transmission main ((D-1))	8,000	8,000	1,000	-	-	17,000
WTR-26.050	WMP Projects 17 & 20	15,000	16,000	-	-	-	31,000
WTR-26.051	12/16" US 380 Water Line (Project 27)	2,000	8,000	-	-	-	10,000
TOTAL FUNDING		\$ 27,828	\$ 34,200	\$ 3,200	\$ 2,200	\$ 2,200	\$ 69,628
VEHICLES							
WTR-26.062	Vehicle Replacement	\$ 1,083	\$ 524	\$ 475	\$ 475	\$ 475	\$ 3,032
TOTAL FUNDING		\$ 1,083	\$ 524	\$ 475	\$ 475	\$ 475	\$ 3,032
GRAND TOTAL		\$ 94,924	\$ 125,824	\$ 139,923	\$ 74,074	\$ 11,140	\$ 445,885

Capital Improvement Program
Wastewater Summary
Cash Requirements
(In Thousands)

5-Year Summary - Project Category

	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
Collection System Upgrade	\$ 10,413	\$ 9,230	\$ 6,667	\$ 2,500	\$ -	\$ 28,810
Liftstation Improvements	28,350	19,700	8,450	450	500	57,450
Miscellaneous	3,025	25	25	25	25	3,125
Oversize Lines	8,520	2,840	1,690	30	-	13,080
Plant Improvements	114,750	229,000	202,200	118,500	70,000	734,450
Replace Lines	74,858	58,593	25,686	10,479	3,050	172,666
Taps, Fire Hydrants, Meters	251	255	260	265	270	1,301
Vehicles	2,830	2,830	2,830	2,830	2,830	14,150
GRAND TOTAL	\$ 242,997	\$ 322,473	\$ 247,808	\$ 135,079	\$ 76,675	\$ 1,025,032

5-Year Summary - Funding Source

	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
Debt Funded Capital ¹	\$ 240,167	\$ 319,643	\$ 244,978	\$ 132,249	\$ 73,845	\$ 1,010,882
Revenue Funded Capital	2,830	2,830	2,830	2,830	2,830	14,150
GRAND TOTAL	\$ 242,997	\$ 322,473	\$ 247,808	\$ 135,079	\$ 76,675	\$ 1,025,032
Total Current Appropriated	\$ 111,511					
FY 2025-26 Total	\$ 354,508					

¹Debt Funded Capital includes bonds and federal/state loans.

