



# Staff Report

## AGENDA ITEM REPORT

**DATE:** August 10, 2026

**SUBMITTED BY:** Brittini Nanson, Finance

**ITEM TYPE:** Agenda Item

**AGENDA SECTION:** CONSIDERATION OF AND ACTION ON

**SUBJECT:** Review and Discuss the City of El Campo's Proposed Budget, the Current Property Tax Rate, the No New Revenue Rate, the Voter Approved Rate, and the Proposed Tax Rate for Fiscal Year 2027, and Take Action as Necessary to Direct Staff

**BACKGROUND:** This agenda item will provide City Council an opportunity to discuss the City's proposed budget and the 2026 tax rate for FY27. Staff will provide an update on the tax rate information.

No-New-Revenue Rate: \$0.48317  
Vote-Approval Tax Rate: \$0.69136

In support of adopting a higher tax rate than the no-new-revenue tax rate, the Finance and Administration Department has reviewed the budget and recommends the following targeted adjustments to ensure balanced funding across key areas:

### 1. Sales Tax Revenue

Projected sales tax revenue has been increased marginally—by less than 3%—from our conservative year-end estimate. This adjustment assumes that sales activity has stabilized and is expected to continue to increase slowly.

### 2. Water and Sewer Fees

Revenue from water and sewer services has been increased by a total of \$217,560, reflecting the recently proposed fee increases of \$1.50 for water and \$1.50 for sewer for residential customers, and \$2.75 for water and \$2.75 for sewer for commercial customers.

### 3. General Administrative Transfer

The transfer from the Utility Fund to the General Fund for shared administrative services (finance, payroll, HR, etc.) has been increased by \$102,056 to reflect actual costs. The transfer from the Emergency Medical Services Fund to the

General Fund for shared administrative services (finance, payroll, HR, etc.) has been increased by \$45,733 to reflect actual costs.

*Note: This increase is also reflected on the Utility Fund and the EMS side to ensure alignment.*

#### 4. Personnel

All full time employees are budgeted to get a 5% or \$1.50 per hour cost of living wage, whichever is greater for the employee. This is in an effort to keep wages competitive after not giving raises in FY26.

*Note: This has been reflected across the General Fund, Utility Fund and EMS Fund.*

#### 5. Permitting Revenue

Permitting revenue has been decreased by \$107,800 to account for not having any large upcoming permits projected.

Financial Impact: To be determined.

### **SUGGESTED ACTION:**

### **ATTACHMENTS:**

[2026 City of El Campo Worksheets.pdf](#)

[City of El Campo Supp. Docs.pdf](#)