Proposed Budget
Fiscal Year 2026-27

CLIFFORD BLACKWELL

CITY MANAGER

AUGUST 08, 2026

The Agenda for Today

Discussion Topics

- Overview
- Tax Rate
- Major Operating Funds
- Supplemental Requests
- Capital Improvement Projects
- Feedback

Why is budget transparency so important?

Regulatory Requirements

- **THE LAW REQUIRES IT….**
  - **Chapter 102 – Local Government Code**
    - Sec. 102.002 Budget officer shall prepare each year a municipal budget to cover to the proposed expenditures of the municipal government for the succeeding year.
    - Sec. 102.006 The governing body … shall hold a public hearing on the proposed budget … shall set the hearing date (*no sooner than 15 days afer budget has been filed with municipal clerk*)…. shall provide for public notice of the hearing.
    - Sec. 102.007 The governing body shall take action to adopt the budget by record vote.
  - **Chapter 26.04 – Tax Code**
    - Sec. 26.01 Chief appraiser certifies tax roll by July 25.
    - Sec. 26.04 Submit certified tax roll to the governing body
    - Sec. 26.04 Defines No-New Revenue Rate and Voter-Approval Rate calculations as well as submit both rates to the governing body

This budget will raise more revenue from property taxes than last year's budget by an amount equal to $668,048, which is a 6.29 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 $261,062.

Budget Cover Page

The Debt Obligation secured by property taxes this year is $1,283,839.

Budget Overview

FUND TYPES

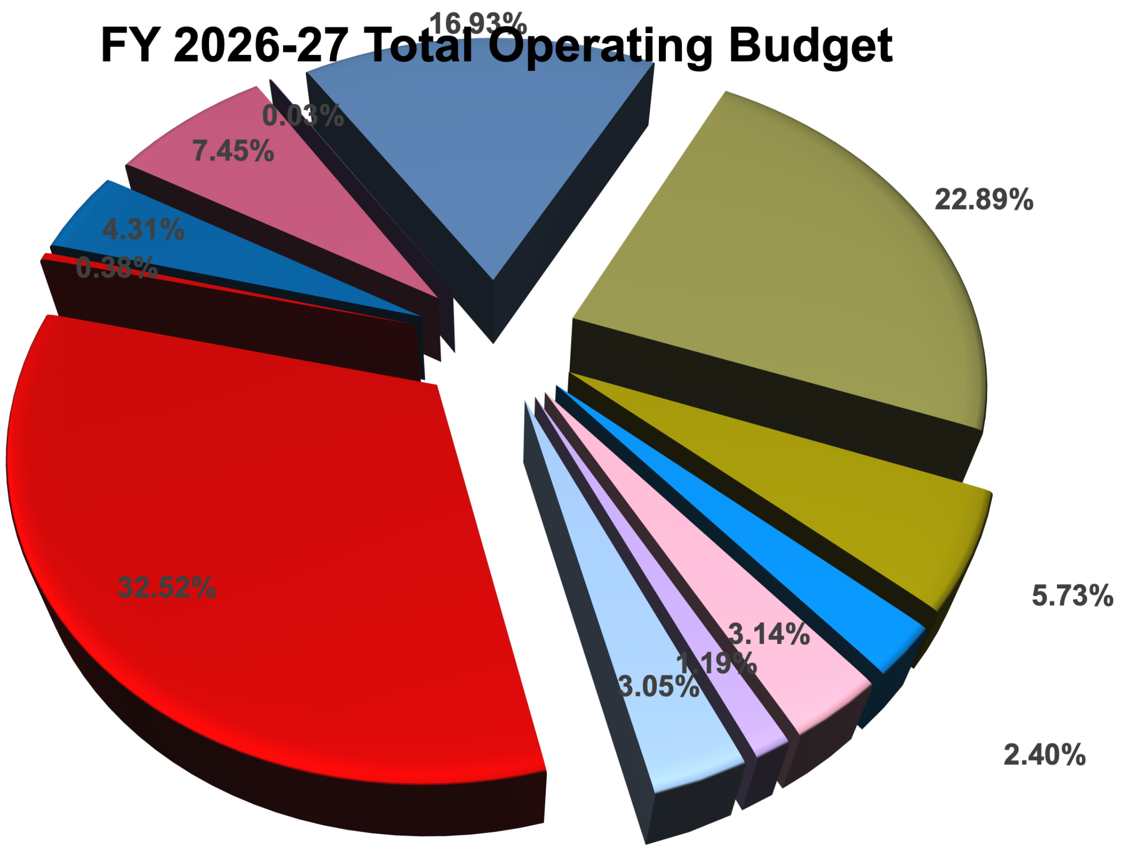
OPERATING FUNDS:	**$41,310,600**
General Fund	45.6%
Water Fund	33.0%
Operating Grants Fund	16.8%
Debt Fund	3.1%
Drainage Fund	1.2%
E911 Fund	<1%
Court Security	<1%
Court Technology	<1%

