

Memorandum



DATE September 12, 2025

CITY OF DALLAS

TO Honorable Mayor and Members of the City Council

SUBJECT **Final Steps to Adopt the FY 2025-26 Budget on September 17**

Thank you for your continued participation in the FY 2025-26 budget development process that will conclude next Wednesday, September 17. The City Manager's Recommended Biennial Budget for FY 2025-26 and FY 2026-27 was presented to the City Council on August 12. Following your community town hall meetings and deliberation, a majority of the City Council supported three budget amendments on September 3 through the straw poll process. On that day, the City Council also approved the First Reading of the budget incorporating the three approved amendments (attached). One amendment was held on September 3 but has since been withdrawn by the Council Member.

Your September 17 agenda to complete the budget process will include a tax rate public hearing, sitting as a committee of the whole to consider additional budget amendments, and approval of the budget ordinance, tax rate ordinance, and several other budget related items.

- **Agenda Item 4** - On September 17, prior to final consideration of the budget and property tax rate, a public hearing will be conducted to receive comments on the property tax rate. This public hearing was authorized by the City Council on August 27 and advertised in the official newspaper of the city on September 6.
- **Budget Briefing A** – FY 2025-26 budget discussion and amendments. Attached are four additional amendments that were received as of 2:00 pm on Friday, September 12. Additional amendments received prior to September 17 will be distributed on Tuesday, September 16.

After the public hearing, and after consideration of amendments, there will be a suite of budget-related items that must be approved. Because of varying legal requirements, items 5, 6, and 7 will require a record vote as indicated below while items 8, 9, 10 and 11 do not require a record vote.

- **Agenda Item 5** - Final reading and adoption of the appropriation ordinance appropriating funds for the FY 2025-26 City of Dallas Operating, Capital, and Grant & Trust Budgets will be considered next Wednesday. This item requires a record vote and must be considered before approval of the tax rate. Per the Local Government Code (102.009), the governing body may levy taxes only in accordance with the budget. The total of \$5,203,648,524 reflects the City Manager's recommended budget as amended by the City Council. Additionally,

September 12, 2025

Final Steps to Adopt the FY 2025-26 Budget on September 17

2 of 3

Internal Service Funds and the Employee Retirement Fund are included in the budget ordinance for your approval resulting in a total of \$5,510,422,946. The Internal Service Funds are not part of the budget document financial summaries to avoid double counting the revenue and expense but must be appropriated for separate expenditure through the budget ordinance.

- **Agenda Item 6** - An ordinance setting the tax rate at \$0.6997 per \$100 assessed valuation, which includes \$0.5084 for the General Fund and \$0.1913 for Debt Service will be considered after approval of the budget. This item requires a record vote and 60 percent (9 votes) of the members of the City Council must vote in favor of the adoption of the tax rate. If the tax rate ordinance is not approved, City Council will have to reconsider the vote on Agenda Item #5 (budget ordinance). The tax rate must be approved in an amount sufficient to fund the expenses approved within the budget.
 - The motion to adopt the 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 \$0.6997 per \$100 assessed valuation, which is effectively a 3.94% increase in the tax rate.

This year's levy to fund maintenance and operation expenditures exceeds last year's maintenance and operations tax levy and therefore exceeds the no-new-revenue tax rate. The motion to adopt the tax rate requires the above statement, "increase in the tax rate" as specified in section 26.05(b) of the Property Tax Code even though the proposed tax rate for FY 2025-26 is being reduced by \$0.0050 from \$0.7047 to \$0.6997 per \$100 assessed valuation.

- **Agenda Item 7** - A resolution to ratify the increase in total property tax revenues reflected in the FY 2025-26 budget requires a record vote. Per the Local Government Code (102.007), adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the City Council to ratify the revenue increase reflected in the budget. This vote is in addition to and separate from the vote to set the tax rate.
- **Agenda Items 8** - An ordinance amending Chapters 2, 6A, 9A, 14, 15D, 17, 18, 19, 27, 41A, 47A, 48A, 48C, and 49 of the Dallas City Code to amend fee, rates, and charges is required in support of the budget. A memo regarding this item was sent to the City Council on September 12 and can be [found here](#). If the fee ordinance is not approved, City Council will have to reconsider the vote on Agenda Item #5 (budget ordinance). The fee schedule must be approved in a manner sufficient to fund the expenses approved within the budget.

