FY 2026-27
Budget Workshop

Understanding Today's Budget and Preparing for Tomorrow

Fiscal Year 2026-27

Workshop Agenda

- Welcome from the City Manager
- FY 2026-27 Budget Development
- Fund Overviews
  - General Fund
  - Enterprise Funds
  - Internal Service Funds
  - Special Revenue Funds
- Capital Improvement Program
- Council Discussion and Funding Direction
- Closing and Next Steps

Welcome from the City Manager

- Planning for the Future
- Financial Sustainability
- Organizational Culture
- Investing in Our Employees
  - Alternative Work Schedules
  - Innovation Grant
  - Compensation

BUSINESS NOT AS USUAL

A FUTURE BUILT FOR DENTON

Fiscal Year 2026-27

FY 2026-27 Budget Development

Annual Planning Calendar

February 2026
Annual Planning Kickoff with Directors and All Staff

April 1, 2026
Department Annual Planning Packets Due

April – June 2026
Department Submission Review Meetings

July 2026
Council and Public Utility Board Updates

July 24, 2026
Certified Appraisal Role Due

August 8, 2026
Council Budget Workshop

September 15, 2026
Budget and Tax Rate Hearing

September 22, 2026
Budget and Tax Rate Adoption

October 1, 2026
Effective Date

Fiscal Year 2026-27

FY 2026-27 Budget Development

Planning Context

Challenges and Opportunities

- Healthy sales tax collections
- Average unemployment
- Strong development pipeline
- Inflation impacting supplies
- Competitive regional labor market
- Constrained funding sources

Why Context Matters

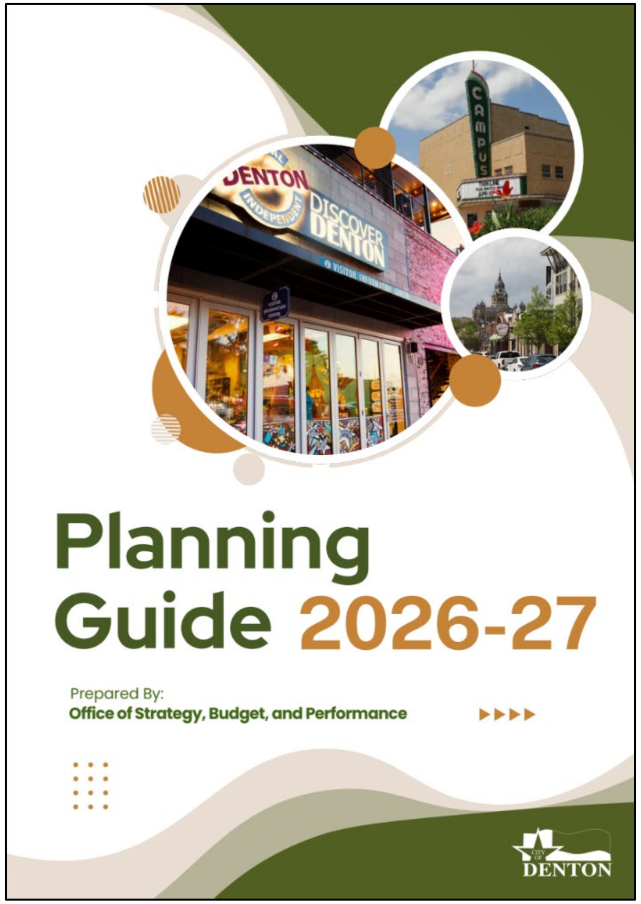
- More people = more calls for service
- Infrastructure demands accelerating
- Revenues react differently to economic cycles
- Community expectations rising faster than resources

Fiscal Year 2026-27

FY 2026-27 Budget Development

City Management Strategic Focus and Priorities

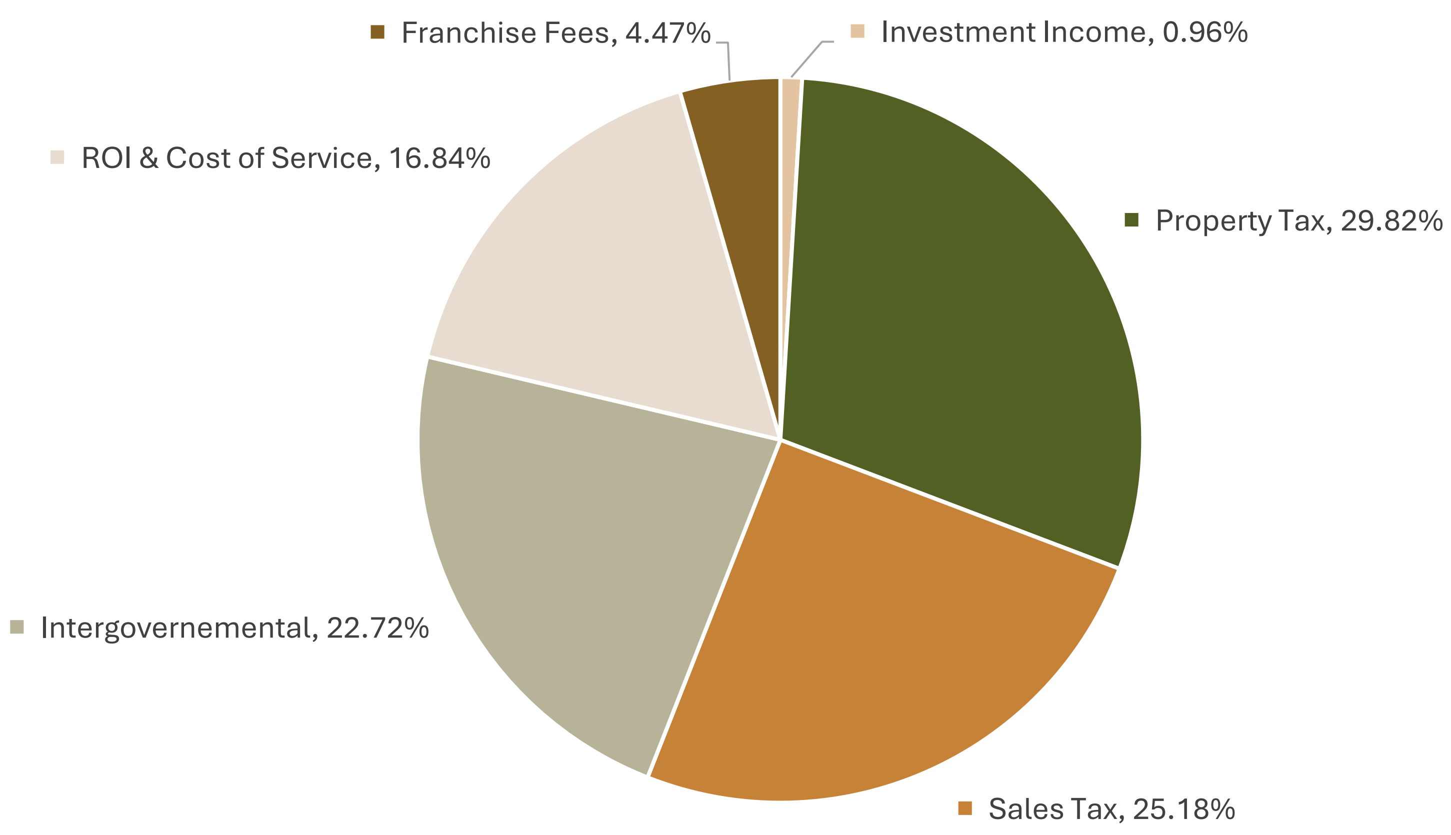
- Priorities and Directives
  - Invest in talent for long-term competitiveness
  - Conduct Workforce Planning Study to align resources with service delivery
  - Support Police Meet and Confer negotiations that reflect sustainability and shared goals
  - Maintain current service levels
  - Include no supplemental requests



General Fund Overview

General Fund Revenue Mix

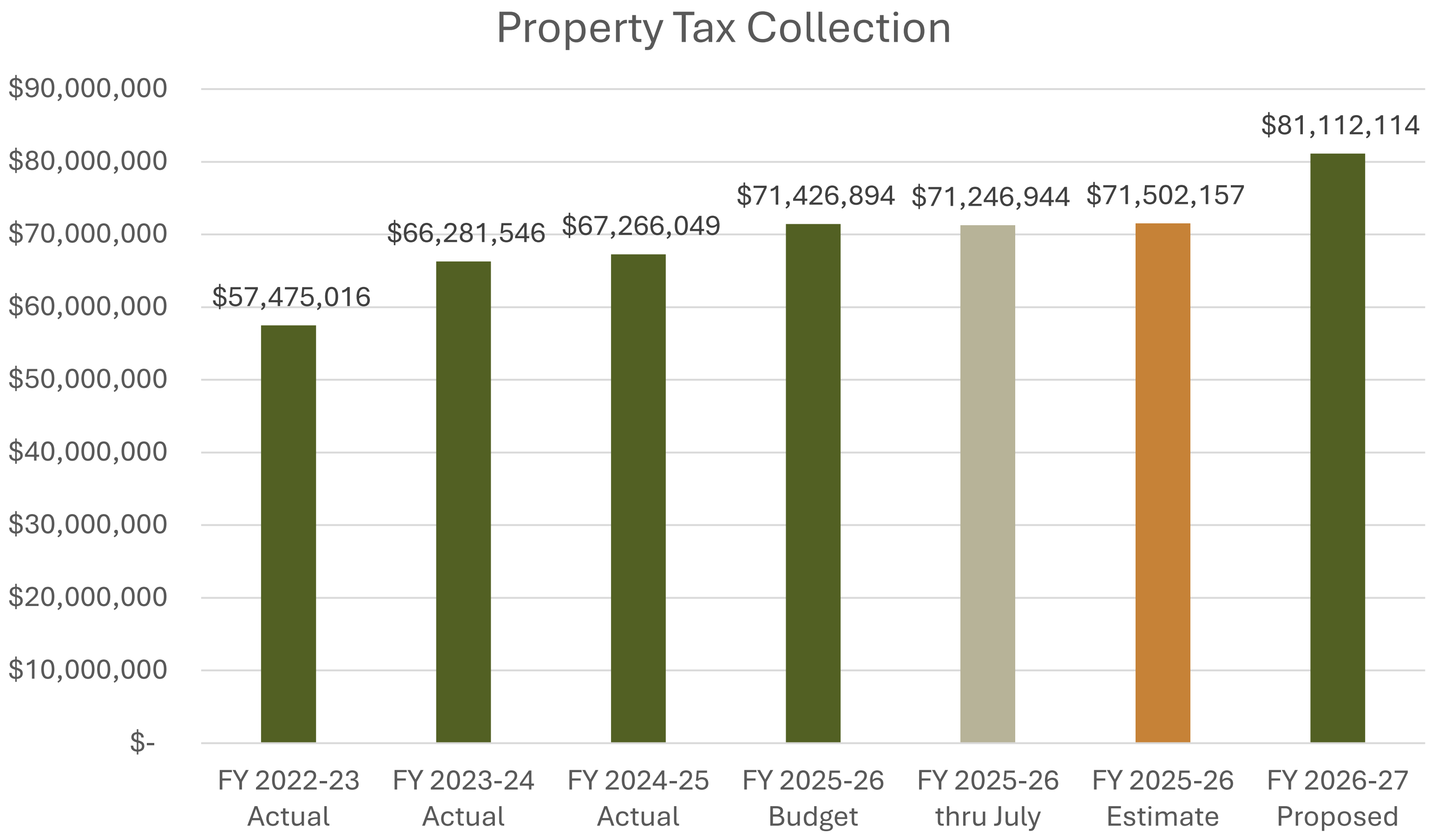
General Fund Revenue Overview



Fiscal Year 2026-27

General Fund Revenue Mix

Property Tax



The City's most stable, predictable revenue source with potential to become volatile.

- Assessed Value
  - $26,738,371,333 (Gen Gov't)
- New Value Added
  - $1,903,016,733
  - BPP ~ $1,292,390,221
- Assumes 98.5% Collection Rate

General Fund Revenue Mix

Tax Rate Definitions

- No-New Revenue Rate
  - The O&M portion of the tax rate needed to raise essentially the same maintenance and operations tax revenue as the prior year, less new value and tax ceilings added to the tax roll.
- Voter-Approval Tax Rate
  - Limits the O&M portion of the tax rate increase to 3.5% over the prior year, less new property and tax ceilings added to the tax roll.

Interest and Sinking Fund Portion (Debt Rate) + Operations and Maintenance (O&M) Portion = Total City's Property Tax Rate

General Fund Revenue Mix

Impact of Business Personal Property

- With New Value BPP
  - Property Tax Revenue: $81,112,114
  - No New Revenue Rate: $0.515958
  - Voter Approval Rate: $0.553485
  - M&O rate: $0.316344
  - I&S rate: $0.232141
  - Proposed total rate: $0.548485
    - $0.005 under Voter Approval Rate
- Average Tax bill: -$203

- W/O New Value BPP
  - Property Tax Revenue: $76,400,569
  - No New Revenue Rate: $0.581534
  - Voter Approval Rate: $0.634035
  - M&O rate: $0.353052
  - I&S rate: $0.275983
  - Total rate: $0.629035
    - $0.005 under Voter Approval Rate
- Average Tax Bill: +$105

Yr./Yr.: 2.65%

General Fund Revenue Mix

Impact of Business Personal Property, Why this matters.

