City Council Meeting Agenda

Our Vision: A well-planned lakeside community of quality neighborhoods, distinctive amenities, diverse employment, and cultural charm. Rowlett: THE place to live, work and play.

Wednesday, September 17, 2025	**6:00 PM**	**Municipal Building – 4000 Main**

Pursuant to Texas Government Code Section 551.127, on a regular, non-emergency basis, members may attend and participate in the meeting remotely by video conference. Should that occur, a quorum of the members, including the presiding officer, will be physically present at the location noted above on this Agenda.

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item herein.

The City of Rowlett reserves the right to reconvene, recess or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

Process for Public Input: If you are not able to attend in person, you may complete the Public Input Form on the City's website by 3:30 p.m. the day of the meeting. All forms will be forwarded to the City Council prior to the start of the meeting.

For in-person comments, request to speak forms/instructions are available inside the door of the City Council Chambers.

Pledges of Allegiance

1. Call to Order

2. Executive Session

3. Reconvene Into Open Session and Take Any Necessary or Appropriate Action on Closed/Executive Session Matters

4. Citizens' Input

At this time, comments will be taken from the audience on any topic. No action can be taken by the Council during Citizens' Input.

5. Individual Consideration

5.A. Consider action to approve an ordinance to adopt the Budget for FY2026.

5.B. Consider an ordinance approving and adopting the ad valorem tax rate of $0.807891 per $100 of taxable value for fiscal year 2025-2026 (FY2026).

5.C. Consider action to ratify the property tax revenue increase reflected in the Budget for FY2026.

Members of the City Council may request topics to be placed on an agenda for a subsequent meeting. Any deliberation or decision shall be limited to a proposal to place topic on the agenda for a subsequent meeting.

6. Adjournment

Deborah Sorensen

Deborah Sorensen, TRMC, MMC, City Secretary

I certify that the above notice of meeting was posted on the bulletin boards located inside and outside the doors of the Municipal Center, 4000 Main Street, Rowlett, Texas, as well as on the City's website on the September 10, 2025, by 5:30 p.m.

City of Rowlett City Council meetings are available to all persons regardless of disability. If you require special assistance, contact the City Secretary at 972-412-6109 or write 4000 Main St., Rowlett, Texas, 75088, at least 48 hours in advance of meeting.

City of Rowlett ~ 4000 Main Street, Rowlett TX 75088 ~ www.rowlett.com

CITY OF ROWLETT
TAXPAYER IMPACT STATEMENT

House Bill 1522, passed by the Texas Legislature in 2025, amends section 551.043 of the Texas Government Code to require that the notice of a meeting required to be posted under section 551.043(a) of the Texas Open Meetings Act, at which a governmental body will discuss or adopt a budget for the governmental body, must include a taxpayer impact statement showing, for the median-valued homestead property, a comparison of the property tax bill in dollars pertaining to the property for the current fiscal year to an estimate of the property tax bill in dollars for the same property for the upcoming fiscal year.

The City of Rowlett has proposed a budget for the City's 2025-2026 fiscal year. The City intends to adopt its budget on or before September 30, 2025.

- **Value of Median-Valued Homestead Property in the City:** $374,425
- **Property Tax Bill for the Current Fiscal Year ($0.769691):** $2,882
- **Estimated Property Tax Bill for the Upcoming Fiscal Year if the City Adopts the Proposed Budget and Tax Rate ($0.807891):** $3,025
- **Estimated Property Tax Bill for the Upcoming Fiscal Year if the City Adopts the Published Proposed Tax Rate ($0.841997):** $3,153
- **Estimated Property Tax Bill for the Upcoming Fiscal Year if the City Adopts a Balanced Budget Funded at the No-New-Revenue Tax Rate ($0.791518, includes debt rate of $0.269050):** $2,964

The estimates in this Impact Statement are valid only for the proposed budget and proposed tax rate that the City Council will discuss at its meeting on **September 17, 2025.** The proposed budget and the proposed tax rate may each be amended by City Council at any time before their final adoption. If the City Council intends to discuss the proposed budget at a subsequent meeting, the City will include a Taxpayer Impact Statement in the notice for that meeting which will include updated estimates based on any amendments to the proposed budget and proposed tax rate.

I hereby certify that the foregoing Taxpayer Impact Statement was included in the public notice for the City Council meeting to be held on **September 17, 2025.**

9/3/2025

Name: David Hall, JD   Date
Title: City Manager

City of Rowlett
City Council Agenda Item

Meeting Date: 9/17/2025 **Agenda Item:** 5.A.

Title
Consider action to approve an ordinance to adopt the Budget for FY2026.

Staff Representative
Wendy Badgett, Director of Finance

Executive Summary
Development of the budget for fiscal year beginning October 1, 2025 and ending September 30, 2026 (FY2026) was initiated in February 2025. Since the initiation, the City Manager, Finance Department, Executive Team, and various City staff have been working on different aspects of the proposed budget for consideration by City Council. The process culminates with the final adoption of the budget prior to October 1.

Strategic Priority and Goal(s)

Strategic Priority	Strategic Goal
GOVERN TRANSPARENTLY & INCLUSIVELY	1.8 Provide accurate and timely information to policy-makers and the public.

Background Information
By Charter, the City Manager is required to prepare and submit a budget to City Council with sufficient time to provide for all necessary hearings prior to October 1st. The City Council then adjusts the document to make it fit their vision for what is appropriate for the City. Finally, it is reviewed by the citizens directly, who may give their input for final adjustments. The City Manager presented the proposed FY2026 budget on August 11, 2025. The City Council held a budget work session on August 18, 2025, and the required public hearing on September 16, 2025.

Discussion
Since the presentation of the recommended budget on August 11, 2025, City Council has had the opportunity to analyze the budget and hold a work session and a public hearing to receive feedback from the community. Based on the outcome of these opportunities, and having incorporated input from the City Council, City staff presents the final recommended budget to the City Manager today, September 17, 2025.

The items revised from the budget proposal on August 11, 2025, through the final adopted budget proposal on September 17, 2025, are as follows:

	Proposed Budget 8/11/2025	Proposed Budget as Revised 9/17/2025	Change
General Fund			
Revenues			
Total Revenue Change			**$ -**
Expenses			
Non-Departmental	$ 2,990,121	$ 2,996,781	$ 6,660
Total Expense Change			**$ 6,660**
Net Change			**$ (6,660)**
Debt Service Fund			
Revenues			
Total Revenue Change			**$ -**
Expenses			
Debt Service	$ 20,742,000	$ 20,744,000	$ 2,000
Total Expense Change			**$ 2,000**
Net Change			**$ (2,000)**
Utility Fund			
Revenues			
Total Revenue Change			**$ -**
Expenses			
Purchase Services	$ 23,016,517	$ 22,856,915	$ (159,602)
Debt Service	5,234,492	5,277,321	42,829
Total Expense Change			**$ (116,773)**
Net Change			**$ 116,773**

General Fund

- Non-Departmental expenses increased $6,660, which includes a $500 increase to the Library Advisory Board and funding in the amount of $6,160 to Children's Advocacy Center for Rockwall County, as recommended by Council at the August 18 budget work session.

