Proposed Budget Cover Page

Fiscal Year 2026/2027

Required notice, pursuant to Section 102.007 of the Texas Local Government Code:

This budget will raise more revenue from property taxes than last year's budget by an amount of $78,882 which is a 2.61 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 $33,235.

Record Vote

The members of the City Council of the City of Iowa Park voted on the proposed 2025 tax rate on August 3, 2026, and the record vote is as follows:

	For	Against	Present	Absent
Mayor Jeff Pogatshnik			X	
Mayor Pro tem Sherrie Williams	X			
Councilor Stephanie Wooten (Pl 1)	X			
Councilor Clint Downs (Pl 2)	X			X
Councilor Randall Barker (Pl 3)				X
Councilor Al Fox (Pl 4)				

Tax Rates	Adopted 2024	Adopted 2025	Proposed 2026
Property Tax Rate	$0.70910/100	$0.69450/100	$0.69450/100
No New Revenue (NNR) Tax Rate	$0.68285/100	$0.67284/100	$0.65385/100
NNR Maint & Operations Rate	$0.64222/100	$0.61402/100	$0.57489 /100
Voter-Approval Tax Rate*	$0.70947/100	$0.69454/100	$0.71889/100
Debt Service Rate	$0.06341/100	$0.05882/100	$0.07896 /100

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City of Iowa Park

103 N. Wall • P.O. Box 190 | Iowa Park, Texas 76367-0190
PHONE (940) 592-2131 | FAX (940) 592-4793
jflemming@iowapark.com • www.iowapark.com

Jerry Flemming, City Manager

MEMORANDUM

Date: August 19, 2026

TO: Mayor and City Council

FROM: City Manager Jerry Flemming

SUBJECT: Proposed FY 2026-2027 General Fund & Utility Fund Operating Budgets

Municipal budget preparation doesn't seem to get any easier with experience: times keep getting tougher; money loses value; goods and services cost more; people demand more; government restrictions increase, none of us want to pay taxes; and just when we think the world can't get any crazier, the world gets crazier. There is no reset button. As painful as it is, budget adoption is among the most important duties of the City Council (Sec. 1.13 of the Home Rule Charter) and budget preparation is among the most important duties of the City Manager (Sec. 4.03) and staff. A budget preparation and approval schedule was approved by the City Council on May 11, 2026, and after three months of staff reports, a budget workshop was held on august 3, 2026. Based on those activities, this budget is hereby presented to the City Council and filed with the City Secretary in accordance with the Texas Local Government Code (Sec. 102.005).

The proposed FY 26-27 General Fund operating budget is balanced at $6,142,500 and the Utility Fund Operating Budget at $7,141,990. Both proposed budgets include a 5% salary increase for employees due to the increasing cost of living and three additional paid holidays. Both budgets also include significant increases in workers' compensation and general liability insurance due to the high number of claims in recent years.

GENERAL FUND

On August 3, 2026, City Council held a record vote on the proposed tax rate and opted to keep the 2026 tax rate at the 2025 rate at $0.6945 per $100 property valuation. The General Fund budget includes a $134 thousand "advance from reserves" for furniture, fixtures, equipment, and information technology for the new City Hall. These

items were allocated in the FY 25-26 budget but not purchased due to delays in the renovation project. Proposed fee increases for solid waste collection and disposal are included. An additional position for Code Enforcement is included, starting January 1, 2027, not October 1, 2026, as requested. The budget also does NOT include upgrading an Animal Control Officer position from part-time to full-time.

The General Fund capital improvement budget includes a share of the new City Hall, significant improvements at the Tom Burnett Memorial Library, a Parks crew building, and improvements at the Animal Control Facility, Southside Fire Station, and Economic Development conference room. Nearly $313 thousand has been allocated to street construction; however, due to increasing costs of labor, equipment, concrete, steel, asphalt, and other materials, that amount doesn't go as far as it did just a year ago. The proposed budget does not include replacement of a police vehicle or an animal control vehicle; however, a 10-year lease-purchase agreement on a smaller street sweeper is proposed which will be used both in Streets and Parks Departments.

The installation of a new record management system will be a significant cost this year with annual renewal costs in future years. The system will benefit both the Police Department and Municipal Court by securely storing digital records and allowing more efficient retrieval and sharing of those records between law enforcement agencies when needed.

UTILITY FUND

The proposed FY 26-27 Utility Fund operating budget of $7.41 million includes an "advance from reserves" of nearly $1.17 million for SCADA system improvements and electrical upgrades to the clarifier at the wastewater treatment plant. These improvements were approved and work will commence during the present fiscal year (FY 25-26). Proposed fee increases for water (approximately 12%) and sewer (approximately 6%) services have also been included. These are necessary to balance the increased cost of wholesale water from the City of Wichita Falls and pay for a portion of ongoing sewer plant improvements.

The Utility Fund capital improvement budget also includes a share of the new City Hall, a second fully equipped utility maintenance trailer, a trailer-mounted vacuum excavator, a mini-excavator, and a tractor with loader and boom mower. The proposed budget does NOT include demolition of the old water treatment plant or utility services barn.

The Mayor and City Council provided clear guidance and direction throughout the budget preparation process. Many tough decisions were made which allowed staff to secure competitive cost estimates on essential programs. Staff stepped up to the plate when needed and modified requests to reduce costs while continuing to provide essential goods and services. Thanks to all.

