

AFTER-ACTION REPORT
FY 2025-26 BUDGET WORKSHOP

City of Farmers Branch

Date: June 24, 2025

Purpose of the Workshop –

- The Budget Workshop was conducted to:
 - Review of City Council’s strategic budget priorities
 - Discuss key financial trends and challenges
 - Align departmental needs with available resources
 - Facilitate transparent and informed discussion for upcoming budget adoption

Major Budget Priorities and Council Affirmations –

- Council Goals Affirmed:
 - Transparent Governance
 - Public Safety Investment
 - Infrastructure Modernization
 - Neighborhood Support
 - Economic Development

Workshop Highlights and Financial Overview

- Reaffirmed focus on Public Safety, Infrastructure, Neighborhoods, and Economic Development.
- Property and sales tax revenues remain stable, but susceptible to legislative and economic volatility.
- Reserves remain strong:
 - General Fund: \$22.2 million
 - Revenue Stabilization Fund: \$4.6 million

Council Direction on Key Priority Items:

- Water Rate Increase: Council showed favor to proceed with 15% increase. However, requested additional analysis to be brought back at the future council meeting:
 - Compare residential vs. commercial consumption
 - Consider higher rates for commercial users
 - Address impact on seniors and disabled residents
- Council also affirmed to move forward with considering:
 - Streetlights (\$100K), Signals & Beacons (\$840K), Assessment (\$340K): Consider seeking grant funding opportunities.
 - Lane Striping – includes crosswalk (\$130K-\$300K): Affirmed.
 - Blockchain & AI (\$100K): Review of current technology infrastructure by expert and presentation to the City Council.
 - Facility Assessment (\$150K): Affirmed.
 - ED Fund (\$200K)/ TIF 2 engineering study (\$200K)/ Firehouse Theatre (\$50K): Affirmed.
 - Minor Home Repair Program (\$75K): Continue at current level with flexibility to increase with an annual review as part of FY 2026-27.
 - Support expressed for two personal days for staff at \$0 cost to the City.
 - Employee Compensation:

- General staff: Decrease from 3% to 2% performance-based
- Police/Fire: 2% step adjustment
- 5 new positions requested by PD- (3 grant-funded)
- Organizational structure streamlined: department heads reduced from 14 to 9 – Organizational update to the City Council is scheduled for July 1, 2025, executive session.
- Events: Staff will review events based on budget impact and staff capacity. It will be brought back at a future council meeting.
- CM Authorization Limit: Increase to \$100K, with \$50K–\$100K purchases placed on consent agenda to ratify.

Budget Engagement/Community Outreach:

- Budget 101 Video & Trifold Handout
- Email campaigns & social media
- Infographics and Budget Pie Charts
- Budget Town Hall Meeting (August 26)
- Conduct a survey to seek residents' feedback
- Formal presentation at the town hall
- Encouragement of resident Q&A and surveys

Next Steps

- July 25 – Tax roll certification (Dallas County)
- July 31 – Proposed budget submission by City Manager
- August – Public hearings and Budget Town Hall
- September 16 – Council adoption of budget and tax rate