Debt Service Fund

- Debt Service expenses increased $2,000 to reflect the final debt schedule of the 2025 GO, CO, and Tax Note debt sale on August 6, 2025.

Utility Fund

- Debt Service expenses increased $42,829 to reflect the final debt schedule of the 2025 Water and Sewer Revenue Bond sale on August 6, 2025.

- Purchase Services expenses decreased $159,602 to reflect an updated preliminary wholesale rate letter received from NTMWD reflecting a 7% increase in cost versus the original rate letter of a 9% increase.

Financial/Budget Implications

This agenda item will adopt the FY2026 Budget of revenues and expenditures.

Recommended Action

Staff recommends that the Council consider and adopt the Fiscal Year 2025 – 2026 budget, as follows:

> "I move that Council adopt an ordinance approving the Fiscal Year 2025 – 2026 Budget as presented."

The adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. This ratification vote must be separate and in addition to the vote to approve the budget and will be held after the vote to adopt the tax rate. (See, Texas Local Gov't Code, §102.007(c)).

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, APPROVING AND ADOPTING A BUDGET FOR THE FISCAL YEAR OCTOBER 1, 2025 THROUGH SEPTEMBER 30, 2026; AND PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR BE MADE IN ACCORDANCE WITH SAID BUDGET; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, an annual budget for the fiscal year beginning October 1, 2025 and ending September 30, 2026 has been duly created by the budget officer of the City of Rowlett, Texas in accordance with Chapter 102 of the Texas Local Government Code; and

WHEREAS, the City Manager for the City of Rowlett filed the proposed budget in the office of the City Secretary on August 11, 2025 and the proposed budget was made available for public inspection in accordance with Chapter 102 of the Local Government Code; and

WHEREAS, one public hearing was held in accordance with State law by the City of Rowlett on September 16, 2025 and in accordance with Chapter 102 of the Local Government Code, following due publication of notice thereof, at which time all citizens and parties of interest were given the opportunity to be heard regarding the proposed FY2026 Budget; and

WHEREAS, after full and final consideration, it is the opinion of the City Council of the City of Rowlett that the FY2026 budget of revenues and expenditures as hereinafter set forth should be adopted and approved.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS:

SECTION 1: The annual budget of revenues and expenditures necessary for conducting the affairs of the City of Rowlett for Fiscal Year 2025 – 2026 (FY2026), beginning October 1, 2025, and ending September 30, 2026, a true and correct copy of which is attached hereto and incorporated herein as Exhibit A, providing for a financial plan for the ensuing fiscal year, is hereby approved and adopted.

SECTION 2: Expenditures during the fiscal year FY2026 shall be made in accordance with the budget adopted herein, unless otherwise authorized by proper amendment; and said budget shall be on file for public inspection in the office of the City Secretary. The sums below are appropriated from the respective funds for the payment of expenditures on behalf of the City of Rowlett as established in the approved budget. Upon approval of the budget, the budget officer shall file a true copy thereof with the County Clerk as required by law.

	Fiscal Year 2026
General Fund	$70,391,497
Economic Development Incentive Fund	60,800
Debt Service Fund	20,932,100
Utility Fund	41,768,050
Refuse Fund	8,347,570
Drainage Fund	1,877,768
Employee Benefits Fund	9,756,085
Police Seizure Fund	166,250
Hotel Motel Fund	436,838
PEG Fund	92,533
Grants Fund	701,355
CDBG Fund	299,525
Inspection Fees Fund	0
Court Technology Fund	26,670
Juvenile Diversion Fund	37,053
Court Security Fund	0
Court Security and Technology Fund	170,091
Child Safety Fee Fund	102,681
Jury Fee Fund	500
Golf Fund	308,572
Reforestation Fund	1,200
Commercial Vehicle Fund	442,267
Vehicle and Equipment Replacement Fund	1,395,870
Technology Equipment Replacement Fund	172,910
Tax Increment Financing #2 (Bayside) Fund	1,348,476

Tax Increment Financing #2 (Sapphire Bay) Fund	17,575
Tax Increment Financing #3 (Downtown) Fund	20,000
Tax Increment Financing #4 (North Shore) Fund	1,504,981
Tax Increment Financing #4 (North Shore – City) Fund	0
Sapphire Bay Development Project Fund	0
Disaster Fund	147,463
Capital Improvements Funds	101,478,403
Total:	$262,005,083

SECTION 3: Unless modified otherwise by the City Council, the remaining budget for all capital improvements from FY2025 not completed or started as of September 30, 2025, in the amount of $81,752,209, will be automatically carried over into FY2026. Furthermore, funds for the capital improvements listed for FY2026 in the amount of $101,478,403, attached hereto and incorporated herein as Exhibit A, are hereby appropriated and the entire Capital Improvements Plan for fiscal year ending 2026 is hereby adopted.

SECTION 4: All budget amendments and transfers of appropriations budgeted from one account or activity to another for the prior fiscal year be and are hereby ratified, and the budget ordinances, heretofore enacted by the City Council, be and are hereby amended to the extent of such transfers and amendments for all purposes.

SECTION 5: Specific authority is given to the City Manager to make the following adjustments:

1. Transfer of appropriations budgeted from one account classification to another account classification within the same department.
2. Transfer of appropriations from designated appropriation from one department or activity to another department or activity within the same fund.
3. Transfer of designated carry forward and FY2026 Capital Improvement Plan appropriations from one project to another.

SECTION 6: Should any word, sentence, section, subsection, subdivision, paragraph, clause, phrase or provision of this ordinance be adjudged invalid or held unconstitutional, the same shall not affect the validity of this ordinance as a whole or any part or provision hereof, other than the part so decided to be invalid or unconstitutional.

SECTION 7: All provisions of the ordinances of the City of Rowlett in conflict with the provisions of this ordinance be and the same are hereby repealed, and all other provisions of the ordinances of the City of Rowlett not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 8: This ordinance shall become effective immediately upon its passage as the law and charter in such cases provide.

UPON CALLING FOR A VOTE FOR APPROVAL OF THIS ORDINANCE, THE MEMBERS OF THE CITY COUNCIL VOTED AS FOLLOWS:

	Aye	Nay
Mayor Jeff Winget		
Michael Schupp, Mayor Pro Tem		
Mike Britton, Deputy Mayor Pro Tem		
Jonathan Reaves, Place 1		
Marvin Gibbs, Place 2		
Elise Bowers, Place 3		
John P. Bowers III, Place 6		

WITH ___ VOTING "AYE" AND ___ VOTING "NAY", THIS ORDINANCE IS DULY PASSED BY THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS ON THIS THE 17th DAY OF SEPTEMBER, 2025.