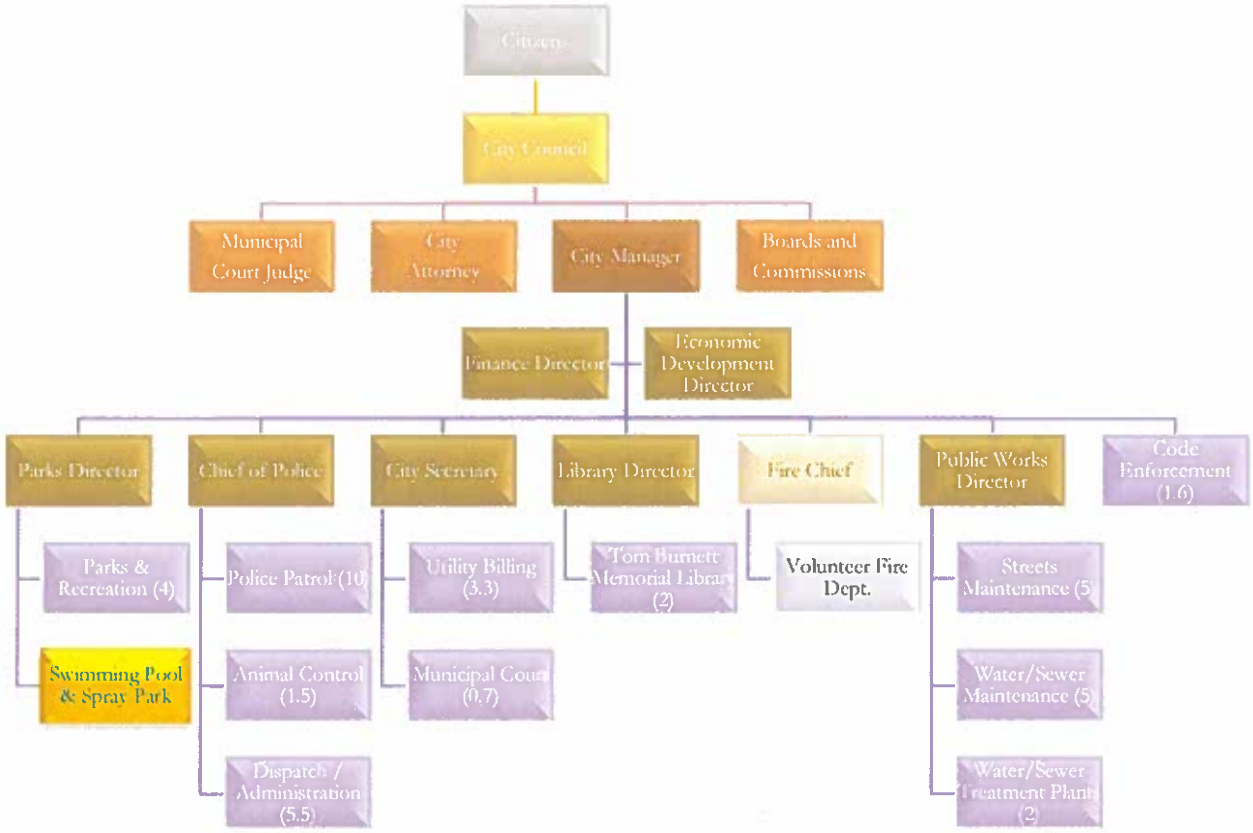
Budget Preparation and Approval Schedule

Adopted on May 11, 2026
(Administratively Amended on July 9 & 24, and August 19, 2026)

April 27, 2026	Monday	• Receive Second Quarter Financial Report
May 11, 2026	Monday	• Approve Budget Preparation & Approval Schedule • Receive Organizational Report • Receive City Facilities Report • Receive Debt Obligation Report • Receive Classification & Compensation Report • Receive City Vehicles and Equipment Report
May 25, 2026	Monday	• Official City Holiday (Memorial Day) • No Public Meetings
June 1, 2026	Monday	• Receive Parks & Recreation Budget Report • Receive Police, Dispatch and Animal Control Budget Report
June 15, 2026	Monday	• Receive Fire & Emergency Services Budget Report • Receive Library Budget Report • Receive Economic Development Budget Report
July 13, 2026	Monday	• Receive Public Works / Public Utilities Budget Report
July 20, 2026	Monday	• Certification of Anticipated Collection Rate (by 7/25/2026)
July 22, 2026	Wednesday	• Calculation of No New Revenue Tax Rate and Voter Approval Tax Rate (by August 7, 2026)

August 3, 2026	Monday	• Record Vote on Proposed Tax Rate (at least 5 days after Certification of Anticipated Collection Rate and before 9/22/2026) • Receive Third Quarter Financial Report • Adopt Wholesale Water Rates
August 10, 2026	Monday	• First Budget Workshop
August 19, 2026	Wed	• File Proposed Budget with City Secretary (thirty days before adoption)
August 24, 2026	Monday	• Second Budget Workshop
August 27, 2026	Thursday	• Publish Notices of Hearings and Tax Rate (10-30 days before first hearing)
August 31, 2026	Monday	• Hold (Fifth Monday)
September 7, 2026	Monday	• Official City Holiday (Labor Day) • No Public Meeting
September 14, 2026	Monday	• Budget and Tax Rate Hearing (at least 10 days after public notice, at least 15 days after budget filed with City Secretary, and at least one day prior to levy)
September 21, 2026	Monday	• Hold (Third Monday)
September 28, 2026	Monday	• Adoption of Maintenance & Operations Budget (Prior to 9/30/2026) • Adoption of Property Tax Rate (Prior to 9/30/2026)

Organizational Chart



Boards and Commissions: Planning and Zoning Commission, Board of Adjustment, Economic Development (4A) Corporation and Community Development (4B) Corporation.

Proposed Budget includes new Code Enforcement Officer position.

46 Fulltime Regular Positions.

6 Part-Time (3.0 FTE) Positions (1 Dispatcher, 1 Animal Control Officer, 4 Library Clerks,).

X Volunteer Positions (Iowa Park Volunteer Fire Department).

Y Seasonal Positions (Swimming Pool & Spray Park).

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Tax-Exempt Lease/Purchase Agreement (General Fund)—HME Fire Truck

On January 9, 2017, City Council approved the lease/purchase of a 2015 HME Fire Truck demo unit in the amount of $370,706. The unit is financed through Leasing 2 at an interest rate of 3.06% for a term of 12 years. The first payment was made in 2018.