BUDGET WORKSHOP – FY 2025–26

Presented By: City Management, City of Farmers Branch

JUNE 24, 2025



City of Farmers Branch

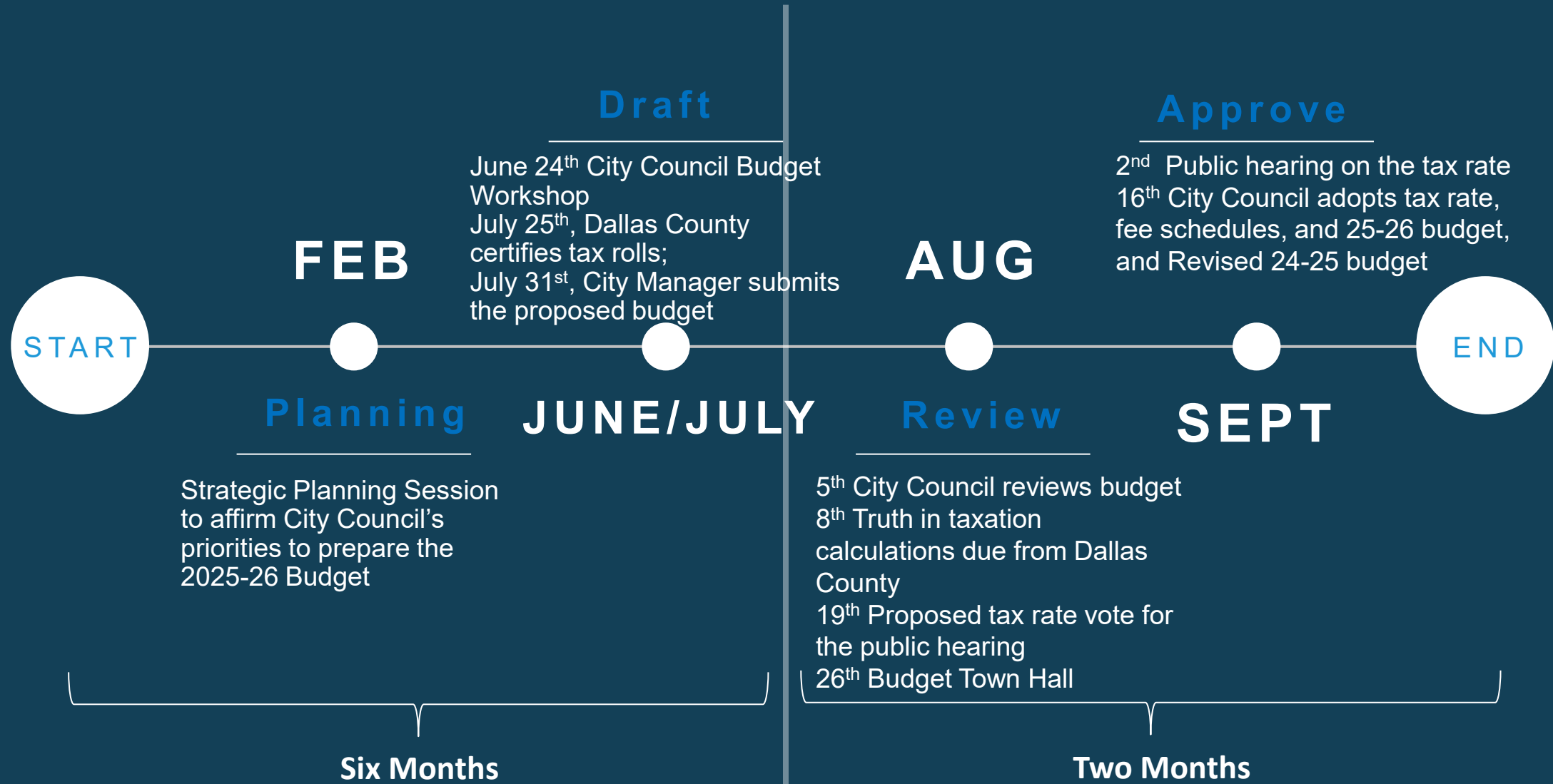
FY 2025–26 Budget Goals

- 1** Address Council & Community Priorities
- 2** Focus on Public Safety, Public Infrastructure, Economic Development & Neighborhoods
- 3** Prioritize Services & Focus on Highest Needs of the Community
- 4** Keeping the process open, honest, and transparent



UNDERSTANDING YOUR CITY'S BUDGET

BUDGET TIMELINE



GENERAL FUND**GENERAL GOVERNMENT** Budget \$22,856,000

GENERAL GOVERNMENT	CUSTOMER SUCCESS	INNOVATION & TECHNOLOGY
- General Government		
- Legal		
- General Contracts	HUMAN RESOURCES	COMMUNITY SERVICES,
- Non-Departmental		BUILDING INSPECTION
		AND CODE ENFORCEMENT
GENERAL ADMIN & COMMUNICATIONS	FINANCE	
	- Accounting	
ECONOMIC DEVELOPMENT AND PLANNING	- Finance Administration	ANIMAL SERVICES
	- Purchasing	
	- Municipal Court	

PUBLIC WORKS

Budget \$11,064,300

PUBLIC WORKS
Public Works Administration
Street Maintenance
Sustainability/Solid Waste