Attachments

1. Ordinance Adopting FY2026 Budget - Exhibit A

FY2026 Combined Fund Summary

Description	General Fund	Economic Development Incentive Fund	Debt Service Fund	Utility Fund
Beginning Reserves	**$ 34,324,218**	**$ 1,180,671**	**$ 2,466,164**	**$ 16,642,228**
Operating Revenues:				
Tax Revenues	52,434,200	-	20,729,484	-
Franchise Fees	2,855,000	-	-	-
Licenses and Permits	1,447,200	-	-	-
Charges for Service	4,717,600	-	-	41,175,988
Fines and Forfeitures	765,400	-	-	-
Other	2,298,700	22,000	111,000	1,192,000
Total Operating Revenues	**64,518,100**	**22,000**	**20,840,484**	**42,367,988**
Other Sources:				
Transfers In	6,201,530	-	242,790	93,407
Total Revenues	**70,719,630**	**22,000**	**21,083,274**	**42,461,395**
Operating Expenses:				
Personnel	53,716,109	-	-	4,163,803
Supplies	2,863,004	-	-	740,421
Purchase Services	12,348,701	60,800	188,100	22,856,915
Capital Outlay	411,632	-	-	3,617
Debt Service	-	-	20,744,000	5,277,321
Total Operating Expenses	**69,339,446**	**60,800**	**20,932,100**	**33,042,077**
Other Uses:				
Transfers Out	1,052,051	-	-	8,725,973
Total Expenses	**70,391,497**	**60,800**	**20,932,100**	**41,768,050**
Net Change	328,133	(38,800) *	151,174	693,345
Ending Reserves	**$ 34,652,351**	**$ 1,141,871**	**$ 2,617,338**	**$ 17,335,573**

*Indicates planned use of prior year reserves to fund current year

Refuse Fund	Drainage Fund	Employee Benefits Fund	Other Governmental Funds	Capital Improvements Funds	Combined Total
$ 442,555	**$ 896,942**	**$ 3,002,355**	**$ 8,126,833**	**$ 24,131,892**	**$ 91,213,858**
-	-	-	4,006,292	-	77,169,976
-	-	-	61,000	-	2,916,000
-	-	-	-	-	1,447,200
8,358,800	1,862,768	8,436,765	1,317,452	800,000	66,669,373
-	-	-	720,534	-	1,485,934
9,500	15,000	1,150,639	191,770	95,167,321	100,157,930
8,368,300	**1,877,768**	**9,587,404**	**6,297,048**	**95,967,321**	**249,846,413**
-	-	-	314,221	5,511,082	12,363,030
8,368,300	**1,877,768**	**9,587,404**	**6,611,269**	**101,478,403**	**262,209,443**
62,063	146,610	126,742	777,868	250,000	59,243,195
-	53,329	120,000	537,641	-	4,314,395
7,441,400	65,842	9,288,978	3,509,895	6,299,639	62,060,270
-	34,033	-	2,276,326	94,928,764	97,654,372
-	348,500	-	-	-	26,369,821
7,503,463	**648,314**	**9,535,720**	**7,101,730**	**101,478,403**	**249,642,053**
844,107	1,229,454	220,365	291,080	-	12,363,030
8,347,570	**1,877,768**	**9,756,085**	**7,392,810**	**101,478,403**	**262,005,083**
20,730	-	(168,681) *	(781,541) *	-	204,360
$ 463,285	**$ 896,942**	**$ 2,833,674**	**$ 7,345,292**	**$ 24,131,892**	**$ 91,418,218**

CIP Funding Sources

Funding Sources	Carry Forward Funding	FY2026	FY2027	FY2028	FY2029	FY2030	Total
Cash Transfers from Operating Funds for Capital Maintenance (Cash) Programs	$ 20,329,855	$ 5,511,082	$ 5,897,452	$ 6,313,870	$ 6,769,354	$ 7,267,717	$ 52,089,330
Pavement Maintenance Fee	-	800,000	800,000	800,000	800,000	800,000	4,000,000
2023B Bond Election - off cycle	3,395,787	25,688,980	23,000,000	-	-	-	52,084,767
2024 GO Bond	4,026,104	21,307,500	14,300,000	-	-	-	39,633,604
2025 CO Bond	-	20,000,000	-	-	-	-	20,000,000
Future CO Bond / Tax Note	-	11,406,241	10,102,479	7,900,000	7,900,000	7,900,000	45,208,720
Future Revenue Bond	-	14,000,000	7,000,000	7,000,000	7,000,000	7,000,000	42,000,000
Proposed Grants (CDBG, MCIP, STBG)	266,666	2,764,600	15,594,600	264,600	264,600	264,600	19,419,666
Drainage CO Bond	-	-	4,200,000	-	-	-	4,200,000
Prior Years Funding Sources							
GO Bond Election	22,267,143	-	-	-	-	-	22,267,143
CO Bond	5,323,296	-	-	-	-	-	5,323,296
Tax Note	1,290,306	-	-	-	-	-	1,290,306
Revenue Bond	18,132,591	-	-	-	-	-	18,132,591
DART Reimbursement	4,486,006						4,486,006
Street/Park Impact Fees	550,000	-	-	-	-	-	550,000
Water/Sewer Impact Fees	1,684,455	-	-	-	-	-	1,684,455
Total	**$ 81,752,209**	**$ 101,478,403**	**$ 80,894,531**	**$ 22,278,470**	**$ 22,733,954**	**$ 23,232,317**	**$ 332,369,884**

