

AFTER-ACTION REPORT – FISCAL YEAR 2025-26
CITY COUNCIL BUDGET & HOUSING REDEVELOPMENT POLICY ROUNDTABLE –
AUGUST 12, 2025
COUNCIL CHAMBER, CITY HALL, CITY OF FARMERS BRANCH.

PURPOSE

This After-Action Report (“AAR”) serves as the official record of the budget’s development, review, and adoption process. It captures key milestones, Council direction, departmental priorities, community engagement outcomes, and notable discussion points raised during the August 12, 2025, budget review session. Additionally, AAR captures key discussion points from the strategic housing redevelopment discussion.

C.1. DISCUSS THE CITY MANAGER’S PROPOSED BALANCED BUDGET FOR FISCAL YEAR 2025-26.

The City Management has engaged in multiple formal discussions regarding the Fiscal Year 2025–26 budget. The FY 2025–26 budget process was guided by the City Council’s reaffirmed priorities of public safety, infrastructure, economic development, and financial resilience. The process-maintained transparency through public meetings, digital communication tools, and in-person engagement.

KEY COUNCIL DECISIONS AND ACTIONS

The proposed budget directly aligns with the Council’s strategic priorities and community feedback, with emphasis on public safety, infrastructure investment, financial resilience, and economic development. Preserve a minimum 90-day fund balance to ensure fiscal resiliency. The proposed budget maintains the **current property tax rate of \$0.5435**.

a. Public Safety

- Streetlights: \$100K (LED conversion for safety and cost savings)
- Traffic Signals & School Beacons: \$840K
- Traffic Assessment: \$340K
- Lane Striping: \$300K

b. Economic Development & Neighborhoods

- Increase in ED funds: \$200K
- TIF 2 Engineering Study: \$200K
- Firehouse Theatre Grant: \$50K

c. Public Infrastructure

- Aging infrastructure investment: \$9M

- Fleet Replacement: \$2.8M (four-year update plan)
- Blockchain & AI Integration Study: \$100K
- Facilities Assessment: \$150K

d. Positions & Compensation

- No change in employees' raises in FY 2025-26.
- **Council Direction:**
 - To address misinformation regarding employee compensation, staff will prepare a concise public vs. private-sector compensation comparison. The briefing will highlight key pay and benefits differences, supported by labor market data, and emphasize recruitment and retention challenges in competitive, hard-to-fill positions.
- 5 officers added to the Public Safety. 3 of which are grant-funded.
 - 3 grant-funded positions = 357,975
 - 2 positions (Commercial Vehicle Inspections Officer & Intel Officer) = 259,273

BUDGET ENGAGEMENT/COMMUNITY OUTREACH

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

NEXT STEPS & Milestones

- August –
 - 8-18 - Motion for Public Hearing
 - 8- 26 - Budget Town Hall
 - *Any questions received from the public at the Budget Townhall will be made public with responses.*
- September –
 - Final adoption of the budget, tax rate, and fee schedules is scheduled for September 16, 2025.
- *End-of-Year Adjustment and Budget Amendments – September 16, 2025*
 - Varied preferences for using end-of-year funds — Economic Development, infrastructure, parks, columbarium, or saving.
 - Mayor Lynne- Columbarium = \$200K

- Mayor Pro Tem Bennett-Burton – Public Infrastructure is the priority. However, Economic Development/Redevelopment is a priority as well.
- Councilmember Villafranca – Economic Development, redevelopment, columbarium, public safety park/fitness court.
- Councilmember Reid – Parks – Mercer Park.
- Councilmember Neal – Asked to look into the possibility of having a public amenity in District 5.
- Councilmember Roman did not attend, but the City Manager followed up with the councilmember to get his feedback.
 - Councilmember Roman shared that he would like to allocate funding for Squire and Mercer Parks, but the allocation of funds is contingent upon the cost needed.

The City Council affirms its commitment to building and preserving a strong fund balance while concurrently recognizing the necessity of addressing present community priorities through targeted investments in public amenities.