PUBLIC SAFETY

Budget \$39,004,900

POLICE	FIRE
Police Administration	Fire Administration
Police Investigations	Fire Prevention
Police Patrol	Fire Operations
Police Detention	
Police Communications	
Police Training	
Court Services	

CULTURE & RECREATION

Budget \$15,426,900

PARKS & RECREATION	LIBRARY
Parks Administration	
Park Maintenance	
Recreation Center	
Aquatics Center	
The Branch Connection	
Events	
Parks Boards	

INTERNAL SERVICE FUND**INTERNAL SERVICES**

Budget \$6,324,600

FLEET & FACILITIES
MANAGEMENT

WCF

Budget \$501,800

WORKERS'
COMPENSATION
FUND

HCF

Budget \$4,818,700

HEALTH
CLAIMS
FUND

ENTERPRISE FUND**PUBLIC WORKS**

Budget \$32,504,500

PUBLIC WORKS
Water & Sewer Administration
Water & Sewer Operations
Stormwater Utilities

HOTEL/MOTEL FUND**CULTURE & RECREATION**

Budget \$3,575,800

TOURISM
Historical Preservation
Event Center
Tourism
Convention Center

OTHER FUNDS**DEBT SERVICE**

Budget \$7,133,000

Property Tax
Supported Debt
Self-Supporting Debt

ECO DEVO

Budget \$1,400,000

Purchase/Sale of Property
Development Incentives

SPECIAL REVENUE

Budget \$5,486,836

Forfeitures; Donations;
Grants;PID/TIRZ;
Legally Req'd Funding

FIXED ASSETS

Budget \$6,267,800

Building/Infrastructure
Computers
Equipment
Vehicles & Misc

REVENUE STABILIZATION

Budget \$1,151,100

Sales Tax Liabilities
Separation Reserves
Neighborhood Partnerships

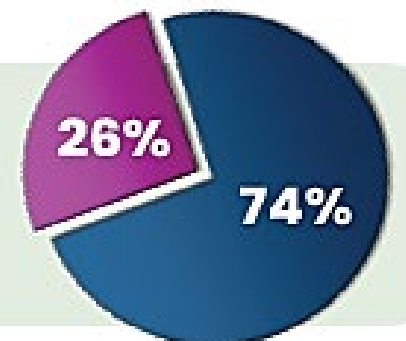
FY 2025-26

TAX BILL DISTRIBUTION

- ❑ 26.40% of the property tax bill is for the City of Farmers Branch
- ❑ 74% of Farmers Branch property tax is commercial
- ❑ 67% of residents receive a 20% Homestead Exemption
- ❑ 29.4% of residents receive a \$100,000 Senior/Disabled Exemption



City of Farmers Branch tax is 26% of your tax bill. 74% of what you pay in property taxes goes to other entities.



FY 2025-26

How Our Tax Bill Compares

Sorted by lowest to highest estimated tax on a property with a homestead exemption.

2024-25



2023-24



LOCAL CITIES	2024 Tax Rate	Senior Tax Amount	Rental Properties	With Homestead
1. Grapevine	0.241165	\$706.13	\$1,063.54	\$850.83
2. Plano	0.417600	\$1,306.26	\$1,841.62	\$1,473.30
3. Frisco	0.425517	\$1,254.64	\$1,876.54	\$1,595.06
4. Allen	0.418900	\$1,545.54	\$1,847.36	\$1,754.99
5. McKinney	0.416922	\$1,484.25	\$1,838.63	\$1,838.63
6. Lewisville	0.422435	\$1,609.49	\$1,862.95	\$1,862.95
7. Carrollton	0.539793	\$1,434.78	\$2,380.50	\$1,904.40
8. Farmers Branch	0.543500	\$1,373.98	\$2,396.85	\$1,917.48
9. Coppell	0.462222	\$1,474.27	\$2,038.41	\$1,936.49
10. Princeton	0.440226	\$1,831.35	\$1,941.41	\$1,941.41
11. Farmers Branch	0.569000	\$1,438.44	\$2,509.30	\$2,007.44
12. Irving	0.589100	\$1,783.80	\$2,597.94	\$2,078.35
13. Addison	0.609822	\$1,785.57	\$2,689.33	\$2,151.46
14. Wylie	0.534301	\$2,195.99	\$2,356.28	\$2,356.28
15. Richardson	0.542180	\$1,604.86	\$2,391.02	\$2,391.02
16. Grand Prairie	0.660000	\$2,104.26	\$2,910.61	\$2,401.26
17. Dallas	0.704700	\$1,503.84	\$3,107.74	\$2,486.19