*Capital Improvement Program**Wastewater CIP Projects*

Budget #		FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	TOTAL
COLLECTION SYSTEM UPGRADE							
WWR-007	12/15-inch Robson Ranch Interceptor (HC: O-4)	\$ 1,862	\$ 730	\$ 3,717	\$ -	\$ -	\$ 6,309
WWR-008	15" Grisson Sewer Line	-	-	1,000	2,500	-	3,500
WWR-009	12" Beaver Creek Sewer Line	-	1,000	1,950	-	-	2,950
WWR-010	Pipe/Force Main Condition Assessment	551	-	-	-	-	551
WWR-011	21/27/30-inch Roark Branch Interceptor Phase 2 (HC: D-4)	8,000	7,500	-	-	-	15,500
	TOTAL FUNDING	\$ 10,413	\$ 9,230	\$ 6,667	\$ 2,500	\$ -	\$ 28,810
LIFT STATION IMPROVEMENTS							
WWR-030	Milam Creek Basin Wastewater Line and Lift Station	\$ 8,350	\$ -	\$ -	\$ -	\$ -	\$ 8,350
WWR-031	Hobson Lift Station Force Main Replacement	500	1,500	-	-	-	2,000
WWR-032	Cooper Creek Lift Station Improvement Project	7,100	5,200	-	-	-	12,300
WWR-029	Robson West Lift Station	11,400	12,000	8,000	-	-	31,400
WWR-033	Lift Station Replacement	1,000	1,000	450	450	500	3,400
	TOTAL FUNDING	\$ 28,350	\$ 19,700	\$ 8,450	\$ 450	\$ 500	\$ 57,450
MISCELLANEOUS							
WWR-037	Beneficial Reuse Concrete Improvement	25	25	25	25	25	125
WWR-038	Service Center Renovation	3,000	-	-	-	-	3,000
	TOTAL FUNDING	\$ 3,025	\$ 25	\$ 25	\$ 25	\$ 25	\$ 3,125
VEHICLES							
WWR-039	Vehicle Replacement	\$ 2,830	\$ 2,830	\$ 2,830	\$ 2,830	\$ 2,830	\$ 14,150
	TOTAL FUNDING	\$ 2,830	\$ 2,830	\$ 2,830	\$ 2,830	\$ 2,830	\$ 14,150
OVERSIZE LINES							
WWR-040	Oversize Participation	\$ 8,520	\$ 2,840	\$ 1,690	\$ 30	\$ -	\$ 13,080
	TOTAL FUNDING	\$ 8,520	\$ 2,840	\$ 1,690	\$ 30	\$ -	\$ 13,080
TAPS, FIRE HYDRANTS, METERS							
WWR-035	Wastewater Taps	\$ 101	\$ 105	\$ 110	\$ 115	\$ 120	\$ 551
WWR-036	Manhole Repair/Replace/Lining	150	150	150	150	150	750
	TOTAL FUNDING	\$ 251	\$ 255	\$ 260	\$ 265	\$ 270	\$ 1,301
REPLACE LINES							
WWR-012	Annual Field Service Replacements	\$ 1,102	\$ 1,158	\$ 1,216	\$ 1,269	\$ 550	\$ 5,295
WWR-006	Clear Creek Interceptor	\$ 40,000	\$ 40,000	\$ 10,000	\$ -	\$ -	\$ 90,000
WWR-013	Reuse WW line/State School Tank Repair	-	500	2,500	-	-	3,000
WWR-014	Collector Replacement Program	2,500	2,500	2,500	2,500	2,500	12,500
WWR-015	Ryan Road Sewer Upgrades	-	620	-	-	-	620
WWR-016	Cole Ranch Interceptor	6,250	7,085	-	-	-	13,335
WWR-017	Elm Street Sewer Line Replacement (Phase 2)	5,000	-	-	-	-	5,000
WWR-018	Lakeview Ranch Interceptor	1,406	1,720	4,600	-	-	7,726
WWR-019	Masch Sewer Line Replacement	600	4,960	4,000	-	-	9,560
WWR-020	Cooper Creek Sewer Line Replacement	-	-	400	3,190	-	3,590
WWR-021	Pecan Creek Interceptor Replacement	-	-	420	3,470	-	3,890
WWR-022	PEC Phase 3/4 Sewer Upgrades	500	-	-	-	-	500
WWR-023	Hickory Creek Interceptor IV	6,000	-	-	-	-	6,000
WWR-024	Private Laterals Replacement	50	50	50	50	-	200
WWR-025	Robson Ranch Wastewater Improvement Project Phase I & II	3,500	-	-	-	-	3,500
WWR-026	Supplement to Bond Election 2019 Projects	5,000	-	-	-	-	5,000
WWR-027	Mingo/Ruddell/Quiet Zone Sewer Upgrades	1,800	-	-	-	-	1,800
WWR-028	Bonnie Brae PH 3-6 Wastewater Upgrades	1,150	-	-	-	-	1,150
	TOTAL FUNDING	\$ 74,858	\$ 58,593	\$ 25,686	\$ 10,479	\$ 3,050	\$ 172,666
PLANT IMPROVEMENTS							
WWR-003	Clear Creek Water Reclamation Plant (CCWRP)	4,000	26,000	20,000	-	-	50,000
WWR-004	Hickory Creek Water Reclamation Plant Ph 1 (HC: O-1, O-2, O-5)	5,000	12,000	32,000	36,500	20,000	105,500
WWR-005	Hickory Creek Peak Flow Basin Improvements	4,500	8,500	2,200	-	-	15,200
WWR-002	Hickory Creek Force Main Replacement	1,000	2,000	3,000	-	-	6,000
WWR-001	PCWRP Expansion to 26 MGD and 75 MGD Headworks	100,000	180,000	145,000	82,000	50,000	557,000
WWR-034	SCADA/HMI Upgrade Water Rec	250	500	-	-	-	750
	TOTAL FUNDING	\$ 114,750	\$ 229,000	\$ 202,200	\$ 118,500	\$ 70,000	\$ 734,450
	GRAND TOTAL	\$ 242,997	\$ 322,473	\$ 247,808	\$ 135,079	\$ 76,675	\$ 1,025,032

Capital Improvement Program
Solid Waste Summary
Cash Requirements
(In Thousands)

5-Year Summary - Project Category

	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	TOTAL
Structural	\$ 14,000	\$ -	\$ 350	\$ -	\$ 500	\$ 14,850
Building Construction	-	-	-	5,000	-	5,000
Vehicles	7,712	5,995	5,871	5,400	3,481	28,459
GRAND TOTAL	\$ 21,712	\$ 5,995	\$ 6,221	\$ 10,400	\$ 3,981	\$ 48,309

5-Year Summary - Funding Source

	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	TOTAL
Debt Funded Capital	\$ 18,249	\$ 4,800	\$ 5,900	\$ 8,900	\$ 3,981	\$ 41,830
Revenue Funded Capital	3,463	1,195	321	1,500	-	6,479
GRAND TOTAL	\$ 21,712	\$ 5,995	\$ 6,221	\$ 10,400	\$ 3,981	\$ 48,309

