

**To the Mayor and Members of the City Council**

August 18, 2026

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SUBJECT: Pay-As-You-Go (PayGo)

The purpose of this budget response (BR) is to provide a follow-up to the August 11, 2026, City Council Budget Work Session regarding PayGo.

The City allocates a portion of the tax rate for pay-as-you-go (PayGo) capital to fund projects using cash from current revenues. The FY2027 rate is 0.725 cents or \$85.7 million, which is a \$2.8 million dollar decrease from the adopted FY2026 amount as a result of property tax valuations.

The following table outlines the current budget allocation in each bucket, or programmable project:

Project (Bucket)	FY2026	FY2027	Variance
Contract Street Maintenance	\$42,534,998	\$42,310,318	(\$224,680)
Pavement Markings	\$11,439,000	\$11,187,600	(\$251,400)
Traffic System Maintenance	\$5,728,000	\$5,843,000	\$115,000
Street Lighting Programmable	\$3,252,000	\$3,317,000	\$65,000
Neighborhood Improv. Strat.	\$4,352,000	\$1,000,000	(\$3,352,000)
Sidewalk Improvements	\$3,054,000	\$2,367,340	(\$686,660)
Contract Bridge Maintenance	\$2,409,000	\$2,457,000	\$48,000
Technology Infrastructure-IT	\$2,051,232	\$2,597,250	\$546,018
Recurring Facility Mtn & Rpr	\$2,227,000	\$2,226,906	(\$94)
Roof Repair & Replace Citywide	\$2,129,000	\$2,128,829	(\$171)
PARD Maintenance & Replacement	\$3,067,000	\$765,000	(\$2,302,000)
PARD New Enhancements	\$500,000	\$2,833,628	\$2,333,628
Business Applications-IT	\$1,646,768	\$1,627,750	(\$19,018)
Minor Repair & Renovate Cityw	\$1,027,000	\$952,265	(\$74,735)
Guardrails & Barricades	\$798,500	\$814,000	\$15,500
Transit Initiatives	\$582,000	\$513,188	(\$68,812)
Future Community Partnerships	\$500,000	\$500,000	-
Pavement Mgmt - Maintenance	\$671,000	\$684,000	\$13,000
Quiet Zone Recertifications	-	\$1,100,000	\$1,100,000
ERP IT	\$350,000	-	(\$350,000)
Station Alerting-General - IT	-	\$350,000	\$350,000
PARD Rec Fitness Equipment	\$80,000	\$85,000	\$5,000
Aquatic Improvements	\$77,000	\$15,372	(\$61,628)
Grand Total	\$88,475,498	\$85,675,446	(\$2,800,052)

If you have questions concerning this information, please contact Christianne Simmons, at 817-392-6222.

Jesus "Jay" Chapa
City Manager