



To: Honorable Mayor and City Council  
Through: Bryan C. Woods, City Manager  
Jeff Kersten, Assistant City Manager  
From: Mary Ellen Leonard, CPA, Director of Fiscal Services  
Date: August 27, 2026  
Subject: FY27 Proposed to Approved Budget Revisions

This memo outlines Council-directed changes made to the FY27 Proposed Budget, resulting in the recommended Approved FY27 Budget. The City Council conducted a Budget Workshop on July 13<sup>th</sup> and 14<sup>th</sup> 2026.

## AD VALOREM CHANGES

- Ad Valorem valuations were updated to the Certified Values received. The property valuations used to prepare the Proposed Budget were preliminary. Certified Values were received on July 24, 2026.
- The No-New Revenue and Voter-Approval tax rates serve as “guardrails” for the Council to consider when establishing a rate for the FY27 Budget. The table below reflects the current FY26 tax rate and the rates provided by the County Tax Office on July 31, 2026 which is the rate as called by Council for a public hearing on August 13<sup>th</sup>, 2026

|                                                   | FY26 Rates     | FY27 Rates     |
|---------------------------------------------------|----------------|----------------|
| <b>Debt Service Fund</b>                          | 20.2668        | 20.2646        |
| <b>General Fund</b>                               | 30.9204        | 32.7608        |
| <b>Total Tax Rate</b>                             | <b>51.1872</b> | <b>53.0254</b> |
|                                                   |                |                |
| <b>No-New Revenue Rate</b>                        | 49.0510        | 50.6934        |
|                                                   |                |                |
| <b>Voter-Approval Rate Adjusted for Sales Tax</b> | 50.4092        | 53.0254        |
|                                                   |                |                |
| <b>Voter-Approval Rate</b>                        | 51.1872        | 53.7682        |

- Based on the Certified Values and the above FY27 Property Tax rates, we are estimating that the Ad Valorem revenues would increase by \$613,870 compared to the amounts in the Proposed Budget at the adoption of the Voter-Approval Rate Adjusted for Sales Tax.

## BUDGET CHANGES

Council changes to the Proposed Net Budget presented on July 6<sup>th</sup>, 2026 resulted in an increase of \$90,398.

| FY27 Net Budget Summary |                          |                 |                          |
|-------------------------|--------------------------|-----------------|--------------------------|
|                         | FY27 Proposed Net Budget | Changes         | FY27 Approved Net Budget |
| Governmental Funds      | \$171,908,384            | \$90,398        | \$171,998,782            |
| Enterprise Funds        | 192,894,671              | -               | 192,894,671              |
| Special Revenue Funds   | 29,948,951               | -               | 29,948,951               |
| Subtotal O&M            | \$394,752,006            | \$-             | \$394,842,404            |
| Subtotal Net Capital    | \$181,594,937            | \$-             | \$181,594,937            |
| Total Net Budget        | <b>\$576,346,943</b>     | <b>\$90,398</b> | <b>\$576,437,341</b>     |

These changes are detailed below.

### Council Directed Changes:

- During the Budget Workshop on July 14<sup>th</sup>, Council directed staff to increase the Brazos County Health District FY27 Funding Request by \$100,000.
- During the Budget Workshop on July 14<sup>th</sup>, Council also directed staff to increase the Chamber of Commerce FY27 Funding Request by \$7,250.

### Other Changes:

- The Brazos County Appraisal District FY27 Funding Request was reduced by \$180,200 to match the request received after the Proposed Budget was produced.
- A Library increase of \$13,348 was included for recurring operating expenses. This change is based on a revised request received after the FY27 Proposed Budget was produced.
- The budget was increased by \$150,000 in General Government for special election costs expected in FY27. This item was previously included in the General Fund Assigned Fund Balance. The Assigned Fund Balance will be removed in the FY27 Approved Budget final document.