DATE	PRINCIPLE	INTEREST	TOTAL
2/1/2027	$30,924.38	$2,930.77	$33,855.15
2/1/2028	$31,871.97	$1,983.18	$33,855.15
2/1/2029	$32,848.59	$1,006.56	$33,855.15
TOTAL	**$95,644.94**	**$5,920.51**	**$101,565.45**

Tax-Exempt Lease/Purchase Agreement (General Fund)—Freightliner Slurry Truck

On May 13, 2024, City Council approved the lease/purchase of a 2024 Freightliner Model 114SD slurry truck with spreader box in the amount of $345,122. The unit is financed through American National Leasing Company at an interest rate of 6.45% for a term of 10 years. The first payment was made in 2024.

DATE	PRINCIPLE	INTEREST	TOTAL
8/28/2027	$34,189.61	$18,766.29	$52,955.90
8/28/2028	$36,394.84	$16,561.06	$52,955.90
8/28/2029	$38,742.31	$14,213.59	$52,955.90
8/28/2030	$41,241.19	$11,714.71	$52,955.90
8/28/2031	$43,901.25	$9,054.65	$52,955.90
8/28/2032	$46,732.88	$6,223.02	$52,955.90
8/28/2033	$49,747.15	$3,208.75	$52,955.90
TOTAL	**$290,949.23**	**$79,742.07**	**$370,691.30**

Tax-Exempt Lease/Purchase Agreement (General Fund)— Fire Engine

On November 10, 2025, City Council authorized the procurement of a 2027 Freightliner M2 106 Plus fire engine to replace Engine 9 (2001 Freightliner Ferrara FL80) in the amount of $700,000. A purchase order was issued on December 8, 2025; however, no funds have been spent. The unit is presently being assembled with an estimated delivery of February 2028.

Tax-Exempt Lease/Purchase Agreement (General Fund)—Street Sweeper

The proposed FY 26-27 GF Operating Budget includes a 10-year lease/purchase of a Tymco Model 435 Sweeper mounted on a 2025 Isuzo NRR cab & chassis. Agreement to be approved by City Council.

UTILITY FUND DEBT OBLIGATIONS

Series 2014 Taxable Bond (Utility Fund)—Wastewater Effluent Reuse Project

On April 3, 2014, the City Council approved the issuance of $600,000 in Certificates of Obligation to be used for the construction of wastewater reuse improvements. While this debt was issued by the City of Iowa Park, the debt service is funded from the Economic Development (Type A) Corporation utilizing revenue received from the collection of a 1/2-cent sales tax.

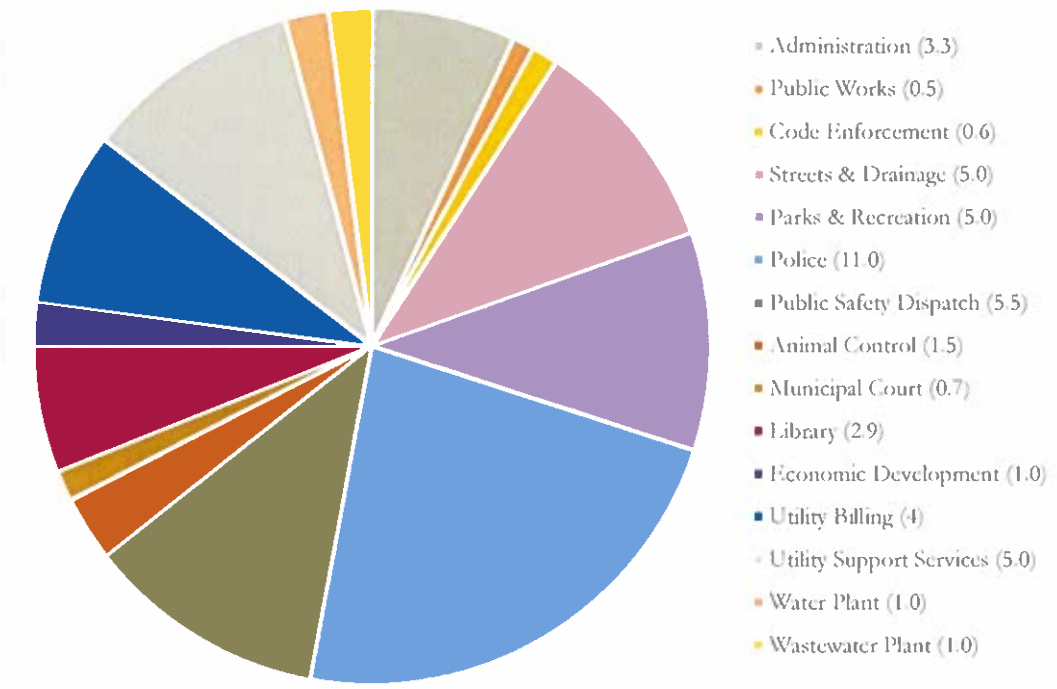
DATE	PRINCIPLE	INTEREST	TOTAL
10/15/2026	$50,000.00	$3,600.00	$53,600.00
4/15/2027	$0.00	$2,425.00	$2,425.00
10/15/2027	$50,000.00	$2,425.00	$52,425.00
4/15/2028	$0.00	$1,225.00	$1,225.00
10/15/2028	$50,000.00	$1,225.00	$51,225.00
TOTAL	$150,000.00	$10,900.00	$160,900.00

Employee Classification and Compensation

Total (Fulltime Equivalent) Positions and Salaries

	FTE	Salary	5% Increase FTE	5% Increase Salary
General Fund	35.0	$1,791,876	36.0	$1,917,678
Utility Fund	13.0	$734,987	13.0	$771,736
Total	**48.0**	**$2,525,677**	**49.0**	**$2,689,414**

FTE Positions per Cost Center



Proposed budget includes addition of one fulltime Code Compliance Officer on January 1, 2027.