COUNCILS' FOLLOW-UP QUESTIONS:

○ **How much did the video budget cost?**

The budget video was developed as part of the City's public outreach initiative to educate residents on the municipal budgeting process. Produced at a one-time cost of \$12,478, the video is designed as a long-term educational resource that can be utilized for years to come.

○ **How many employees work for the city overall? How many public safety employees are there?**

448 total employees. 265 General. 178 Public Safety.

○ **How is the City accounting for water demand for high-density multi-family developments concerning the water demand/supply purchased from DWU?**

The City addressed this through a 2022 Water Master Plan Study. The study provides a long-term roadmap for water supply, distribution, and infrastructure needs, while also evaluating the system's capacity to support existing and future growth, including high-density multi-family developments. Based on population, land use, and economic growth projections, the study concluded that Farmers Branch has sufficient water capacity to meet current and near-term demands. Presently, the City purchases 17 million gallons per day (MGD) from Dallas Water Utilities, with an eventual need projected to increase to 18 MGD at full buildout.

The Public Works Department will update the Water Master Plan in 2032 to revalidate assumptions and determine the timing for acquiring the additional 1 MGD from DWU.

C.2. DISCUSS CITY OF FARMERS BRANCH HOUSING REDEVELOPMENT STRATEGY: ESTABLISHING A UNIFIED, CITYWIDE APPROACH TO SUSTAINABLE AND EQUITABLE REDEVELOPMENT.

Following the Strategic Planning Session held on February 26, 2025, one of the key items that the council discussed was the *lack of land banking strategies*. The City owns multiple residential lots, which were bought using the bond. The City Council in 2022 directed that no new lots be purchased.

The City of Farmers Branch has a critical opportunity to transform scattered residential assets into a unified strategy that delivers long-term economic, social, and community returns. Implementing a cohesive housing redevelopment strategy, grounded in planning, equity, and measurable outcomes, will ensure that redevelopment decisions support not only short-term goals but also the sustainable growth and vitality of the entire City. This initiative will deliver diverse economic, social, and community benefits, supporting the City's long-term vitality and alignment with strategic growth priorities.

The Housing Redevelopment Strategy presentation highlighted the need for a unified, long-term policy framework to guide the redevelopment of City-owned lots. Over \$4.4 million has been invested in lot purchases under the Neighborhood Renaissance Program, but outcomes have been inconsistent and district-driven.

Key gaps identified:

- Absence of a comprehensive citywide housing strategy.
- Undefined affordability and workforce housing goals.
- Lack of zoning alignment and impact metrics.
- Need to maximize public investment returns through strategic partnerships.

Strategic goals outlined include:

- Expanding housing options for all demographics.
- Ensuring equitable redevelopment across districts.
- Improving the quality of life citywide.
- Attracting quality private investment.

The proposed Citywide Housing Policy Framework calls for a Housing Action Plan that addresses affordability needs, market trends, zoning barriers, infrastructure constraints, and targeted redevelopment zones. Performance metrics will track homes built, the percentage of attainable housing units, tax base increases, and resident satisfaction, with transparent annual reporting.

Next Steps & Milestones

Based on the presentation and Council discussion, the following milestones and projects were identified. Staff will work on these to prepare for the next roundtable following Council's direction.

- Hold a Strategic Housing Roundtable
 - By bringing subject matter expertise to the table to discuss it further.
 - Receive a presentation from Builders of Hope on gentrification impacts.
 - Assessment of the initial five Builders of Hope homes.
- Review current lot holdings for alignment with the new strategy.
- Review Demo-Rebuild Program – How much has been spent on the program?
- Cost-benefit analysis of the housing redevelopment program:
 - Economic Development to take the lead on gathering information on the City-owned lots.
 - Finance Department to research and report on the financials of the lot purchasing and sale, including any bond-related restrictions.
 - Community Services to lead the housing program.
- Review peer city benchmarks.