FARMERS BRANCH PROPERTY TAX HISTORY

FACTORS

- ❑ City growth
- ❑ 40+ different elected officials
- ❑ Recessions
 - ❑ Double-Dip Recession
 - ❑ Gulf War Recession
 - ❑ Dot-com Recession
 - ❑ The Great Recession
 - ❑ The COVID-19 Recession
- ❑ Growth in service level expectations.

Fiscal Year	Tax Rate	Change	Inflation
1982-83	0.4		
1983-84	0.4	0	4.3
1984-85	0.4	0	3.6
1985-86	0.4	0	1.9
1986-87	0.4	0	3.6
1987-88	0.4	0	4.1
1988-89	0.4	0	4.8
1989-90	0.4	0	5.4
1990-91	0.4	0	4.2
1991-92	0.44	0.04	3
1992-93	0.44	0	3
1993-94	0.44	0	2.6
1994-95	0.44	0	2.8
1995-96	0.44	0	3
1996-97	0.44	0	2.3
1997-98	0.44	0	1.6
1998-99	0.44	0	2.2
1999-00	0.44	0	3.4
2000-01	0.44	0	2.8
2001-02	0.44	0	1.6
2002-03	0.44	0	2.3
2003-04	0.46	0.02	2.7
2004-05	0.4945	0.0345	3.4

2005-06	0.4945	0	3.2
2006-07	0.4945	0	2.8
2007-08	0.4945	0	3.8
2008-09	0.4945	0	-0.4
2009-10	0.5195	0.025	1.6
2010-11	0.5295	0.01	3.2
2011-12	0.5295	0	2.1
2012-13	0.5295	0	1.5
2013-14	0.5531	0.0236	1.6
2014-15	0.602267	0.049167	0.1
2015-16	0.602267	0	1.3
2016-17	0.602267	0	2.1
2017-18	0.602267	0	2.4
2018-19	0.599507	-0.00276	1.8
2019-20	0.599507	0	1.2
2020-21	0.589	-0.01051	4.7
2021-22	0.589	0	8
2022-23	0.589	0	4.1
2023-24	0.569	-0.02	3.3*
2024-25**	0.5435	-0.0255	.6
*year-to-date			
**proposed			

FY 2025-26

CITY COUNCIL BUDGET DISCUSSION & DECISIONS

Budget Overview & Process

Budget Priorities

Infrastructure

Tax Rate

Fees

FY 2025–26

CITY COUNCIL BUDGET DISCUSSION & DECISIONS

Investment in Community-Centered
Projects/Contracts

Fund Security

Staffing and Compensation

Grants

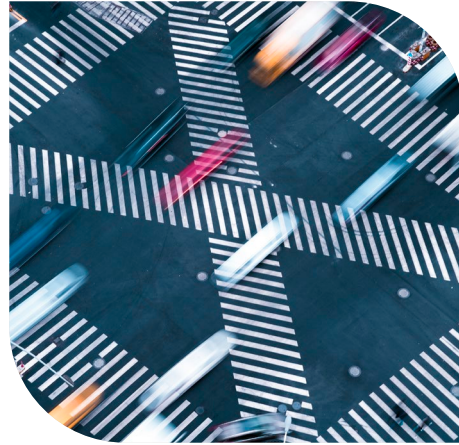
Authorization Level for City Manager

BUDGET REFLECTING COUNCIL PRIORITIES



Increasing the investment in water/wastewater infrastructure
From \$ 5.8MM to \$9MM