A large BPP in the tax base can create a misleading picture of the City's long-term revenue capacity.

Think of BPP as a temporary boost rather than permanent growth.

A spike in BPP lowers the no-new-revenue rate today, but because those assets depreciate rapidly, that value can disappear much faster than real property values.

The result is a lower tax rate based on a tax base that may not exist in a few years, making the reduction more temporary than structural.

Assessed Values & Tax Rate

Fiscal Year	Certified Assessed Value	Operations & Maintenance	Debt Service Rate	Total Tax Rate	% Change
2020-21	$13,581,648,271	0.380364	0.210090	0.590454	0.00%
2021-22	$14,403,105,063	0.350444	0.215379	0.565823	-4.17%
2022-23	$16,764,866,572	0.356432	0.204250	0.560682	-0.91%
2023-24	$19,287,823,297	0.354780	0.205902	0.560682	0.00%
2024-25	$21,246,581,740	0.334780	0.250640	0.585420	4.48%
2025-26	$22,755,601,832	0.334780	0.260640	0.595420	1.71%
2026-27	$26,738,371,333	0.316344	0.232141	0.548485	-7.88%

Proposed Tax Rate:

Operations & Maintenance	$0.316344 (decrease $0.018)
Debt Service	$0.232141 (decrease $0.028)
Total Proposed Tax Rate	**$0.548485**
No New Revenue Rate	$0.515958/ $100
Voter Approval Rate	$0.553485/ $100

General Fund Revenue Mix

Property Tax Bill Impact

Estimated Property Tax Bill	FY 2026 Adopted	FY 2027 Proposed
Average Homestead Residential Value	$386,698	$ 382,832
O&M Rate	0.3348	0.3163
I&S Rate	0.2606	0.2321
Total Rate	0.5954	0.5484
Tax Bill	$2,302	$2,100
Annual Change ($)		-$203
Monthly Change ($)		-$16.91

- FY 2026/27 - Certified Appraised Values (Excluding TIRZ): $26.7 billion
- FY 2025/26 - Certified Appraised Value (Excluding TIRZ): $22.7 billion
- FY 2025/26 - 7.10% increase over FY 2024/25.
- FY 2026/27 - $1.9 billion in new value added to the tax roll.

No New Revenue Rate:	$0.515958/$100
Proposed Rate:	$0.548485/$100
Voter Approval Rate:	$0.553485/$100

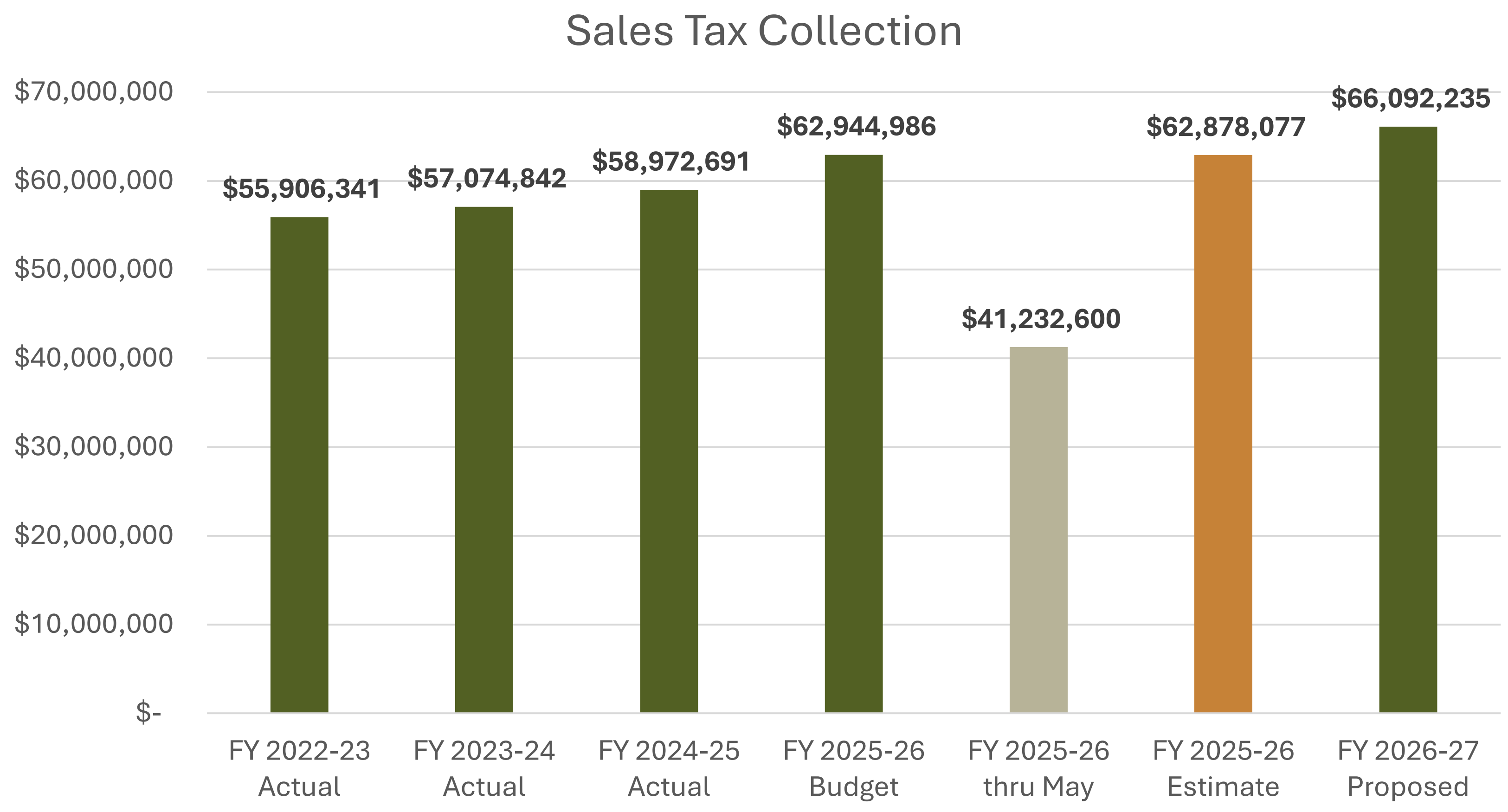
Proposed: Average Tax Bill Impact: Approximately $ per month / $ annually

- Decrease by $0.018 O&M and decrease of $0.028 I&S
- Rate is per $100 in assessed value

Fiscal Year 2026-27

General Fund Revenue Mix

Sales Tax



Highly impactful but volatile.

- Current Trend
  - FY 2026-27: 6.62% increase from 2026 end of year estimates.
- Assumptions
  - FY 2027-28: 5.00% average estimated growth.

Fiscal Year 2026-27

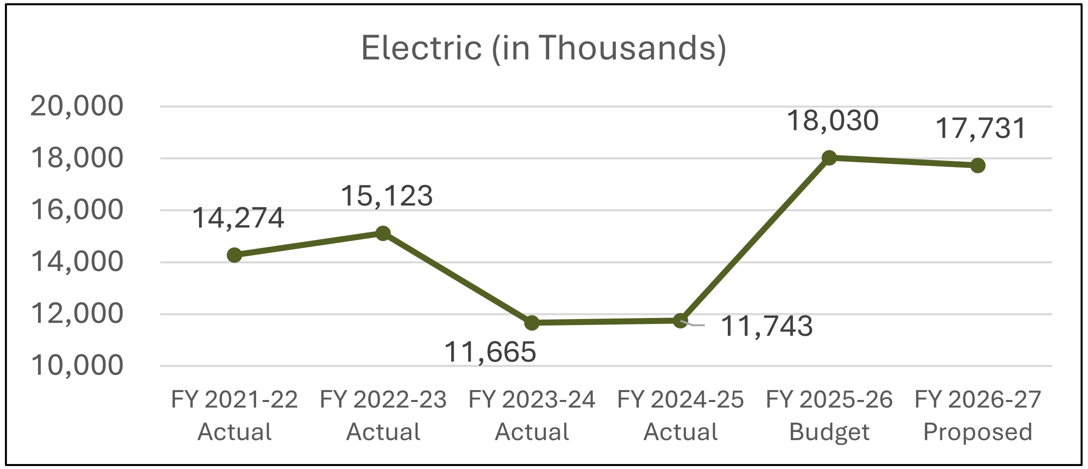
General Fund Revenue Mix

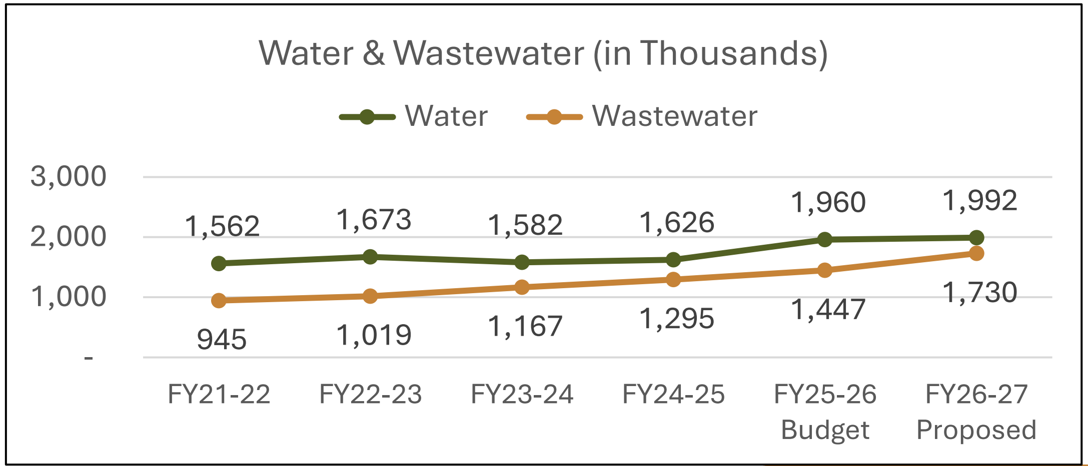
Return on Investment (ROI)

One of the larger contributors to the General Fund -- and often misunderstood.

- ROI is budgeted on 3% of gross revenues in Water and Wastewater; 6% for Electric.
- Represents "payment in lieu of taxes" to make up for property tax revenue lost because the real property is city owned and tax-exempt.
- Actual revenue to General Fund is based on the 3% and 6% of actual revenues to the Utility.

Note: Electric ROI projection reduced

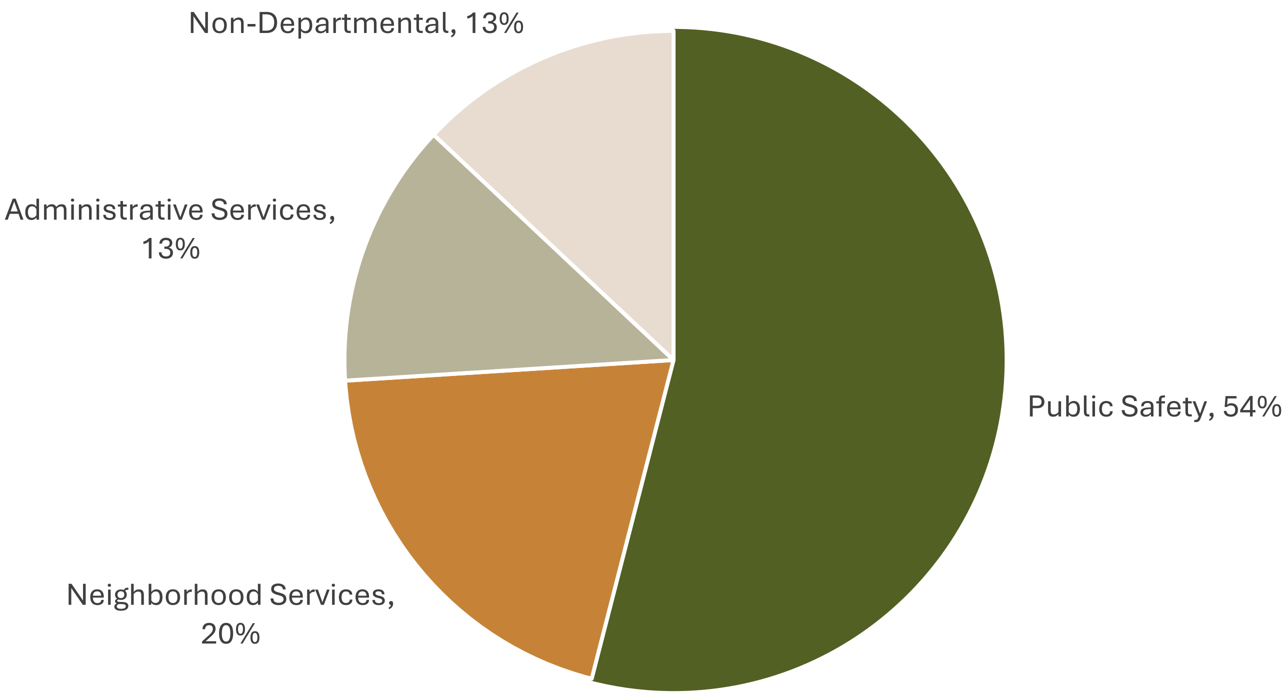




Fiscal Year 2026-27

How the Budget Works

What the General Fund Supports



Public Safety

Police
Fire/EMS,
Animal Services
Municipal Judge

603.50 FTEs

Neighborhood Services

Community Services
Development Services
Parks and Recreation
Library

267.5 FTEs

Administrative Services

City Manager's Office
Economic Development
Finance
Human Resources,
Internal Audit
Legal
Marketing and Communications
Municipal Court

132.75 FTEs

Non-Departmental

Compensation

- General Government Compensation
  - Up to 2.5% Merit increase
  - One-time COLA of $1,000 FT and $500 PT
- Civil Service Compensation
  - All: Eligible STEP Pay Increases, One-time COLA of $1,000 FT, $500 PT
  - Fire: 3% increase to base pay
  - Police: Placeholder for Meet and Confer negotiations (new contract Sept 2026)
- Health Insurance
  - Employees: 4.93% increase absorbed by City
  - Retirees: Subsidy to reduce increase
- Alternative Work Schedule Pilot

86%
Agree Pay is Fair Compared to People at Other Cities

93%
Agree Benefits Meet Employee Needs and Needs of Family

93%
Agree City Offers Opportunity to Improve Health and Wellness

99%
Agree They are Committed to the Organization's Success

95%
Agree Denton is a Great Place to Work

Fiscal Year 2026-27

Community Services

Proposed Budget

Aims to provide quality affordable housing, a suitable living environment, and economic opportunities, principally for persons of low-to-moderate income.

