



**FARMERS BRANCH**  
TEXAS

# **BUDGET UPDATE – FY 2026–27**

**Study Session Meeting | May 5, 2026**

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**Requested By: Finance Department**



City of Farmers Branch

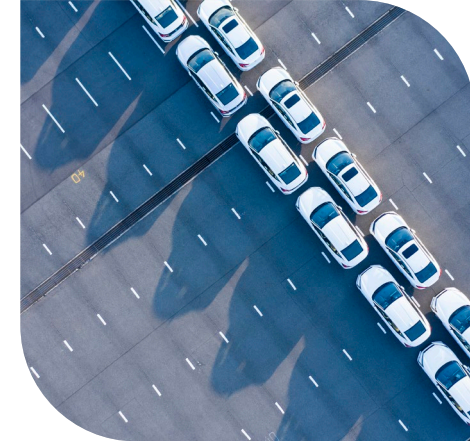
## **FY 2026–27 Budget Goals**

- 1** Address Council & Community Priorities
- 2** Focus on Public Infrastructure, Economic Development, Connected Neighborhoods, & Public Safety
- 3** Keeping the process open, honest, and transparent

# BUDGET TIMELINE



# BUDGET DISCUSSION TOPICS



- Budget Overview/Process
- Strategic Budget Priorities
- Tax Rate
- Infrastructure

- Investment in Community-Centered Projects/Contracts
- Fund Security
- Staffing & Compensation

- Employee Benefits
- Fee Review
- Grants



# UNDERSTANDING YOUR CITY'S BUDGET

**GENERAL FUND**

**GENERAL GOVERNMENT** Budget \$27,329,500

<b>GENERAL GOVERNMENT</b> - General Government - General Contracts	- Legal -Non-Departmental	<b>SUPPORT SERVICES</b>  <b>HUMAN RESOURCES</b>  <b>FINANCE</b> - Accounting - Finance Administration	- Purchasing - Municipal Court	<b>INNOVATION &amp; TECHNOLOGY</b>  <b>COMMUNITY SERVICES, BUILDING INSPECTION AND CODE ENFORCEMENT</b>  <b>ANIMAL SERVICES</b>
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**PUBLIC WORKS**  
Budget \$10,292,600

<b>PUBLIC WORKS</b> Public Works Administration Street Maintenance	<b>SUSTAINABILITY &amp; PUBLIC HEALTH</b>
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**PUBLIC SAFETY**  
Budget \$37,435,900

<b>POLICE</b> Police Administration Police Investigations Police Patrol Police Detention Police Communications	<b>FIRE</b> Fire Administration Fire Prevention Fire Operations
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**CULTURE & RECREATION**  
Budget \$16,713,200

<b>PARKS &amp; RECREATION</b> Facilities Management Parks Administration Park Maintenance Recreation Center Aquatics Center The Branch Connection Events Parks Boards	<b>LIBRARY</b>
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**INTERNAL SERVICE FUND**

**INTERNAL SERVICES**  
Budget \$6,172,900

FLEET MANAGEMENT

**WCF**  
Budget \$601,700

WORKERS' COMPENSATION FUND

**HCF**  
Budget \$5,420,300

HEALTH CLAIMS FUND

**OTHER FUNDS**

**DEBT SERVICE**  
Budget \$7,916,200

Property Tax  
Supported Debt Self Supporting Debt

**ECO DEVO**  
Budget \$1,655,000

Purchase/Sale of Property  
Development Incentives

**SPECIAL REVENUE**  
Budget \$6,275,027

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

**FIXED ASSETS**

Funds are being phased out.

**REVENUE STABILIZATION**  
Budget \$1,061,100

Sales Tax Liabilities  
Separation Reserves  
Neighborhood Partnerships

**ENTERPRISE FUND**

**PUBLIC WORKS**  
Budget \$36,944,400

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

**HOTEL/MOTEL FUND**

**CULTURE & RECREATION**  
Budget \$3,737,600

**TOURISM**  
Historical Preservation  
Event Center  
  
Tourism  
Convention Center

# TAX BILL DISTRIBUTION

- ❑ 27% of the property tax bill is for the City of Farmers Branch
- ❑ 73% of Farmers Branch property tax is commercial
- ❑ 68% of residents receive a 20% Homestead Exemption
- ❑ 31% of residents receive a \$100,000 Senior/Disabled Exemption

**The City of Farmers Branch receives 27% of the property taxes you pay.**  
The rest is distributed among the other taxing entities.



On average, residents pay \$1,969 in property taxes to the City of Farmers Branch. That is the equivalent of about \$164 per month for City services that include:

**Police, Fire & EMS**  
**Street Maintenance**  
**Code Enforcement**

**Animal Control**  
**Trash & Recycling**  
**Bulk Collection**

**Library Services**  
**Recreation Facilities**  
**Parks and Trails**



*Based on an average home value of \$452,788.*

# FY 2026-27

## Low Rates. Strong Exemptions. Real Savings

Farmers Branch provides one of the region’s most competitive tax rates, enhanced by substantial senior and homestead exemptions that significantly reduce taxable property values for residents.