Water rate increases by 15%



Streetlights \$100K
Signals & School beacon ~\$840K
Assessment ~\$340K

Lane striping increase from \$130K to \$300K



Blockchain and AI integration \$100K
Fleet Replacement \$2.8 MM

Facility Assessment \$150K



Increasing the ED fund by \$200K

TIF 2 engineering study at \$200K

Firehouse Theatre \$50K

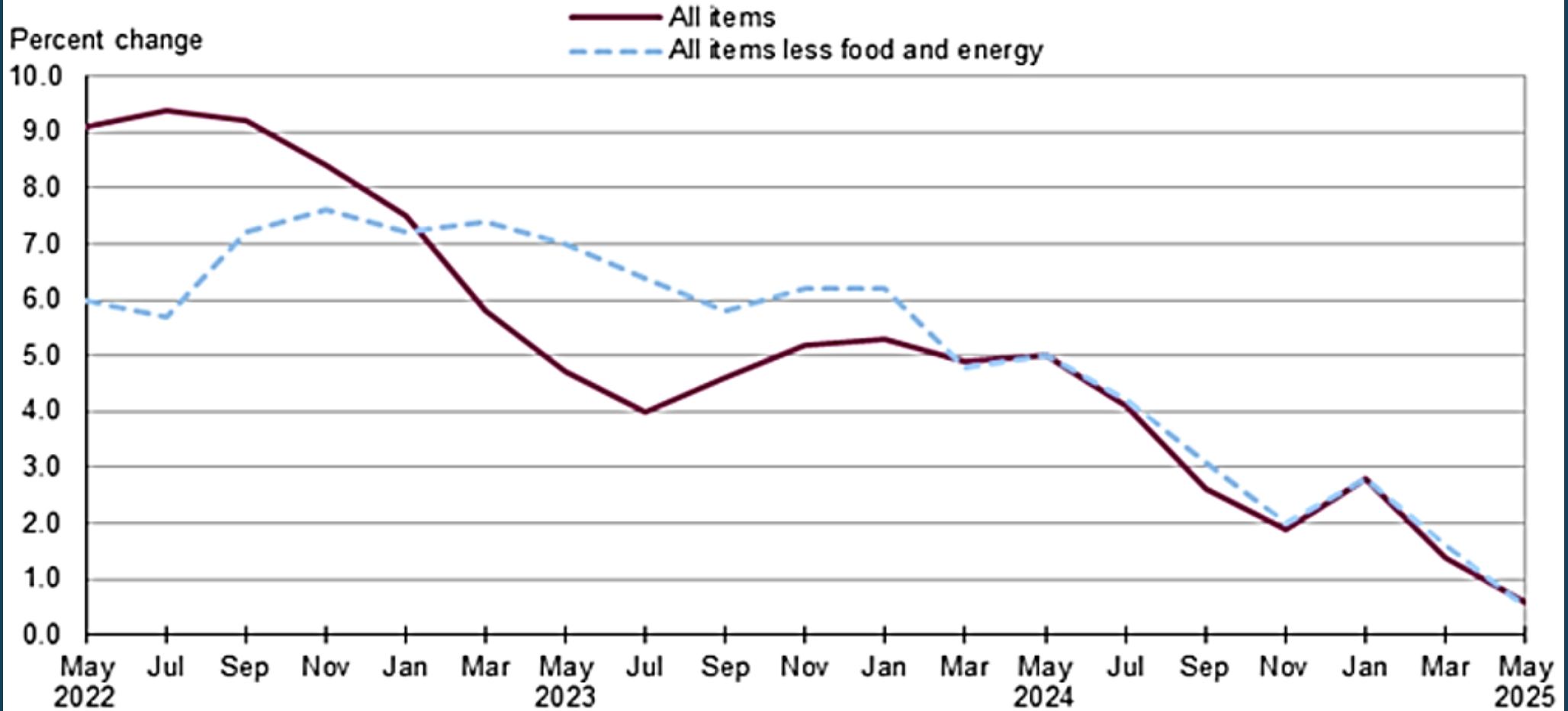
FACTORS IMPACTING THE REVENUE

- ❑ **Property Valuation Fluctuation** - Appraisal caps, exemptions, & State-imposed rollback rate limitations (e.g., SB 2).
- ❑ **Sales Tax Volatility** – Local sales tax revenues remain highly sensitive to consumer spending patterns, inflation, tariffs, and broader economic cycles.
- ❑ **Inflation & Operating Costs** – Persistent inflation in goods, services, and labor is increasing the cost of city operations.
- ❑ **State Legislative Constraints** – Legislative measures, such as restrictions on development and permit fees, e.g., mobile food permitting fees, undermine local revenue autonomy.
- ❑ **Commercial Property Shift** – Farmers Branch's property tax comprises 74% of the commercial real estate. The shift toward remote or hybrid work models has impacted demand for office space, leading to the rezoning of office buildings for residential use.
- ❑ **Utility & Enterprise Fund Revenues** – Water, wastewater, and solid waste services face cost pressure due to aging infrastructure and high capital project costs (due to inflation). Rate increases may be necessary to maintain financial stability.
