



Fiscal Year 2027

Budget and Business Plan

August 25, 2026



Agenda

- Homelessness Services
- Transportation
- Water Rates
- Debt Service
- Tax Rate
- Next Steps



FY 2027 Budget Prior Discussion



Presentations:

- 📌 04-28-2026 - Council Retreat Forecast Presentation
- 📌 04-28-2026 - Comparing Arlington with Other Cities - FY 2026
- 📌 04-28-2026 - Economic Forecast & Sales Tax Slides
- 📌 06-09-2026 - FY 2026 Financial Update & FY 2027 Budget Preview
- 08-04-2026 – FY 2027 Proposed Budget Presentation
- 08-11-2026 – Budget Retreat Presentation

FY27 City Council Priorities



**ENHANCE
Mobility**



**GROW
Our Economy**



**PRESERVE Financial
Stability and Resilience**



**STRENGTHEN
Our Communities**

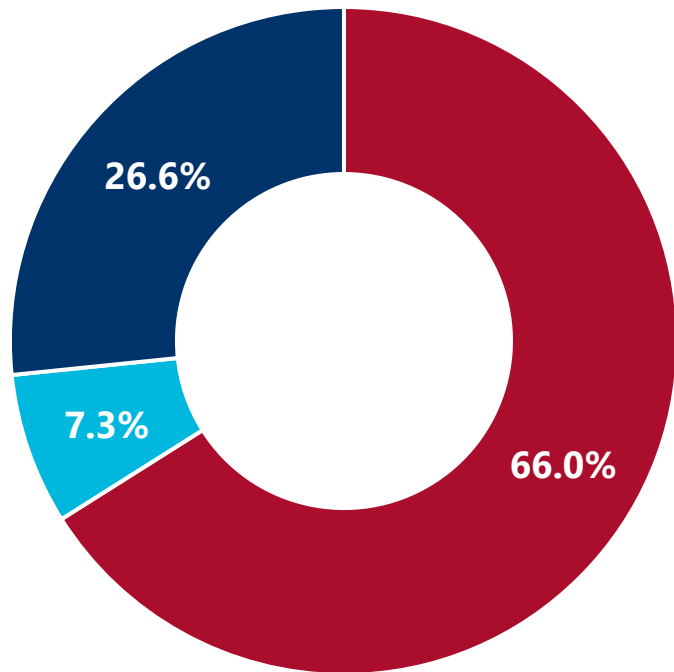


Homelessness Services



Homelessness Services – Grant Funded

Total Housing and Urban Development (HUD) Funding for Homelessness Services: \$916,496



- HOME Investment Partnership Program
- Community Development Block Grant (CDBG)
- Emergency Solutions Grant (ESG)

Program	Amount
HOME: Tenant Based Rental Assistance	\$605,292
CDBG: Case Management	\$31,530
CDBG: Homeless Diversion	\$35,672
ESG: Homelessness Prevention	\$34,119
ESG: Street Outreach	\$79,893
ESG: Rapid Rehousing	\$46,574
ESG: Shelter Services	\$83,412
	\$916,496

Homelessness Services – City Funded

Total City Funding for Homelessness Services: \$554,445



Department	Program	Amount
Code Compliance	Homeless Encampment Coordinator	\$86,885
Code Compliance	Homeless Encampment Abatements	\$20,000
Non-Departmental	Cold-Weather Shelter Overflow*	\$33,000
Non-Departmental	Downtown Arlington Management Corporation	\$70,000
Parks & Recreation	Park Facilities Cleanup	\$30,000
Police Department	1.5 Patrol Officers and 1 Crisis Intervention Specialist	\$314,560
		\$554,445

* Includes \$10,000 new in FY 2027

Homelessness Services – ATF Funded



Total Arlington Tomorrow Foundation One-time Granting for Homelessness Services: 50 Grants Totaling \$3,965,859 (7% of the Foundation's Total Giving Since 2007)

Most Significant Giving, Includes:

Recipient	Number of Grants	Amount
Arlington Life Shelter	8	\$1,106,000
Taste Project Arlington	2	\$950,000
The Archway (formerly SaveHaven)	13	\$444,260
Mission Arlington / Mission Metroplex	4	\$386,000
Trinity Habitat for Humanity	2	\$365,000
Arlington Urban Ministries	11	\$355,000

Homelessness Services



Funding Source	Annual Funding	One-time Funding
Arlington Tomorrow Foundation		\$3,965,859
Grant Funding:		
HOME	\$605,292	
CDBG	\$67,202	\$83,000
ESG	\$243,998	
Total Grant Funding	\$916,492	\$83,000
City Funding:		
Code Compliance	\$106,885	
Non-Departmental	\$103,000	
Parks & Recreation	\$30,000	
Police Department	\$314,560	
Total City Funding	\$554,445	
Grand Total Funding	\$1,470,937	\$4,048,859

Transportation



Arlington On-Demand



Arlington On-Demand Currently Operates 6 days a week: Monday-Friday from 6am to 9pm, and Saturday from 9am to 9pm. Ridership is approximately 9,615 trips per week.

Below is the annual City impact (increase) associated with expanded service scenarios:

Scenario	Cost to City*	Additional Trips/Week
Adding Sunday Hours (9am - 9pm)	\$550k - \$924k	≈ 820
Extend to 10pm Mon. - Sun.	\$330k - \$560k	≈ 250
Extend to 10pm Mon. - Sat.	\$290k - \$480k	≈ 200
Extending to Midnight (Fri. and Sat.)	\$290k - \$480k	≈ 200

*2027 Estimates (Include 3% Increase to Current Contract Cost). Cost to City is Dependent on FTA Funding Availability.