Capital Maintenance

Project Name	Funding Source	Carry Forward Funding	FY2026 Adopted	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	Total
Drainage Capital Maintenance								
Misc. Drainage Improvements	DR Capital Maintenance	1,568,044	899,172	937,883	978,127	1,019,820	1,063,013	6,466,059
Misc. Drainage Maintenance	DR Capital Maintenance	200,000	100,000	100,000	100,000	100,000	100,000	700,000
Park Capital Maintenance								
Wetzone Capital Maintenance & Improvements	GO Bond Election	153,144	-	-	-	-	-	153,144
Kids Kingdom Improvements	GF Capital Maintenance	99,892	-	-	-	-	-	99,892
Special Capital Maintenance								
Community Enhancement Projects	GF Capital Maintenance	151,620	-	-	-	-	-	151,620
Facility Improvements	GF Capital Maintenance	323,521	-	-	-	-	-	323,521
	Tax Note	202,177	-	-	-	-	-	202,177
	CO Bond / Tax Note	-	200,000	200,000	200,000	200,000	200,000	1,000,000
Arts Maintenance	GF Capital Maintenance	22,750	10,000	10,000	10,000	10,000	10,000	72,750
Coyle House Improvements	GF Capital Maintenance	75,000	-	-	-	-	-	75,000
	Tax Note	44,212	-	-	-	-	-	44,212
	GO Bond Election	199,819	-	-	-	-	-	199,819
Street Capital Maintenance								
Asphalt Rehabilitation / Overlay	GF Capital Maintenance	637,732	-	-	-	-	-	637,732
	GO Bond Election	6,274	-	-	-	-	-	6,274
Sign Replacement	GF Capital Maintenance	338,898	90,000	90,940	90,940	90,940	90,940	792,658
Traffic Signal Repair/ Maintenance	GF Capital Maintenance	23,465	50,000	42,030	42,030	42,030	42,030	241,585
Construction Crew	GF Capital Maintenance	434,207	-	-	-	-	-	434,207
Foam Injection	GF Capital Maintenance	122,213	200,000	175,000	175,400	175,400	175,400	1,023,413
Crack Seal for Pavement	GF Capital Maintenance	410,736	395,534	432,030	431,630	431,630	431,630	2,533,190
Traffic Management Projects	GF Capital Maintenance	25,206	14,466	10,000	10,000	10,000	10,000	79,672
Pavement Marking	GF Capital Maintenance	60,000	30,000	30,000	30,000	30,000	30,000	210,000

Capital Maintenance

Project Name	Funding Source	Carry Forward Funding	FY2026 Adopted	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	Total
Construction Crew - Materials	GF Capital Maintenance	10,391	-	-	-	-	-	10,391
	GO Bond Election	738,897	-	-	-	-	-	738,897
Construction Crew - Equipment	GO Bond Election	14,655	-	-	-	-	-	14,655
Water/Sewer Capital Maintenance								
SS Capital Maintenance Crew	Water/Sewer Capital Maintenance	168,596	250,000	250,000	250,000	250,000	250,000	1,418,596
Lift and Pump Stations	Water/Sewer Capital Maintenance	1,310,908	250,000	350,000	550,000	550,000	550,000	3,560,908
Manhole Rehab	Water/Sewer Capital Maintenance	587,819	100,000	300,000	300,000	300,000	300,000	1,887,819
Misc. Sewer Line Repair/ Replacement	Water/Sewer Capital Maintenance	894,332	400,000	300,000	300,000	881,896	881,896	3,658,124
SCADA Maintenance	Water/Sewer Capital Maintenance	31,681	10,000	20,000	20,000	20,000	20,000	121,681
Water Preventative Maintenance	Water/Sewer Capital Maintenance	168,010	150,000	100,000	100,000	100,000	100,000	718,010
Meter Replacement	Water/Sewer Capital Maintenance	604,126	400,000	350,000	350,000	350,000	350,000	2,404,126
Misc. Water Line Repair/ Replacement	Water/Sewer Capital Maintenance	861,571	400,000	400,000	400,000	981,895	981,895	4,025,361
Utility Appurtenances	Water/Sewer Capital Maintenance	236,563	75,000	75,000	75,000	75,000	75,000	611,563
Tower/Tank Maintenance	Water/Sewer Capital Maintenance	36,325	100,000	100,000	276,174	276,174	276,174	1,064,847
Chiesa EST Repaint	Water/Sewer Capital Maintenance	500,000	-	-	-	-	-	500,000
Eula EST Repaint	Water/Sewer Capital Maintenance	-	-	500,000	-	-	-	500,000
Kirby EST Repaint	Water/Sewer Capital Maintenance	-	-	-	500,000	-	-	500,000
Capital Maintenance Total		**$ 11,262,784**	**$ 4,124,172**	**$ 4,772,883**	**$ 5,189,301**	**$ 5,894,785**	**$ 5,937,978**	**$ 37,181,903**

Capital Projects

Project Name	Funding Source	Carry Forward Funding	FY2026 Adopted	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	Total
Capital Plan Projects								
Water Master Plan	Water/Sewer Capital Maintenance	-	-	-	250,000	-	-	250,000
Wastewater Master Plan	Water/Sewer Capital Maintenance	363,321	150,000	250,000	-	-	-	763,321
WW/SS/ST Impact Fees Study Update	Street/Park Impact Fees	80,000	-	-	-	-	-	80,000
	Water/Sewer Impact Fees	95,000	-	-	-	-	-	95,000
Storm Drainage Master Plan Update	DR Capital Maintenance	995,012	-	-	-	-	-	995,012
TCEQ-MS4	DR Capital Maintenance	(3,200)	10,000	10,000	10,000	10,000	10,000	46,800
Rowlett Development Code	GF Capital Maintenance	9,860	-	-	-	-	-	9,860
Sanitary Sewer Evaluation Study	Water/Sewer Capital Maintenance	-	150,000	200,000	200,000	200,000	200,000	950,000
Thoroughfare Plan	GF Capital Maintenance	402	-	-	-	-	-	402
Master Thoroughfare Plan Update	Street/Park Impact Fees	450,000	-	-	-	-	-	450,000
Drainage Capital Projects								
Longbranch Erosion Construction East Bank	Drainage CO Bond	-	-	1,500,000	-	-	-	1,500,000
Highland Meadows Stream Erosion Study	Drainage CO Bond	-	-	100,000	-	-	-	100,000
Longbranch Erosion Study East Bank	Drainage CO Bond	-	-	100,000	-	-	-	100,000
Drainage Channel Reconstruction	Drainage CO Bond	-	-	2,500,000	-	-	-	2,500,000
Park Capital Projects								
Paddle Point Park / Lakeside Park	GO Bond Election	130,238	-	-	-	-	-	130,238
Springfield Park	GO Bond Election	112,097	-	-	-	-	-	112,097
Nature Trail	GO Bond Election	35,142	-	-	-	-	-	35,142
Herfurth Park Phase 1	GO Bond Election	763,666	-	-	-	-	-	763,666
Wet Zone	GF Capital Maintenance	28,962	-	-	-	-	-	28,962
	GO Bond Election	1,465	-	-	-	-	-	1,465
Lakefront at Pecan Grove	GO Bond Election	330,753	-	-	-	-	-	330,753