- ❑ **Regional Economic Conditions** – The performance of the local and regional economy, including employment trends, corporate relocations, and industry-specific growth, directly affects sales taxes, fees, and new investments.
- ❑ **Labor Market Pressures** – A tight labor market has increased wage expectations in both the public & private sectors. Cities are competing for skilled talent.

FACTORS IMPACTING THE REVENUE

Area price rose 0.6 % over the year

Chart 1. Over-the-year percent change in CPI-U, Dallas-Fort Worth-Arlington, TX, May 2022–May 2025



Source: U.S. Bureau of Labor Statistics.

FY 2025-26

Property Tax

**Property Tax remains –
FLAT**

**Overall Property Assessment –
FLAT**

**Est. Revenue
\$46MM from \$45,879,000**

Most stable and consistent



FY 2025-26

Sales Tax

Volatile but STABLE

**Increase in Revenue to
\$23MM from \$21,731,800**

**Threatened by the Legislature &
Point of Sale**

Revenue Stabilization Fund

SALES TAX



INVESTMENT IN COMMUNITY-CENTERED PROGRAMS/CONTRACTS

HOTEL/MOTEL FUNDS



FIREHOUSE THEATRE

Currently paying approx. \$20,000 in bills + the requested grant amount (\$50,000)

GENERAL FUND

METROCREST SERVICES

\$200,000

WOVEN HEALTH CLINIC

\$50,000

MINOR HOME REPAIR PROGRAM

\$75,000



- Proposed events recommended by Events Review Subcommittee
- Parks and Rec Events
- Community Events
- *Additional Kidzone activities: recommended by Events Review Subcommittee
- *Partnering with CFBISD for Community Outreach
- *Community Outreach: Bike Decorating Kit