Priorities

- Prevent and quickly resolve homelessness of Denton residents
- Address cost burden and housing instability by increasing housing affordability
- Increase ability to respond to mental health crises
- Prepare for the upcoming Consolidated Plan
- Ensure the quality and health of our neighborhoods through improved education and enforcement of the property maintenance code

Staffing

- 25 FTE

Expenditures	FY 26 Adopted	FY 27 Proposed
Personnel Services	$2,849,558	$2,810,128
Materials and Supplies	$32,562	$32,195
Insurance	$99,151	$123,332
Miscellaneous	$1,378,336	$1,441,681
Operations	$277,444	$329,560
Transfers Out	$126,296	-
Total Expenditures	**$4,763,347**	**$4,736,896**

Community Services

Program Funding

Organization	FY 25-26 Award	FY 26-27 Award	FY 26-27 Funding General Funds
Children's Advocacy Center for North Texas, Inc	$40,388	$50,000	$50,000
City of Denton - Parks & Recreation Department (Summer Camp)	$43,922	$50,000	
Communities in Schools of North Texas, Inc.	$35,340	$36,000	$36,000
Court Appointed Special Advocates of Denton County, Inc.	$35,340	$40,000	$40,000
Cumberland Youth and Family Services	$16,155	$25,000	$25,000
Denton Christian Preschool	$30,291	$25,000	$25,000
Denton County Friends of the Family	$45,437	$50,000	
Denton County MHMR	$30,291	$35,000	$35,000
Giving Grace	$36,854	$36,000	$36,000
Health Services of North Texas, Inc.	$50,485	$60,000	
Heart of the City	$0.00	$15,000	$15,000
Opening Doors International Services, Inc.	$15,145	$16,000	$16,000
Our Daily Bread, Inc.	$39,378	$40,000	$40,000
Paisley Street Preschool (formerly Denton City County Day School)	$15,145	$15,500	$15,500

Fiscal Year 2026-27

Community Services

Program Funding

Organization	FY 25-26 Award	FY 26-27 Award	FY 26-27 Funding General Funds
PediPlace	$35,339	$36,000	$36,000
Refuge for Women	$15,360	$30,644	$30,644
SPAN Inc.	$25,243	$0.00	
The Salvation Army - Denton	$25,242	$26,000	$14,856
SUBTOTAL HUMAN SERVICES GRANT	**$535,355**	**$586,144**	**$415,000**
Diversion/Substance Treatment	$0.00	$30,450	$30,450
Our Daily Bread - Denton Community Shelter	$400,000	$400,000	$400,000
United Way of Denton County - Barriers Funds	$80,000	$80,000	$80,000
United Way of Denton County - Homeless Mgmt. Information System	$15,000	$18,000	$18,000
United Way of Denton County - Homelessness Initiatives	$80,000	$80,000	$80,000
SUBTOTAL HOMELESS INITIATIVES	**$575,000**	**$608,450**	**$608,450**
TOTALS	**$1,110,355**	**$1,194,594**	**$1,023,450**

Development Services

Proposed Budget

Plan and manage the responsible growth, design and development of the City, promoting livability and ensuring the public health, safety, and welfare of the built environment.

Priorities

- Streamline development processes and update the Development Code to support high-quality growth and long-term economic value
- Implement Vision Zero to enhance safety and create a more accessible, business-friendly environment
- Oversee major projects to ensure they meet Denton's standards and advance citywide economic goals

Staffing

- 83 FTE

Expenditures	FY 26 Adopted	FY 27 Proposed
Personnel Services	$10,302,234	$10,573,421
Materials and Supplies	$75,750	$82,877
Maintenance and Repair	$855,900	$855,700
Insurance	$169,061	$169,974
Miscellaneous	$3,335	$3,440
Operations	$1,736,081	$1,780,430
Transfers	$1,220,033	$200,000
Total Expenditures	**$14,362,394**	**$13,665,842**

Library

Proposed Budget

Empower the community by providing inclusive services and resources which inspire innovation, imagination, and lifelong learning.

Priorities

- Advance major facility and technology improvements, including the South Branch Library bond project and a comprehensive Library Technology Roadmap
- Enhance consistency and efficiency by standardizing library communications and refining operational workflows
- Expand digital access by exploring online library card application and renewal options

Staffing

- 51.5 FTE

Expenditures	FY 26 Adopted	FY 27 Proposed
Personnel Services	$4,941,914	$4,995,164
Materials and Supplies	$122,890	$116,101
Maintenance and Repair	$152,895	$169,117
Insurance	$160,826	$161,690
Miscellaneous	$2,065	$2,013
Operations	$416,695	$470,566
Interfund Transfers	$789,375	-
Fixed Assets	$407,588	$407,953
Total Expenditures	**$6,994,248**	**$6,322,604**

Parks and Recreation

Proposed Budget

Plans and maintains recreational facilities, natural spaces, and cemeteries, and offers activities, recreational programing, and special events.

Priorities

- Implement asset management and work orders to meet audit recommendations
- Complete current projects and prioritize additional ones where Park Dedication Funds and time-sensitive grant funds can be used.
- Prepare policies and processes required for CAPRA reaccreditation

Staffing

- 108 FTE

Expenditures	FY 26 Adopted	FY 27 Proposed
Personnel Services	$15,839,483	$15,777,003
Materials and Supplies	$1,553,099	$1,646,955
Maintenance and Repair	$1,068,422	$1,042,592
Insurance	$489,169	$491,825
Miscellaneous	$9,703	$8,895
Operations	$5,525,852	$5,730,625
Transfers Out	$2,336,853	$1,024,000
Total Expenditures	**$ 26,822,581**	**$25,721,895**

Animal Services

Proposed Budget

Protects Denton's residents and animals through responsive care, education, and enforcement. It provides compassionate sheltering, reunites lost pets, supports responsible adoptions and fostering, and strengthens the community's connection to its animals.

Priorities

- Oversee the Intake Diversion Program to mitigate challenges during the facility remodel, keep pets with their families, and address unmet needs that may otherwise lead to surrender
- Pursue partnerships and contracts for veterinary services to expand medical treatment capacity and support diversion efforts

Staffing

- 29.5 FTE

Expenditures	FY 2026 Adopted	FY 27 Proposed
Personnel Services	$2,916,439	$3,068,218
Materials and Supplies	$477,409	$628,322
Maintenance and Repair	$31,000	$25,000
Insurance	$77,589	$78,009
Miscellaneous	$2,000	$1,155
Operations	$852,863	$2,048,498
Total Expenditures	**$ 4,619,086**	**$5,849,202**

Highlight: Funding to address increased animal care costs.

Animal Services

Service Levels Cost Impacts

Animal Services is currently exceeding FY 26 budget allocation in several areas
Overages are attributed to higher level of service expectation and rising costs for goods and services

Audit Recommendations

- Increase in staffing level
- Creation of daily task completion
- Behavior tracking system
- Inventory management for non-controlled substances

Responsible Euthanasia Policy

- Longer length of stay
- Exhaustion of all resources and alternatives
- Higher daily in-house count

Enrichment & Wellness

- Daily enrichment items supply costs
- Volunteer program supplies
- Foster program supplies
- Behavior Modification program supplies

Treatment & Care

- Outside treatment
- More in-house diagnostics
- Treatment of various illnesses and conditions
- RSVP contract price increases
- Increase supplies costs

Summary of operational and policy changes driving cost increases following 2024 audit, outside consultant review, council direction

Fiscal Year 2026-27

Animal Services

Service Levels Cost Impacts

Impact of Current Service Level

Higher service level has led to:

- Sustained Live Release Rate above 90%
- Increase length of stay for shelter animals
- Higher daily count of animals in house
- Increase in medical care and supply costs

Mitigation Efforts & FY 27 Projections

- Established pre-qualified veterinary service providers
- Ongoing expenditure review with Finance; projection modeling
- Current expenditures cannot be reduced sufficiently to alight with FY 26 General Fund allocation
- **Current service levels cannot be sustained with FY 26 allocation, requires increase in FY 27 budget allocation to meet service level demands, align with audit/consultant recommendations, provide adequate level of care to house animals, and maintain 90%+ LRR**

Category	FY 24 Actuals	FY 25 Actuals	FY 26 Budget	FY 26 Actuals (YTD)	FY 26 Projected Total	FY 27 Requested Budget
Veterinary Services	$ 422,113	$ 925,585	$ 680,500	$ 965,004	$ 1,446,297	$ 1,650,000
Medical Supplies	$ 214,980	$ 283,816	$ 268,000	$ 240,949	$ 350,553	$ 400,000
Food & Supplies	$ 87,333	$ 138,455	$ 145,609	$ 87,636	$142,003	$ 170,000
Temp Services	0	$ 32,666	0	$ 156,905	$208,598	$ 215,000
TOTAL	**$ 724,426**	**$ 1,380,522**	**$1,094,109**	**$1,450,493**	**$2,147,451**	**$ 2,435,000**

Fire

Proposed Budget

Provides swift fire suppression, expert medical care, specialized rescues, hazardous materials management, emergency management, and proactive fire prevention.

Priorities

- Complete construction and open Fire Stations 5 and 6 rebuild projects
- Publish 5-year strategic plan as a department roadmap
- Conduct staffing analysis to develop data-driven recommendations to align resources with growth, reduce strain, and maintain consistent services levels
- Provide STEP increases plus 3% base-pay increase to move fire personnel closer to market

Staffing

- 237 FTE

Expenditures	FY 26 Adopted	FY 27 Proposed
Personnel Services	$42,451,659	$47,033,324
Materials and Supplies	$1,160,351	$1,451,932
Maintenance and Repair	$186,090	$199,000
Insurance	$978,480	$1,148,291
Miscellaneous	$90,328	$108,324
Operations	$3,014,435	$2,529,734
Transfers Out	$1,931,644	$409,453
Total Expenditures	**$49,812,987**	**$52,880,058**

Highlight: Funding to address expiration of SAFER Grant, reduced TASPP reimbursement, increased medical supply costs, and outfitting of new fire vehicles.

Police

Proposed Budget

A full-service law enforcement and public safety agency committed to creating a safe and stable environment.

Priorities

- Recruit and retain exceptional officers to maintain high service standards in a growing community following a period of high vacancy rates
- Conduct Meet and Confer negotiations with the goal of finalizing a new agreement in September 2026
- Leverage modern technology to improve efficiency, safety, and responsiveness

Staffing

- 335 FTE

Expenditures	FY 26 Adopted	FY 27 Proposed
Personnel Services	$ 50,873,184	$55,814,575
Materials and Supplies	$978,999	$968,863
Maintenance and Repair	$18,800	$24,400
Insurance	$1,627,613	$1,789,385
Miscellaneous	$233,120	$259,880
Operations	$2,280,038	$2,449,640
Transfers Out	$5,169,942	-
Total Expenditures	**$ 61,181,696**	**$ 61,306,743**

Economic Development

Proposed Budget

Grows Denton's economy by attracting and supporting businesses, nurturing a strong culture of innovation and creativity, developing skilled talent, and building meaningful community connections.