Capital Projects

Project Name	Funding Source	Carry Forward Funding	FY2026 Adopted	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	Total
Twin Star Park	GO Bond Election	50,771	-	-	-	-	-	50,771
Trail Construction	GO Bond Election	38,444	-	-	-	-	-	38,444
Community Park	GO Bond Election	349,450	-	-	-	-	-	349,450
Sports Field Construction	GO Bond Election	486,217	-	-	-	-	-	486,217
Park Improvements	GF Capital Maintenance	839	-	-	-	-	-	839
	CO Bond / Tax Note	-	150,000	200,000	-	-	-	350,000
Park Maintenance Facility	GO Bond Election	(496)	500,000	1,500,000	-	-	-	1,999,504
Rowlett Community Center	GO Bond Election	-	1,250,000	-	-	-	-	1,250,000
	CO Bond / Tax Note	-	350,000	-	-	-	-	350,000
Parking Lot Improve-ments at Parks	GO Bond Election	-	1,808,000	-	-	-	-	1,808,000
Kayak Docks & Launches	GO Bond Election	-	-	500,000	-	-	-	500,000
Herfurth Park	GO Bond Election	-	4,000,000	-	-	-	-	4,000,000
Shorewood Park	CO Bond / Tax Note	-	-	400,000	-	-	-	400,000
Lakefront at Pecan Grove	CO Bond / Tax Note	-	-	400,000	-	-	-	400,000
	GO Bond Election	-	442,000	-	-	-	-	442,000
Nature Trail Surface and Parking Lot	CO Bond / Tax Note	-	250,000	-	-	-	-	250,000
Twin Star Park Basketball Court	CO Bond / Tax Note	-	-	150,000	-	-	-	150,000
Special Capital Projects								
Public Safety Dept Training Center	GO Bond Election	103,176	-	-	-	-	-	103,176
	Water/Sewer Capital Maintenance	87,322	-	-	-	-	-	87,322
Arts Program	GF Capital Maintenance	127,528	-	-	-	-	-	127,528
Fire Station 2 Design/ Construction	GO Bond Election	85,236	-	-	-	-	-	85,236
Municipal Complex Assessment	GO Bond Election	26,468	-	-	-	-	-	26,468
Waterview Golf Course Improvements	GF Capital Maintenance	21,752	-	-	-	-	-	21,752
Long Branch Creek Erosion Control	GO Bond Election	2,400,219	-	-	-	-	-	2,400,219

Capital Projects

Project Name	Funding Source	Carry Forward Funding	FY2026 Adopted	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	Total
Fire/Police Station at Sapphire Bay	CO Bond	514,667	-	-	-	-	-	514,667
Project Cost Overruns	GF Capital Maintenance	238,624	-	-	-	-	-	238,624
Municipal Public Safety Facility	GO Bond Election	2,355,787	17,328,980	20,000,000	-	-	-	39,684,767
Animal Services Facility	GO Bond Election	1,040,000	4,360,000	3,000,000	-	-	-	8,400,000
Emergency Contigency	GF Capital Maintenance	688,244	-	-	-	-	-	688,244
Fire Station #1	GO Bond Election	-	1,410,000	-	-	-	-	1,410,000
Fire Station #3	GO Bond Election	-	2,170,000	-	-	-	-	2,170,000
Fire Station #4	GO Bond Election	-	1,120,000	-	-	-	-	1,120,000
Municipal Complex	CO Bond	-	20,000,000	-	-	-	-	20,000,000
Erosion Control	CO Bond / Tax Note	-	1,000,000	-	750,000	750,000	750,000	3,250,000
Flood Gate Automation	CO Bond / Tax Note	-	-	300,000	-	-	-	300,000
Downtown District Infrastructure	CO Bond / Tax Note	-	1,000,000	-	-	-	-	1,000,000
Street Capital Projects								
Alley Reconstruction Improvements	GF Capital Maintenance	211,226	-	-	-	-	-	211,226
Merritt Rd Intercon-nector Phase 2	GO Bond Election	3,483,230	1,000,000	6,300,000	-	-	-	10,783,230
	Street/Park Impact Fees	20,000	-	-	-	-	-	20,000
	STBG Grant	-	-	14,000,000	-	-	-	14,000,000
	MCIP Grant	-	-	1,330,000	-	-	-	1,330,000
Advanced Traffic Management System	GO Bond Election	661	-	-	-	-	-	661
Right Turn Lanes (Misc. Locations)	GO Bond Election	2,483,444	-	-	-	-	-	2,483,444
Chiesa Widening (Dalrock-S. Miller)	GO Bond Election	4,628,113	-	-	-	-	-	4,628,113
	MCIP Grant	-	2,500,000	-	-	-	-	2,500,000
Toler Business Park Ph 1&2	GO Bond Election	2,446,010	-	-	-	-	-	2,446,010
East Industrial Street (Including Dart Reimbursement)	Dart Reimbursement	4,235,204	-	-	-	-	-	4,235,204
	GO Bond Election	187,147	-	-	-	-	-	187,147
Design Miller Road	GO Bond Election	2,551,018	-	-	-	-	-	2,551,018

Capital Projects

Project Name	Funding Source	Carry Forward Funding	FY2026 Adopted	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	Total
Martin Dr Pedestrian Crossing Signal	DART Reimbursement	250,802	-	-	-	-	-	250,802
Road Construction (Merritt Rd, Toler Business Park Ph 2, Country Aire Estates Ph 2 RD)	GO Bond Election	4,841,935	2,607,500	-	-	-	-	7,449,435
Street & Alley Reconstruction	GO Bond Election	1,555,334	5,250,000	4,000,000	-	-	-	10,805,334
	CO Bond / Tax Note	150,000	1,793,000	4,035,361	3,800,000	3,800,000	3,800,000	17,378,361
Street Lights on HWY 66	GO Bond Election	(2,598,483)	2,850,000	-	-	-	-	251,517
Concrete Panel Replacement	CO Bond / Tax Note	2,615,727	1,003,800	1,000,000	2,000,000	2,000,000	2,000,000	10,619,527
Sidewalk Connectivity	CO Bond / Tax Note	150,000	150,000	200,000	150,000	150,000	150,000	950,000
Asphalt Improvements	CO Bond / Tax Note	1,252,256	1,167,839	-	1,000,000	1,000,000	1,000,000	5,420,095
Chiesa Road Design	GO Bond Election	-	-	2,000,000	-	-	-	2,000,000
Water/Sewer Capital Projects								
Future GO Project WA/ SS Components	Water/Sewer Capital Maintenance	459,089	694,977	276,953	276,953	276,953	732,123	2,717,048
SH66 E Sewer Line	Water/Sewer Capital Maintenance	753,712	-	-	-	-	-	753,712
	Revenue Bond	3,370,803	-	-	-	-	-	3,370,803
SH-66 FORCE Main	Revenue Bond	671,441	5,000,000	-	-	-	-	5,671,441
Dalrock Road Lift Station Abandonment	Revenue Bond	1,500,000	-	-	-	-	-	1,500,000
College Park Lift Station Abandonment	Revenue Bond	1,056,078	-	-	-	-	-	1,056,078
Pecan Harbor Lift Station Abandonment	Revenue Bond	999,872	-	-	-	-	-	999,872
Mallard Cove Lift Station Abandonment	Revenue Bond	699,745	-	-	-	-	-	699,745
Homestead - Old Princeton Rd SS	Water/Sewer Capital Maintenance	300,000	-	-	-	-	-	300,000
Winner's Circle Lift Station Abandonment	Revenue Bond	368,581	-	-	-	-	-	368,581
Lakeview Senior Living SS Oversize	Revenue Bond	200,000	-	-	-	-	-	200,000