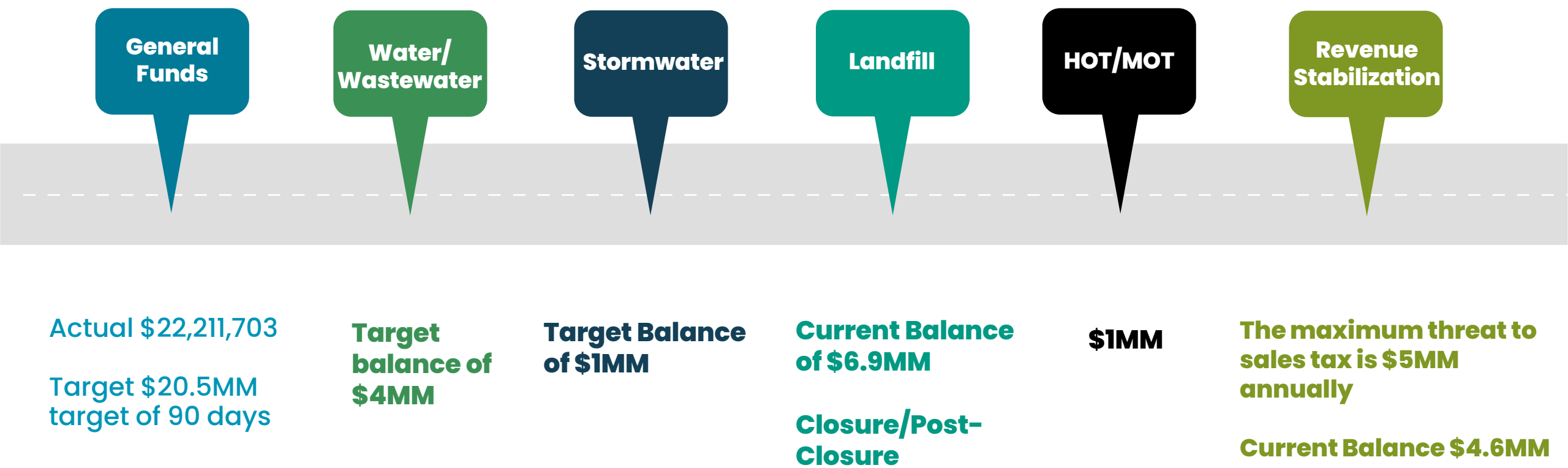
2026 PROPOSED EVENT DATES



Jan	Adult Pop-up
Feb	Daddy Daughter Dance
Feb	Superbowl Party (TBC)
Feb	Valentines Tea (TBC)
Mar	Mad Hatter Tea (HP)
Mar	Social Series (TBC)
Mar	Gateway to the Globe
Apr	Fishin' Fun
May	Bark Park Event
May	Adult Pop-up
May	Community Outreach
May-June	The Mixer (TBC)
July	Social Series
July	Independence Day
Aug	Adult Pop-up
Aug	Community Outreach
Aug	Summer Carnival (CRC)
Sept	Social Series (TBC)
Sept	Classic Car Show (HP)
Oct	Spooky Pooch
Oct	Branch Arts Live (HP)
Oct	Haunts & Houses (HP)
Oct	Halloween in the Park
Oct	Craft Fair (TBC)
Nov	Dia De Los Muertos (HP)
Nov	Veterans Day (TBC)
Dec	Bark Park Event
Dec	Community Outreach
Dec	Christmas Teas (HP)
Dec	A Christmas Carnival
Dec	Pancakes & Pajamas (CRC)

FUND SECURITY

FY 2025-26



FY2025-26 Considerations

General Employees

- 2% (Max).
- Performance as an evaluative factor.
- Cutoffs & eligibility requirements.
- Estimated Cost: \$392,716.
- No SS or bonuses.

Police/Fire

- 2% adjustment to step plans.
- Assistant Chiefs become part of step plans.
- Estimated Cost: \$439,031.
- Cerf. Pay and other incentives.

Total FY2026 (Estimated)

General	\$392,716
Public Safety	\$439,031
Total	\$831,747

Fiscal Year	Police	Fire	General Employees
2021	7%	4%	0%
2022	7%	7%	1-4%
2023	6%	6%	1-6%
2024	6%	6%	3%
2025	3%	3%	0-3%

POSITIONS REQUESTED

- ❑ Police Department – 5 total positions
- ❑ 3 positions through the grant (COPS Hiring Program through DOJ) = \$375,000
- ❑ 2 positions:
 - ❑ 1 for commercial vehicle enforcement – eligible for reimbursement by the State after 1st year
 - ❑ 1 – Intelligence Detective



GRANTS

- ❑ Current Grant Amount Being Managed:
\$21,606,066
- ❑ Fiscal year 25–26:
\$1,461,655



HIGH PERFORMANCE ORGANIZATION

COMPREHENSIVE ORGANIZATIONAL PERFORMANCE/FUNCTIONAL ASSESSMENT & STRUCTURAL REORGANIZATION

■ Organizational Development & Efficiency

■ An Ongoing Comprehensive Organizational Review

■ Streamlining Processes

■ Business Plans

■ Policies and Procedures

■ Recruitment based on Qualification & Experience

■ Effective and Efficient Organizational Structure

■ Consolidation of Functions – based on functional assessment

■ 12/2022 – 14 Department Heads

■ 06/2025 – 9 Department Heads

FY 2025–26

Authorization Level for City Manager



- ☐ City of Farmers Branch threshold
 - ☐ \$50,000
- ☐ Common threshold
 - ☐ \$50,000 – \$100,000

- ☐ Increasing the threshold with improved administrative efficiency
- ☐ Prevent cost increase caused by delays in the approval process
- ☐ Faster service delivery for routine expenditures
- ☐ Enhanced responsiveness to address urgent needs

BUDGET COMMUNICATION PLAN



PLATFORMS

- Budget 101 video
- Trifold handout
- E-newsletters & Email
- Infographic
- Social media



THEMES

- Compared to other cities
- Keep the same tax rate
- Dollar chart with breakdown
- Pie Charts for Budget



TOWNHALL

- The Branch Connection
- Show Budget Video
- Boards on easels
- Q & A
- Email questions

Questions



FARMERS BRANCH
TEXAS



Preparing for End of Year

Council Priorities