General Fund Classification and Compensation

DEPT CLASSIFICATION	GRADE	FTE	SALARY	TOTAL	+ 5%
5110 Administration				**143,152**	**$150,309**
City Manager		0.50	70,262		
City Secretary	7	0.30	30,738		
Finance Director	7	0.50	42,151		
5310 Public Works				**44,200**	**$46,410**
Pub Works Director	8	0.50	44,200		
5320 Code Enforcement				**32,960**	**$34,608**
Code Enf Officer	6	0.60*	32,960		**+$36,208**
$5360 Streets & Drainage				**217,152**	**$228,010**
Streets Foreman	6	1.00	61,235		
Equip Operator	3	4.00	155,917		
Laborer	2	0.00	0		
5380 Parks & Recreation				**220,834**	**$231,875**
Parks & Rec Dir	8	1.00	66,747		
Equip Operator	2	2.00	79,851		
Laborer	2	2.00	74,235		
5510 Police				**593,216**	**$622,877**
Chief of Police	8	1.00	92,269		
Police Lieutenant	7	1.00	84,074		
Police Sergent	6	3.00	163,634		
Police Officer	5	6.00	253,240		
5520 Public Safety Dispatch				**246,074**	**$258,378**
Admin Assistant	4	1.00	50,253		
Com Technician	3	4.50	195,822		
5530 Animal Control				**67,402**	**$70,773**
Animal Control	3	1.50	67,402		
5540 Municipal Court				**30,168**	**$31,677**
Muni Court Clerk	4	0.70	30,168		
5740 Library				**106,987**	**$112,336**
Public Info Officer	7	0.90	54,737		
Librarian	1	2.00	52,250		
5790 Economic Development				**89,731**	**$94,218**
Econ Dvlpt Dir	8	1.00	89,731		
TOTAL GENERAL FUND		35.00		**$1,791,876**	**$1,917,678**

* Proposed budget includes addition of one fulltime Code Compliance Officer on January 1, 2027.

Special Allowances

Annual Mobile Phone Allowance	
City Manager	$480.00
Public Works Director	$480.00
Parks & Recreation Director	$480.00
Chief of Police	$480.00
Economic Development Director	$480.00
Code Enforcement Officer	$480.00
TOTAL	**$2,880.00**

Annual Vehicle Allowance	
City Manager	$6,000.00
Economic Development Director	$3,000.00
TOTAL	**$9,000.00**

Cost of Additional Positions

CLASSIFICATION	RATE	FICA	TMRS	MED	W/C	TOTAL
Parks Laborer	34,528	2,641	3,988	16,560	1,181	$58,898
Equipment Operator	38,979	2,982	4,502	16,560	1,754	$64,777
Animal Control Officer	38,979	2,982	4,502	16,560	2,487	$65,510
Police Officer	44,699	3,419	5,163	16,560	2,096	$71,938
Code Enforcement Officer	48,277	3,693	5,576	16,560	420	$74,526
Assistant City Manager	66,700	5,103	7,704	16,560	273	$96,340

Difference between Part-Time and Full-Time Positions

CLASSIFICATION	RATE	FICA	TMRS	MED	W/C	TOTAL
Animal Control Officer (PT)	21,439	1,640	2,476	0	1,368	$26,923
Animal Control Officer (FT)	38,979	2,982	4,502	16,560	1,754	$64,777
DIFFERENCE	17,540	1,342	2,026	16,560	1,119	$38,587

Costs of General Salary Increases

PRESENT	Salaries	Soc Security	Retirement	TOTAL	DIFFERENCE
General Fund (35.0 FTE)	1,791,876	137,079	206,962	2,135,916.19	0
Utility Fund (13.0 FTE)	734,987	56,227	84,891	876,104.50	0
TOTAL (48.0 FTE)	2,526,863	193,305	291,853	3,012,021	0

1.0% INCREASE	Salaries	Soc Security	Retirement	TOTAL	DIFFERENCE
General Fund (35.0 FTE)	1,809,795	138,449	209,031	2,157,275	21,359
Utility Fund (13.0 FTE)	742,337	56,789	85,740	884,866	8,761
TOTAL (48.0 FTE)	2,552,132	195,238	294,771	3,042,141	30,120

2.0% INCREASE	Salaries	Soc Security	Retirement	TOTAL	DIFFERENCE
General Fund (35.0 FTE)	1,827,714	139,820	211,101	2,178,635	42,718
Utility Fund (13.0 FTE)	749,687	57,351	86,589	893,627	17,522
TOTAL (48.0 FTE)	2,577,400	197,171	297,690	3,072,261	60,240

3.0% INCREASE	Salaries	Soc Security	Retirement	TOTAL	DIFFERENCE
General Fund (35.0 FTE)	1,845,632	141,191	213,171	2,199,994	64,077
Utility Fund (13.0 FTE)	757,037	57,913	87,438	902,388	26,283
TOTAL (48.0 FTE)	2,602,669	199,104	300,608	3,102,381	90,361

4.0% INCREASE	Salaries	Soc Security	Retirement	TOTAL	DIFFERENCE
General Fund (35.0 FTE)	1,863,551	142,562	215,240	2,221,353	85,437
Utility Fund (13.0 FTE)	764,386	58,476	88,287	911,149	35,044
TOTAL (48.0 FTE)	2,627,938	201,037	303,527	3,132,502	120,481

5.0% INCREASE	Salaries	Soc Security	Retirement	TOTAL	DIFFERENCE
General Fund (35.0 FTE)	1,881,470	143,932	217,310	2,242,712	106,796
Utility Fund (13.0 FTE)	771,736	59,038	89,136	919,910	43,805
TOTAL (48.0 FTE)	2,653,206	202,970	306,445	3,162,622	150,601

6.0% INCREASE	Salaries	Soc Security	Retirement	TOTAL	DIFFERENCE
General Fund (35.0 FTE)	1,899,389	145,303	219,379	2,264,071	128,155
Utility Fund (13.0 FTE)	779,086	59,600	89,984	928,671	52,566
TOTAL (48.0 FTE)	2,678,475	204,903	309,364	3,192,742	180,721

NOTE: Each 1% increase in salary costs approximately $30,120 ($21,359 GF & $8,671 UF).