Capital Projects

Project Name	Funding Source	Carry Forward Funding	FY2026 Adopted	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	Total
Toler Ridge Lift Station Replacement	Revenue Bond	817,452	-	-	-	-	-	817,452
Toler Bay 1 Lift Station Replacement	Revenue Bond	423,135	-	-	-	-	-	423,135
Gravity Lines - Abandon Lift Station	Revenue Bond	1,938,951	-	-	-	-	-	1,938,951
30" SS Liberty Grove Rd Replacement	Revenue Bond	92,438	-	-	-	-	-	92,438
Liberty Grove SS Upgrade	Revenue Bond	-	-	400,000	-	-	-	400,000
18" SS Line from Dalrock to NSLS	Revenue Bond	-	-	590,000	1,660,000	-	-	2,250,000
Dalrock-Princeton 10" SS Upgrade	Revenue Bond	-	-	-	2,000,000	-	-	2,000,000
Vue De Lac SS	Revenue Bond	-	-	50,000	1,450,050	-	-	1,500,050
UPP Pump #5 at Rowlett Road Pump	Water/Sewer Capital Maintenance	352,826	-	-	-	-	-	352,826
	Revenue Bond	653,192	-	-	-	-	-	653,192
Lakeview Senior Living WL Oversize	Water/Sewer Capital Maintenance	100,000	-	-	-	-	-	100,000
36"/30" WA line along Merritt Rd	Revenue Bond	2,996,108	1,350,000	3,650,000	-	-	-	7,996,108
24" WA line along Dalrock to Bayside	Water/Sewer Impact Fees	1,589,456	-	-	-	-	-	1,589,456
	Water/Sewer Capital Maintenance	234,725	-	-	-	-	-	234,725
	Revenue Bond	769,483	-	-	-	-	-	769,483
Emergency Reserves WA&SS	Water/Sewer Capital Maintenance	1,489,469	-	-	-	-	-	1,489,469
Water Looping	Water/Sewer Capital Maintenance	97,484	-	-	-	-	-	97,484
Toler Business Park GO Project WA/S	Revenue Bond	380,000	-	-	-	-	-	380,000
East Industrial GO Proj WA/SS	Revenue Bond	366,410	-	-	-	-	-	366,410
Princeton Rd WA Phase 1 3100'	Revenue Bond	-	-	310,000	1,889,950	-	-	2,199,950

Capital Projects

Project Name	Funding Source	Carry Forward Funding	FY2026 Adopted	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	Total
Municipal Complex Water Project	Revenue Bond	-	2,000,000	2,000,000	-	-	-	4,000,000
WA Other Infrastructure Improvements	Revenue Bond	500,000	5,650,000	-	-	7,000,000	7,000,000	20,150,000
Capital Projects Total		**$ 63,651,040**	**$ 90,466,096**	**$ 71,252,314**	**$ 15,436,953**	**$ 15,186,953**	**$ 15,642,123**	**$ 271,635,479**

Capital Purchases

Project Name	Funding Source	Carry Forward Funding	FY2026 Adopted	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	Total
Capital Equipment Purchases								
Fire Vehicles and Equipment	CO Bond / Tax Note	(136,912)	2,373,602	853,000	-	-	-	3,089,690
Police Vehicles and Equipment	CO Bond / Tax Note	384,810	814,000	1,118,452	-	-	-	2,317,262
Community Development Vehicle and Equipment	Tax Note	12,852	-	-	-	-	-	12,852
IT Equipment	CO Bond / Tax Note	193,356	-	611,666	-	-	-	805,022
Parks Equipment	Tax Note	158,109	-	-	-	-	-	158,109
Public Works Equipment	Tax Note	124,719	-	-	-	-	-	124,719
Enterprise Leasing Vehicle Replacements	CO Bond / Tax Note	840,000	1,154,000	634,000	-	-	-	2,628,000
W/SS Vehicle Replace-ments	Water/Sewer Capital Maintenance	1,263,724	289,786	289,786	289,786	289,786	289,786	2,712,654
Drainage Vehicle Replacement	DR Capital Maintenance	246,021	70,000	70,000	70,000	70,000	70,000	596,021
Public Safety Radio System	CO Bond	40,646	-	-	-	-	-	40,646
Body Armor for Fire Teams	Tax Note	135	-	-	-	-	-	135
Initial EOC Upgrade - Fire	Tax Note	269	-	-	-	-	-	269
Ambulance for Fire Station #4	Tax Note	16,917	-	-	-	-	-	16,917
Outdoor Warning System	GF Capital Maintenance	30,461	-	-	-	-	-	30,461
	Tax Note	49,660	-	-	-	-	-	49,660
Cisco Firewalls	GF Capital Maintenance	1,306	-	-	-	-	-	1,306
Increase Bandwidth	GF Capital Maintenance	51,600	-	-	-	-	-	51,600
Communication Ct Workstation	Grant Project	4,665	-	-	-	-	-	4,665
Backup Power	Water/Sewer Capital Maintenance	225,635	-	-	-	-	-	225,635
	Revenue Bond	328,900	-	-	-	-	-	328,900
Lift Station Generators	Water/Sewer Capital Maintenance	466,251	-	-	-	-	-	466,251
Lift Station Generators - Grant Match	Water/Sewer Capital Maintenance	200,000	-	-	-	-	-	200,000

Capital Purchases

Project Name	Funding Source	Carry Forward Funding	FY2026 Adopted	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	Total
Dalrock/Schrade Traffic Signal	GO Bond Election	599,574	-	-	-	-	-	599,574
Consolidated Traffic Ctrls-Opticom	GF Capital Maintenance	50,780	-	-	-	-	-	50,780
	GO Bond Election	14,957	-	-	-	-	-	14,957
Traffic Signal Controls	GO Bond Election	74,671	-	-	-	-	-	74,671
Liberty Grove Rd & PGBT Traffic Signal	GO Bond Election	-	900,000	-	-	-	-	900,000
Capital Equipment Leasing	Water/Sewer Capital Maintenance	483,114	-	-	-	-	-	483,114
Capital Leasing								
GF Enterprise Lease Agreement	GF Capital Maintenance	633,897	603,139	603,139	603,139	603,139	603,139	3,649,592
W/SS Enterprise Lease Agreement	Water/Sewer Capital Maintenance	(59,272)	174,317	180,000	180,000	180,000	180,000	835,045
Capital Purchases Total		**$ 6,300,845**	**$ 6,378,844**	**$ 4,360,043**	**$ 1,142,925**	**$ 1,142,925**	**$ 1,142,925**	**$ 20,468,507**