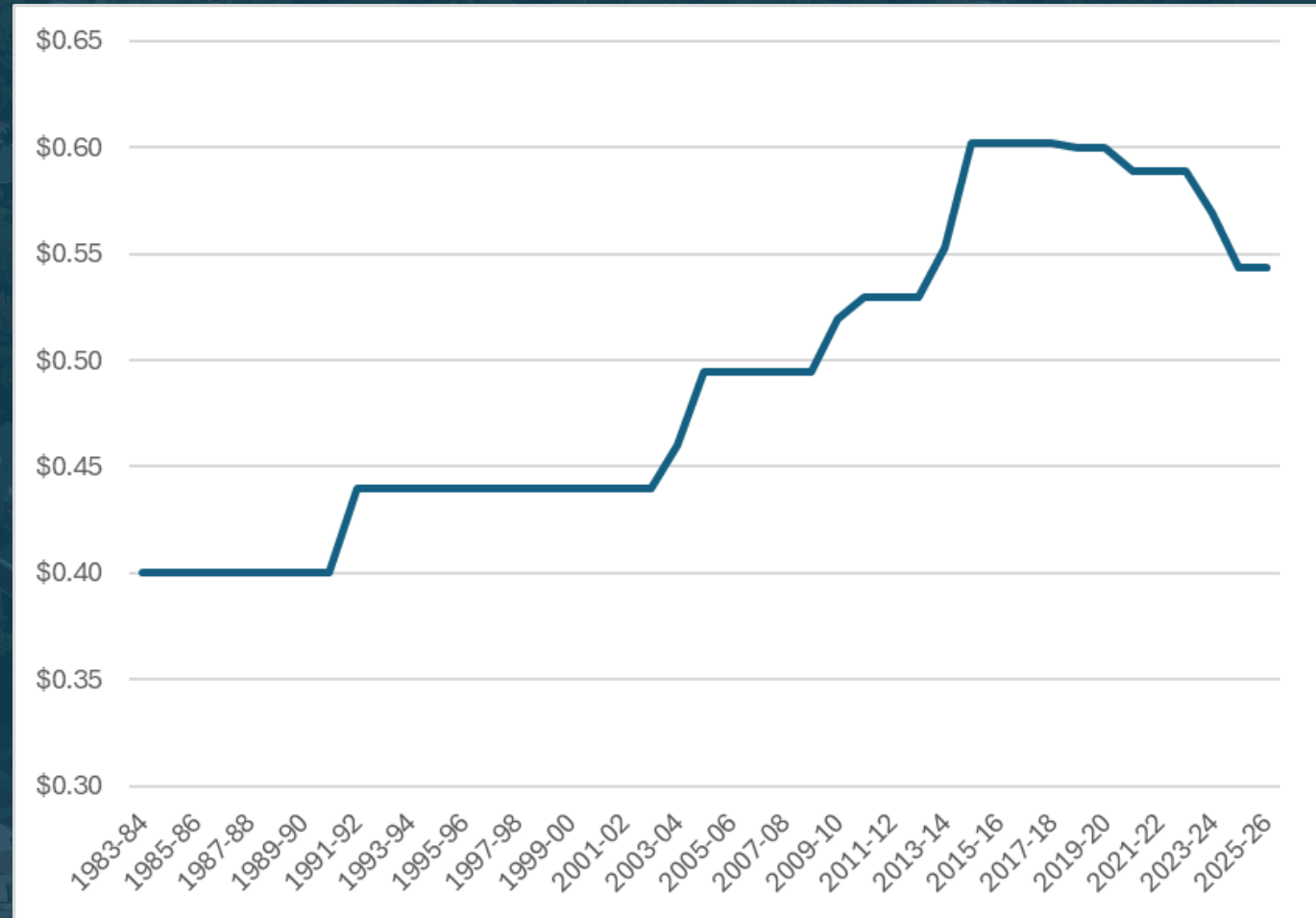
SURROUNDING CITIES	2025 Tax Rate	Avg Senior Tax Amount	Avg With Homestead
1. Frisco	0.425517	\$1,200.94	\$1,541.35
2. Plano	0.437600	\$1,410.08	\$1,585.12
3. Allen	0.415400	\$1,579.14	\$1,786.84
4. Coppell	0.444976	\$1,469.08	\$1,914.06
5. Carrollton	0.537500	\$1,355.74	\$1,946.99
<b>6. Farmers Branch</b>	<b>0.543500</b>	<b>\$1,425.22</b>	<b>\$1,968.72</b>
7. Princeton	0.440226	\$1,883.23	\$1,993.29
8. Irving	0.589100	\$1,780.44	\$2,133.90
9. Addison	0.608100	\$1,837.86	\$2,202.72
10. Richardson	0.542180	\$1,587.44	\$2,454.93
11. Wylie	0.543438	\$2,297.59	\$2,460.62
12. Dallas	0.698800	\$1,308.37	\$2,531.27