CAPITAL FUNDS:	**$6,077,521**
Capital Projects Fund	53.9%
Street Impact Fee Fund	42.8%
2016 GO Bond Fund	3.3%

Budget Overview

ALL FUNDS COMBINED

Budget Overview



Budget Overview

Budget Overview

Key Factors in the FY 2026-27 budget

- Sustained current service levels across all Departments, including maintaining supplies, training, contractual agreements, and software licensing, with no reduction in workforce totaling 118 FTEs
- Enhanced commitment to vehicle maintenance
- Planned increase for Jail services from the City of DeSoto
- Planned increase from the Trinity River Authority (Red Oak Creek Regional Wastewater System)
- Planned increase for a lease program dedicated to Police camera systems
- Due to solid waste contract ending in May, planned increase in new services (prorated) beginning in June
- Added a complaint tracking portal program that will assist Code Enforcement and Public Works
- Enhanced commitment to updating future land use/zoning maps, GIS updates
- Continued investment in capital improvements in the city’s aging infrastructure

TAX RATE & APPRAISAL VALUES

Property Tax Rate

The Tax Rate comprises of 2 components:

- **Maintenance & Operations Rate**
  - **Used to fund the operational cost associated with the General Fund.**
- **Interest & Sinking Rate**
  - **Used to fund all [property] tax supported debt service**

PROPOSED TAX RATE

M & O RATE	$0.523804
I & S RATE	$0.067017
TOTAL TAX RATE	$0.590821

Tax Rate Calculation

Property Tax Rates are Calculated as follows:

TAX LEVY ÷ NET TAXABLE VALUE × $100 =

PROPERTY TAX RATE

No-New Revenue Rate Calculation

Voter Approval Rate Calculation

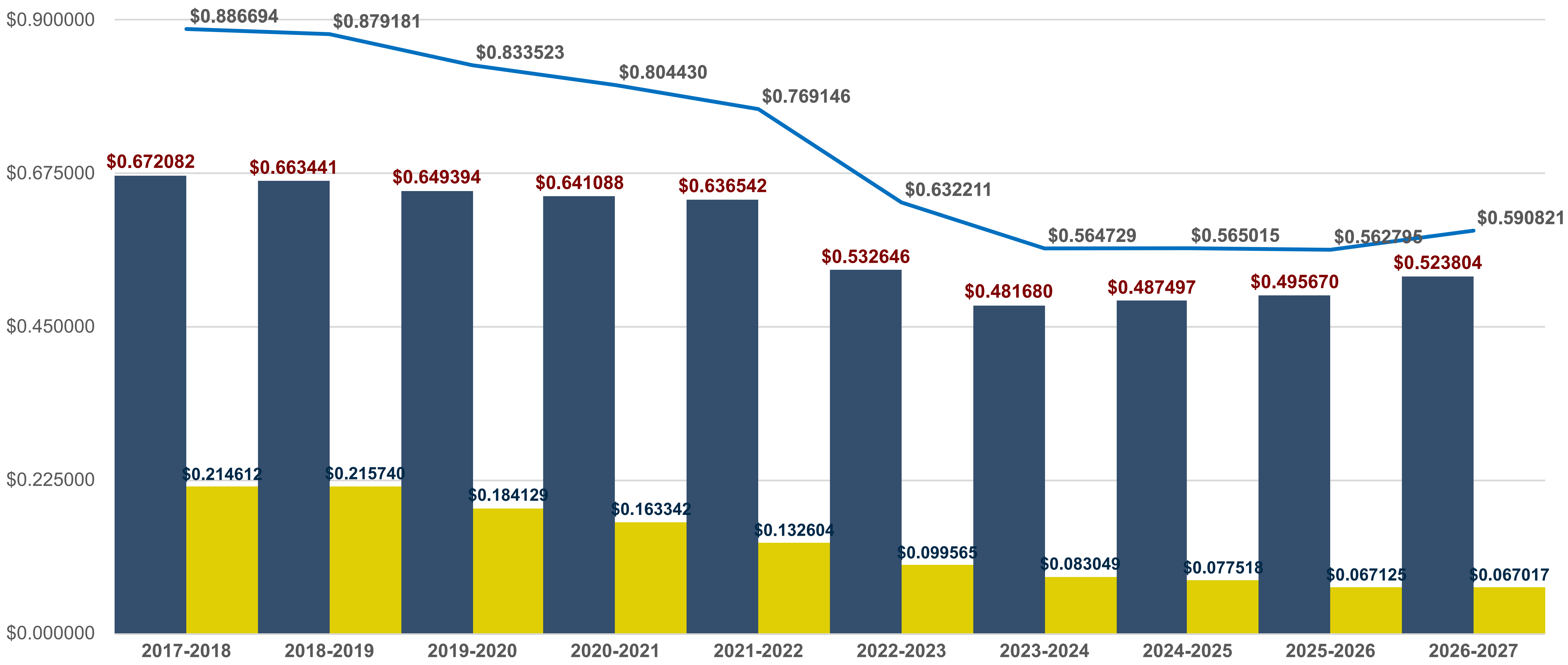
PUBLISHED TAX RATES Per Sec. 26.04 Tax Code

No-New Revenue	$0.569032 per $100 AV
Voter Approval Rate	$0.590821 per $100 AV
De Minimis Rate	$0.599277 per $100 AV
Proposed Tax Rate	$0.590821 per $100 AV