Community Programs

Project Name	Funding Source	Carry Forward Funding	FY2026 Adopted	FY2027 Projected	FY2028 Projected	FY2029 Projected	FY2030 Projected	Total
Park Improvements (Income Based)	GF Capital Maintenance	53,320	53,320	53,320	53,320	53,320	53,320	319,920
Salvation Army Utility Assistance	GF Capital Maintenance	618	31,371	31,371	31,371	31,371	31,371	157,473
Housing Rehabilitation Program	GF Capital Maintenance	-	40,000	40,000	40,000	40,000	40,000	200,000
CDBG - Accessible Crosswalks/Sidewalks	Grant Project	-	99,000	99,000	99,000	99,000	99,000	495,000
CDBG - Alley Projects	Grant Project	262,001	121,600	121,600	121,600	121,600	121,600	870,001
CDBG - Salvation Army Rental Assistance	Grant Project	-	32,000	32,000	32,000	32,000	32,000	160,000
CDBG - Crime Prevention Program	Grant Project	-	12,000	12,000	12,000	12,000	12,000	60,000
Sidewalk Replacement (Income Based)	GF Capital Maintenance	178,528	70,000	70,000	70,000	70,000	70,000	528,528
50/50 Sidewalk Program (non-income)	GF Capital Maintenance	43,073	50,000	50,000	50,000	50,000	50,000	293,073
Community Programs Total		**$ 537,540**	**$ 509,291**	**$ 509,291**	**$ 509,291**	**$ 509,291**	**$ 509,291**	**$ 3,083,995**
Capital Improvement Plan Grand Total		**$ 81,752,209**	**$ 101,478,403**	**$ 80,894,531**	**$ 22,278,470**	**$ 22,733,954**	**$ 23,232,317**	**$ 332,369,884**

City of Rowlett
City Council Agenda Item

Meeting Date: 9/17/2025 **Agenda Item:** 5.B.

Title
Consider an ordinance approving and adopting the ad valorem tax rate of $0.807891 per $100 of taxable value for fiscal year 2025-2026 (FY2026).

Staff Representative
Wendy Badgett, Director of Finance
Michael Kuhn, Treasurer & Debt Mgr.

Executive Summary
The adoption of the tax rate is an important part of the budget process. Adoption of the tax rate per state law must be a separate item on the agenda and must occur after the adoption of the budget and by law on a day after the date of the public hearing on the budget. By Charter, the City Manager is required to prepare and submit a budget to City Council with sufficient time to provide for all necessary hearings prior to October 1st. The City Council then adjusts the document to make it fit their vision for what is appropriate for the City. Finally, it is reviewed by the citizens directly, who may give their input for final adjustments before the adoption.

Ad valorem, or property taxes, are collected by local governments in two components: (1) operations and maintenance (O & M); (2) interest and sinking fund (I & S).

Strategic Priority and Goal(s)

Strategic Priority		Strategic Goal
	GOVERN TRANSPARENTLY & INCLUSIVELY	1.5 Maintain equitable and competitive tax rates, fees, and service charges.

Background Information
City staff and Council began discussions for the FY2026 budget at the July 12, 2025 Council Budget Strategy Session that included utility rate recommendations, property tax estimates and rate scenarios, revenue targets, and Department budget requests. On August 11, 2025, the City Manager presented the Proposed Budget with a recommended tax rate of $0.807891, and the City Council set the tax ceiling/proposed tax rate at the voter approval tax rate of $0.841997 to allow maximum flexibility during the remainder of the budget process.

Description	FY2025 Adopted	FY2026 City Manager Proposed Budget	FY2026 No-New-Revenue	FY2026 Voter-Approval	FY2026 Proposed/ Published Tax Rate
Operations (O & M)	$0.531341	$0.538841	$0.522468	$0.572947	$0.572947
Debt (I&S)	$0.238350	$0.269050	$0.269050	$0.269050	$0.269050
Total	$0.769691	$0.807891	$0.791518	$0.841997	$0.841997

The State of Texas "Truth in Taxation" law requires that the City Council conduct a public hearing on its proposed ad valorem tax rate each year if such rate exceeds the no-new-revenue tax rate or the voter-approval rate, whichever is lower. Public notice of the date, time and location of this hearing was published in a newspaper of general circulation (Dallas Morning News) as required by state law on September 2, 2025. Additionally, tax rate information has been posted to the City's website and RTN16, the City's government access cable channel, as required by State law. The City Council held the required public hearing on September 16, 2025.

Discussion

Subsequent to the approval by the City Council on August 11 of $0.841997 as the proposed tax rate, discussions throughout the FY26 budget process have allowed the tax rate of $0.807891 included the FY26 Proposed Budget to remain unchanged. Therefore, the tax rate presented for adoption includes an operations and maintenance tax rate of $0.538841 and an I&S (debt service) tax rate of $0.269050 for a total tax rate of $0.807891 per $100 of taxable value.

Financial/Budget Implications

This item is the annual ad valorem tax assessment.

Recommended Action

According to Sec. 26.05 of the Property Tax Code, a motion to adopt an ordinance setting a tax rate that exceeds the no-new-revenue tax rate must be made in the following form:

"I move that the property tax rate be increased by the adoption of a tax rate of 0.807891, which is effectively a 2.07 percent increase in the tax rate."

For a taxing unit other than a school district, the vote on the ordinance, resolution, or order setting a tax rate that exceeds the effective tax rate must be a record vote, and at least 60 percent of the members of the governing body must vote in favor of the ordinance, resolution, or order.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS, ADOPTING THE TAX RATE AND LEVYING AD VALOREM TAXES FOR THE TAX YEAR 2025 AND CITY FISCAL YEAR 2025-2026 (FY2026) TO PROVIDE REVENUE FOR THE PAYMENT OF CURRENT EXPENDITURES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the assessments and renditions of all taxable property in the City of Rowlett have been made for the tax year 2025 by the appropriate appraisal districts; and

WHEREAS, the City Council has approved Ordinance No. [INSERT NO] adopting the City's annual budget for fiscal year 2025-2026; and

WHEREAS, following public notice duly posted and published in all things as required by law, a public hearing was held, by and before the City Council of the City of Rowlett, the subject of which was the adoption of the ad valorem tax rate for the City of Rowlett for FY2026; and

WHEREAS, the City Council, upon full consideration of the matter, is of the opinion that the tax rate hereinafter set forth is proper and should be approved and adopted.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS:

SECTION 1: There is hereby levied and shall be assessed for the tax year 2025 on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Rowlett, Texas, and not exempt by the Constitution of the State and valid State laws, a tax of $0.807891 on each and every $100 assessed valuation of taxable property apportioned and distributed as follows:

(a) $0.538841 on each and every $100 valuation of said property is hereby reviewed and assessed to provide revenue for maintenance and operations of the City government and current expenses thereof; and

(b) $0.269050 on each and every $100 valuation of said property is hereby reviewed and assessed for the purpose of creating a sinking fund to pay the interest principal on all outstanding bonds of the City, not otherwise provided for.