Priorities

- Create programming that boosts support for small businesses across Denton and strengthens the city's vibrant cultural identity
- Build Denton's tech ecosystem by coordinating with consultants and partners to support startups
- Ensure capacity to manage business recruitment opportunities and supporting workforce development initiatives

Staffing

- 6.75 FTEs

Expenditures	FY 26 Adopted	FY 27 Proposed
Personnel Services	$849,145	$996,456
Materials and Supplies	$12,300	$12,300
Maintenance and Repair	-	-
Insurance	$10,222	$10,273
Miscellaneous	$101,110	$111,245
Operations	$5,110,050	$5,894,576
Transfers Out	$70,794	-
Total Expenditures	**$6,153,621**	**$7,024,850**

Highlight: Proposed $1,000,000 in funding for Initiatives (to be allocated from Non-Departmental)

Administrative Services and Other

Proposed Budget

Provides leadership, oversight, and essential administrative functions that keep the organization running effectively. It supports strategic decision-making, manages the City’s finances and workforce, ensures legal and ethical compliance, strengthens performance and accountability, and delivers clear communication to the community and employees.

Non-Departmental

- Includes transfers to Technology Services previously budgeted in departments
- Service as placeholder for key budget-decisions

Staffing

- 128 FTEs

Expenditures	FY 26 Adopted	FY 27 Proposed
City Council	$258,195	$200,926
City Manager's Office	$3,962,794	$3,711,347
OSBP	-	$1,605,089
Finance	$6,822,629	$4,341,768
Human Resources	$5,083,941	$4,673,518
Internal Audit	$743,608	$697,893
Legal	$3,939,249	$3,854,791
Marketing & Communications	$2,663,388	$2,418,965
Municipal Court	$1,660,037	$1,425,365
Municipal Judge	$700,305	$601,702
Non-Departmental	$6,153,621	$28,666,565
	$31,987,767	**$52,197,929**

Fiscal Year 2026-27

General Fund

Proforma

	2024-25 Actuals	2025-26 Estimate	FY 2026-27 Proposed	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected	FY 2030-31 Projected
Beginning Fund Balance	**$ 42,353,136**	**43,087,626**	**46,777,628**	**$ 46,777,628**	**$ 48,099,474**	**$ 50,848,912**	**$ 55,138,168**
Property Tax	$ 67,266,049	$ 71,502,157	$ 81,639,314	$ 84,088,493	$ 86,611,148	$ 89,209,483	$ 91,885,767
Sales Tax	58,972,691	62,878,077	66,092,235	69,396,847	72,866,689	76,510,024	80,335,525
Other Taxes	590,139	573,344	593,690	611,501	629,846	648,741	668,203
Licenses and Permits	6,853,283	6,573,368	6,136,152	6,320,237	6,509,844	6,705,139	6,906,293
Franchise Fees & ROI	19,461,375	24,012,057	33,151,421	34,145,964	35,170,343	36,225,453	37,312,216
Fines and Fees	2,749,785	3,330,237	3,297,827	3,396,762	3,498,665	3,603,625	3,711,734
Service Fees	13,920,169	13,827,126	13,870,146	14,286,250	14,714,838	15,156,283	15,610,972
Investment Income	2,539,720	2,376,504	2,487,839	2,562,474	2,639,348	2,718,529	2,800,085
Intergovernmental Revenue	2,848,052	3,949,340	3,229,900	3,326,797	3,426,601	3,529,399	3,635,281
Other Revenues	5,623,176	683,571	180,988	186,418	192,010	197,770	203,704
Transfers	20,717,937	21,954,773	22,814,885	23,499,332	24,204,311	24,930,441	25,678,354
Total Revenue	**$ 201,542,377**	**$ 211,660,554**	**$ 233,494,396**	**$ 241,821,074**	**$ 250,463,643**	**$ 259,434,886**	**$ 268,748,133**
Personnel Services	$ 141,548,778	$ 141,833,548	$ 157,768,733	$ 162,501,795	$ 167,376,849	$ 172,398,154	$ 177,570,099
Materials & Supplies	4,205,898	4,297,860	5,170,204	5,325,310	5,485,069	5,649,622	5,819,110
Maintenance & Repair	2,079,516	2,288,454	8,724,916	8,986,663	9,256,263	9,533,951	9,819,970
Insurance	3,279,920	3,868,485	4,313,964	4,443,383	4,576,684	4,713,985	4,855,404
Miscellaneous	2,902,568	1,990,491	2,648,248	2,727,695	2,809,526	2,893,812	2,980,626
Operations	23,034,377	25,269,173	28,730,322	29,592,232	30,479,999	31,394,399	32,336,231
Fixed Assets	490,351	376,348	407,953	420,192	432,797	445,781	459,155
Other Expenses	-	4,400	-	-	-	-	-
Capital Tranfers	1,561,001	1,609,453	1,633,453	1,682,457	1,732,930	1,784,918	1,838,466
Interfund Transfers	21,564,842	26,432,340	24,096,603	24,819,501	25,564,086	26,331,009	27,120,939
Total Expenditures	**$ 200,667,251**	**$ 207,970,552**	**$ 233,494,396**	**$ 240,499,228**	**$ 247,714,205**	**$ 255,145,631**	**$ 262,800,000**
Ending Fund Balance	**$ 43,228,262**	**$ 46,777,628**	**$ 46,777,628**	**$ 48,099,474**	**$ 50,848,912**	**$ 55,138,168**	**$ 61,086,302**
Change in Fund Balance	**$ 875,126**	**$ 3,690,002**	**$ -**	**$ 1,321,846**	**$ 2,749,438**	**$ 4,289,255**	**$ 5,948,133**
Fund Balance as % of Total Expenditures	**21.54%**	**22.49%**	**20.03%**	**20.00%**	**20.53%**	**21.61%**	**23.24%**

Fiscal Year 2026-27

Community Partnership Committee

General Fund Cash Sponsorship and In-Kind

Organization / Event	Score	2026 Awarded	2027 Request Cash Sponsorship	2027 Recommend Cash Sponsorship	2027 Recommended In Kind Support	Total
Denton's Day of the Dead	**95.0**	$8,000	$15,000	$15,000	$15,000	$30,000
Denton Festival Foundation - Arts and Jazz Festival	**93.5**	$20,000	$20,000	$20,000	$76,000	$96,000
North Texas State Fair Association	**91.5**	$10,000	$32,000	$32,000	$5,000	$37,000
Denton Black Film Festival	**88.5**	$12,000	$12,000	$8,400	-	$8,400
Denton Holiday Festival Association Holiday Lighting	**81.5**	$6,000	$10,000	$7,000	$20,000	$27,000
Downtown Denton Foundation	**79.0**	-	$25,000	$17,500	-	$17,500
Greater Denton Arts Council - Operations	**75.0**	$3,768	$6,000	4,200	-	$4,200
Denton Parks Foundation - Juneteenth	**73.0**	$4,000	$5,000	2,500	$20,000	$22,500
Denton Black Chamber of Commerce - Blues Festival	**71.0**	$4,000	$10,000	$5,000	$10,000	$15,000
Texas Filmmakers Corporation	**71.0**	$8,000	$10,000	$5,000	$10,000	$15,000
Denton Community Market	**67.5**	$11,800	$12,000	$6,000	$12,000	$18,000
Denton Breakfast Kiwanis Turkey Roll	**67.0**	-	$7,000	$3,500	$2,000	$5,500
Denton County Friends of the Family Coffee Crawl	**65.5**	$2,000	$5,000	$2,500	-	$2,500
Texas Veterans Hall of Fame Foundation - Museum and Events	**64.0**	$2,000	$10,000	$5,000	-	$5,000

Fiscal Year 2026-27

Community Partnership Committee

General Fund Cash Sponsorship and In-Kind

Organization / Event	Score	2026 Awarded	2027 Request Cash Sponsorship	2027 Recommend Cash Sponsorship	2027 Recommended In Kind Support	Total
DMAC Amplify	**62.5**	$2,600	$6,500	$3,250	$5,000	$8,250
Friends with Benefits - Boil Buddies	**61.0**	$3,000	$5,000	$2,500	$5,000	$7,500
Denton County Friends of the Family - Friends of the Badge	**56.5**	$2,932	$5,000	-	-	-
Filmmaking Access Incorporated	**50.5**	-	$12,000	-	-	-
Denton Maker Center (DMC)	**50.0**	-	$10,000	-	-	-
DMAC -Joan of Bark	**49.5**	$2,000	$5,000	-	-	-
DMAC- Monster Dash	**48.0**	$1,800	$4,500		-	-
Kiwanis Youth Services Inc - 4th of July Fireworks	**47.5**	$26,800	$65,000	$5,000	10,000	$15,000
Denton Parks Foundation - Dog Days of Denton	**43.0**	-	$25,000	-	-	-
Health Services of North Texas	**42.5**	-	$6,000	-	-	-
Contingency		-	-	$5,650	$10,000	$15,650
Total		**$ 130,700**	**$ 323,000**	**$ 150,000**	**$ 200,000**	**$ 350,000**

Enterprise Funds Overview

Water Fund Budget

Overview

Provides customers with a reliable supply of high-quality drinking water, through compliance with all federal and state regulations governing the treatment, distribution, and metering of the potable water delivered to our customers

Assumptions

- 3% overall rate increase
- WIFIA federal funding approved and received in FY 2026-27

Highlights

- Launch Climate Resilient Water Supply Plan
- Implementation of SCADA system
- Investment in long-term supply capacity to support sustainable growth
    - Ray Roberts Water Reclamation Plant
- Maintenance and improvements to aging infrastructure and meter modernization

Staffing

- 116 FTEs

Priorities

- Execute rollout of Advanced Metering Infrastructure to improve accuracy, efficiency, and customer service
- Integrate Asset Management System to strengthen reliability, planning, and maintenance
- Complete comprehensive inventory to meet updated EPA Lead and Copper Rule requirements and ensure regulatory compliance
- Expand the Ray Roberts Water Treatment Plant and Pecan Creek Water Reclamation Plant to support capacity, resilience, and long-term community growth

Fiscal Year 2026-27

Water Fund Budget

Proforma

	FY 2024-25 Actuals	FY 2025-26 Budget	FY 2025-26 EOY Estimate	FY 2026-27 Proposed	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected	FY 2030-31 Projected
Beginning Fund Balance	**$ 43,229,553**	**$ 43,886,171**	**$ 50,070,761**	**$ 47,461,256**	**$ 44,287,483**	**$ 37,334,518**	**$ 29,585,266**	**$ 28,817,364**
Rate Revenues	$ 45,527,340	$ 53,841,143	$ 50,665,185	$ 55,891,682	$ 61,526,268	$ 67,734,286	$ 73,885,872	$ 80,600,205
Non-rate Revenues	1,340,503	1,277,072	1,457,200	1,315,006	1,377,901	1,444,499	1,504,358	1,567,433
Interfund Transfers	3,803,921	2,944,874	2,944,874	3,231,687	3,328,638	3,428,497	3,531,352	3,637,292
Interest Income	1,537,620	1,104,267	1,602,514	1,137,395	1,171,517	1,206,662	1,242,862	1,280,148
Total Revenue	**$ 52,209,384**	**$ 59,167,356**	**$ 56,669,774**	**$ 61,575,770**	**$ 67,404,323**	**$ 73,813,945**	**$ 80,164,444**	**$ 87,085,079**
Purchased Power	$ 2,205,082	$ 2,212,016	$ 2,221,739	$ 2,463,126	$ 2,537,020	$ 2,613,130	$ 2,691,524	$ 2,772,270
Purchased Water	1,685	2,060	2,060	3,000	3,090	3,183	3,278	3,377
Personnel Services	11,167,287	13,616,587	11,149,045	13,372,176	13,773,341	14,186,542	14,612,138	15,050,502
Materials and Supplies	3,463,890	5,021,560	3,815,088	4,922,912	5,066,895	5,218,902	5,375,469	5,536,733
Maintenance and Repair	2,268,891	2,928,140	2,886,909	2,970,990	3,060,120	3,151,923	3,246,481	3,343,875
Insurance	377,004	495,690	495,690	498,358	513,309	528,708	544,569	560,906
Administrative Cost	3,947,981	4,761,342	4,385,237	4,837,819	5,229,733	5,757,414	6,280,299	6,851,017
Miscellaneous Expense	28,803	55,288	30,288	30,393	30,515	30,640	30,769	30,903
Operations	2,762,600	3,953,403	3,497,115	4,963,896	5,112,813	5,266,197	5,424,183	5,586,909
Debt Service Transfers	15,127,402	18,537,125	19,829,799	21,753,823	29,414,152	34,916,016	32,550,628	32,952,850
Capital Transfers	-	1,332,500	1,082,500	58,000	475,000	475,000	475,000	475,000
Interfund Transfers	10,607,246	9,883,809	9,883,809	8,875,050	9,141,302	9,415,541	9,698,007	9,988,947
Total Expenditures	**$ 51,957,872**	**$ 62,799,520**	**$ 59,279,279**	**$ 64,749,543**	**$ 74,357,288**	**$ 81,563,196**	**$ 80,932,346**	**$ 83,153,289**
Ending Fund Balance	**$ 43,481,066**	**$ 40,254,007**	**$ 47,461,256**	**$ 44,287,483**	**$ 37,334,518**	**$ 29,585,266**	**$ 28,817,364**	**$ 32,749,153**
Change in Fund Balance (Use of Reserves)	**$ 251,513**	**$ (3,632,164)**	**$ (2,609,505)**	**$ (3,173,773)**	**$ (6,952,965)**	**$ (7,749,251)**	**$ (767,902)**	**$ 3,931,789**
Rate Increases				3.0%	6.0%	6.0%	5.0%	5.0%
Working Capital (8%) & Op Reserves (>25%)	**$ 17,146,098**	**$ 20,723,842**	**$ 19,562,162**	**$ 21,367,349**	**$ 24,537,905**	**$ 26,915,855**	**$ 26,707,674**	**$ 27,440,585**
Working Capital (8%) & Op Reserves (>42%)	**$ 25,978,936**	**$ 31,399,760**	**$ 29,639,640**	**$ 32,374,772**	**$ 37,178,644**	**$ 40,781,598**	**$ 40,466,173**	**$ 41,576,645**
Ending Fund Balance Minimum Target Met	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**
Use of Impact Fees		**$ 1,732,674**	**$ 1,732,674**	**$ 4,203,282**	**$ 3,609,138**	**$ 5,409,051**	**$ 16,010,157**	**$ 19,707,326**
Debt Service Coverage Ratio (DSCR)	1.28	1.13	1.14	1.08	0.96	0.96	1.18	1.34