Employee Health and Life Insurance

Medical Plans Available to Employees (through December 31, 2026)

	Benefit %	In Net Ded	Out Net Ded	In Net OOP	OV		Rates
1 copay	80/50	$1,000	$2,000	$3,000	$30	Employee	$1,723.02
						Plus Family	$4,561.98
2 HSA	100/70	$3,000	$6,000	$3,000	N/A	Employee	$1,461.14
						Plus Family	$3,868.54
3 copay	80/50	$3,000	$6,000	$6,000	$30	Employee	$1,349.56
						Plus Family	$3,573.2
4 HSA	80/50	$4,000	$8,000	$6,000	N/A	Employee	$1,189.36
						Plus Family	$3,148.98

NOTES:

- Since January 1, 2025, the City pays $2,145/month per fulltime employee hired before 7/15/2014 AND up to $1,380/month per full-time employee hired 7/15/2014 or after. There are presently no employees with family plans.
- 13 of 42 (31%) existing full-time employees hired before 7/15/2014.
- 16 of 42 (38%) existing full-time employees declined medical coverage.
  - Covered under another plan (spouse, government, parent, other employer, Medicare, etc.)
- $3.70/month administrative fee for HRA / HSA plans.
- $2.18/month life insurance (all covered employees). Optional $1.60/month for family ($3.78/month).
- Optional dental coverage:
  - $37.86/month (employee only)
  - $89.04/month (employee + spouse)
  - $81.44/month (employee + children)
  - $113.64/month (employee + family)
- Optional vision coverage:
  - $8.02/month (employee only)
  - $15.20/month (employee + spouse)
  - $16.02/month (employee + children)
  - $20.42/month (employee + family)

Official Paid Holidays

New Year's Day
(January 1st)
Presidents Day
(Third Monday in February)
Texas Independence Day
(March 2nd)
Memorial Day
(Last Monday in May)
Independence Day
(July 4th)
Labor Day
(First Monday in September)
Thanksgiving Day
(Fourth Thursday in November)
Day After Thanksgiving
(Friday)
Christmas Eve
(December 24th)
Christmas Day
(December 25th)

Other (Unofficial) Holidays

Martin Luther King, Jr. Day
(Third Monday in January)
Confederate Heroes Day
(January 19th)
Ceasar Chavez Day
(March 31st)
San Jacinto Day
(April 21st)
Juneteenth (Emancipation Day)
(June 19th)
Lyndon B Johnson Day
(August 27th)
Rosh Hashanah
(2 days)
Yom Kippur
(Yom Kippur)
Columbus (Indigenous Peoples') Day
(Second Monday in November)
Day After Christmas
(December 26th)
New Years Eve
(December 31st)
Employee's Birthday
(varies)

Proposed Additional Holidays

Good Friday
(Friday before Easter)
Veterans Day
(November 11th)
Floating Holiday
(varies)

Sales Tax Allocations

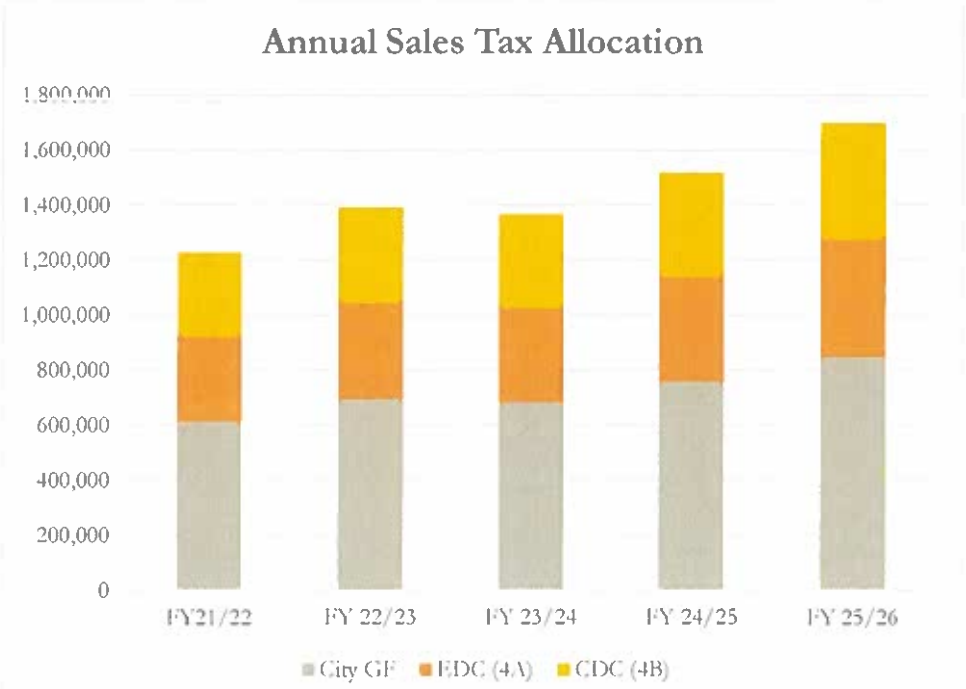
Local Sales Tax Allocations[1]