- **Agenda Item 9** - An ordinance creating or renaming departments is presented for approval. Per City Charter Chapter X, Section 1, this item does not require a record vote. However, it does require three-fourths approval (11 votes). This item renames the Department of Housing & Community Development to the Office of Housing and Community Empowerment, renames the Department of Dallas Municipal Court to the Department of Municipal Court and Detention Services, and transfers the Office of the City Marshal to the Department of Municipal Court and Detention Services.
- **Agenda Item 10** - Position changes, salary schedules, civilian merit and uniform salary increases, minimum hiring rate, and new pay schedules for uniform executives will be presented for approval in support of the budget. Funding for these changes is included within the proposed budget.
- **Agenda Item 11** - The Employee Health Benefit plan design effective January 1, 2026, health coverage plans, and premium rates will be presented for your approval.

Please note, if agenda items 6, 7, or 8 fail and cause the budget to be out of balance, it will be necessary to reconsider the final reading and adoption of the budget ordinance, agenda item 5.

Please contact me or Janette Weedon, Director of Budget and Management Services, if you have any questions.



Jack Ireland
Chief Financial Officer

[Attachment]

c: Kimberly Bizer Tolbert, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Bilerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Dominique Artis, Chief of Public Safety
Dev Rastogi, Assistant City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Alina Ciocan, Assistant City Manager
Donzell Gipson, Assistant City Manager
Robin Bentley, Assistant City Manager
Ahmad Goree, Chief of Staff to the City Manager
Directors and Assistant Directors

Budget Amendments - FY 2025-26 Budget

Attachment A - Amendments Approved on September 3, 2025

FY 2025-26 Budget Amendments received on or before August 29, 2025

Council Member Lead - Council Member Blair		Amendment Number	4
Source of Funds	Amount	Use of Funds	Amount
Mayor and City Council (MCC) ARPA Funds - D8 (Fund 0A72 ARPA Redevelopment Fund) - Traffic Calming (Unit A083). One-time funding.	66,598	Mayor and City Council (MCC) - Operating expenses (maintenance, landscaping, electricity, water, gas, etc.) for District Office - 3624 Simpson Stuart.	66,598
Total Source of Funds	66,598	Total Use of Funds	66,598
City Council Action (yes/no/withdrawn)	Yes	Difference	0

Council Member Lead - Council Member Blackmon		Amendment Number	5
Source of Funds	Amount	Use of Funds	Amount
Housing and Community Development (HOU) - ARPA Redevelopment Fund (Fund 0A72, Unit AR53) - ARPA Septic Program (direct assistance to homeowners). One-time funding.	386,612	Library - Add one-time funding to open Skillman/Southwestern Library 3 days per week, 8 hours each day, for a total of 24 hours.	386,612
Total Source of Funds	386,612	Total Use of Funds	386,612
City Council Action (yes/no/withdrawn)	Yes	Difference	0

Council Member Lead - Council Member Gracey		Amendment Number	9
Source of Funds	Amount	Use of Funds	Amount
Community Care/Housing & Community Empowerment	4,000,000	Emergency Management & Crisis Response - Victim Services, Parent & Youth Initiatives, Re-Entry, Youth Violence Prevention Initiatives	4,000,000
Code Compliance	600,000	Emergency Management & Crisis Response - Neighborhood Investment Programs to address Blight & Nuisance Abatement	600,000
Total Source of Funds	4,600,000	Total Use of Funds	4,600,000
City Council Action (yes/no/withdrawn)	Held	Difference	0

FY 2025-26 Budget Amendments received on or before September 3, 2025

Council Member Lead - Council Member Mendelsohn		Amendment Number	10
Source of Funds	Amount	Use of Funds	Amount
Reduce Professional Development/Conference Fees (object code 3361) and Personnel Development (object code 3364) by 10% across all General Fund Departments (see amendment detail)	268,969	Transportation and Public Works - Increase funding for street maintenance.	268,969
Total Source of Funds	268,969	Total Use of Funds	268,969
City Council Action (yes/no/withdrawn)	Yes	Difference	0