(c) **THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY -1.57 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY APPROXIMATELY $7.50.**

SECTION 2: All ad valorem taxes shall become due and payable on October 1, 2025 and all ad valorem taxes for the year shall become delinquent if not paid prior to

February 1, 2026. There shall be no discount for payment of taxes prior to February 1, 2026.

SECTION 3: A delinquent tax shall incur all penalty and interest authorized by law including a penalty of six percent (6%) on the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. A tax delinquent on July 1, 2026 incurs a total penalty of twelve percent (12%) of the amount of delinquent tax without regard to the number of months the tax has been delinquent. A delinquent tax shall also accrue interest at the rate of one percent (1%) for each month or portion of a month the tax remains unpaid. Taxes that remain delinquent on July 1, 2026 incur an additional penalty of twenty percent (20%) of the amount of taxes, penalty and interest due; such additional penalty is to defray costs of collection due to a contract with the City's tax collection attorney pursuant to Section 33.07 of the Texas Property Tax Code, as amended.

SECTION 4: The City shall have available all the rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.

SECTION 5: The tax roll as presented to the City Council, together with any supplements hereto, be and the same are hereby approved.

SECTION 6: Should any word, sentence, section, paragraph, subdivision, clause, phrase or section of this ordinance, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance which shall remain in full force and effect.

SECTION 7: All ordinances of the City of Rowlett, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed; provided, however that all other provisions of said ordinances not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 8: This ordinance shall become effective immediately upon its passage.

UPON CALLING FOR A VOTE FOR APPROVAL OF THIS ORDINANCE, THE MEMBERS OF THE CITY COUNCIL VOTED AS FOLLOWS:

	Aye	Nay
Mayor Jeff Winget		
Michael Schupp, Mayor Pro Tem		
Mike Britton, Deputy Mayor Pro Tem		
Jonathan Reaves, Place 1		
Marvin Gibbs, Place 2		
Elise Bowers, Place 3		
John P. Bowers III, Place 6		

WITH ___ VOTING “AYE” AND ___ VOTING “NAY”, AND AT LEAST 60% OF THE

MEMBERS OF THE GOVERNING BODY VOTING IN FAVOR OF THE ORDINANCE, THIS ORDINANCE IS DULY PASSED BY THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS ON THIS THE 17th DAY OF SEPTEMBER, 2025.

Attachments

None

City of Rowlett
City Council Agenda Item

Meeting Date: 9/17/2025 **Agenda Item:** 5.C.

Title
Consider action to ratify the property tax revenue increase reflected in the Budget for FY2026.

Staff Representative
Wendy Badgett, Director of Finance
Michael Kuhn, Treasurer & Debt Mgr.

Executive Summary
Texas Local Government Code §102.007(c) requires that, when adopting a budget that will raise more revenue from property taxes than in the previous year, the City Council must take a separate vote to ratify the property tax revenue increase reflected in that budget.

Strategic Priority and Goal(s)

Strategic Priority	Strategic Goal
GOVERN TRANSPARENTLY & INCLUSIVELY	1.5 Maintain equitable and competitive tax rates, fees, and service charges.

Background Information
City staff and Council began discussions for the FY2026 budget at the July 12, 2025 Special Council Strategy Session that included utility rate recommendations, property tax estimates and rate scenarios, revenue targets, and Department budget requests. On August 11, 2025, the City Manager presented the Proposed Budget with a recommended tax rate of $0.807891, and the City Council set the tax ceiling/proposed tax rate at the voter approval tax rate of $0.841997 to allow maximum flexibility during the remainder of the budget process.

Individual Consideration Item 7A, which covered adoption of the FY2026 Budget of revenues and expenditures, and Individual Consideration Item 7B, which covered adoption of the property tax rate, fulfilled certain State requirements for the adoption of the budget and tax rate. State law additionally requires the City Council to hold a separate vote to ratify the property tax revenue increase reflected in the budget when the adopted budget raises more total property tax revenue than the previous year's budget.

Discussion

The adopted budget will raise more total property taxes than last year's budget by $3,234,357 or 5.99%, and of that amount, $2,197,632 is tax revenue to be raised from new property added to the tax roll this year.

Financial/Budget Implications

This item is to ratify the property tax revenue increase reflected in the adopted budget, as required by LGC §102.007(c).

Recommended Action

Staff recommends the following motion:

"I move that the resolution ratifying the property tax increase reflected in the adopted FY2026 budget be approved."

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS RATIFYING THE PROPERTY TAX INCREASE REFLECTED IN THE CITY'S ADOPTED FISCAL YEAR 2025-2026 BUDGET, WHICH IS A BUDGET THAT WILL REQUIRE RAISING MORE REVENUE FROM PROPERTY TAXES THAN IN THE PREVIOUS YEAR; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Texas Local Government Code §102.007(c) requires that adoption of a budget that raises more property tax revenue than was generated the previous year requires a record vote of the City Council to ratify the property tax increase reflected in the budget in addition to and separate from the record votes to approve the ordinance adopting the annual budget and the ordinance adopting the tax rate for the current tax year; and

WHEREAS, the City Council has adopted the 2025-2026 fiscal year budget, which will require raising more revenue from property taxes than last year's budget; and

WHEREAS, the City Council of the City of Rowlett, Texas, desires to ratify the property tax increase reflected in the adopted 2025-2026 Fiscal Year Budget.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ROWLETT, TEXAS:

SECTION 1: The property tax increase reflected in the adopted 2025-2026 Fiscal Year Budget, which is a budget that will require raising more revenue from property taxes than the previous year, is hereby ratified.

SECTION 2: This Resolution shall take effect immediately from and after its passage, as the law and charter in such cases provides.

UPON CALLING FOR A VOTE FOR APPROVAL OF THIS RESOLUTION, THE MEMBERS OF THE CITY COUNCIL VOTED AS FOLLOWS:

	Aye	Nay
Mayor Jeff Winget		
Michael Schupp, Mayor Pro Tem		
Mike Britton, Deputy Mayor Pro Tem		
Jonathan Reaves, Place 1		
Marvin Gibbs, Place 2		
Elise Bowers, Place 3		
John P. Bowers III, Place 6		

Attachments

None