	FY21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
OCT	$89,650	$113,948	$112,024	$108,226	$130,405
NOV	$119,418	$121,513	$128,277	$145,160	$143,471
DEC	$90,334	$99,211	$94,107	$125,376	$132,717
JAN	$97,760	$111,157	$105,826	$116,816	$179,933
FEB	$115,595	$146,361	$128,863	$160,876	$109,294
MAR	$86,683	$112,017	$99,761	$123,360	$140,718
APR	$82,469	$115,522	$112,673	$101,558	$200,236
MAY	$128,506	$130,430	$123,400	$133,309	$112,629
JUN	$102,005	$91,358	$109,802	$112,414	$152,307
JUL	$89,095	$110,972	$105,108	$118,528	$163,285
AUG	$126,497	$130,757	$126,728	$141,570	$147,814
SEP	$100,579	$110,213	$120,272	$132,583	$147,814
SPECIAL	$0	$0	0	0	-60,624.16
YTD Total	$1,228,590	$1,393,459	$1,366,840	$1,519,776	$1,700,000

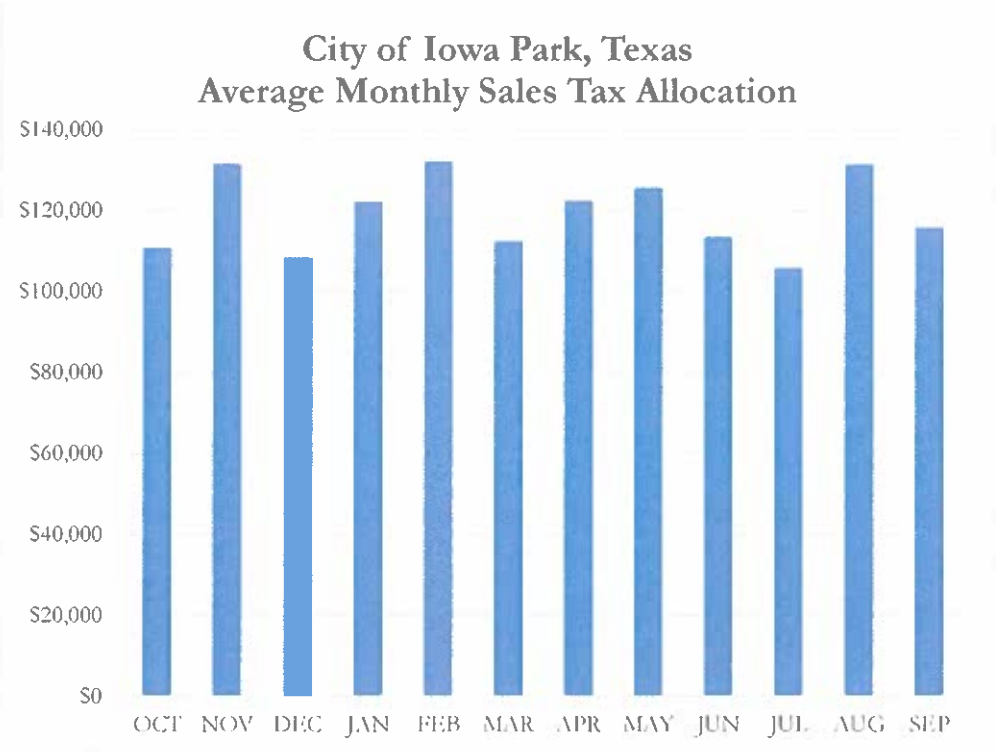
	FY21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
City GF	614,295	696,729	683,420	759,888	$850,000
EDC (4A)	307,148	348,365	341,710	379,944	$425,000
CDC (4B)	307,148	348,365	341,710	379,944	$425,000
Total	1,228,590	1,393,459	1,366,840	1,519,776	$1,700,000

NOTES

1. Texas State Sales Tax is 6.25% which is not included in this table or in the figures on the following page. In addition, there is a 2.00% local sales tax (which is included here) of which 1.00% is collected for the City of Iowa Park, 0.50% is collected for the Iowa Park Economic Development (Type A) Corporation and 0.50% is collected for the Iowa Park Community Development (Type B) Corporation. Groceries, prescription drugs and non-prescription drugs are exempt from the State and local sales tax.
2. Projected Allocations for Fiscal Year 2025 – 2026.



*Projected Allocations for Fiscal Year 25/26



Capital Outlay Requests

Proposed Capital Outlays (funding allocated in proposed budget)

Building & Structure Improvements	General Fund	Utility Fund
Furniture, Fixtures & Equip for City Hall		
01-5150-70010	$91,500	
02-5152-70010		$91,500
IT for City Hall		
01-5150-70010	$42,800	
02-5152-70010		$42,800
Parks Crew Building (no slab)		
01-5380-70010	$17,000	
Paved Quarantine Dog Runs		
01-5530-70010	$4,500	
Southside Fire Station Upgrades		
01-5550-70010	$18,000	
Exterior Painting (Library)		
01-5740-70010	$8,800	
Carpet Replacement (Library)		
01-5740-70010	$32,000	
Conference Room Upgrades (Econ Dvlpt)		
01-5790-70010	$14,000	

Machinery & Equipment	General Fund	Utility Fund
Drag Harrow (Parks)		
01-5380-70030	$1,000	
Pallet Forks (Parks)		
01-5380-70030	$1,700	
AED Replacement (Fire)		
01-5550-70030	$4,100	
Utility Response Trailer (Utility Services)		
02-5352-70030		$14,000
Trailer-Mounted Vacuum Excavator		
02-5352-70030		$130,000
Mini-Excavator & trailer		
02-5352-70030		$70,100
Tractor with Loader & Boom Mower		
02-5620-70030		$48,000

Systems Improvement	General Fund	Utility Fund
Replace Computers (4)		
01-5320-70040	$2,500	
01-5510-70040	$7,500	
Mobile Computer (Code)		
01-5320-70040	$2,030	
Install Record Management System		
01-5320-70040	$106,000	
01-5540-70040	$16,800	