FARMERS BRANCH
TEXAS

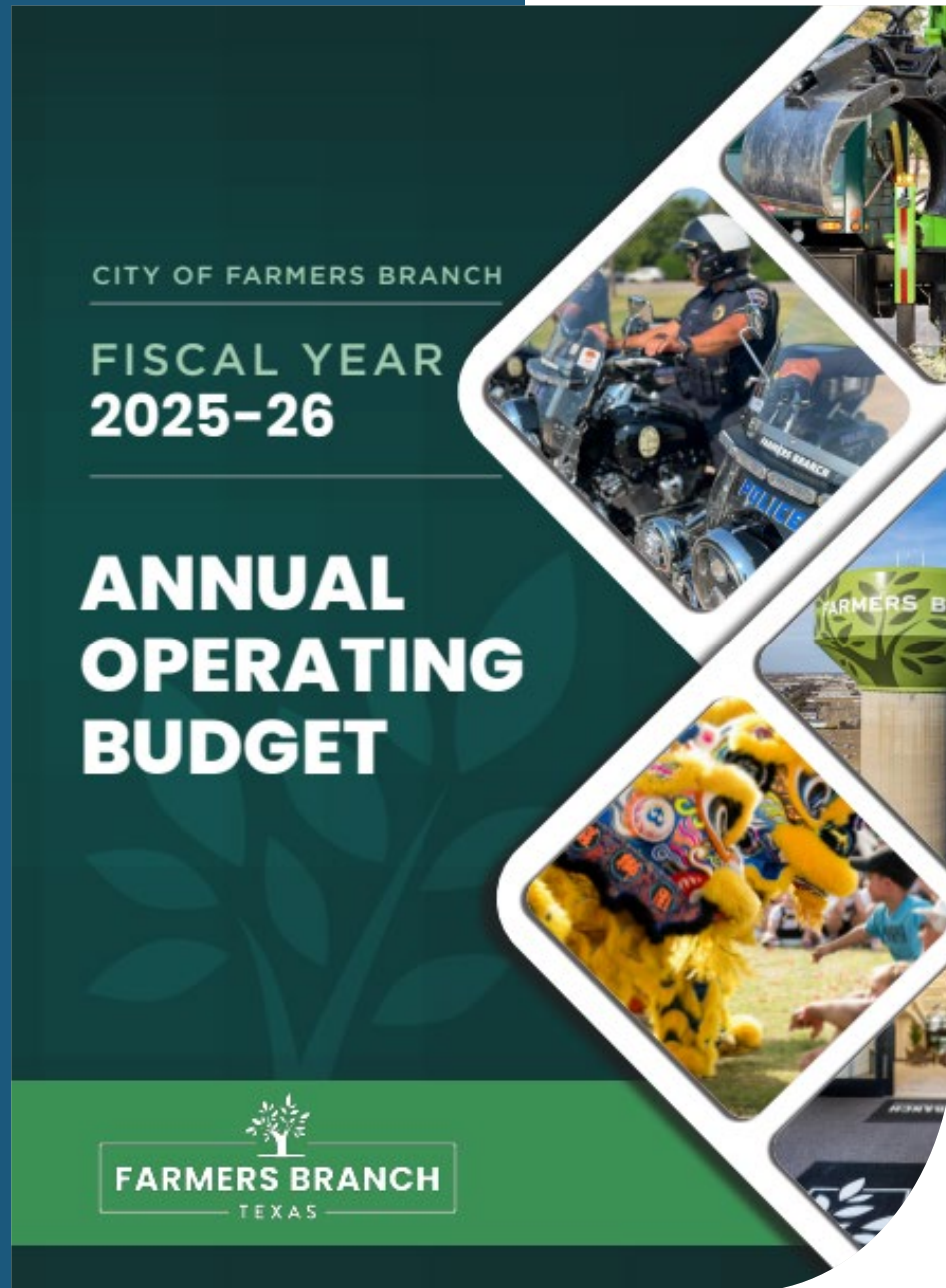
BUDGET REVIEW – FY 2025–26

Presented By: City Management, City of Farmers Branch

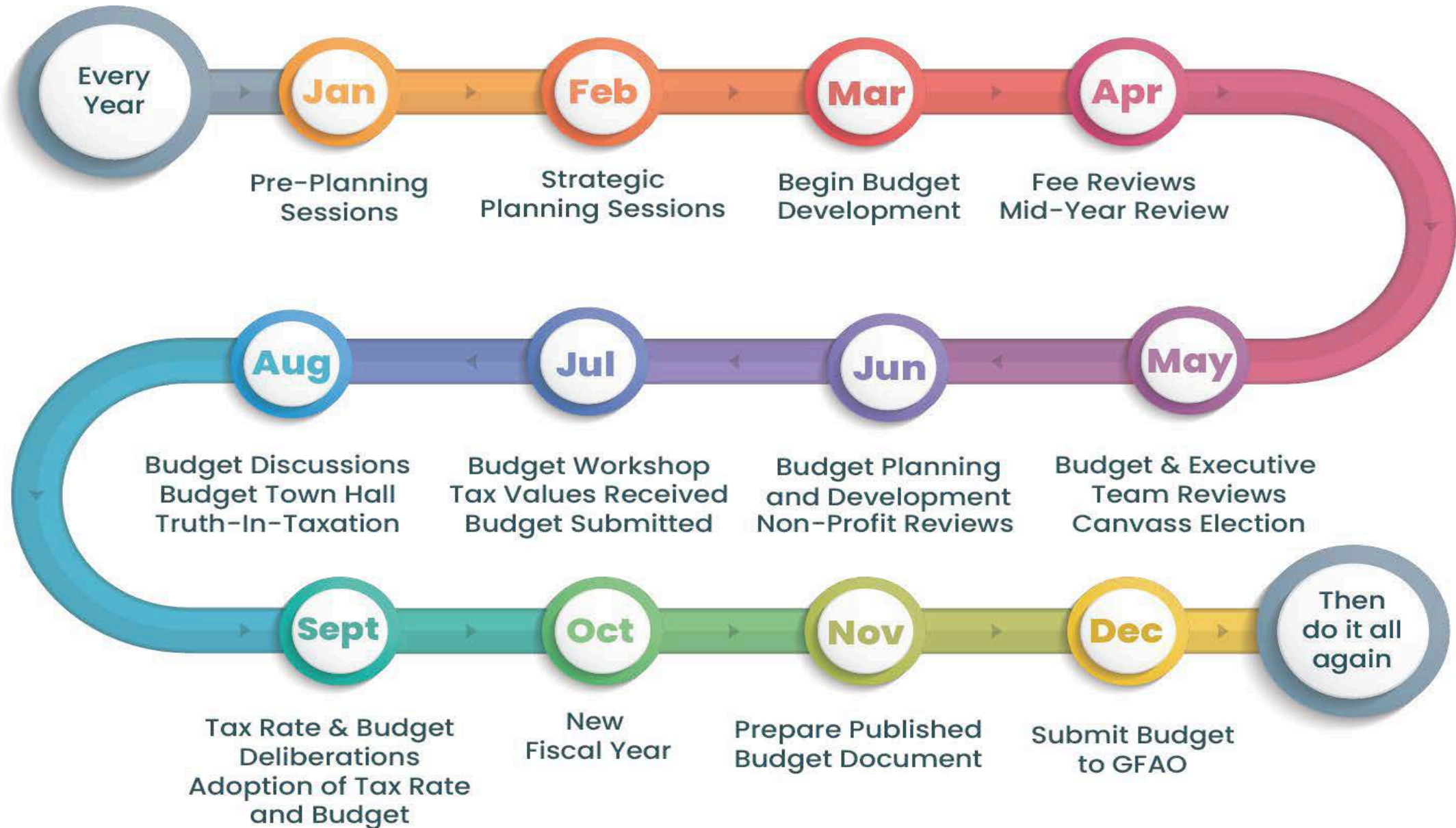