Fiscal Year 2026-27

Wastewater Fund Budget

Overview

Provides customers with an environmentally responsible means of conveying, treating, and recycling wastewater, though compliance with all federal and state regulations

Assumptions

- 5% overall rate increase
- WIFIA federal funding approved and received in FY 27
- TWDB Clean Water state funding approved and received in FY 27

Highlights

- Conduct a feasibility study to explore the viability of a riverwalk using reuse system
- Investment in new and aging infrastructure: Major Projects: Pecan Creek, Clear Creek, Hickory Creek

Staffing

- 74 FTEs

Priorities

- Integrate Asset Management System to strengthen reliability, planning, and maintenance
- Invest in new and aging wastewater infrastructure to improve reliability, protect public health, and support Denton's long-term growth

Fiscal Year 2026-27

Proforma

Wastewater Fund Budget

	FY 2024-25 Actuals	FY 2025-26 Budget	FY 2025-26 EOY Estimate	FY 2026-27 Proposed	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected	FY 2030-31 Projected
Beginning Fund Balance	**$ 16,185,182**	**$ 16,810,056**	**$ 18,024,248**	**$ 19,974,633**	**$ 19,434,490**	**$ 18,953,403**	**$ 20,932,762**	**$ 23,047,225**
Residential Sales	$ 16,870,524	$ 19,270,544	$ 19,255,286	$ 22,449,600	$ 24,972,935	$ 27,522,672	$ 29,765,769	$ 32,191,680
Commercial Sales	17,685,372	20,933,470	19,683,968	24,490,668	27,243,419	30,024,972	32,472,007	35,118,476
Non-rate Revenues	3,751,273	3,889,009	3,861,155	3,914,529	4,031,965	4,148,202	4,267,926	4,391,241
Interest Income	635,739	470,942	581,063	423,848	436,563	449,660	463,150	477,045
Interfund Transfers	507,000	-	-	-	-	-	-	-
Total Revenue	**$ 39,449,908**	**$ 44,563,965**	**$ 43,381,473**	**$ 51,278,645**	**$ 56,684,882**	**$ 62,145,506**	**$ 66,968,853**	**$ 72,178,441**
Purchased Power	$ 1,387,680	$ 1,236,000	$ 1,426,934	$ 1,466,189	$ 1,510,175	$ 1,555,480	$ 1,602,144	$ 1,650,209
Fuel	26,189	35,000	28,572	35,266	36,324	37,414	38,536	39,692
Personnel Services	6,588,213	8,479,393	6,639,274	8,049,603	8,291,091	8,539,824	8,796,019	9,059,899
Materials and Supplies	2,102,654	2,624,461	1,865,144	2,178,386	2,243,738	2,311,050	2,380,381	2,451,793
Maintenance and Repair	2,045,814	2,293,205	1,994,356	2,049,108	2,110,581	2,173,899	2,239,116	2,306,289
Insurance	282,206	371,051	371,051	373,044	384,235	395,762	407,635	419,864
Administrative Cost	3,145,290	3,514,468	3,530,242	4,202,884	4,438,390	4,891,550	5,290,211	5,721,363
Miscellaneous Expense	3,035	4,238	4,238	3,940	4,018	4,099	4,182	4,267
Operations	1,525,697	2,237,929	2,172,282	2,393,316	2,465,115	2,539,069	2,615,241	2,693,698
Debt Service Transfers	9,785,288	9,663,658	9,663,658	16,528,930	20,142,403	21,801,527	25,176,579	29,196,390
Capital Transfers	-	2,830,000	2,830,000	2,198,414	2,830,000	2,830,000	2,830,000	2,830,000
Interfund Transfers	10,530,816	10,896,951	10,905,338	12,339,708	12,709,899	13,086,474	13,474,346	13,873,854
Total Expenditures	**$ 37,422,883**	**$ 44,186,354**	**$ 41,431,089**	**$ 51,818,788**	**$ 57,165,970**	**$ 60,166,146**	**$ 64,854,390**	**$ 70,247,319**
Ending Fund Balance	**$ 18,212,207**	**$ 17,187,667**	**$ 19,974,633**	**$ 19,434,490**	**$ 18,953,403**	**$ 20,932,762**	**$ 23,047,225**	**$ 24,978,348**
Change in Fund Balance (Use of Reserves)	**$ 2,027,025**	**$ 377,611**	**$ 1,950,384**	**$ (540,143)**	**$ (481,087)**	**$ 1,979,359**	**$ 2,114,463**	**$ 1,931,123**
Rate Increases				9.0%	8.0%	7.0%	5.0%	5.0%
Working Capital (8%) & Op Reserves (>20%)	**$ 10,478,407**	**$ 12,372,179**	**$ 11,600,705**	**$ 14,509,261**	**$ 16,006,471**	**$ 16,846,521**	**$ 18,159,229**	**$ 19,669,249**
Working Capital (8%) & Op Reserves (>31%)	**$ 14,594,924**	**$ 17,232,678**	**$ 16,158,125**	**$ 20,209,327**	**$ 22,294,728**	**$ 23,464,797**	**$ 25,293,212**	**$ 27,396,454**
Ending Fund Balance Minimum Target Met	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**	**YES**
Use of Impact Fees		**$ 8,858,946**	**$ 8,858,946**	**$ 10,714,596**	**$ 14,921,359**	**$ 21,415,622**	**$ 27,418,191**	**$ 30,418,541**
Debt Service Coverage Ratio (DSCR)	1.53	1.70	1.86	1.35	1.34	1.44	1.41	1.36

Fiscal Year 2026-27

Drainage Fund Budget

Overview

Maintains the city storm water drainage system, which directs all storm runoff to Denton's three creeks: Cooper, Pecan, and Hickory, which channel it to Lake Lewisville

Assumptions

- 5% overall rate increase

Highlights

- Watershed HBU moved from Drainage to Environmental Services
  - Reduction of 8 FTEs
- Addition of 1 FTE moved from Engineering Fund to Drainage Fund

Staffing

- 18 FTEs

Priorities

- Restore flood prevention capacity by clearing major creek tributaries to reduce risk and improve system performance.
- Integrate Asset Management System to strengthen reliability, planning, and maintenance.
- Advance the Pecan Creek Stormwater Master Plan to improve drainage capacity, reduce flood risk, and guide long-term infrastructure investment.

Drainage Fund Budget

Proforma

	FY 2024-25 Actuals	FY 2025-26 Budget	FY 2025-26 EOY Estimate	FY 2026-27 Proposed	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected	FY 2030-31 Projected
Beginning Fund Balance	**$ 2,312,617**	**$ 2,312,617**	**$ 2,312,617**	**$ 1,000,000**	**$ 1,000,000**	**$ 1,000,000**	**$ 1,000,000**	**$ 1,000,000**
Residential Fees	$ 2,222,484	$ 2,365,364	$ 2,369,102	$ 2,535,005	$ 2,741,608	$ 2,965,049	$ 3,206,700	$ 3,468,047
Nonresidential Fees	3,194,678	3,169,207	3,643,812	3,371,090	3,645,834	3,942,969	4,264,321	4,611,863
Watershed Inspection Fee	13,960	18,370	14,490	-	-	-	-	-
Investment Income	-	-	24,780	9,574	9,861	10,157	10,462	10,776
General Fund Transfer	389,511	309,666	309,666	-	-	-	-	-
Total Revenue	**$ 5,820,633**	**$ 5,862,607**	**$ 6,361,850**	**$ 5,915,669**	**$ 6,397,303**	**$ 6,918,175**	**$ 7,481,483**	**$ 8,090,686**
Personnel Services	$ 2,579,921	$ 2,797,128	$ 2,306,812	$ 1,996,011	$ 2,055,891	$ 2,117,568	$ 2,181,095	$ 2,246,528
Materials and Supplies	76,097	94,295	89,359	101,058	104,090	107,212	110,429	113,742
Maintenance and Repair	186,080	381,157	273,717	217,300	223,819	230,534	237,450	244,573
Insurance	53,959	70,940	70,940	46,108	47,491	48,916	50,383	51,895
Miscellaneous Expense	1,812	6,275	6,275	630	649	668	688	709
Operations	463,937	838,863	710,217	790,541	814,257	838,685	863,845	889,761
Capital Transfers	1,935,665	1,834,157	3,064,738	334,560	648,760	997,176	1,382,855	1,809,098
Interfund Transfers	523,162	1,152,409	1,152,409	2,429,461	2,502,345	2,577,415	2,654,738	2,734,380
Total Expenditures	**$ 5,820,633**	**$ 7,175,224**	**$ 7,674,467**	**$ 5,915,669**	**$ 6,397,303**	**$ 6,918,175**	**$ 7,481,483**	**$ 8,090,686**
Ending Fund Balance	**$ 2,312,617**	**$ 1,000,000**	**$ 1,000,000**	**$ 1,000,000**	**$ 1,000,000**	**$ 1,000,000**	**$ 1,000,000**	**$ 1,000,000**
Change in Fund Balance (Use of Reserves)	**$ -**	**$ (1,312,617)**	**$ (1,312,617)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Rate Increases				5.0%	5.0%	5.0%	5.0%	5.0%

Fiscal Year 2026-27

Electric Fund Budget

Overview

Operates, maintains, and provides electric utility services in the City of Denton

Assumptions

- 3% base rate increase (effectively 1.5% increase)
- Energy Cost Adjustment (ECA) and Transmission Cost Recovery Factor (TCRF) are pass through charges reviewed and adjusted quarterly.
- Vacancies adjusted to bottom of pay band

Highlights

- Creation of new Electric Planning & Inspections Division
    - Existing personnel and resources will be moved under the new Home Business Unit (HBU) to align position responsibilities with funding used to perform those operations.

Staffing

- 189 FTEs

Priorities

- Complete construction and energize Underwood Substation to improve system capacity and reliability
- Implement PUCT wildfire-mitigation and pole-inspections requirements to enhance safety and regulatory compliance.
- Finalize RFP for developing an Integrated Resource Plan to guide long-term energy planning
- Complete Renewable Energy Policy to support sustainable power goals.
- Secure ERCOT approval to resolve transmission overloads and strengthen grid performance