Total Current Appropriated \$ 25,386

FY 2025-26 Total \$ 47,098

Capital Improvement Program

Solid Waste CIP Projects

Budget #		FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	TOTAL
STRUCTURAL							
SW-007	Organics Program Infrastructure	\$ 14,000	\$ -	\$ -	\$ -	\$ -	\$ 14,000
SW-002	Concrete Replacement	-	-	350	-	-	350
SW-018	Wastewater Infrastructure	-	-	-	-	500	500
TOTAL FUNDING		\$ 14,000	\$ -	\$ 350	\$ -	\$ 500	\$ 14,850
BUILDING CONSTRUCTION							
SW-013	Transfer Station Construction	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000
TOTAL FUNDING		\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000
VEHICLES							
SW-014	Vehicle Replacements	7,264	5,095	5,221	5,400	-	22,980
SW-003	Front Load Vehicle	448	-	-	-	-	448
SW-001	Auto Side Load	-	900	-	-	-	900
SW-009	Rear Load	-	-	650	-	-	650
SW-004	Haul Truck (Transfer Station)	-	-	-	-	1,020	1,020
SW-006	Kubota (Transfer Station)	-	-	-	-	30	30
SW-008	Pick- Up (Transfer Station)	-	-	-	-	150	150
SW-010	Rubber Tire Loader (Transfer Station)	-	-	-	-	431	431
SW-011	Skid Steer (Transfer Station)	-	-	-	-	110	110
SW-012	Small Compactor CAT 816	-	-	-	-	1,200	1,200
SW-017	Walking Trailer (Transfer Station)	-	-	-	-	540	540
TOTAL FUNDING		\$ 7,712	\$ 5,995	\$ 5,871	\$ 5,400	\$ 3,481	\$ 28,459
GRAND TOTAL		\$ 21,712	\$ 5,995	\$ 6,221	\$ 10,400	\$ 3,981	\$ 48,309

Capital Improvement Program
Airport Summary
Cash Requirements
(In Thousands)

5-Year Summary - Project Category

	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
Airport Infrastructure	\$ 2,150	\$ 2,275	\$ -	\$ 12,000	\$ 8,000	\$ 24,425
Vehicles & Equipment	40	40	-	-	-	80
GRAND TOTAL	\$ 2,190	\$ 2,315	\$ -	\$ 12,000	\$ 8,000	\$ 24,505

5-Year Summary - Funding Source

	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
Existing Appropriated Funding ⁽¹⁾	\$ 435	\$ 268	\$ -	\$ -	\$ -	\$ 703
Grants	1,755	2,048	-	10,800	7,200	21,803
Debt Funded Capital	-	-	-	1,200	800	2,000
GRAND TOTAL	\$ 2,190	\$ 2,315	\$ -	\$ 12,000	\$ 8,000	\$ 24,505

Total Current Appropriated \$ 1,777

FY 2025-26 Total \$ 3,967

⁽¹⁾ Shown for transparency. Funding for grant matches in FY 2026 and 2027 is available in current capital appropriations.

Capital Improvement Program

Airport CIP Projects

Budget #		2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
AIRPORT INFRASTRUCTURE							
AIR-001	Taxilane/Taxiway Design (IIJA 2022/2023)	\$ 950	\$ -	\$ -	\$ -	\$ -	\$ 950
AIR-002	Security Enhancements: Fencing, Gates, Cameras, and Badge Readers	200	-	-	-	-	200
AIR-003	Taxilane Reconstruction (IIJA 2023/2024/2025)	1,000	-	-	-	-	1,000
AIR-006	Taxilane Reconstruction (IIJA 2025/2026)	-	2,275	-	-	-	2,275
AIR-007	Taxiway Alpha Design/Reconstruction	-	-	-	12,000	-	12,000
AIR-008	Taxiway Bravo Design/Reconstruction	-	-	-	-	8,000	8,000
TOTAL FUNDING		\$ 2,150	\$ 2,275	\$ -	\$ 12,000	\$ 8,000	\$ 24,425
VEHICLES & EQUIPMENT							
AIR-004	Fleet Vehicle Replacements: Zero-Turn Mower	\$ 40	\$ -	\$ -	\$ -	\$ -	\$ 40
AIR-005	Fleet Vehicles: Zero-Turn Mower	-	40	-	-	-	40
TOTAL FUNDING		\$ 40	\$ 40	\$ -	\$ -	\$ -	\$ 80
GRAND TOTAL		\$ 2,190	\$ 2,315	\$ -	\$ 12,000	\$ 8,000	\$ 24,505



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