AUGUST 12, 2025

FY 2025-26 Budget Goals

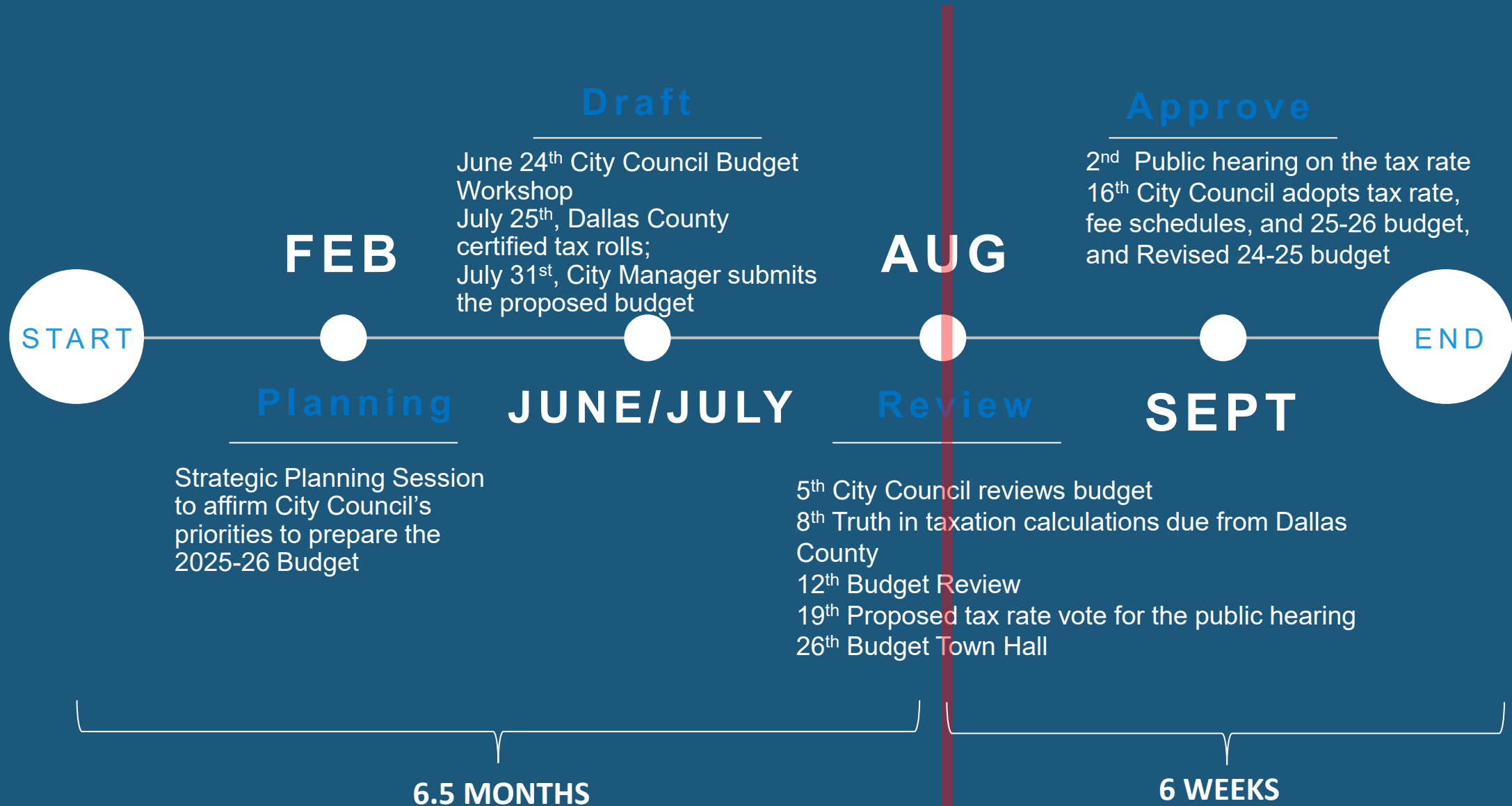
- 1** Council & Community Priorities
- 2** Priorities: Public Safety, Public Infrastructure, Economic Development & Neighborhoods
- 3** Ensure financial resilience now & into the future
- 4** Keeping the process open, honest, and transparent