City Council Amendment Template - FY 2025-26 Budget
Attachment B - Additional Amendments for Consideration on September 17, 2025

FY 2025-26 Budget Amendments - Council Member Gracey - August 29, 2025 (Held on September 3, 2025)

Submitted By - Council Member Gacey		Amendment Number	9
Source of Funds	Amount	Use of Funds	Amount
Community Care/Housing & Community Empowerment	4,000,000	Emergency Management & Crisis Response - Victim Services, Parent & Youth Initiatives, Re-Entry, Youth Violence Prevention Initiatives	4,000,000
Code Compliance	600,000	Emergency Management & Crisis Response - Neighborhood Investment Programs to address Blight & Nuisance Abatement	600,000
Total Source of Funds	600,000	Total Use of Funds	600,000
City Council Action (yes/no/withdrawn)	Withdrawn	Difference	0

FY 2025-26 Budget Amendments - Mayor Johnson - September 11, 2025

Submitted By - Mayor Johnson		Amendment Number	16
Source of Funds	Amount	Use of Funds	Amount
Eliminate funding for state legislative and information services (Randy C. Cain, Attorney at Law; Burklund Consulting, LLC; Campos Consulting Group; and Kwame Walker and Associates). Burklund Consulting, LLC funded by Dallas Water Utilities.	339,000	Property Tax Rate - reduce the property tax rate by 0.015¢ from 69.97¢ to 69.95¢.	339,000
Total Source of Funds	339,000	Total Use of Funds	339,000
City Council Action (yes/no/withdrawn)	For Staff Use	Difference	0

Submitted By - Mayor Johnson		Amendment Number	17
Source of Funds	Amount	Use of Funds	Amount
Library - reduce funding in Library that was added on 9/3/25 as amendment #5 to provide one-time funding to open Skillman/Southwestern Library 3 days per week, 8 hours each day, for a total of 24 hours per week. Note: Source of Funds used on 9/3/25 for amendment #5 was Housing and Community Development ARPA Redevelopment Fund for septic program (direct assistance to homeowners). One-time funding.	386,612	Park and Recreation - use one-time ARPA funds to <u>replace</u> PKR General Fund dollars; and use ARPA one-time funds for PKR aquatics program in the Southern Sector. Property Tax Rate - reduce the property tax rate by 0.017¢ from 69.95¢ to 69.94¢ per \$100 valuation.	386,612
Total Source of Funds	386,612	Total Use of Funds	386,612
City Council Action (yes/no/withdrawn)	For Staff Use	Difference	0

FY 2025-26 Budget Amendments - Council Member Blackmon - September 12, 2025

Submitted By - Council Member Blackmon		Amendment Number	18
Source of Funds	Amount	Use of Funds	Amount
Non-Departmental - Eliminate membership dues for TX Municipal League (\$65,589) and Transportation Excellence for 21st century (\$25,000).	90,589	Transportation & Public Works - Add funding for speed humps/speed tables, pavement markings, and crosswalks.	90,589
Total Source of Funds	90,589	Total Use of Funds	90,589
City Council Action (yes/no/withdrawn)	For Staff Use	Difference	0

City Council Amendment Template - FY 2025-26 Budget

FY 2025-26 Budget Amendments - Council Member Gracey & Council Member Blair - September 12, 2025

Submitted By - Council Member Gracey and Blair		Amendment Number	19
Source of Funds	Amount	Use of Funds	Amount
Reverse amendment #5 approved on 9/3/25: Library - eliminate one-time ARPA funds for the Skillman/Southwestern Branch Library.	386,612	Reverse amendment #5 approved on 9/3/25: Housing and Community Development (HOU) - ARPA Redevelopment Fund (Fund 0A72, Unit AR53) - <u>restore</u> funding to the ARPA Septic Program (direct assistance to homeowners). One-time funding.	386,612
Total Source of Funds	386,612	Total Use of Funds	386,612
City Council Action (yes/no/withdrawn)	For Staff Use	Difference	0