Water Utilities



Rate Increase



Rate	Percent of Customers	FY 2026 Rate	FY 2027 Proposed	Percent Increase
Water Fixed Rate		\$11.26	\$11.80	4.8%
Water Volumetric Rates*:				
0 – 2	18.39%	\$2.38	\$2.63	10.5%
Average User = 8 3 – 10	63.98%	\$3.44	\$3.81	10.8%
11 – 15	11.27%	\$5.49	\$6.07	10.6%
16 – 29	5.81%	\$8.23	\$9.10	10.6%
≥ 30	.55%	\$9.91	\$10.96	10.6%
Sewer Fixed Rate		\$15.44	\$16.80	8.8%
Sewer Volumetric Rate*		\$7.00	\$7.12	1.7%

* Volumetric Rates are per 1,000 gallons

Customer Impact – FY 2027

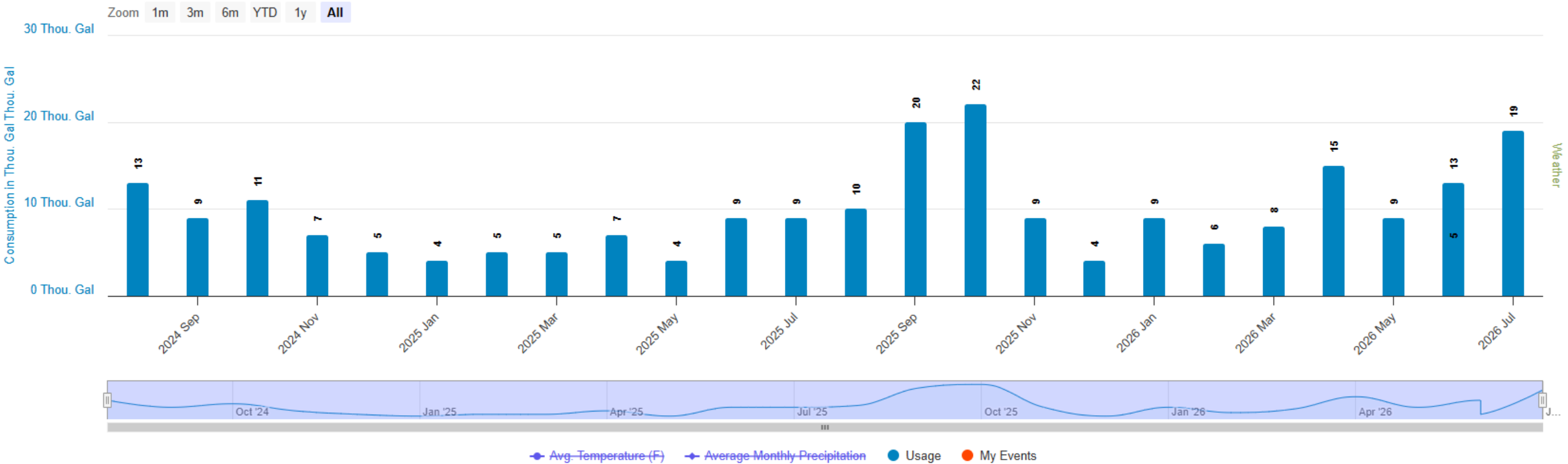


Monthly Bill (Water / Wastewater)	FY 2026	Proposed FY 2027	Annual Impact	Percentage Increase
Minimum User – 5/8 x 3/4" meter (2,000 gal/ 2,000 gal)	\$35.52	\$37.20	\$20.16	4.73%
Average Residential User – 5/8 x 3/4" meter (8,000 gal/ 4,000 gal)	\$80.10	\$85.20	\$61.20	6.37%
Commercial Customer – 2" meter (50,000 gal/ 50,000 gal)	\$832.16	\$897.80	\$787.68	7.89%

Customer Usage



Water Consumption Chart



DID YOU KNOW: You can turn chart features on and off by clicking the labels in the legend above. You can zoom in the chart by dragging inside the chart area.

Usage Analysis:

4 Thou. Gal
Lowest Usage on 2025-12-16

9 Thou. Gal
Average Usage / Read

22 Thou. Gal
Highest Usage on 2025-10-19

Waste Water Averaging

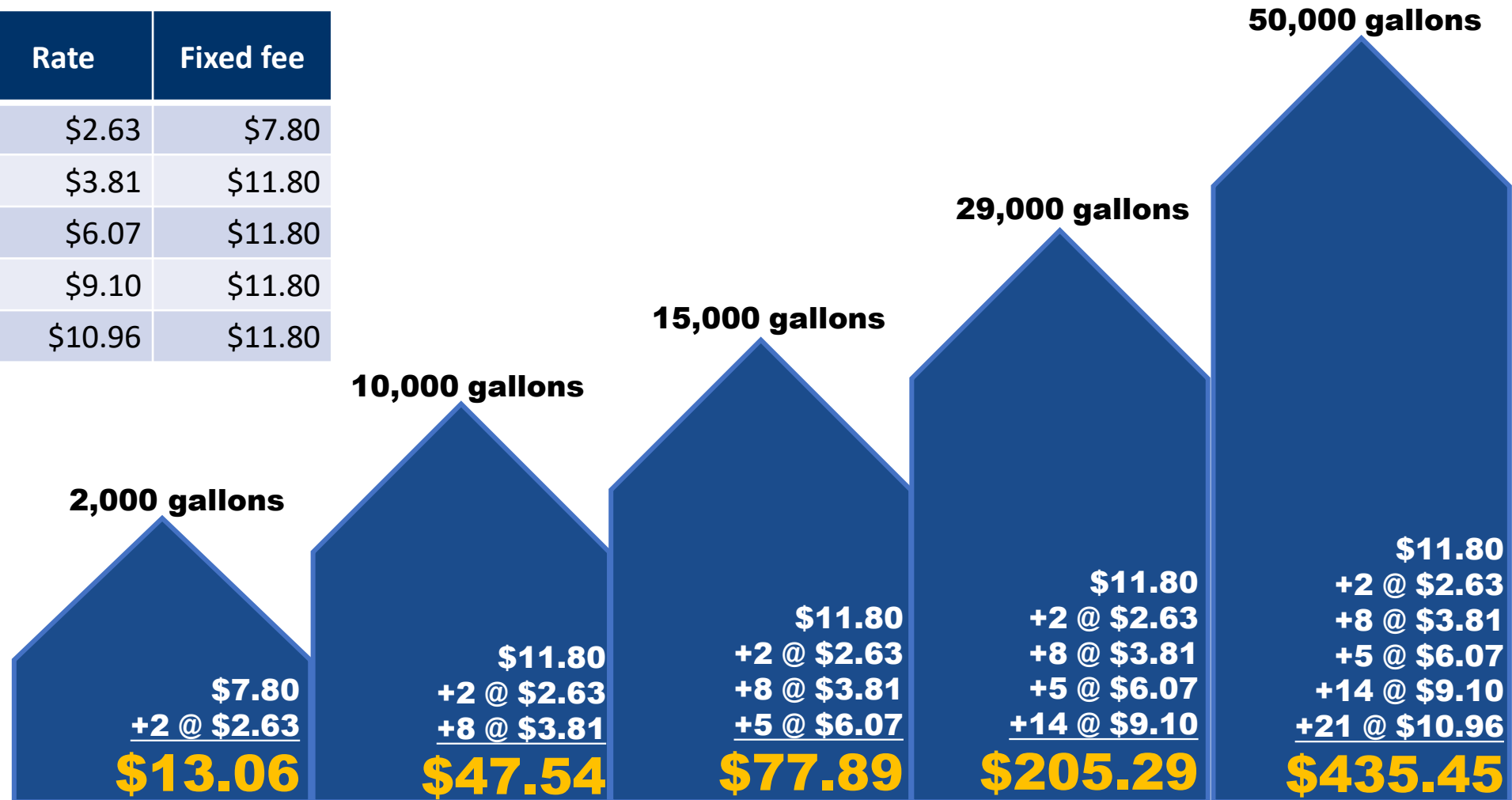


- Water Utilities use Wastewater Averaging Because Sewer Flow isn't Metered
 - Ensures customers are billed fairly based on typical indoor water Use rather than seasonal outdoor usage.
- Average Winter Consumption
 - Between November and March, depending a customer's bill cycle, 4 months of water usage are measured
 - The highest month of water usage is discarded
 - The 3 remaining months are then averaged to determine the maximum sewer charge that will be billed

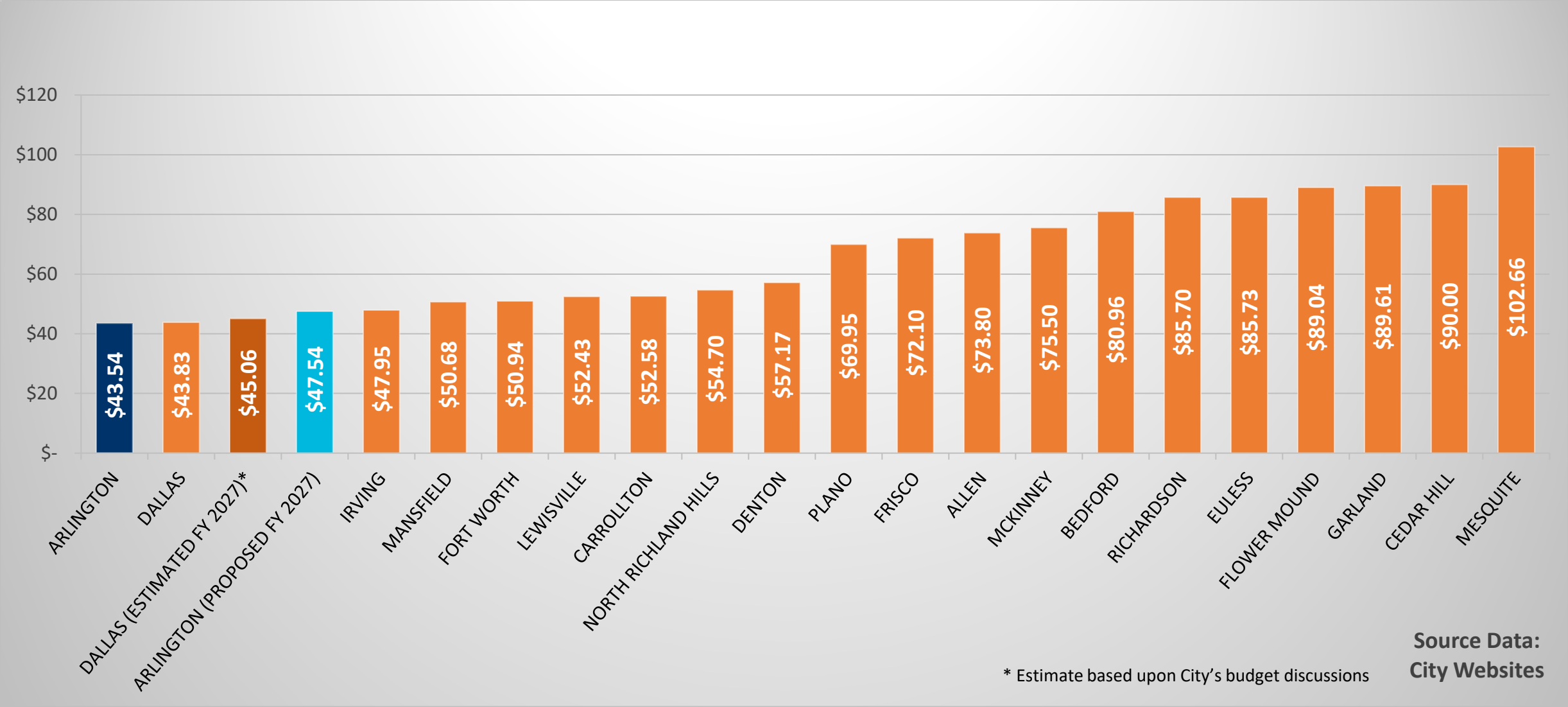
Arlington's Residential Block Structure for Water Rates – FY 2027 Proposed