CITY OF FARMERS BRANCH BUDGET PROCESS



BUDGET TIMELINE



KEY BUDGET PRIORITIES & ACTIONS

INITIAL BUDGET PRIORITIES

Public Safety

- ☐ Streetlights = \$100k
- ☐ Traffic Signals & School Beacons = \$840k
- ☐ Traffic Assessment = \$340k
- ☐ Lane Striping = \$300k

Economic Development & Neighborhood

- ☐ Increase in ED funds = \$200k
- ☐ TIF 2 Engineering study = \$200k
- ☐ Economic Development Grant Request = \$50k

Infrastructure

- ☐ City's aging infrastructure = \$9MM
- ☐ Fleet Replacement per schedule = \$2.8 MM
- ☐ Blockchain & AI Integration = \$100K
- ☐ City Facilities' Assessment = \$150K

Positions & Compensation

- ☐ 5 positions for the Police Department
- ☐ Decreased employees' raises to 2% from 3%

PROPOSED BUDGET – FY 2025-26 per COUNCIL DIRECTION

Public Safety

- ☐ Streetlights = \$100k
- ☐ Traffic Signals & School Beacons = \$840k
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Positions & Compensation

- ☐ 5 positions for the Police Department
- ☐ Employees' raises back to 3%

PROPOSED FEES CHANGES

| DEPARTMENTS | PROPOSED FEE |
|---|---|
| COMMUNITY SERVICES (Chapters 14, 22, 26, 30, 38, & 56) | Short-Term Rental = \$250 Special Events Permit = \$50/permit Vacant Building = \$500 per application & inspection Vacant Building = \$500 quarterly inspection after issuance of license |
| FIRE (Chapters 30 & 38) | <input type="checkbox"/> EMS – Fee change for residents EMS mileage fee increases from \$15/mile to \$24/mile for transport from the nearest City limit to any hospital outside of the City. <input type="checkbox"/> Annual Fire Inspection – Change in fee based on the square foot to each occupancy type & number of floors |
| PUBLIC WORKS (Chapter 86) | <input type="checkbox"/> Fats, Oils, and Grease Permit Fee: \$50.00 <input type="checkbox"/> Grease Trap Inspection Fee: \$350.00 <input type="checkbox"/> Grit Trap Inspection Fee: \$350.00 <input type="checkbox"/> Grease Trap/Grit Trap Reinspection Fee: \$200.00 |

Fee Schedule Change on the Future City Council Agenda

Farmers Branch FY 25-26 Budget

HISTORY OF WATER/WASTE WATER RATES

[illegible]

DWU & TRA
RATES

DWU’s current projections for wholesale rate increases range from 10 to 15% annually

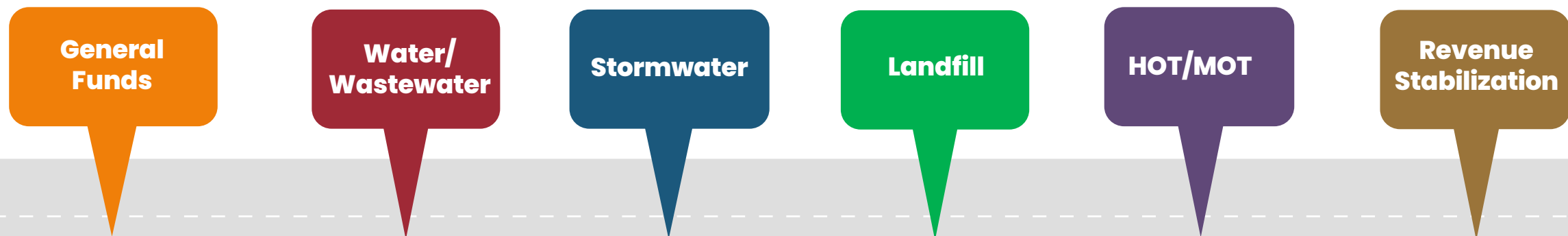
| | FY 2024 | FY 2025 |
|-------------------------|-----------|-----------|
| Demand Charge | \$328,362 | \$356,978 |
| Volume Rate /1,000 gal. | \$0.5150 | \$0.5663 |