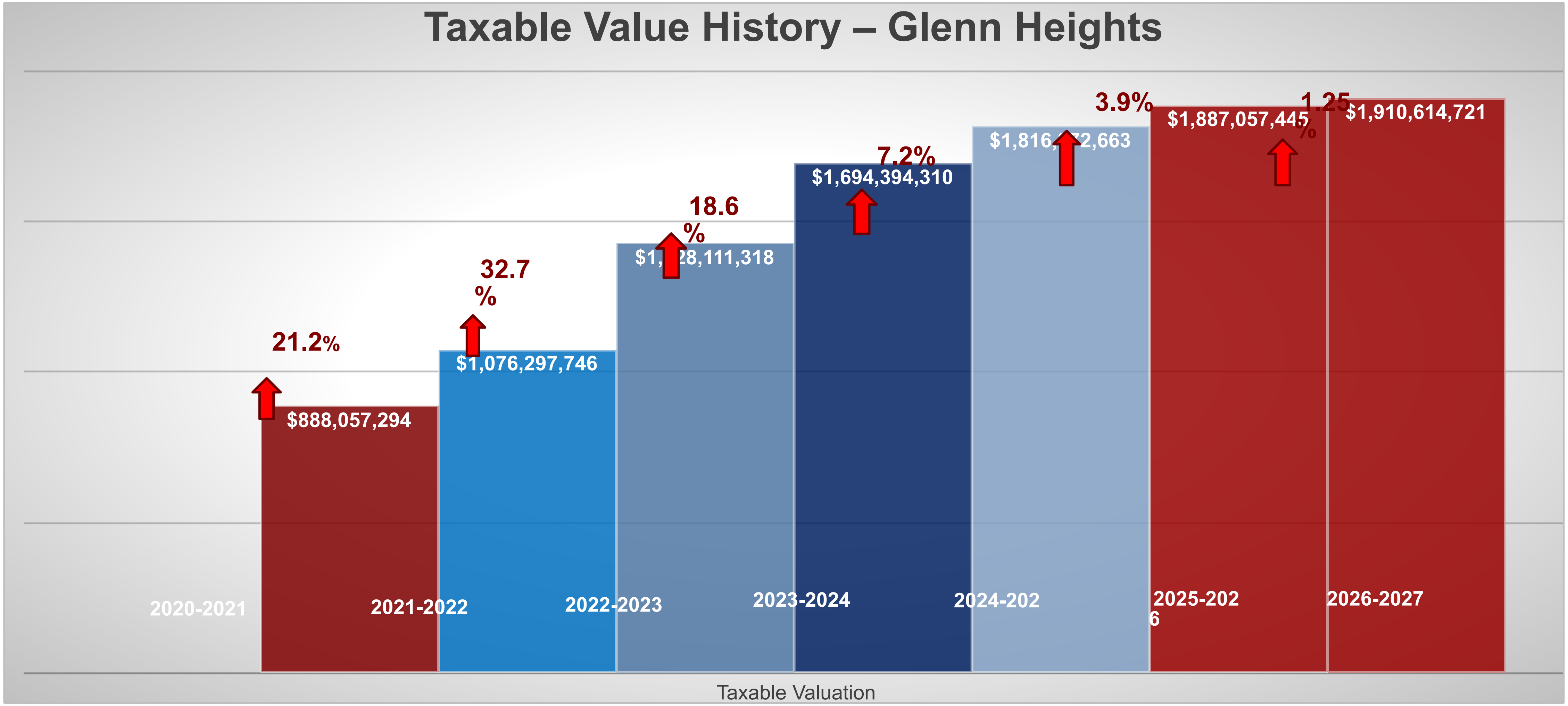
Average Residential Tax Levy Comparison

Total Tax Levy on all taxable property

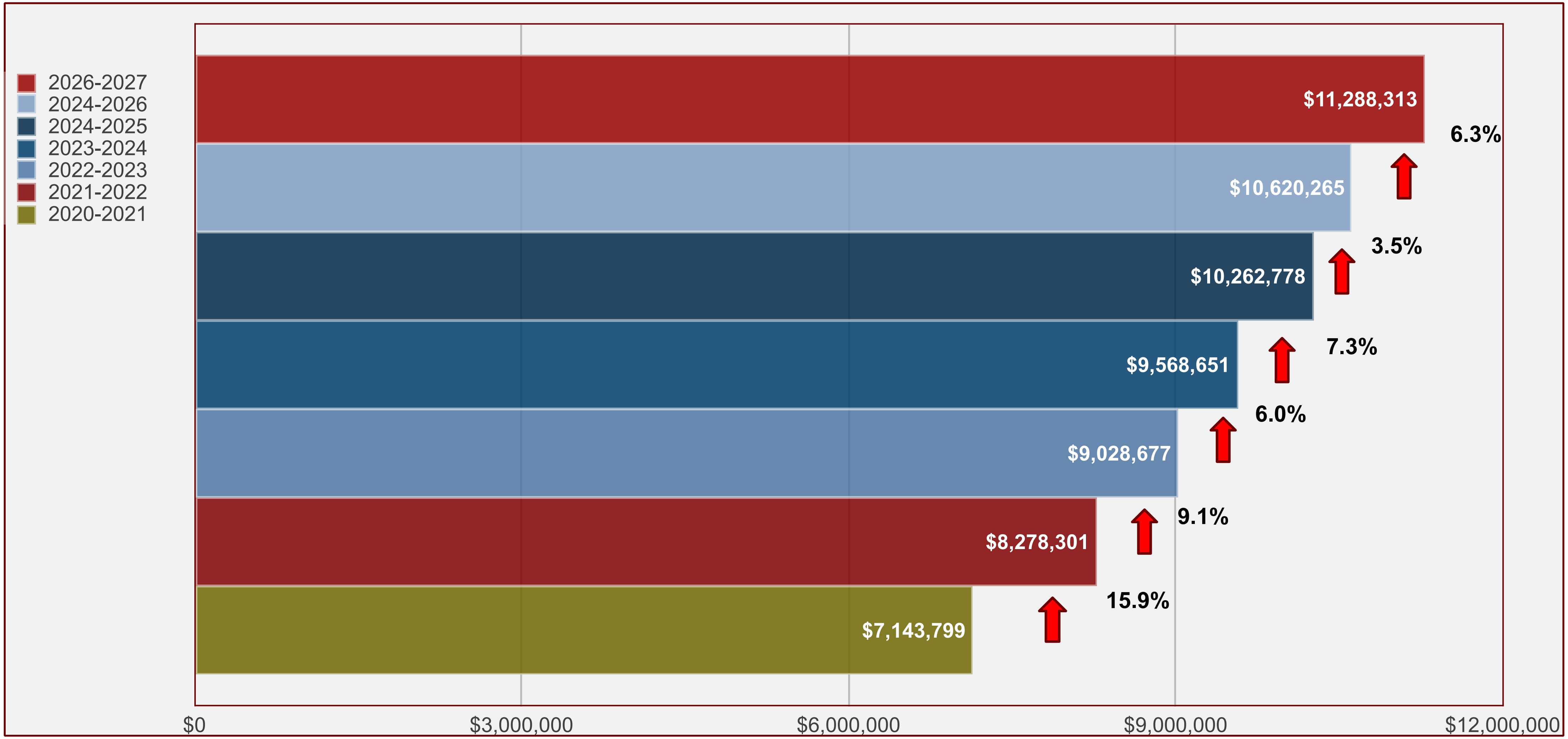
10-YR TAX RATE HISTORY



APPRAISAL VALUES



Tax Levy History



MAJOR OPERATING FUNDS

GENERAL FUND/ WATER FUND/ DRAINAGE FUND

GENERAL FUND

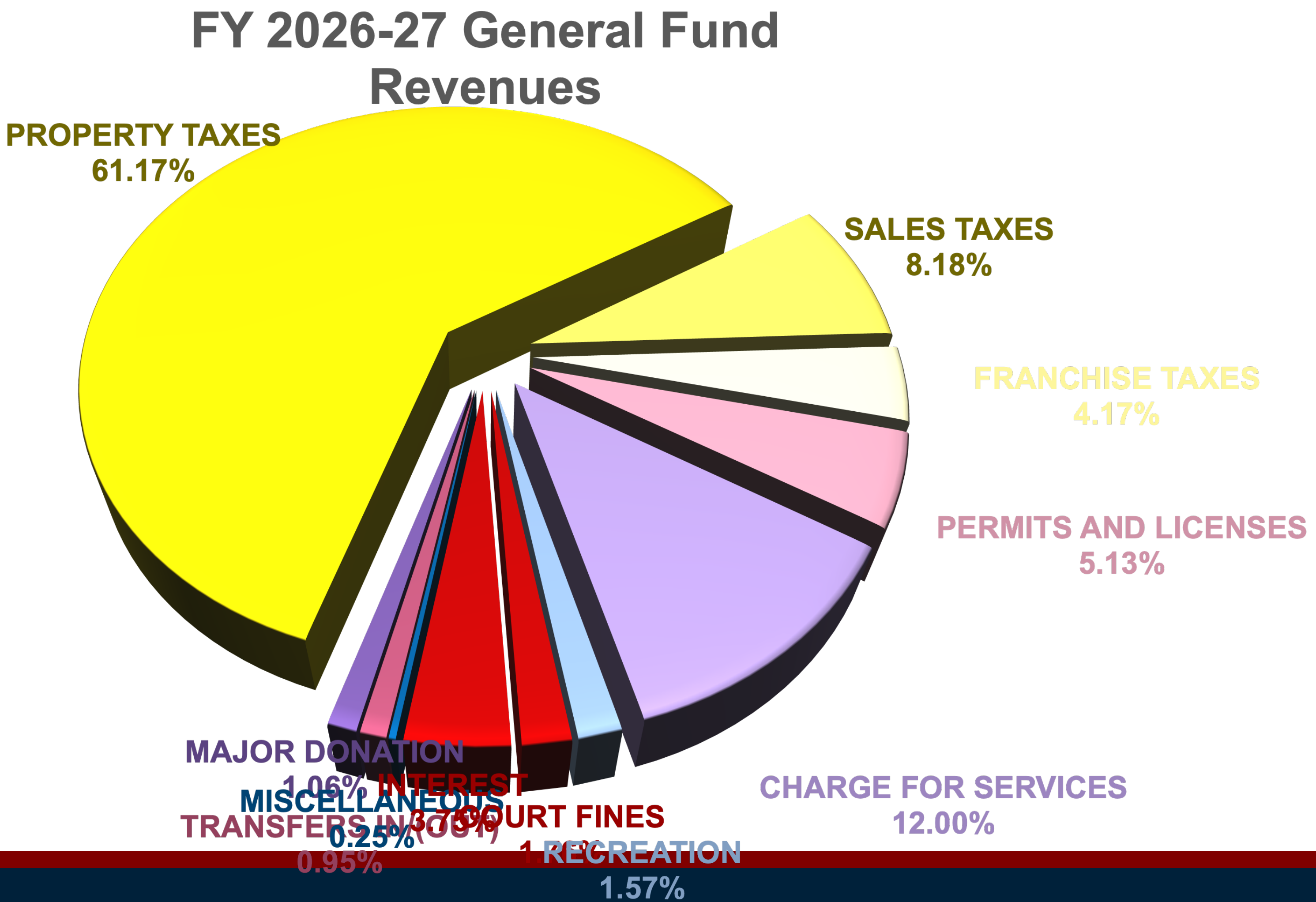
The General Fund is the general operating fund for the City. It is used to account for all financial resources except those required to be accounted for in other funds, such as the Water and Sewer Fund or Special Revenue Funds. All general tax revenues and other receipts that are not allocated by law or otherwise restricted to other funds are accounted for in this fund.