Fiscal Year 2026-27

Proforma

Electric Fund Budget

	2024-25 Actuals	2025-26 Budget	2025-26 EOY Estimate	2026-27 Preliminary	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected	FY 2030-31 Projected
Beginning Fund Balance	**$ 123,467,546**	**$ 110,368,104**	**$ 148,716,335**	**$ 146,330,784**	**$ 158,640,590**	**$ 177,619,479**	**$ 205,504,847**	**$ 235,863,007**
Rate Revenues								
Base Rate Revenue	$ 112,237,946	$ 139,864,728	$ 113,476,209	$ 144,221,069	$ 157,929,919	$ 165,745,946	$ 174,077,831	$ 182,959,621
TCRF Revenue	27,250,700	51,111,143	27,951,071	41,054,643	49,213,258	54,053,627	55,074,281	56,175,767
ECA Revenue	57,176,711	233,486,207	90,966,474	226,469,369	261,258,038	264,201,692	265,482,827	272,438,762
Non-rate Revenue	48,527,649	36,478,497	36,345,823	34,621,046	34,493,625	35,494,587	36,525,578	37,587,499
DEC Revenue	21,990,498	65,690,445	41,804,028	53,687,558	60,572,211	66,347,342	65,004,041	71,601,559
Total Revenue	**$ 267,183,504**	**$ 526,631,020**	**$ 310,543,605**	**$ 500,053,685**	**$ 563,467,049**	**$ 585,843,193**	**$ 596,164,559**	**$ 620,763,208**
Purchased Power	$ 77,860,647	$ 287,689,067	$ 125,635,504	$ 267,478,460	$ 306,769,347	$ 315,193,996	$ 315,140,017	$ 328,253,197
Transmission of Power	28,106,539	45,695,176	27,464,934	36,646,961	43,990,281	48,344,054	49,256,504	50,241,634
Personnel Services	24,496,835	29,473,911	24,893,119	29,676,317	30,604,896	31,558,561	32,537,996	33,543,903
Materials & Supplies	1,902,691	2,578,583	2,147,354	2,430,982	2,489,602	2,549,694	2,611,297	2,674,450
Maintenance & Repair	1,755,342	1,713,681	1,750,651	1,871,082	1,914,075	1,958,094	2,003,166	2,049,317
Insurance	1,779,695	2,081,278	2,081,277	2,109,573	2,172,860	2,238,046	2,305,187	2,374,343
Administrative Cost	22,889,347	34,480,289	24,251,650	33,825,868	38,434,820	40,072,817	40,861,111	42,237,037
Miscellaneous	1,348,599	1,031,615	1,466,876	1,524,615	1,569,603	1,615,942	1,663,670	1,712,830
Operations	8,158,662	12,009,467	9,838,853	13,861,457	14,139,068	14,422,243	14,711,093	15,005,733
Debt Service Transfers	75,129,629	71,913,275	72,483,048	75,322,810	78,717,939	75,887,663	80,193,973	83,654,095
Interfund Transfers	18,209,263	19,340,890	19,340,890	19,495,755	19,885,670	20,283,383	20,689,051	21,102,832
Transfers to Capital Projects	2,178,517	1,575,000	1,575,000	3,500,000	3,800,000	3,833,333	3,833,333	3,833,333
Total Expenditures	**$ 263,815,765**	**$ 509,582,232**	**$ 312,929,156**	**$ 487,743,880**	**$ 544,488,160**	**$ 557,957,825**	**$ 565,806,399**	**$ 586,682,703**
Ending Fund Balance	**$ 126,835,286**	**$ 127,416,892**	**$ 146,330,784**	**$ 158,640,590**	**$ 177,619,479**	**$ 205,504,847**	**$ 235,863,007**	**$ 269,943,512**
Change in Fund Balance (Use of Reserves)	**$ 3,367,740**	**$ 17,048,788**	**$ (2,385,551)**	**$ 12,309,806**	**$ 18,978,889**	**$ 27,885,368**	**$ 30,358,160**	**$ 34,080,505**
Rate Increases								
Base Rate				3.0%	3.5%	4.0%	4.0%	4.0%
Working Capital (8%) & Op Reserves (>38%)	**$ 121,355,252**	**$ 234,407,827**	**$ 143,947,412**	**$ 224,362,185**	**$ 250,464,554**	**$ 256,660,600**	**$ 260,270,944**	**$ 269,874,043**
Working Capital (8%) & Op Reserves (>61%)	**$ 182,032,878**	**$ 351,611,740**	**$ 215,921,117**	**$ 336,543,277**	**$ 375,696,830**	**$ 384,990,899**	**$ 390,406,415**	**$ 404,811,065**
Ending Fund Balance Minimum Target Met	**YES**	**NO**	**YES**	**NO**	**NO**	**NO**	**NO**	**YES**

Solid Waste Fund Budget

Overview

Handles trash, recycling, and landfill management for local residents, and is the exclusive provider of Municipal Solid Waste (MSW) for the City of Denton

Assumptions

- No rate increase
- Special Waste/Recyclables permit fees were moved from Water/Wastewater Ordinance
  - Better alignment of fees with the appropriate department

Highlights

- Added $1M for the land acquisition
- Includes cash funded vehicles
- Includes up to $1M in new revenue for gas sales
- Includes seven new positions to meet the demands of growth

Staffing

- 137 FTEs

Priorities

- Develop a growth plan to meet service demands driven by new development
- Build a digital model of future routes to support long-term planning
- Expand the Organics Diversion program to increase waste reduction and sustainability
- Permit, design, and construct the first transfer station to serve the west-side of the City and improve capacity
- Negotiate the next recycling processing contract, including options for future expansion

Fiscal Year 2026-27

Proforma

Solid Waste Fund Budget

	2024-25 Actuals	2025-26 Budget	2025-26 EOY Estimate	FY 2026-27 Proposed	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected	FY 2030-31 Projected
Beginning Fund Balance	**$ 12,248,136**	**$ 12,533,781**	**$ 16,891,720**	**$ 22,997,098**	**$ 14,740,260**	**$ 12,922,333**	**$ 13,655,445**	**$ 18,581,410**
Resources								
Rate Revenues	$ 37,021,444	$ 38,214,251	$ 39,730,996	$ 38,821,469	$ 41,562,265	$ 44,716,841	$ 48,584,847	$ 52,014,938
Wholesale Agreements	6,315,745	5,521,140	6,775,819	5,111,856	5,111,856	5,111,856	5,111,856	5,111,856
Non-Rate Revenues	3,019,713	1,618,282	2,676,592	3,155,334	4,668,766	5,489,293	7,275,900	7,508,376
Total Revenues	46,356,902	45,353,673	49,183,408	47,088,660	51,342,887	55,317,989	60,972,604	64,635,169
Use of Reserves	-	-	-	8,256,837	1,817,928	-	-	-
Total Resources	**$ 46,356,902**	**$ 45,353,673**	**$ 49,183,408**	**$ 55,345,497**	**$ 53,160,815**	**$ 55,317,989**	**$ 60,972,604**	**$ 64,635,169**
Expenditures								
Personnel Services	$ 14,009,149	$ 14,210,046	$ 13,141,628	$ 14,918,455	$ 15,813,562	$ 16,762,376	$ 17,768,119	$ 19,367,249
Materials & Supplies	400,186	549,831	491,292	724,889	746,636	769,035	792,106	815,869
Maintenance and Repair	201,336	242,035	246,486	218,559	225,116	231,869	238,825	245,990
Insurance	505,395	664,506	498,380	668,074	688,116	708,760	730,022	751,923
Miscellaneous Expense	26,525	33,085	33,085	38,475	39,629	40,818	42,043	43,304
Operations	7,941,586	8,476,170	7,489,159	9,363,414	9,644,316	9,933,646	10,231,655	10,538,605
Cost of Service Transfers	7,663,471	7,198,011	7,198,011	9,246,996	8,494,406	8,749,238	9,011,715	9,282,067
Fixed Assets	776,071	966,576	966,576	1,524,027	1,569,748	1,616,840	1,665,345	1,715,306
Vehicle Replacement	1,839,910	3,463,000	3,463,000	7,268,000	5,000,000	5,000,000	5,000,000	5,000,000
Closure/Post Closure	752,632	946,819	946,819	1,256,748	1,256,748	1,256,748	1,256,748	1,256,748
Debt Service	5,269,872	6,417,619	6,417,619	7,861,699	7,348,831	7,024,113	6,625,225	5,583,438
Franchise Fees	2,223,501	2,185,975	2,185,975	2,256,161	2,333,706	2,491,435	2,684,835	2,856,340
Total Expenditures	**41,609,633**	**45,353,673**	**43,078,030**	**55,345,497**	**53,160,815**	**54,584,877**	**56,046,639**	**57,456,838**
Ending Fund Balance	**$ 16,995,405**	**$ 12,533,781**	**$ 22,997,098**	**$ 14,740,260**	**$ 12,922,333**	**$ 13,655,445**	**$ 18,581,410**	**$ 25,759,741**
Net Change	$ 4,747,269	$ -	$ 6,105,378	$ (8,256,837)	$ (1,817,928)	$ 733,112	$ 4,925,965	$ 7,178,331
Revenue Sufficiency Requirement	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**1.0%**	**1.5%**	**2.5%**	**1.0%**
Working Capital	5,825,349	6,349,514	6,030,924	7,748,370	7,442,514	7,641,883	7,846,529	8,043,957
Operating Fund Reserve	7,489,734	8,163,661	7,754,045	9,962,189	9,568,947	9,825,278	10,088,395	10,342,231
Target Reserves								
Wrking Cptl - 8% / Op Reserve Target - 6%	**$ 5,825,349**	**$ 6,349,514**	**$ 6,030,924**	**$ 7,748,370**	**$ 7,442,514**	**$ 7,641,883**	**$ 7,846,529**	**$ 8,043,957**
Wrking Cptl - 8% / Op Reserve Target - 10%	**$ 7,489,734**	**$ 8,163,661**	**$ 7,754,045**	**$ 9,962,189**	**$ 9,568,947**	**$ 9,825,278**	**$ 10,088,395**	**$ 10,342,231**
Ending Fund Balance Target Met	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**

Fiscal Year 2026-27

Preliminary Utility Rate Summary

Monthly Utility Bill

	Total Bill - Residential		
	FY26	**FY27**	**Difference**
Solid Waste	$ 25.42	$ 25.42	$ -
Electric	135.36	137.57	2.21
Water	52.87	54.47	1.60
Wastewater	46.18	50.35	4.17
Drainage	3.35	3.52	0.17
Total	**$ 263.18**	**$ 271.33**	**$ 8.15**

	Total Bill - Commercial		
	FY26	**FY27**	**Difference**
Solid Waste	$ 33.75	$ 33.75	$ -
Electric	182.33	185.70	3.37
Water	65.13	67.10	1.97
Wastewater	76.03	82.89	6.86
Drainage	2.79	2.93	0.14
Total	**$ 360.03**	**$ 372.37**	**$ 12.34**

- Based on Average monthly bill of:
  - Solid Waste – 2 cart service: Trash and Recycling
  - Electric – 1,000 kWh for Residential and 1,101 kWh for Small Commercial
  - Water - 9,000 gallons
  - Wastewater - 6,000 gallons
  - Drainage – 1,500 square feet

Airport Fund Budget
Overview

Provides essential aviation services for the City and the broader DFW region, full-service operations on airport grounds including fueling, maintenance, avionics, hangar space, and flight training.

Assumptions:

- No rate increase

Highlights

- Includes $100,000 for a revenue funded runway sweeper

Staffing

- 7 FTEs

Priorities

- Maintain ongoing priorities focused on revenue sufficiency, competitiveness, and effective governance
- Oversee taxilane reconstruction to improve safety and operational reliability
- Update airport regulations to ensure compliance, clarity, and modernized standards

Fiscal Year 2026-27

Proforma

Airport Fund Budget

	FY 2024-25 Actual	FY 2025-26 Budget	FY 2025-26 EOY Estimate	FY 2026-27 Proposed	FY 2027-28 Projected	FY 2028-29 Projected	FY 2029-30 Projected	FY 2030-31 Projected
Beginning Fund Balance	$ 3,215,342	$ 3,194,840	$ 3,368,798	$ 3,748,052	$ 3,802,568	$ 3,946,776	$ 4,103,321	$ 4,228,580
Land Leases	1,111,084	1,335,139	1,396,923	1,397,700	1,418,666	1,439,945	1,461,545	1,483,468
Hangar Leases	180,692	199,800	199,735	199,800	199,800	199,800	199,800	199,800
Fuel Flowage Fees	307,347	300,000	275,878	300,000	300,000	300,000	300,000	300,000
FBO Hangar/Tiedown Commissions	363,126	300,000	354,644	300,000	309,000	318,270	327,818	337,653
Miscellaneous Revenues	70,012	40,250	54,480	35,000	36,050	37,132	38,245	39,393
Agriculture Leases	2,331	2,331	1,760	2,640	2,640	2,640	2,640	2,640
Gas Well Royalties & Leases	259,000	200,000	287,756	200,000	180,000	162,000	145,800	131,220
Other Revenue	357,650	207,896	323,037	229,558	266,180	276,274	287,232	296,001
Transfers From General Fund	-	-	-	-	-	-	-	-
Total Revenues	$ 2,651,242	$ 2,585,416	$ 2,894,213	$ 2,664,698	$ 2,712,335	$ 2,736,061	$ 2,763,081	$ 2,790,174
Use of Reserves	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Resources	$ 2,651,242	$ 2,585,416	$ 2,894,213	$ 2,664,698	$ 2,712,335	$ 2,736,061	$ 2,763,081	$ 2,790,174
Personnel Services	897,937	856,713	844,568	860,261	886,069	912,651	940,030	968,231
Materials & Supplies	16,031	9,700	3,935	29,400	30,282	31,190	32,126	33,090
Maintenance & Repair	31,708	33,550	33,550	33,850	34,866	35,911	36,989	38,098
Insurance	36,254	47,669	47,669	47,921	49,359	50,839	52,365	53,936
Operations	105,438	208,418	155,872	225,675	232,445	239,419	246,601	253,999
Cost of Service - General Fund	284,716	301,325	301,325	311,119	320,453	330,066	339,968	350,167
Cost of Service - Other	257,301	332,391	332,391	319,056	328,628	338,487	348,641	359,100
Transfer to Capital Projects	-	-	-	100,000	35,000	-	-	-
Debt Service	751,656	745,650	745,650	682,900	651,025	640,950	641,100	645,550
Subtotal Operating	2,381,040	2,535,416	2,464,960	2,610,182	2,568,125	2,579,513	2,637,820	2,702,172
Gas Well - Other	11,040	50,000	50,000	-	-	-	-	-
Total Expenditures	$ 2,392,080	$ 2,585,416	$ 2,514,960	$ 2,610,182	$ 2,568,127	$ 2,579,515	$ 2,637,822	$ 2,702,174
Ending Fund Balance	$ 3,474,503	$ 3,194,840	$ 3,748,052	$ 3,802,568	$ 3,946,776	$ 4,103,321	$ 4,228,580	$ 4,316,580
Change in Fund Balance	$ 259,161	$ -	$ 379,254	$ 54,516	$ 144,208	$ 156,546	$ 125,258	$ 88,000
Fund Balance as % of Total Expenditures	145.25%	123.57%	149.03%	145.68%	153.68%	159.07%	160.31%	159.74%