*Based on 2025-26 protested rates and an avg home value of \$452,788.*

# FARMERS BRANCH PROPERTY TAX HISTORY

## FACTORS

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



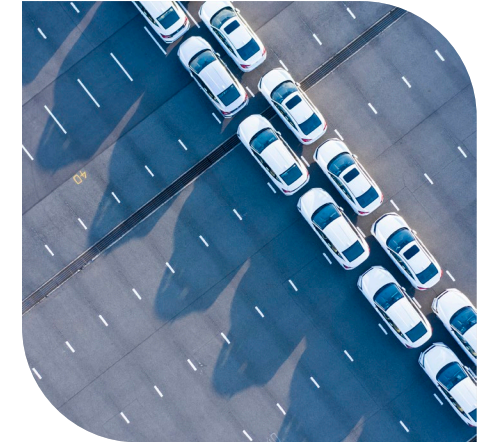
# BUDGET REFLECTING COUNCIL PRIORITIES



- Increasing the investment in water/wastewater infrastructure from \$9MM to \$12.8MM
- Water rate increases by 12%

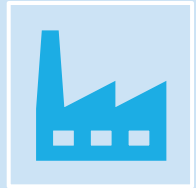


- Community Garden (design) - \$150K
- Pedestrian Traffic Improvements - \$1.8MM
- Monument Signs - \$165K to \$250K



- Facility Improvements - \$500k
- IT Maintenance - \$150K

# FACTORS IMPACTING THE REVENUE



**Business Personal Property (BPP) Exemption Impact (Effective 1/1/2026)** - Recent state legislation increasing BPP exemptions will impact FY 2027 revenues, reducing taxable commercial value and shifting more burden onto real property.



**Appraisal District Pressures & Protest Activity** - Increased property tax protests and rising Dallas CAD operating costs (driven by higher protest volumes, legal costs, and required notifications) create downward pressure on certified values.



**Sales Tax Volatility** – Local sales tax revenues remain highly sensitive to consumer spending patterns, inflation, tariffs, and broader economic cycles.



**Interest Income** – Elevated rates have recently increased investment earnings; however, anticipated rate declines may reduce this revenue stream going forward.

FY 2026-27

# Property Tax

**Property Tax projected –  
FLAT**

**Overall Property Assessment –  
FLAT**

**Most stable and consistent**



# Sales Tax

**Volatile but STABLE**

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

**Revenue Stabilization Fund**



# INVESTMENT IN COMMUNITY-CENTERED PROGRAMS/CONTRACTS

HOTEL/MOTEL FUNDS

**FIREHOUSE THEATRE**

\$50,000

**METROCREST SERVICES**

\$200,000

GENERAL FUND

**WOVEN HEALTH CLINIC**

\$50,000

**MINOR HOME REPAIR PROGRAM**

\$75,000

FARMERS BRANCH  
*Events*

■ Parks and Rec Events

■ Community Events

\*Partnering with CFBISD for Community Outreach



2027 PROPOSED EVENT DATES

Feb	Daddy Daughter Dance (CRC)
Feb	Superbowl Party (TBC)
Feb	Valentines Tea (TBC)
Mar	Mad Hatter Tea (HP)
Mar	Social Series (TBC)
Mar	Mom & Sons Dance (CRC)
Mar	Easter Egg Splash (AC)
Mar	Gateway to the Globe
Apr	Fishin' Fun
May	Bark Park Event (CRC)
May	Community Outreach
July	Social Series (TBC)
July	Independence Day
July	Lazy River 5k (AC)
Aug	Summer Carnival (CRC)
Aug	Community Outreach
Sept	Social Series (TBC)
Sept	Classic Car Show (TBC)
Sept	Paw Plunge (AC)
Oct	Bark Park Event (CRC)
Oct	Community Outreach
Oct	Branch Arts Live (HP)
Oct	Fall Festival - 5K
Oct	Craft Fair (TBC)
Oct	Día De Los Muertos (HP)
Nov	Veterans Day (TBC)
Nov	Arbor Day (CRC)
Nov	Dive in Movie (AC)
Dec	Bark Park Event (CRC)
Dec	Community Outreach
Dec	Christmas Carnival
Dec	Santa on the Move (AC)
Dec	Christmas Teas (HP)
Dec	Pancakes & Pajamas (CRC)

# GRANTS

- ❑ Current Grant Amount Being Managed:  
\$33,229,293
- ❑ Fiscal year 26-27:  
\$1,019,000



# BUDGET COMMUNICATION PLAN



## PLATFORMS

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



## THEMES

- Compared to other cities
- Dollar chart with breakdown
- Pie Charts for Budget



## TOWNHALL

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

# Questions

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**FARMERS BRANCH**  
TEXAS