Use (1,000 gal)	Rate	Fixed fee
0-2	\$2.63	\$7.80
3-10	\$3.81	\$11.80
11-15	\$6.07	\$11.80
16-29	\$9.10	\$11.80
≥30	\$10.96	\$11.80



Residential Water Rates for 10,000 Gallons



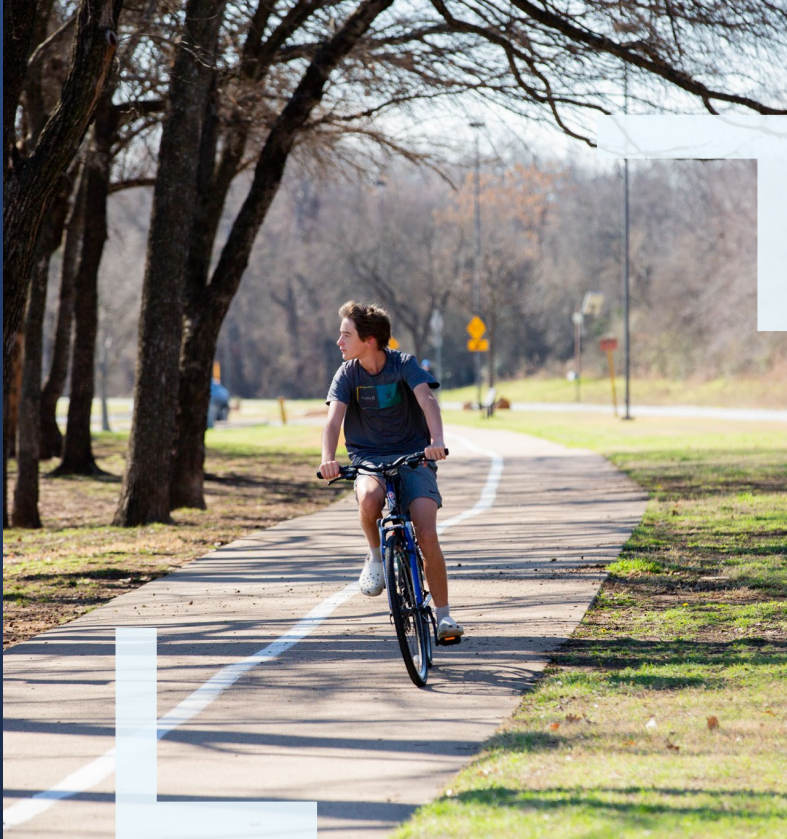
* Estimate based upon City's budget discussions

Source Data:
City Websites

Debt Service



Why Do We Issue Debt?



Intergenerational Equity – Debt ensures the cost of long-lived projects is shared fairly by the residents who benefit over time

Accelerated Project Delivery – Debt allows us to build key infrastructure sooner rather than waiting years to save cash

Low Cost of Borrowing – Strong financial management enables us to borrow at very low interest rates, saving taxpayer dollars

- AAA Bond Rating
- Conservative Pay Down (20-Year Level Principal)
- Tax Exempt Bond Status

Manage Inflationary Delay – Delivering projects now avoids higher future costs from inflation

Debt Balance



- The Total Balance of the City's Outstanding Debt is \$1.4 Billion
- Each Type of Debt has Different Authority and Purpose

General Obligation

- **Balance:** \$628 million
- **Backed By:** Property Taxes
- **Used For:** Street Maintenance, the Construction of New Buildings and/or Parks, and Public Safety Facility and Technology Enhancements

Venue Debt

- **Balance:** \$386 million
- **Backed By:** Dedicated .5% Sales Tax
- **Used For:** The Construction of the Cowboys and Rangers' Stadiums

Revenue Bonds

- **Balance:** \$419 million
- **Backed By:** Water Utility / Stormwater Revenue – Utility Rate Payers
- **Used For:** Utility Improvements