Internal Services Fund Overview

Fiscal Year 2026-27

Customer Service
Proposed Budget

Provides billing support, processing, and operation of Denton 311 coordinating City departments responses to resident calls

Highlights

- The budget includes a fee that helps recover costs associated with the City accepting credit and debit card payments

Staffing

- 55.5 FTEs

Revenues	FY 26 Adopted	FY 27 Proposed
Transfers In	$11,476,400	$9,931,795
Investment Income	$227,381	$300,004
Red Flag & Prepaid Metering Fees	$169,817	$184,496
Total Revenues	**$11,873,598**	**$9,931,795**

Expenditures	FY 26 Adopted	FY 27 Proposed
Personnel Services	$5,950,996	$6,200,043
Materials and Supplies	$416,130	$416,130
Insurance	$108,340	$108,926
Miscellaneous	$2,310	$4,270
Operations	$3,502,964	$1,811,373
Transfers Out	$1,819,818	$1,310,803
Debt Service Transfer	$77,175	$80,250
Total Expenditures	**$ 11,870,598**	**$ 9,931,795**

Fiscal Year 2026-27

Health

Proposed Budget

The City is self-insured. The Health Insurance Fund manages the City's cost to provide medical, dental, vision, life, disability, and other insurance to eligible City employees and retirees

Highlights

- The budget includes an increase in the medical employer contribution per employee of 4.93% over FY 2026
- Retiree health insurance rates include a subsidy to help stabilize retiree contributions, which have continued to rise

Revenues	FY 26 Adopted	FY 27 Proposed
Employee Insurance	$43,611,280	$46,252,619
Goods and Services	$209,083	$219,733
Investment Income	$80,000	$94,214
Total Revenues	**$ 43,900,363**	**$ 46,566,566**

Expenditures	FY 26 Adopted	FY 27 Proposed
Personnel Services	$2,205,398	$2,649,337
Materials and Supplies	-	$3,500
Insurance	$40,879,874	$42,972,528
Other Miscellaneous	$71,740	$73,741
Operations	$222,084	$329,245
Transfers Out	$521,267	$538,215
Total Expenditures	**$ 43,900,363**	**$ 46,566,566**

Fiscal Year 2026-27

Facilities Management

Proposed Budget

Provides services for the maintenance and repair to City facilities.

Highlights

- Addition of 1 new FTE for an HVAC technician through a reduction in contractual services
- Reducing citywide janitorial contract services
- Proposed budget includes $700,000 in cash funding for capital replacements (currently in General Fund non-departmental)

Staffing

- 24 FTEs

Revenues	FY 26 Adopted	FY 27 Proposed
Transfer In	$ 8,459,548	$ 8,411,283
Investment Income	-	$ 41,022
Total Revenues	**$ 8,459,548**	**$ 8,452,305**

Expenditures	FY 26 Adopted	FY 27 Proposed
Personnel Services	$ 2,840,489	$ 3,027,637
Materials and Supplies	$56,500	$143,090
Maintenance and Repair	$1,901,758	$1,660,000
Insurance	$47,705	$47,968
Miscellaneous	$770	$805
Operations	$2,427,478	$2,269,700
Transfers Out	$1,184,848	$1,253,105
Vehicle	-	$50,000
Total Expenditures	**$ 8,459,548**	**$ 8,452,305**

Fiscal Year 2026-27

Fleet Services

Proposed Budget

Provides services for maintenance and repair of all City owned vehicles.

Highlights

- This budget anticipates an increase in the cost for fuel as the organization works toward all vehicles using City gas stations and decreases the use of external fuel stations.
- Proposed budget includes $700,000 in cash funding for vehicle replacements (currently in General Fund non-departmental)

Staffing

- 31 FTEs

Revenues	FY 26 Adopted	FY 27 Proposed
Goods and Services	$ 14,912,067	$14,658,168
Transfer In	$3,740,600	$4,882,709
Other Revenue	$10,778	$11,525
Total Revenues	**$ 18,663,445**	**$ 19,552,402**

Expenditures	FY 26 Adopted	FY 27 Proposed
Personnel Services	$3,593,507	$ 3,835,399
Materials and Supplies	$5,309,000	$5,301,775
Maintenance and Repair	$50,000	$200,000
Insurance	$75,426	$75,826
Miscellaneous	$1,820	$1,085
Operations	$7,400,771	$7,599,174
Debt	$1,031,795	$1,069,389
Transfers Out	$1,201,126	$1,469,754
Total Expenditures	**$ 18,663,445**	**$ 19,552,402**

Fiscal Year 2026-27

Technology Services

Proposed Budget

Operates as the backbone of the City, implementing and maintaining all communication and computing platforms city wide.

Highlights

- The budget supports core systems, software, networks, and hardware that serve the entire City
- Maintains 98% satisfaction rating with over 1,600 support tickets handled per month

Staffing

- 71 FTE

Revenues	FY 26 Adopted	FY 27 Proposed
Radio Maintenance Fees	$ -	$ 32,000
Investment Income	$75,000	$567,283
Tower Lease	$127,618	$199,378
Fiber Lease	$106,950	$107,000
Transfer In	$24,738,815	$26,159,505
Other	$3,000	-
Total Revenues	**$ 25,051,383**	**$ 27,065,166**

Expenditures	FY 26 Adopted	FY 27 Proposed
Personnel Services	$ 11,255,885	$ 11,368,863
Materials and Supplies	$358,315	$371,815
Maintenance and Repair	$329,000	$339,370
Insurance	$172,428	$173,366
Miscellaneous	$2,450	$2,485
Operations	$10,102,856	$11,349,332
Debt	$1,299,552	$1,802,008
Transfers Out	$1,530,897	$1,657,927
Total Expenditures	**$ 25,051,383**	**$ 27,065,166**

Fiscal Year 2026-27

Risk and Safety

Proposed Budget

Manages costs associated with the City's insurance policies and safety coordination

Highlights

- Position moved from Human Resources for a DOT Coordinator/CDL Trainer

Staffing

- 9 FTEs

Revenues	FY 26 Adopted	FY 27 Proposed
Transfers In	$ 7,756,157	$ 8,222,894
Investment Income	$56,823	$50,048
Claim Reimbursement	$514,497	$533,084
Admin Transfer	-	$10,000
Total Revenues	**$ 8,327,477**	**$ 8,816,026**

Expenditures	FY 26 Adopted	FY 27 Proposed
Personnel Services	$ 1,183,322	$1,211,886
Materials and Supplies	$62,500	$64,750
Maintenance and Repair	$886,162	$883,590
Insurance	$4,099,531	$4,489,862
Miscellaneous	$450,280	$451,815
Operations	$1,173,676	$1,229,696
Transfers Out	$472,006	$484,427
Total Expenditures	**$ 8,327,477**	**$ 8,816,026**

Fiscal Year 2026-27

Environmental Services

Proposed Budget

Protects Denton's natural resources, public health, and environmental integrity through regulatory oversight, including industrial pretreatment, solid waste compliance, gas well inspections, and watershed protection—ensuring clean water, safe air, and responsible waste management.

Highlights

- Watershed HBU moved to Environmental Services from Drainage
    - Addition of 8 FTE

Staffing

- 40 FTEs

Revenues	FY 26 Adopted	FY 27 Proposed
Interfund Transfers	$5,529,228	$7,058,595
Gas Well Inspections	$255,105	$246,306
Investment Income	$31,405	$53,714
Watershed Inspection Fee	-	$15,566
Total Revenues	**$5,815,738**	**$7,374,181**

Expenditures	FY 26 Adopted	FY 27 Proposed
Personnel Services	$3,794,111	$4,661,052
Materials and Supplies	$244,357	$296,371
Maintenance and Repair	$ 67,065	$91,183
Insurance	$125,398	$151,609
Miscellaneous	$23,690	$24,150
Operations	$739,301	$977,448
Transfers Out	$821,816	$1,006,368
Fixed Assets	-	$166,000
Total Expenditures	**$5,815,738**	**$7,374,181**

Engineering Services

Proposed Budget

Provides civil engineering design, construction of City capital infrastructure, and inspection of public and development private commercial construction

Highlights

- One position moved to the Drainage Fund

Staffing

- 53 FTEs

Revenues	FY 26 Adopted	FY 27 Proposed
Operating Revenues	$11,415,845	$12,126,961
Development Review	$930,998	$1,339,966
Development Fees	$964,557	$554,986
Total Revenues	**$ 13,314,400**	**$ 14,028,197**

Expenditures	FY 26 Adopted	FY 27 Proposed
Personnel Services	$7,508,759	$7,415,176
Materials and Supplies	$45,565	$49,674
Insurance	$110,532	$111,121
Miscellaneous	$4,490	$1,855
Operations	$2,752,692	$3,546,664
Transfers Out	$2,892,362	$2,903,707
Total Expenditures	**$ 13,314,400**	**$ 14,028,197**

Materials Management

Proposed Budget

Manages the acquisition of commodities and services; the storage and distribution of applicable commodities

Highlights

- 2026 Achievement of Excellence in Procurement Award by the National Procurement Institute
- The budget provides for the fulfillment of over 6,000 warehouse orders annually.

Staffing

- 23 FTEs

Revenues	FY 26 Adopted	FY 27 Proposed
Goods and Services	$16,750,135	$16,645,000
Miscellaneous Revenue	$100,000	$110,005
Other Revenue	$10,000	$10,000
Transfer In	$4,064,228	$4,434,227
Total Revenues	**$ 20,934,363**	**$ 21,199,232**

Expenditures	FY 26 Adopted	FY 27 Proposed
Personnel Services	$2,597,168	$2,637,755
Materials and Supplies	$2,098,770	$2,102,530
Maintenance and Repair	$9,750	$12,900
Insurance	$45,093	$45,333
Warehouse Inventory	$14,600,000	$14,600,000
Miscellaneous	-	$1,020
Operations	$154,615	$145,765
Transfers Out	$1,428,967	$1,653,929
Total Expenditures	**$ 20,934,363**	**$ 21,199,232**

Special Revenue Funds Overview

Fiscal Year 2026-27

Special Revenue Funds

Special Revenue funds account for the receipt of specific revenue sources that are restricted for a specific purpose.

- Total of 20 Special Revenue Funds

Major Funds

- Tourism PID
- Downtown TIRZ fund
- Tourist and Convention Fund
- Catalyst Fund
- Sustainability Framework Fund
- Street Improvement Fund

Fund Name	FY 26 Adopted	FY 27 Proposed
Tourist & Convention	$ 5,379,404	$ 4,897,653
Miscellaneous Donations	217,500	512,500
PEG – Public Education Government	500,000	500,000
Tree Preservation	1,000,000	501,919
Sustainability	1,050,150	988,970
Catalyst	2,150,000	3,525,000
Street Improvement	23,432,130	23,920,244
Downtown TIRZ	1,542,251	1,642,251
Westpark TIRZ	474,006	237,283
Tourism PID	1,203,334	1,205,000
Public Housing Corporation	-	300,000
Park Gas Well	70,000	70,000
Roadway Impact Fees	5,000,000	5,000,000
Police Confiscation	756,180	756,180
Legend MUD	204,500	8,500
Water Impact Fees	1,732,674	4,203,282
Wastewater Impact Fees	8,858,946	10,714,596
Park Land Dedication Trust	1,000,000	1,000,000
Park Development Trust	1,000,000	2,500,000
McKenna Trust	20,000	20,000
Total Expenditures	**$ 54,601,375**	**$ 62,503,378**

Fiscal Year 2026-27

Tourist & Convention

Proposed Budget

Highlights

- Hotel Occupancy Tax levied at 7% room rentals.
- Application Request increased by 24%
- Planned use of reserve of $426,694
- Estimated Fund Balance $493,491
- Scoring Rubric Used

- Formula Funding
    - 90 – 100 points - Exceptional - Priority Funding
    - 75-89 points – Strong – Recommended Funding
    - 60-74 points – Moderate – Partial Funding
    - Below 60 points- Low – Minimal Funding

Revenues	FY 26 Adopted	FY 27 Proposed
Hotel Occupancy Tax	$ 2,947,000	$ 3,316,844
Convention Center Hotel	1,125,966	1,154,115
Use of Reserves	1,306,438	426,694
Total Revenues	**$ 5,379,404**	**$ 4,897,653**