- Administration
- Council
- Police/Fire
- Streets
- Parks/Recreation

General Fund Summary

General Fund Revenues

General Fund Revenue Pie



General Fund Revenues

General Fund Expenditures

General Fund Expenditures

Significant Changes for General Fund

+$518,878 Personnel Costs

- Increased due to medical and dental premium increases
- Slight increase due to changes in staffing

+$103,786 Debt/ Lease Payments

- Net increase due to new lease agreement with Axon for Fleet-3 Cameras and Bodycameras

+$81,521 Supplies

- Increase is directly tied to prisoner contract with DeSoto Jail which has doubled

Significant Changes for General Fund

+ $56,000 Contractual Services
- Increased costs for Economic Development consultant services
- Increased costs for website hosting fees
- Increased costs for updated GIS zoning map services
- Decrease in election expenses due to non-election year
- Increase in EMS Billing Services (corresponds with EMS revenue)

-$205,596 Repairs & Maintenance
- Removed the one-time increase of $250,000 for concrete repairs
- Increase in for R&M Auto for Public Safety vehicles/apparatus to align with increasing trends

-$246,556 Capital Outlay
- Decreased due to the one-time purchase of 3 Police vehicles
- Decreased due to the one-time purchase of new firewall server
- Decreased due to the one-time purchase of zero-turn mowers
- Partially offset by the Taser 10 program via capital purchase

Departmental Budgets

City Council

City Council (cont'd)

City Manager’s Office

Administration

Administration (cont'd)

City Secretary

Human Resources

Human Resources (cont'd)

Information Technology

Information Technology (cont’d)

Community Engagement

Community Engagement (cont'd)

City Sponsored Events

Finance

Finance (cont’d)

Municipal Court

Municipal Court (cont'd)

Fire Department

Fire Department (cont’d)

Police Department

Police Department (cont'd)

Streets Department

Streets Department (cont’d)

Economic Development

Planning & Development

Planning & Development (cont’d)

Parks and Recreation

Parks and Recreation (cont’d)

Grounds Maintenance

Grounds Maintenance (cont’d)

Non-Budgetary Department

WATER AND SEWER FUND

The Water and Sewer fund is an enterprise fund that is funded only through user charges. Money is collected from residents and businesses in the form of utility payments and is used to pay rates/debt charged by wholesale providers such as the Trinity River Authority and the Dallas Water Utilities.

