



## BUDGET OVERVIEW FY 25-26

# City of Lake Jackson

### Tax Rate Proposal

#### Proposed Tax Rate

- FY 2026: 0.378911 per \$100 valuation
- FY 2026 M&O: \$0.208964 per \$100 valuation
- FY Debt Rate: 0.169947 per \$100 valuation

### Highlights

General Fund: \$28,516,900 (3.9% increase)

- 3 new Positions - Animal Control Facility
- \$4.7 million worth of capital projects
- \$18 million in bond funded projects (approved by voters in May 2025)
- \$2.4 million for Police Department Expansion (approved by voters in 2021)

### SALES TAXES BY THE CUP

Sales tax is among the largest revenue source for any Texas city. When a person pays sales tax in Lake Jackson, a portion goes to the state and the county. Even though Lake Jackson receives a small portion of any sales tax, it still adds up. This fiscal year the city projects \$8.3 million in sales tax.

This graphic shows how a single cup of McDonald's coffee creates revenue for the local government.

**A Visit to McDonald's**

**Distribution of Sales Tax**

- State (.0625) = .25¢
- County (.005) = .02¢
- City of Lake Jackson (.015) = .06¢

**Total Sales Tax: .33 cents**

### PROPERTY TAXES BY THE DOLLAR

In addition to city taxes, the monthly tax bill for Lake Jackson residents and homeowners includes taxes from the school district, county, community college, drainage district and port.

This illustration represents how much of every tax dollar is spent on each taxing entity.

\* This illustration is for explanation and education purposes only.



### GENERAL FUND OPERATING REVENUES

The City is fortunate to have a diverse revenue stream. The City's primary general fund revenue sources include sales tax, property tax, industrial district revenue, utility franchise payments and a variety of other revenues that include permit fees, court fines and recreation user fees.

#### Major Sources Projected for FY 25-26

*Sales Tax	\$8,326,575
*Industrial District	\$7,800,00
Property Tax	\$6,426,025
Utility Franchise Payments	\$995,000
Recreation and Civic Center Fees	\$1,010,300
Court fees	\$427,600
Development permit fees	\$440,700

\* Sales tax and industrial district payments represent 57% of all city revenue. Property tax generates 22% of the city's total revenues.

## GENERAL FUND EXPENDITURES

The FY 2025-26 budget proposes \$28,516,900 in expenditures. Personnel costs represent the single largest category of expenditure at 66% of budget. At \$11,754,897, and representing about 42% of the City's overall budget, Public Safety is the single largest category of City expenditures.

### Major Expenses

Salary Adjustment - \$ 788,000  
3 Positions for Animal Control Facility - \$171,400  
Police & Fire Maintenance Contracts - \$128,997  
Maintenance of Donated Property - \$100,000



## CAPITAL PROJECTS

The City has a portfolio of 29 Capital Improvement Projects that total \$4,685,000 (General Fund, Utility Fund and Half-Cent Fund) and a series of new bond projects.

General Fund | Total Cash Projects: **\$1,205,000**

- Animal Control Facility Cages
- Generator Grant Match
- City Facility Maintenance
- CNG Fencing
- Service Center Office Building Roof Repairs
- Installation of CNG Fuel Posts
- Street Joint Sealant
- Air Conditioning Replacement
- Demo of Condemned Buildings Annual
- Traffic Control Cabinet Replacement
- GIS Assessment and Planning

Economic Development Fund |

Total Cash Projects: **\$1,905,000**

- Recreation Center Improvements
- Park Improvements
- Golf Course Improvements
- Civic Center Improvements

Utility Fund | Total Cash Projects: **\$1,575,000**

- Lift Station Evaluation and Rehabilitation
- Meter Replacement
- BWA Intake Point
- Water & Wastewater Facilities Corrosion Control
- Emergency Utility Repair
- Generator Grant Match

## VOTER-APPROVED BOND PROJECTS

**Public Safety Facilities | \$6 million (2025) \$2.4 million (2021)** Funds will be utilized for the Police Department evidence room expansion, roof replacement, chiller replacement and a generator. Additionally, Fire Station 1 serves as the Main Fire Station for the Lake Jackson volunteer fire department and emergency management services. Rehabilitation will be completed on the truck bay exhaust system, lighting, underground storm system, metal roof and other roof repairs, and overhead doors.

**Street Panel Replacements | \$8 million** The City has a goal to bring all thoroughfares surveyed in 2023 with a Pavement Condition Index (PCI) of less than 70 up to 70. Concrete panels will be replaced on: Center Way, Lake Road, Medical Drive, North Yaupon Street, Oak Drive, Oyster Creek Drive, Plantation Drive, Sycamore Street, That Way, This Way, Walnut Street, and Willow Drive, according to the ballot proposition.

**Lift Station 1 & Force Main | \$20 million** Lift Station No. 1 has aged and is not structurally sound, the Force Main from it to the WWTP is the same vintage and needs to be replaced as well, along with other improvements to the wastewater system.

**Drainage | \$4 million** Drainage pipes will be enlarged and slope paving will be done to strengthen drainage infrastructure and enhance storm resilience.