



## UNIVERSITY PARK CITY COUNCIL AGENDA MEMO

**Meeting Date:**  
9/16/2025

**Item Type:**  
Public Hearing

**Subject:** CONTINUATION OF PUBLIC HEARING: FY2026 Budget (and overview of related items and subsequent procedures)

**Prepared By:** Thomas W. Tvardzik, Finance Director

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### **Background:**

A public hearing on the proposed budget was opened on September 2, 2025, and was continued over until September 16, 2025. Staff published the required notices for both budget hearings in the *Daily Commercial Record*. The first hearing included an in-depth review of the budget. The second hearing will offer a brief budget recap, with staff available to answer any questions.

Adoption of the budget occurs by ordinance (as does the property tax rate, fee schedule amendments and compensation plan).

### **LEGISLATIVE REQUIREMENTS FOR ADOPTION OF BUDGET**

Texas Local Government Code section 102.007 governs the process of municipal budget adoption.

**TLGC 102.007(a) (Action After Hearing)** - states that “[a]t the conclusion of the public hearing, the governing body . . . shall take action on the proposed budget. A vote on the budget must be a record vote.”

**TLGC 102.007(b) (Authority to Amend)** states “[t]he governing body may make any changes in the budget that it considers warranted by law or in the best interests of the municipal taxpayers.”

**TLGC 102.007(c) (Ratification of Property Tax Revenue Increase)** - mandates that budgets raising more revenue from property taxes than the previous year require a separate vote of the governing body to ratify the property tax increase reflected in the budget. This vote is in addition to (and separate from) the vote to adopt the budget or the vote to set the tax rate.

**TLGC 102.007(d) (Special Budget Cover Page)** requires: (1) a specific statement on whether the budget raises more, less or the same amount of property tax revenue compared to the previous year’s budget; (2) the vote of each member of the governing body (by name); (3) the city property tax rates for the preceding and current fiscal years, including the adopted rate, the “no-new-revenue-tax-rate”, the “no-new-revenue

maintenance and operations tax rate, the voter approval tax rate, and debt rate; and (4) the total amount of city debt obligations secured by property taxes. This cover page will be produced and included as part of the budget after the official vote.

Although not a formal step in the adoption of the budget, The **Taxpayer Impact Statement** is a new requirement under House Bill 1522 (effective September 1, 2025) that must accompany the agenda item for the City's budget hearing. It is intended to provide a clear, easy-to-understand comparison of the property tax bill on the **median-valued homestead** in the City under three scenarios: the current fiscal year, a budget funded at the no-new-revenue tax rate, and the proposed budget. Including this statement with the budget hearing agenda ensures compliance with state law and enhances transparency by showing residents, in dollar terms, how the proposed budget and tax rate will affect the average homeowner.

**Fiscal Impact:**

- ☐ Not Applicable
- ☐ Budget Amendment Required
- ☒ Proposed Revenue
- ☒ Proposed Expenditure

Funding Source:

**Master Plan Goal:**

Please check the associated Theme and provide the corresponding action item number.



	Theme	Action Item(s)
<input type="checkbox"/>	Affirming Sense of Place	
<input type="checkbox"/>	Assuring Connectivity	
<input type="checkbox"/>	Innovative Governance	
<input type="checkbox"/>	Technological Integration	
<input type="checkbox"/>	Preparing for the Future	
<input type="checkbox"/>	Not Applicable	

**Recommendation:**

Hold the second half of the public hearing on the FY2026 budget. Following public comments, Council should close the hearing and proceed to the Public Hearing on the FY2026 Tax Rate.

**Committee Review (optional):**

The proposed FY2026 budget, and its key components, have been reviewed and recommended by three separate Advisory Committees - Employee Benefits; Finance; and Property, Casualty and Liability Insurance. (The Capital Projects Committee will review and recommend their FY2026 capital budget and project plan at a later date, after which it will be presented to the City Council for approval.)

**Attachments:**

- Budget Cover Page
- Budget Hearing Notice (as published in the Daily Commercial record)
- Budget Memo
- Budget Summary
- Budget Detail
- Taxpayer Impact Statement