- Water Operations
- Sewer Operations
- Meter Services
- Utility Billing

Water and Sewer Summary

Water and Sewer Fund

Water/Sewer Fund Revenues

Water/Sewer Fund Expenditures

Water and Sewer Fund

Significant Changes for Water Fund

+ $93,872 Personnel Costs
- Increase to the Regular Salaries Full-Time line item due to adding the Construction Project Manager position
- Increase to the Overtime budget to be more in line with actual costs
- Added Longevity Pay line item
- Increase to Certification Pay and Medical Insurance line items.

+ $27,020 Supplies
- Increases to Uniforms & Clothing, Chemicals, and Meter Replacement Purchases.
- Decrease to Safety Equipment Supplies.

+$51,800 Repairs & Maintenance
- Increase to R&M – Small Equipment and R&M-Water System line items

+$32,900 Operating Expenses
- Increases to Merchant (CC) Fees and software licensing

+$2,951,510 Contractual Services
- Increase to TRA Debt Service Payments

Wholesale Cost as % of total budget

DRAINAGE FUND

The Drainage fund is an enterprise fund that is funded only through user charges. Money is collected from residents and businesses in the form of utility payments and is used to maintain the City's stormwater utility system.

- Stormwater Operations

Drainage Fund Summary

Drainage Fund Operating Summary

SUPPLEMENTAL REQUESTS

BUDGET PROPOSALS FOR NEW PROGRAMS AND STAFFING REQUESTS

Supplemental Requests

Supplemental Requests

One-time Purchases

Compensation Packages

3% Compensation Package	**$293,251**
5% Compensation Package	**$488,752**

ACCOUNT NUMBER	HUMAN CAPITAL PROJECT NAME	QUANTITY	AMOUNT PER UNIT	AMOUNT REQUESTED
	5% Compensation Package	1	$ 488,752	$ 488,752
START DATE		**DEPARTMENT PRIORITY**		
10/1/2026		Growth-Related		

DESCRIPTION/PURPOSE

Providing a compensation package with a uniform implementation date that will be for all employees.

JUSTIFICATION

The City of Glenn Heights conducted a compensation and classification study that benchmarked 14 cities. This study resulted in the development of an employee step plan aimed at maintaining staff compensation levels that are competitive with the market. By August 2022, several job classifications were adjusted to a higher pay scale. In 2024, a new compensation and classification study was performed to assess how city employees compared to similar positions in other markets. It was found that public safety personnel were significantly below the median pay range. But as of November 2025, all public safety compensation was modified to address this disparity. This compensation package introduces two concepts: 1) at 3 percent, and 2) at 5 percent.

General Fund Summary

General Fund Summary

CAPITAL IMPROVEMENT PROGRAM

RECOMMENDED FUNDING FOR FY 2023-24 CIP

Capital Improvement Program

PROJECT	Revenue Account Number	Revenue Account Description	FY 25/26 Amount Budgeted	YTD Revenues	Expense Account Number	Expense Account Description	FY 25/26 Amount Budgeted	YTD Expenses	Notes
E Bear Creek RD Expansion - TOTAL							2,849,521		
- Fund 403 2016 GO Bond	403-48703-00-DART1	Capital Grant Proceeds	674,000	272,744	403-55085-99-DART1	Road Improvement Expenditures	647,000	317,729	
- Fund 403 2016 GO Bond	403-44520-99-TXDOT	Other Revenue - TXDOT	-	1,331,533	403-55085-99-BEAR1	Road Improvement Expenditures	2,202,521	1,726,655	
- Fund 410 Capital Projects	NA	FUND BALANCE	-	NA	410-55001-99-BEAR1	Cap Exp - E. Bear Creek Rd.	775,457	142,300	
Top of The Hill Drainage	NA	NA	-	NA	550-55001-46-TOTH1	Capital Expenditures	249,080	-	Project on hold
Intersection of W Bear Creek and S Westmoreland Phase 1 - TOTAL									
- Fund 215 Street Impact Fees	215-48999-40-BEAR1	Capital Contributions - Other	1,050,000	-				-	Money from developers
- Fund 215 Street Impact Fees	NA	NA	-	NA	215-55014-40-BEAR1	Road Expenditures	1,950,000	-	Partial amount of revenue to be spent
Intersection of Ovilla Rd and Santa Rosa	NA	NA	-	NA	215-55001-99-00000	Capital Expenditures	650,000	-	
City of Glenn Heights for Citywide Infiltration and Inflow Study Project									
- Fund 250	250-44217-42-SWIIS	Grant Revenue - BRIC - SWIIS	400,000	-	250-55001-42-SWIIS	Capital Expenditures	534,000	-	Project on hold
- Fund 250	250-46229-42-SWIIS	Transfer in from Fund 500	134,000	-	250-55001-42-SWIIS	Capital Expenditures		-	