Financial Policies

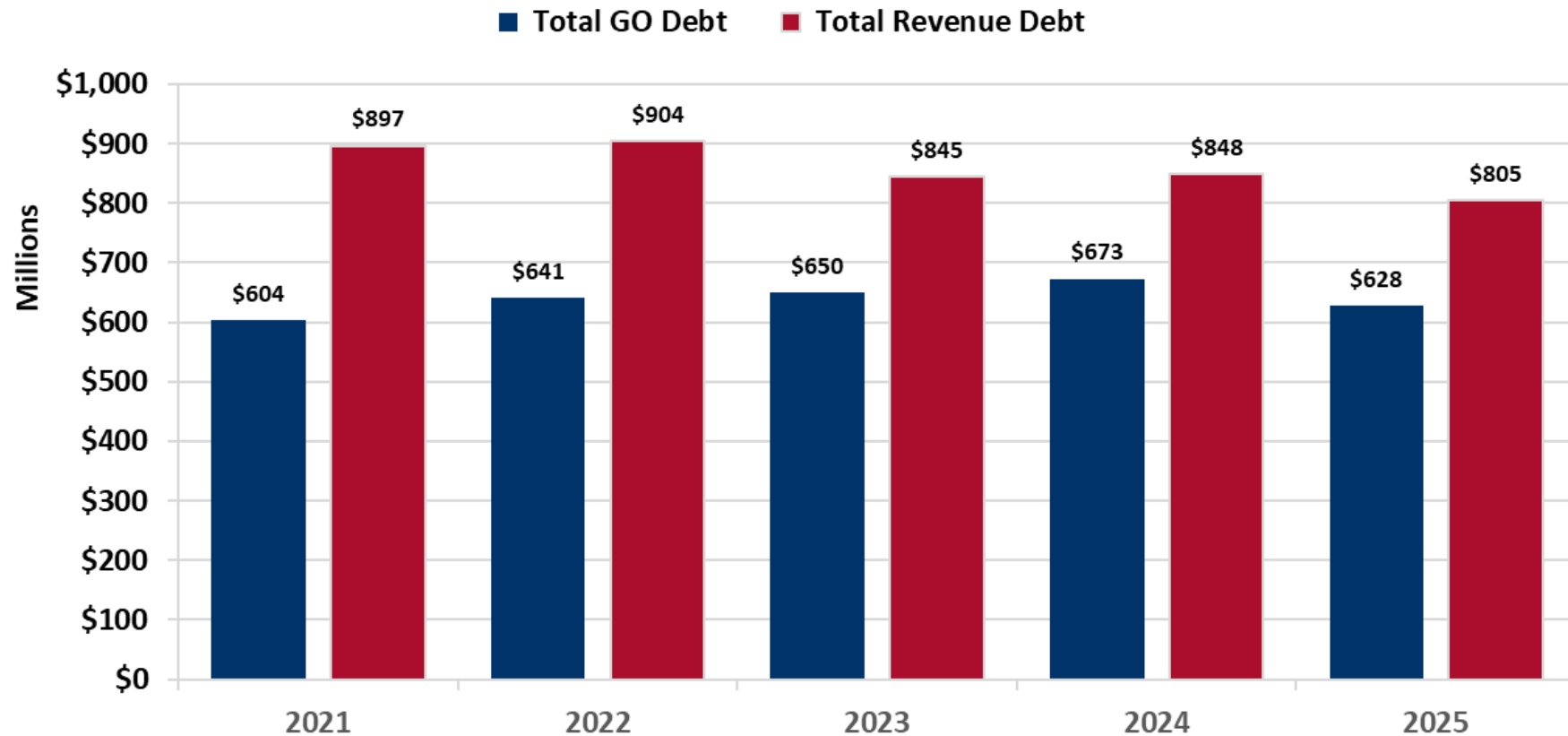


Policy	Ratio Targets	FY 2026 Projected*
Debt Service Expenditures to Total Expenditures (General Fund plus Debt Service)	< 20%	16.4%
Net Tax-Supported Debt Per Capita	< \$1,600	\$1,339
Net Debt to Assessed Valuation	< 2.0%	1.27%