Street Construction	General Fund	Utility Fund
Concrete, Asphalt, Slurry		
01-5360-73000	$297,710	
01-5370-73000	$15,000	

Unfunded Capital Outlays (funding NOT allocated in proposed budget)

Building & Structure Improvements	General Fund	Utility Fund
Sod for City Hall		
01-5150-70010	$24,600	
02-5152-70010		$24,600
Parks Crew Building Slab & Interior[1]		
01-5380-70010	$5,000	
Window Tint at Police Station		
01-5510-70010	$6,100	
Shutter Replacement (Library)[2]		
01-5740-70010	$11,900	
Interior Painting (Library)		
01-5740-70010	$33,500	
Door Replacement (Library)[2]		
01-5740-70010	$33,500	
Replace Utility Services Barn		
02-5352-70010		$2,700,000
Demolish Old Water Treatment Plant		
02-5352-70010		$2,500,000

Machinery and Equipment	General Fund	Utility Fund
Street Sweeper Replacement (Streets)[3]		
01-5380-70030	$350,000	
Brush Chipper Replacement		
01-5360-70030	$125,000	
Sidewalk Sweeper (Parks)[3]		
01-5380-70030	$7,600	
Police Vehicle Replacement		
01-5510-70030	$84,000	
Animal Control Vehicle Replacement		
01-5510-70030	$84,600	

Notes:

1. Parks building with rough interior versus paneling) to be placed on existing slab.
2. Shutter replacement and door replacement at Tom Burnett Memorial Library to be addressed in FY 2025-2026 using proceeds from real estate sale.
3. Proposed GF operating budget (01-53660-50335) includes 10-yr lease/purchase financing of a non-CDL truck-mounted sweeper ($240K) in lieu of traditional municipal sweeper ($350K) and sidewalk sweeper ($8K).

Street Construction	General Fund	Utility Fund
Engineering (Johnson Rd)		
01-5360-73000 (City)	$129,000	
01-5360-73000	$75,800	
Engineering (Industrial Circle)		
01-5360-73000 (EDC)	$50,200	
Concrete, Asphalt, Slurry		
01-5360-73000	$150,000	

Budget Summary

Both General Fund and Utility Fund

- City Hall Renovations (GF & UF) in the amount of $2,124,525, approved by City Council on July 14, 2025, are not likely to be completed until 2027.
- The proposed budgets include a 5.0% general salary increase for city employees in GF & UF.
- Significant increases in general liability insurance due to significant hail damage and water damage claims 2023-2025.
- Significant increases in workers' compensation insurance due major OTJ injury claims in 2025-2026.
- No funds allocated for anticipated increases in health insurance premiums on January 1, 2027.
- Pension contribution rates will decrease from 11.55% to 11.13%.

General Fund Summary

General Fund Revenues

- Projected General Fund revenues of $6,142,500, a decrease of $313,690 (5.11%) from the adopted FY 2025-2026 budget, due to advance from reserved for City Hall Renovations.
- Adoption of annual budget scheduled for September 28, 2026.
- A debt service rate of $0.07896 / $100 in property valuation will be required for scheduled debt payments.
- The proposed budget assumes a 2026 property tax rate of $0.69450 / $100 property valuation which is the same as the 2025 rate, based on a record vote on the tax rate on August 3, 2026.
- Adoption of the tax rate anticipated for September 28, 2026.
- Overall taxes & franchises projected at more than $4.11 million, an increase of more than $174 thousand (4.25%).
- Projected ad valorem property tax revenue of $2.81 million, an increase of $49 thousand (1.74%) due to increased property valuations.
- Projected sales tax collections of $850 thousand an increase of nearly $104 thousand (12.20%) due to sales tax projections.
- Overall Sanitation Services projected nearly $734 thousand, an increase of $110 thousand (14.93%) due to fee increases to cover increases in contractual collection rates.
- Overall miscellaneous income projected at nearly $1.19 million, a decrease of nearly $602 thousand (-50.75%), primarily due to past projected advance from reserves.

5110 General Fund Administration

- Projected expenditures of more than $199 thousand, an increase of nearly $7 thousand (3.50%) due to salaries and benefits.

5150 General Fund Indirect

- Projected expenditures of more than $731 thousand, a decrease of nearly $822 thousand (-112.42%) primarily due to City Hall renovations.
- $134,300 allocated (01-5150-70010) for new City Hall, including $91,500 for furniture, fixtures & equipment and $42,800 for IT work (shared between GF and UF Indirect). No funding for sod establishment at new City Hall.

5310 Public Works

- Projected expenditures of more than $67 thousand, an increase of nearly $3 thousand (3.99%) primarily due to salaries and benefits.

5320 Code Enforcement

- Projected expenditures of more than $136 thousand, an increase of nearly $64 thousand (46.77%) primarily due to an additional code enforcement position, effective January 2027.
- $4,530 allocated to systems improvement (01-5320-70040) for an additional desktop computer and mobile computer for code enforcement.

5360 Streets and Drainage

- Projected expenditures of nearly $1.07 million, an increase of more than $29 thousand (2.72%) primarily due to salaries, benefits, vector control chemicals, notes payable, and capital outlays.
- $43,000 allocated for chemical supplies (01-5360-30030) due to integrated management of disease-carrying vectors, such as mosquitos.
- $78,160 allocated under notes payable (01-5360-50335) for annual payments on lease-purchase agreements on slurry truck ($52,960) and new street sweeper ($25,200).
- $297,710 allocated under street construction (01-5360-73000) for concrete, asphalt and slurry projects.

5370 Sanitation

- Projected expenditures of more than $680 thousand, an increase of more than $105 thousand (15.48%) primarily due to residential refuse contractual services.
- $15 thousand allocation (01-5370-73000) for street construction.
- Sanitation expenses are essentially covered by sanitation revenues.