Capital Improvement Program

PROJECT	Revenue Account Number	Revenue Account Description	FY 25/26 Amount Budgeted	YTD Revenues	Expense Account Number	Expense Account Description	FY 25/26 Amount Budgeted	YTD Expenses	Notes
Groundwater Storage Tank									
- Fund 250	250-44210-41-GWTNK	Grant Revenue - EPA	2,800,000	-	250-55001-41-GWTNK	Capital Expenditures	3,700,000	37,647	Grant Portion
- Fund 515	250-46227-42-WATWW	Transfer from Fund 515	900,000	-	515-57044-41-GWTNK	Transfer to Fund 250	900,000	-	City Portion
City of Glenn Heights for Wastewater Treatment Project (Cinnamon Springs) - TOTAL									Project on hold
- Fund 250 Operating Grants	250-44217-42-WATWW	Grant Revenue - BRIC	829,350	-	250-55001-42-WATWW	Capital Expenditures	2,748,337		
- Fund 515 W&S Impact Fees	NA	NA	-		515-55003-42-WATWW	Capital Outlay			
General Capital Projects									
- Fund 410	Fund 410 Reserves			NA	410-55001-99-DEMO1	Capital Expenditures	30,490	-	Demolition and removal of old City Hall
- Fund 410	Fund 410 Reserves			NA	410-55001-99-SHAMP	Capital Expenditures	500,000	-	Road assessment by Dallas County
- Fund 410	410-46226-00-00000	Transfer in from General Fund	3,000,000	NA	410-53059-00-00000	Capital Project - Animal Shelter	3,000,000	-	Budget Amendment
- Fund 100	NA	NA	-	NA	100-55001-32-00000	Capital Expenditures	225,000	-	(3) New Police Vehicles

CIP Funded Projects

	GO Bond Fund	Capital Projects Fund	Street Impact Fund	W/S Impact Fund	FY 2026-27 Proposed
E Bear Creek Rd Expansion + DART Funds	449,866				$ 3,033,023
E Bear Creek Rd Expansion		633,157			
E Bear Creek Rd Expansion			1,950,000		
Traffic Signal - Santa Rosa & Ovilla Rd			650,000		$ 650,000
Wastewater Treatment Project (Cinnamon Springs)				1,918,987	$ 1,918,987
Dallas County Road Assessment		500,000			$ 500,000
Animal Shelter		2,775,000			$ 2,775,000
Groundwater Storage Tank				900,000	$ 900,000

Questions?

Next Steps

- Consider the Proposed Tax Rate (Record Vote) - completed
- Announce the Public Hearing dates, times, and location for:
  - Proposed Tax Rate September 1, 2026 - completed
  - FY 2026-27 Proposed Budget September 1, 2026 - completed
- Conduct the Scheduled Public Hearings for the Proposed Budget, the Proposed Property Tax Rate, and the Amended Current Year Budget on September 1, 2026 @ 7:00 p.m.
- First reading of the following ordinances:
  - Proposed Tax Rate September 1
  - FY 2026-27 Proposed Budget September 1
- Second reading and adoption of the following ordinances:
  - Proposed Tax Rate September 8
  - FY 2025-26 Proposed Budget September 8

Water and Wastewater Rate Discussion

AUGUST 8, 2026

CLIFFORD BLACKWELL, CITY MANAGER

Water and Wastewater Rate Impact

Irrigation Rate Impact

Debt Issuance Discussion

AUGUST 8, 2026

SHERRY ROBERTS, FINANCE DIRECTOR