* Net of Pension Obligation Bonds

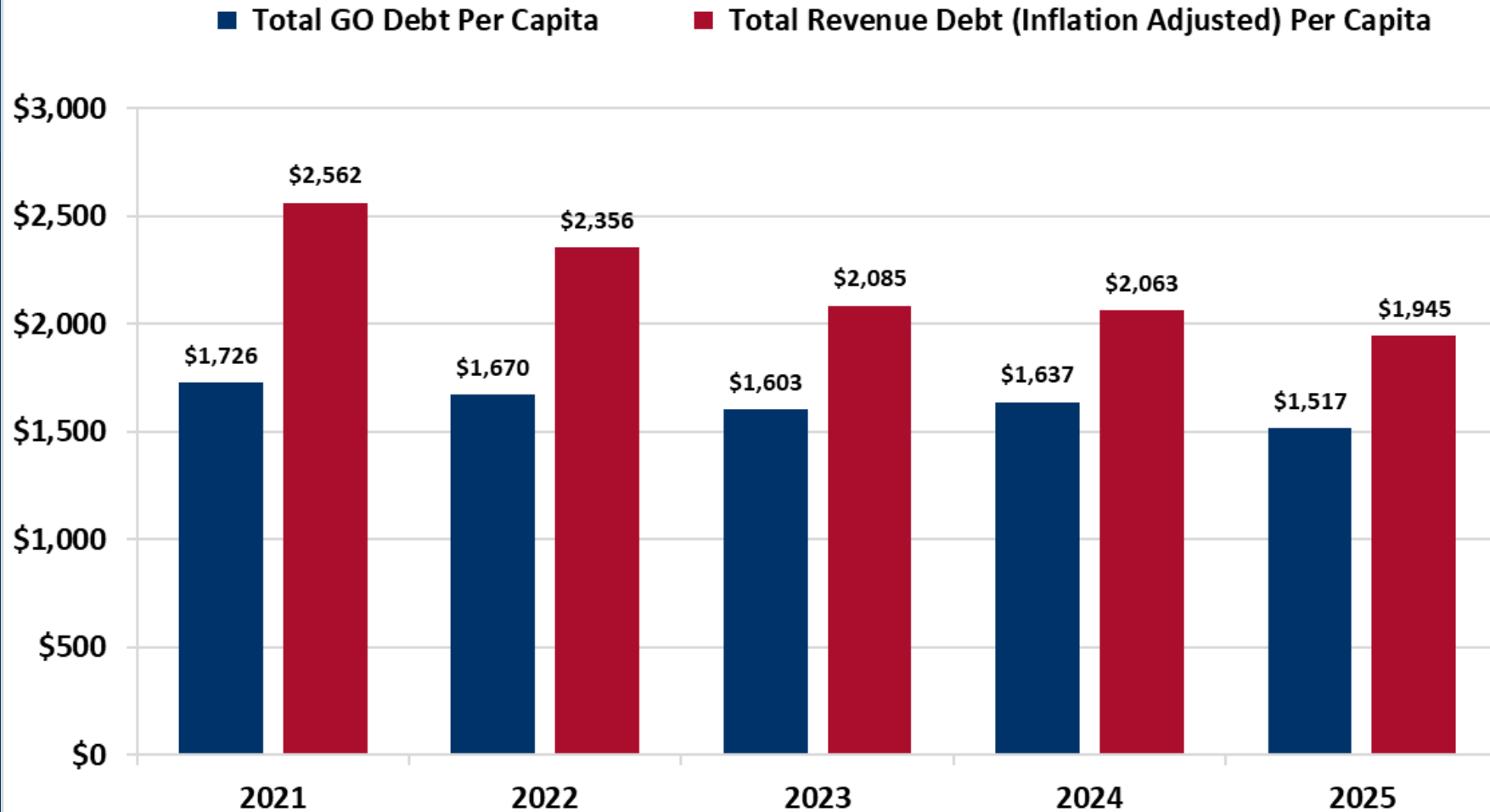


5-Year Tax & Revenue-Supported Debt History