5380 Parks and Recreation

- Projected expenditures of more than $491 thousand, an increase of $24 thousand (4.88%) due to salaries and capital outlays.
- $17,000 allocated (01-5380-70010) for employee break room, not including interior wood paneling or concrete slab.
- $2,700 allocated (01-5380-70030) for drag harrow and pallet forks.
- No funding allocated for sidewalk sweeper as new street sweeper (Streets Dept) will be utilized on Lake Gordon walkway.

5390 Swimming Pool

- Projected expenditures of more than $131 thousand, a decrease of $10 thousand (-7.93%).
- Significant improvements under design and engineering by Community Development Corporation which will require increased operational expenditures in subsequent years.

5510 Police

- Projected expenditures of nearly $1.31 million, an increase of more than $107 thousand 8.21%) due to salaries & capital outlays.
- $113,500 thousand allocation (01-5510-70040) for computers, and installation of record management system.
- No funding is allocated for window tinting at Police Station.

5520 Public Safety Dispatch

- Projected expenditures of more than $443 thousand, an increase of more than $38 thousand (8.69%) due to salaries and benefits.
- Allocation of $13,600 (01-5520-50350) for annual renewal of record management system.

5530 Animal Control

- Projected expenditures of nearly $127 thousand, an increase of nearly $15 thousand (11.47%) due to salaries, benefits, and building maintenance.
- No funding is allocated to increase PT Animal Control Officer to FT ACO.
- No funding allocated for replacement of Animal Control truck.
- $4,500 allocated (01-5530-70010) to pave outdoor runs in quarantine kennels at animal control facility.

5540 Municipal Court

- Projected expenditures of nearly $114 thousand, an increase of nearly $24,000 (20.80%) primarily due to capital outlays.
- Fines & Court Fees are included as revenues (collected by Municipal Court) and expenditures (paid to the State).
- $16,800 thousand allocation (01-5540-70040) for installation of record management system ($8,000 advance from court technology fund) compatible with Police record management system.

5550 Fire

- Projected expenditures of nearly $250 thousand, an increase of nearly $44 thousand 17.61%), primarily due of service contracts and capital outlays.
- $18,000 allocated (01-5550-70010) for upgrades to Southside fire station.
- $4,100 allocated (01-555070030) for replacement of AED.

5740 Library

- Projected expenditures of nearly $263 thousand, an increase of nearly $51 thousand (19.31%) due salaries and capital outlays.
- $40,800 allocated (01-5740-70010) for improvements to the Tom Burnett Memorial Library, including carpet replacement ($32,000) and exterior painting ($8,800).
- No funding allocated for shutter replacement ($11,900) and door replacement ($33,500) as real estate proceeds can be used to complete these projects in the present fiscal year (FY 25-26).
- No funding allocated for interior painting.

5790 Economic Development

- Projected expenditures of nearly $136 thousand, an increase of more than $8 thousand (6.03%) due to salaries and capital outlays.
- Considerable savings due to inactivation of a real estate license, and the associated continuing education and brokers fees.
- $14,000 allocated (01-5790-70010) for upgrades to the economic development conference room.

General Fund Expenditures

- Total projected General Fund expenditures of more than $6.14 million, a decrease of nearly $314 thousand (-5.11%, primarily due to previous year's advance from reserves.
- Total projected expenditures equal the total projected revenues for a balanced General Fund operating budget.

Utility Fund Summary

Utility Fund Revenues

- Projected Utility Fund revenues of $7,141,990, an increase of nearly $919 thousand (12.86 %) over the adopted FY 2025-2026 operating budget.
- Overall water & sewer fund income projected at nearly $5.45 million, an increase of more than $759 thousand (13.94%) primarily due to fee increases.
- Overall taps & reconnective services projected at $136 thousand an increase of more than $20 thousand (14.85%) primarily due to taps and credit card fees.
- Overall miscellaneous income projected at more than $1.56 million, an increase of more than $139 thousand (8.93%) primarily due to an $1.17 million advance from reserves for SCADA system improvements and electrical improvements to clarifier at wastewater treatment plant.

5112 Utility Fund Administration

- Projected expenditures of nearly $265 thousand, an increase of nearly $10 thousand (3.75%) from the FY 2025-2026 operating budget due to salaries and benefits.

5130 Utility Billing

- Projected expenditures of more than $519 thousand, an increase of nearly $42 thousand (8.09%) primarily due to salaries and credit card fees.

5152 Utility Fund Indirect

- Projected expenditures of more than $2.37 million, an increase of more than $427 thousand (18.05%) primarily due to capital outlays.
- $134,300 allocated (02-5152-70010) for new City Hall, including $91,500 for furniture, fixtures & equipment and $42,800 for IT work (shared between GF and UF Indirect). No funding for sod establishment at new City Hall.
- $1.950,000 allocated (02-5152-70040) for SCADA system improvements and electrical improvements to clarifier at wastewater treatment plant.

5352 Support Services

- Projected expenditures of nearly $1.02 million, an increase of nearly $89 thousand (8.72%) primarily due to salaries and capital outlays.
- $214,100 allocated for machinery & equipment (02-5352-70040):
    - Utility response trailer ($14,000)
    - Trailer-mounted vacuum excavator ($130,000)
    - Mini excavator & trailer ($70,100)
- No funding is allocated for replacement of Utility Services Maintenance barn.

5420 Water Plant

- Projected expenditures of more than $2.58 million, an increase of more than $394 thousand (15.26%) primarily due to an increase in wholesale water rates.

5620 Wastewater Plant

- Projected expenditures of more than $390 thousand, a decrease of more than $43 thousand (-11.13%) primarily due to capital outlays in FY 2025-2026.
- $48,000 allocated (02-5620-70030) for tractor with loader & boom mower.

Utility Fund Expenditures

- Total projected Utility Fund expenditures of $7,141,990 an overall increase of nearly $919 thousand (12.86%).
- Total projected expenditures equal the total projected revenues for a balanced Utility Fund operating budget.