Fiscal Year 2026-27

Tourist and Convention Fund

FY 27 Allocation Recommendations Based on Scoring Criteria

Expenditures	Score	FY 26 Approved	% Request Increase	FY 27 Funding Request	FY 27 Recommendation
North Texas State Fair Association	95.0	417,200	490,000	17%	417,200
Denton's Day of the Dead	94.5	80,000	100,000	25%	80,000
Denton 31 Days of Halloween 2026	93.0	250,000	250,000	0%	250,000
Denton Black Film Festival	93.0	62,500	98,000	57%	80,000
Discover Denton	90.5	1,964,250	2,300,000	17%	1,964,250
Texas Filmmakers Corporation – Thin Line Fim Festival	87.0	75,000	100,000	33%	60,000
Denton Festival Foundation – Arts and Jazz Festival	86.5	94,000	125,000	33%	94,000
Denton County Office of History & Culture	83.0	300,000	300,000	0%	240,000
Downtown Denton Foundation – Arts and Autos	83.0	111,680	201,310	80%	89,344
Theatre Denton, Inc. (Denton Community Theater)	82.0	35,100	40,000	14%	28,080
Denton Black Chamber of Commerce - Blues Festival	79.5	48,000	85,000	77%	38,400
Greater Denton Arts Council	78.0	160,400	300,000	87%	128,320
Instant Film Society	78.0	-	5,000	New Request	-
Denton Breakfast Kiwanis - Turkey Roll	75.5	-	7,000	New Request	-

Tourist and Convention Fund

FY 27 Allocation Recommendations Based on Scoring Criteria

Expenditures	Score	FY 26 Approved	% Request Increase	Funding Request	Recommendation
Tejas Storytelling Association	75.5	59,055	59,055	0%	47,244
Denton Holiday Festival Association – Holiday Lighting	66.0	30,000	75,000	150%	18,000
Denton Parks Foundation - Juneteenth	62.5	30,800	70,000	127%	18,480
Denton Main Street Association – Promotion/ Wayfinding	60.0	10,000	85,500	755%	6,000
DMAC Amplify	57.0	9,900	11,000	11%	3,960
Texas Veterans Hall of Fame Foundation – Museum	56.0	70,000	98,800	41%	28,000
Denton Parks Foundation - Dog Days of Denton	48.0	30,000	20,000	-33%	12,000
Greater Denton Arts Council - Public Art	N/A	70,728	-	n/a	77,560
Southwest Celtic Music Association	N/A	-	25,000	New Request	-
Contingency		-	-	n/a	62,700
Sub-total Recipient Expenditures		$ 3,908,613	$ 4,845,665		$ 3,743,538

Tree Preservation

Proposed Budget

Funds tree plantings on both public and private property. The budget will be used for the continuation of the current programs for tree planting.

Highlights

- Planted 389 trees
- Provided 900 trees through Keep Denton Beautiful
- 23% Tree Canopy Coverage

Revenues	FY 26 Adopted	FY 27 Proposed
License & Permits	$ 900,000	$ 411,919
Investment	100,000	90,000
Total Revenues	**$ 1,000,000**	**$ 501,919**

Expenditures	FY 26 Adopted	FY 27 Proposed
Personnel Services	$ 19,469	$ 19,797
Insurance & Miscellaneous	861	922
Operations	484,433	481,200
Capital Transfers	495,237	-
Total Expenditures	**$ 1,000,000**	**$ 501,919**

Fiscal Year 2026-27

Catalyst

Proposed Budget

The Catalyst Fund supports economic development programs, incentives, and initiatives that help growth-minded businesses scale operations, grow production or service capacity, and expand to meet market demand.

Revenues	FY 26 Adopted	FY 27 Proposed
Transfer from General Fund	$ 1,000,000	$ -
Mixed Beverage Tax	150,000	150,000
Investments	-	170,000
Use of Reserve	1,000,000	3,205,000
Total Revenues	**$ 2,150,000**	**$ 320,000**

Expenditures	FY 26 Adopted	FY 27 Proposed
Operations	$ 144,000	$ 525,000
Economic Development Incentives & Grants	2,006,000	3,000,000
Total Expenditures	**$ 2,150,000**	**$ 3,525,000**

Sustainability

Proposed Budget

Committed to environmental stewardship and aims to balance the protection of natural resources with the economic and social realities of a growing city.

Highlights

- Use of reserves to fund $988,970 of programs and projects identified in the Sustainability Framework Advisory Committee work plan.
  - Electric Vehicle Rebate
  - E-Bike Rebate
  - Electric Lawn Equipment Rebate
  - Parks Electric Mowers
  - Bike Lane/Sidewalk Connections
  - Low Water Use Median Conversion
  - Electric Vehicle Support Fleet
  - Minor Home Repairs
  - Air Quality Sensors Monitoring

Revenues	FY 26 Adopted	FY 27 Proposed
General Fund Transfer	$1,000,000	$ -
Investments	50,150	50,150
Use of Reserves	-	938,820
Total Revenues	**$1,050,150**	**$988,970**

Expenditures	FY 26 Adopted	FY 27 Proposed
Materials and Supplies	$ 82,400	$ 21,220
Operations	51,500	51,500
Program Spend	916,250	916,250
Total Expenditures	**$1,050,150**	**$ 988,970**

Fiscal Year 2026-27

Street Improvement

Proposed Budget

Maintains the City's Roadway and Pavement Networks.

Major Projects

- $2,643,286 - Responsive Maintenance
- $2,375,000 - Reconstruction
- $1,360,000 - Mill & Overlay
- $1,320,000 - Surface Treatments
- $1,000,000 - Sidewalks & ADA

Staffing

- 40 FTEs

Revenues	FY 26 Adopted	FY 27 Proposed
Franchise Fees	$ 16,300,000	$ 16,300,000
Operating Transfers In	4,689,864	2,255,561
Investments	213,028	219,419
Use of Reserves	2,229,238	5,145,264
Total Revenues	**$ 23,432,130**	**$ 23,920,244**

Expenditures	FY 26 Adopted	FY 27 Proposed
Personnel Services	$ 4,279,853	$ 4,192,612
Materials and Supplies	171,629	159,709
Maintenance and Repair	7,441,086	9,021,786
Insurance	98,295	98,825
Miscellaneous Expense	1,400	1,400
Operations	1,414,329	2,008,237
Interfund Transfers	10,025,538	8,437,675
Total Expenditures	**$ 23,432,130**	**$ 23,920,244**

Roadway, Water, & Wastewater Impact Fees

Proposed Budget

Records the receipt and expenditure of impact fees associated with capital improvements needed to expand street, water, and wastewater services due to new development.

Roadway Impact Fees	FY 26 Adopted	FY27 Proposed
Revenues	$ 5,000,000	$ 5,000,000
Expenditures	5,000,000	5,000,000

Water Impact Fees	FY 26 Adopted	FY27 Proposed
Revenues	$ 15,400,000	$ 15,862,000
Expenditures	1,732,674	4,203,282

Wastewater Impact Fees	FY 26 Adopted	FY27 Proposed
Revenues	$ 13,000,000	$ 13,390,000
Expenditures	8,858,946	10,714,596

Capital Improvement Program

2023 Bond Issuance Timeline

Current Timeline

PROGRAM DESCRIPTION	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Proposition A - Street Improvements	$5,000,000	$2,000,000	$18,125,000	$20,000,000	-	-	$45,125,000
Proposition B - Drainage & Flood Control	$10,000,000	$6,268,000	$25,595,000	$16,997,000	-	-	$58,860,000
Proposition C - Park System Improvements	$9,450,000	$1,000,000	-	$17,000,000	3,000,000	$3,000,000	$33,450,000
Proposition D - Public Safety Facilities	$26,170,000	$15,342,000	$503,000	-	-	-	$42,015,000
Proposition E - Affordable Housing	-	-	-	$5,000,000	$5,000,000	$5,000,000	$15,000,000
Proposition F - Active Adult Center	-	-	-	$5,930,000	$25,000,000	$16,430,000	$47,360,000
Proposition G - South Branch Library	$2,500,000	-	-	$5,000,000	$18,000,000	$24,045,000	$49,545,000
TOTAL - 2023 BOND ELECTION	**$53,120,000**	**$24,610,000**	**$44,223,000**	**$69,927,000**	**$51,000,000**	**$48,475,000**	**$291,355,000**

2023 Bond Issuance Timeline

Extended Timeline

PROGRAM DESCRIPTION	Prior Issued	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	Total
Proposition A - Street Improvements	$ 25,125,000	$ -	$10,000,000	$10,000,000	-	-	-	-	$ 45,125,000
Proposition B - Drainage & Flood Control	$41,863,000	-	$10,997,000	$6,000,000	-	-	-	-	$58,860,000
Proposition C - Park System Improvements	$10,450,000	$5,000,000	$3,000,000	$3,000,000	-	-	-	12,000,000	$33,450,000
Proposition D - Public Safety Facilities	$42,015,000	-	-	-	-	-	-	-	$42,015,000
Proposition E - Affordable Housing	-	$300,000	$2,000,000	$4,000,000	$4,000,000	$4,700,000	-	-	$15,000,000
Proposition F - Active Adult Center	-	$250,000	$3,000,000	-	$15,000,000	$20,000,000	$9,110,000	-	$47,360,000
Proposition G - South Branch Library	$2,500,000	$250,000	$3,000,000	-	$15,000,000	$20,000,000	$8,795,000	-	$49,545,000
TOTAL - 2023 BOND ELECTION	**$121,953,000**	**$5,800,000**	**$31,997,000**	**$23,000,000**	**$34,000,000**	**$44,700,000**	**$17,905,000**	**$12,000,000**	**$291,355,000**

- The proposed extension would spread the bond program over an additional four years.
- The result would be a smoothing of the tax rate impact.

Projected Debt Tax Rate

Extended Timeline

Propositions	Total	Unissued	% in Support
Streets	$45,125,000	$20,000,000	69.73%
Drainage and Flood Control	$58,860,000	$16,997,000	70.93%
Park System	$33,450,000	$23,000,000	64.65%
Public Safety	$42,015,000	-	68.05%
Affordable Housing	$15,000,000	$15,000,000	58.38%
Active Adult Center	$47,360,000	$47,360,000	55.57%
South Branch Library	$49,545,000	$47,045,000	55.86%
GRAND TOTAL	**$291,335,000**	**$169,402,000**	

Debt Tax Rate (Fiscal Year)	2023 Tax Rate Forecast	2026 Tax Rate Forecast (No Extension)	2026 Tax Rate Forecast (Extension)	Variance
2023	0.20425	0.20425	0.20425	-
2024	0.21338	0.20590	0.20590	-
2025	0.23826	0.25064	0.25064	-
2026	0.25387	0.26064	0.26064	-
2027	0.25954	0.23214	0.23214	-
2028	0.26189	**0.25302**	**0.23405**	**-0.01897**
2029	0.25421	**0.26178**	**0.23798**	**-0.02380**
2030	0.25749	**0.26726**	**0.23771**	**-0.02955**

- Extending the 2023 Program will help support holding the I&S rate at approximately 23.5 cents per $100/valuation through 2030.
- The variance between extending and not extending is 1.8 cents in 2028, 2.3 cents in 2029, and 2.9 cents in 2030.

2023 Assumptions	2026 Assumptions
5% AV Growth	4% AV Growth
$0 CO Issuance 2027+	$45M CO Issuance 2027+

Council Priorities Discussion

Council Action Items

Item	Annual Cost	Category	Type
Ethics Ordinance Update	$ 5,000	Two-Minute Pitch	One-Time
One EMS Lieutenant	188,660	Two-Minute Pitch	Ongoing
One EMS Lieutenant	188,660	Two-Minute Pitch	Ongoing
Fire Pension COLA	2,378,648	Two-Minute Pitch	Ongoing
Woman's Building Lease Rental Revenue	1,320	Council Action	Ongoing
Total	**$ 2,762,288**		

$801,320 is available in the General Fund as a placeholder for Council priorities. The items shown in the chart reflect two-minute pitch proposals or Council action items that were directed for discussion during the FY 27 budget process.

Economic Development

Item	Annual Cost	Category	Type
Expiring Incentives- Catalyst Fund Transfer	$ 190,000	Council Action	One-Time
Certified Sites Program	30,000	Work Session Follow Up	One-Time
Marketing and Recruitment Program Enhancement	35,000	Work Session Follow Up	Ongoing
Accelerator Program to support retail/restaurants/ film	60,000	Work Session Follow Up	One-Time
Mayor's Workforce and Education Task Force	20,000	Work Session Follow Up	Ongoing
Catalyst Fund Transfer	665,000	Work Session Follow Up	One-Time
Total	**$ 1,000,000**		

One million dollars is available in the General Fund as a placeholder for Economic Development initiatives that were directed for discussion during the FY 27 budget process.

Closing

Fiscal Year 2026-27

FY 2026-27 Proposed Budget

Summary

- Total Budget: $2.2B
- Resident Impact:

Category	Total Annual Change
Utility Bill (Average Customer)	$97.80
Property Tax Bill	($203.00)
Total:	($105.20)

The proposed budget addresses key community priorities while planning for growth and increased service demands.

- Engagement:
  - Dude Makes Cents Videos
  - Budget Feedback: Online Form, Budget Survey and Simulator

Fiscal Year 2026-27

FY 2026-27 Budget Development

Next Steps

- August 18: Budget Workshop Follow-Up
  - Fee changes
- September 15: Budget and Tax Rate Hearing
- September 22: Budget and Tax Rate Adoption

Questions?