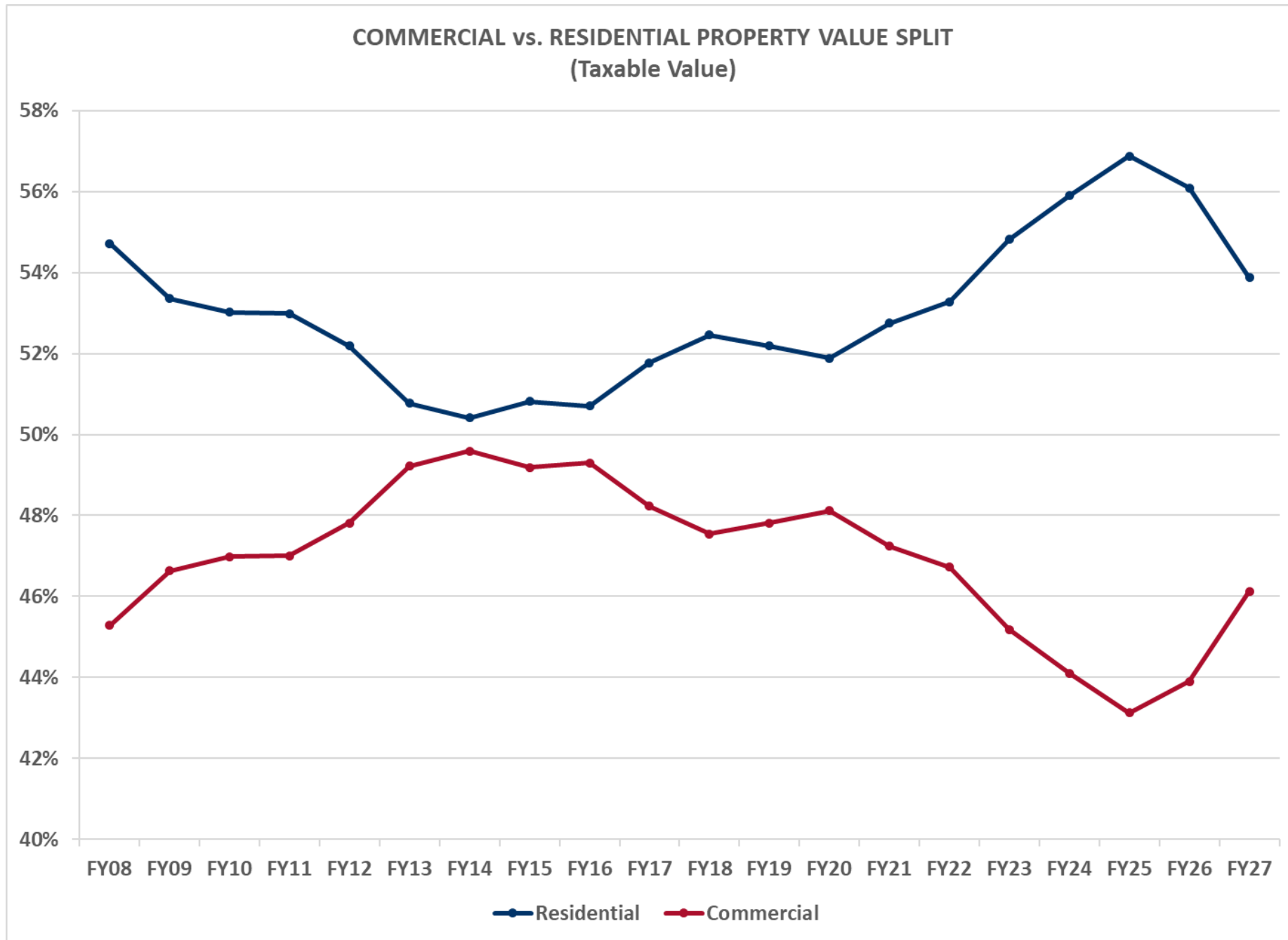


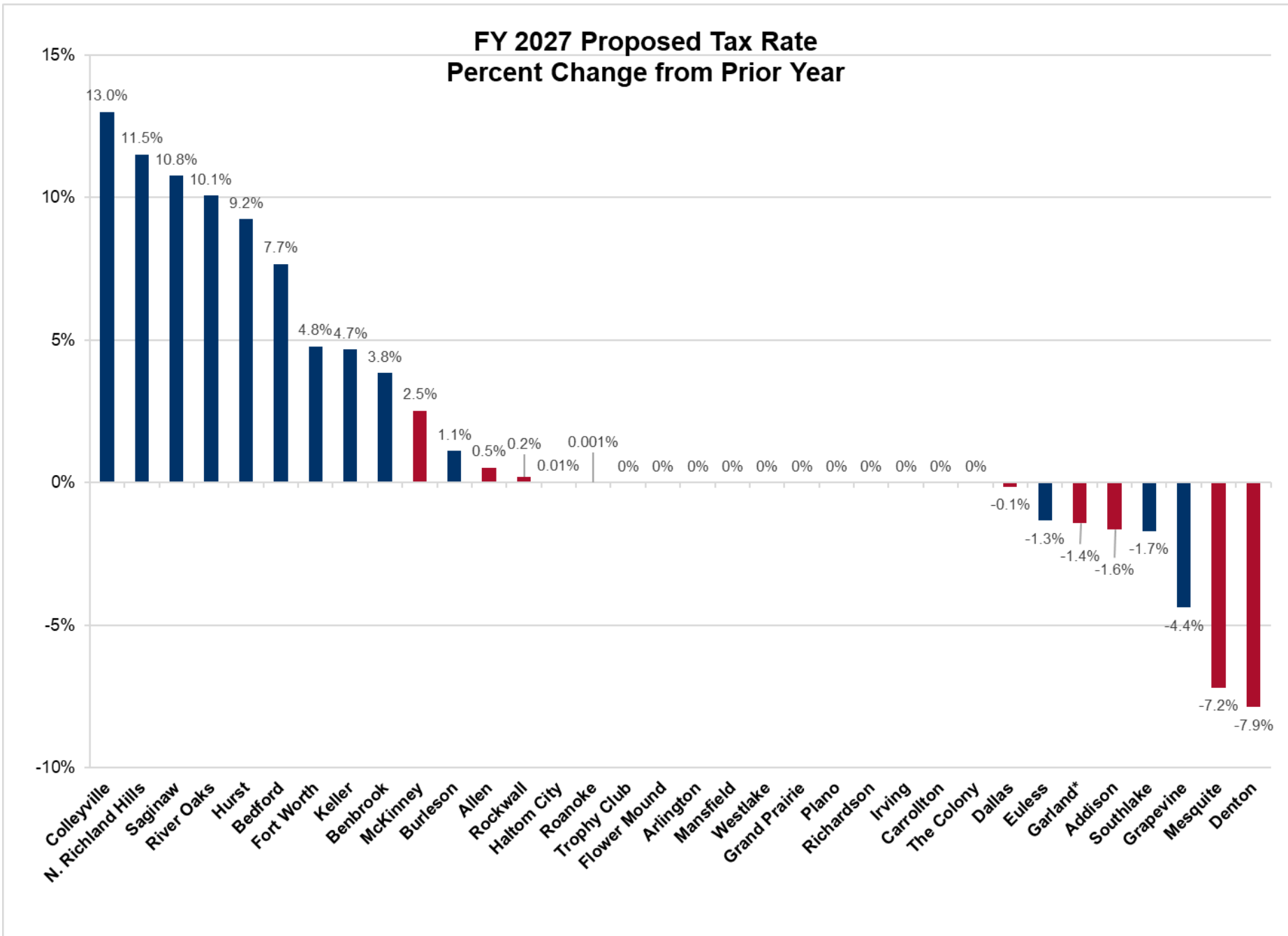
5-Year Inflation Adjusted Tax & Revenue-Supported Debt Per Capita History