TRA’s current projections for wholesale rate increases range from 7 to 11% annually

| | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 |
|--------------------------|---------|---------|---------|---------|---------|---------|
| Proj. Flows (All Cities) | 142.828 | 141.321 | 142.028 | 142.738 | 143.451 | 144.169 |
| Total Rate (Debt & O&M) | \$3.598 | \$3.955 | \$4.384 | \$4.835 | \$5.210 | \$5.547 |

Note: Flows are projected in MGD

FUND SECURITY



\$20.5MM

\$4MM

\$1MM

\$38MM

\$1MM

\$10MM

Target Balances

BUDGET COMMUNICATION PLAN



PLATFORMS

- Budget Survey
- 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
- CFBISD Information



TOWNHALL

- The Branch Connection – 8/26/2025
- Show Budget 101 Video
- Budget Presentation
- Boards on easels
- Q & A
- Email questions

Questions



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PREPARING FOR END OF YEAR

COUNCIL PRIORITIES



COUNCIL PRIORITIES

☐ Parks, Deferred Projects



One-time
Expenditures

☐ General Fund

☐ Revenue Stabilization Fund



Increase Fund
Balance

☐ Landfill Closure/Post-Closure



Decrease Liabilities



FARMERS BRANCH
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Farmers Branch Housing Redevelopment Strategy

Study Session | 8/12/2025

Requested By: City Management



Farmers Branch Housing Redevelopment Strategy

Transforming City-Owned Lots into Sustainable, Equitable Communities

- 1** Establish a unified, long-term housing strategy
- 2** Maximize value from City-owned lots
- 3** Align with Council's strategic goals
- 4** Deliver sustainable and inclusive revitalization

Where are we today?

- ❑ Over \$4.4 MM invested in lot purchases through the Neighborhood Renaissance Program
- ❑ Initiatives: Branch Crossing, Valwood Area

CHALLENGES:



No City-wide housing strategy



Inconsistent Outcomes



Fragmented Implementation



District-driven



What's Missing?

Comprehensive housing strategy

Defined affordability or workforce housing goals

Zoning considerations

Impact metrics to guide policy



What We Aim to Achieve



Maximize public investment returns



Expand housing options for all demographics



Ensure equitable redevelopment across districts



Attract quality private investment



Improve the neighborhood quality of life citywide



CITYWIDE HOUSING POLICY FRAMEWORK

Develop a Housing Action Plan that will address:

Affordability & workforce needs

Market trends & zoning barriers

Infrastructure & environmental constraints

Target high-impact redevelopment zones





Defined Housing Goals

TARGETS:

Set unit targets by type and affordability

FOCUS AREAS:

- ☐ Infill development
- ☐ Mixed-income housing
- ☐ Homeownership for the underrepresented groups

Public-Private Partnerships



**Establish clear
developer selection
criteria**

**Offer incentives tied to
community outcomes**

Alignment with goals

**Use RFPs/RFQs for
transparency**

**Experience in housing
development**

**Design & community
value**



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Community Engagement and Vision



**Inclusive
Outreach**



**Build trust and
transparency**



**Align plans with
resident needs
and priorities**

PERFORMANCE METRICS

ANNUAL TRACKING

- ☐ Homes built
- ☐ % affordable/workforce units
- ☐ Tax base increase
- ☐ Resident satisfaction

REPORTING

- ☐ Transparent reporting

What's Next?

MILESTONE 01

Hold Strategic Housing Workshop



MILESTONE 02

Pause lot sales until plan is adopted



MILESTONE 03

Assign ED & Community Services to lead with support from Finance



MILESTONE 04

Review benchmark peer cities



MILESTONE 05

Review current lot holdings for fit with new strategy



WHY IT MATTERS

- ❑ Opportunity to transform scattered assets into a cohesive, equitable housing strategy
- ❑ Diverse economic, social, and community benefits
- ❑ Supports long-term vitality and strategic growth for Farmers Branch



Questions



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