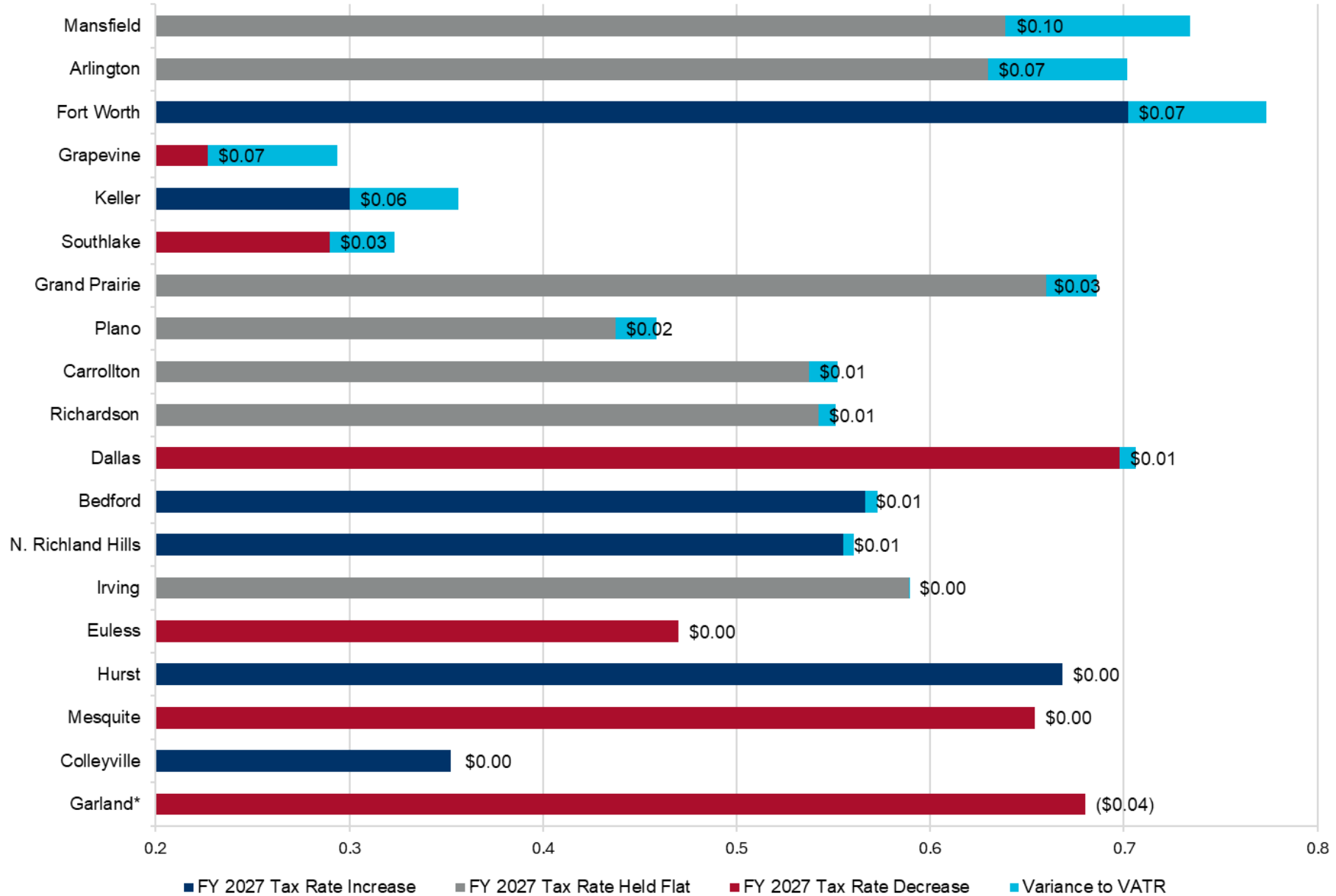
Tax Rate







FY 2027 Proposed Tax Rate & Variance to Voter-Approval Tax Rate (VATR)



Tax Rate Continuum



Current /
Proposed Tax
Rate

0.6298

No New
Revenue Rate

0.6363

Tax Rate Ceiling

+ \$2.2M

Voter Approval
Tax Rate
0.6767

+ \$14.2M

+ Unused
Increment
0.7017

+ \$24.6M

Average Homestead Impact	Monthly	Annual
Change from Current Rate	\$1.29	\$15.48
Change from Prior Year	(\$4.89)	(\$58.68)

Monthly	Annual
\$9.31	\$111.71
\$3.13	\$37.54

Monthly	Annual
\$14.27	\$171.25
\$8.09	\$97.09

No New Revenue Rate



- Increasing the Tax Rate to the No New Revenue (NNR) Rate would add \$2,230,959 to the budget

Option 1:

- Below are the Recommended Budget Proposals to Fund if we used the NNR Rate

Proposal	Cost
Real Time Crime Center Expansion to 24/7 Coverage	\$907,058
Police Officer Gas Mask Replacements	\$159,431
Fire Bunker Gear Replacement	\$370,048
Expanded Homelessness Services	\$150,000
Arlington Life Shelter	\$50,000
Additional Facilities Maintenance	\$594,422
Total	\$2,230,959

Option 2:



- Preplan for the Opening of Fire Station 18
 - For FY 2027 & FY 2028: Use the \$2.2 million to fund one-time Street Maintenance (\$4.4 million total over two years)
 - In FY 2029: The \$2.2 million would fund 25 new Firefighter positions needed for the opening of Fire Station 18

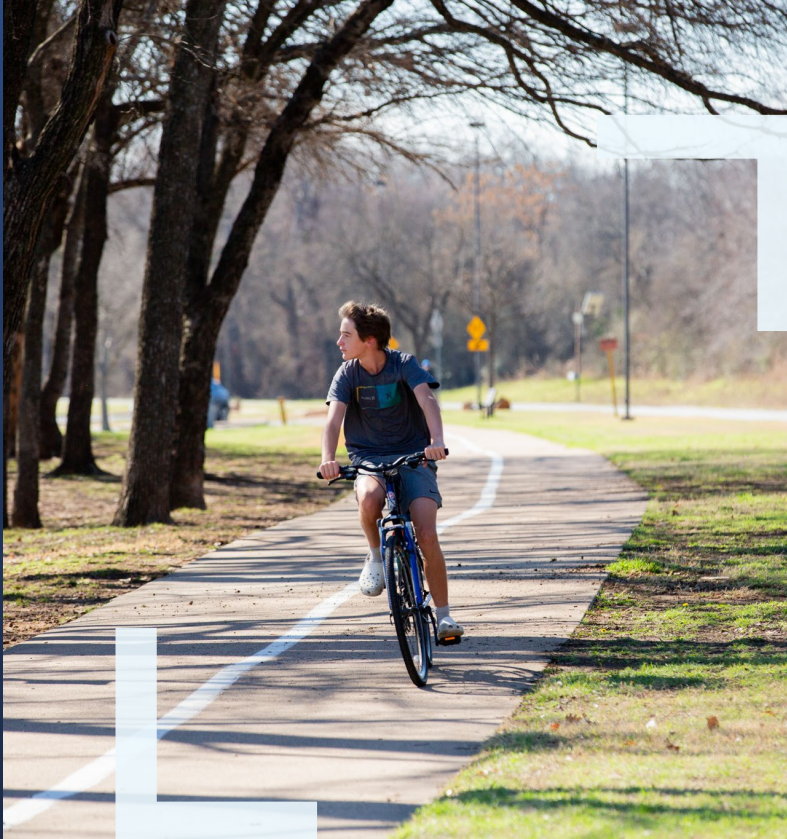
Option 3:

- Adopt the Tax Rate and Budget as Proposed at 0.6298

Next Steps



FY 2027 Budget Calendar



Aug. 4 th	FY 2027 Proposed Budget Presented to City Council
Aug. 11 th	Council Budget Retreat
Aug. 13 th	Budget Townhall (South Police)
Aug. 26 th	Budget Townhall (Council Chambers)
Sept. 8 th	1 st Reading of the Budget and Tax Rate Ordinance Public Hearing on the Budget
Sept. 15 th	2 nd Reading of the Budget and Tax Rate Ordinance

Discussion

