

David Dominy, Mayor
Steve Bass

Allen Carpenter, Mayor Pro Tem
John Lisenby
Joy McCormack



Notice is Hereby Given of a Special Meeting of the City Council City of Spring Valley Village, Texas, 1025 Campbell Road, Spring Valley Village, Texas, in the Council Chambers, June 23, 2026, beginning at 5:00 PM. For the Purpose of Considering and Acting upon the Following Items of Business:

A quorum of the Mayor and Council Members will be physically present. Some Council Members may participate by videoconference in accordance with the provisions of Section 551.127 of the Texas Government Code.

The meeting agenda and agenda packet are posted online at www.springvalleytx.com.
The video link to this meeting is: <https://us02web.zoom.us/j/87190808017>

The public toll-free dial-in numbers to participate in the telephonic meeting are 1-346-248-7799 (Houston), 1-253-215-8782 (US), and 1-301-715-8592 (US); enter the Meeting ID: 871 9080 8017 and #.

The public will be permitted to offer public comments telephonically as provided by the agenda and as permitted by the presiding officer during the meeting.

1. CALL THE ROLL AND ANNOUNCE A QUORUM IS PRESENT

2. NEW BUSINESS

2.1 DISCUSSION AND DIRECTION CONCERNING: Budget Policy Assumptions to Use in the Development of and Review of the Fiscal Year 2026-2027 Draft Budget.

3. ADJOURNMENT

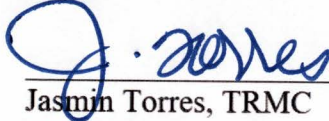
Agenda items may not necessarily be considered in the order that they appear. With regard to any item, Council may take various actions, including but not limited to rescheduling an item in its entirety or for particular action at a future date or time.

The City Council reserves the right to convene in executive session from time to time as deemed necessary during this meeting to discuss any of the matters listed in the agenda, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts & Donations), 551.074 (Personnel Matters), 551.076 (Deliberations Regarding Security Devices) or 551.087 (Deliberations Regarding Economic Development Negotiations).

I certify that a copy of the June 23, 2026, agenda of items to be considered by City Council was

posted on or before the 17 day of June, at 6:00 p.m. pursuant to the Open Meetings Act, Chapter 551 of the Texas Government Code.

Attest:



Jasmin Torres, TRMC
City Secretary



In compliance with the Americans with Disabilities Act, this facility is wheelchair accessible and accessible parking spaces are available. To better serve attendees, requests for accommodations or interpretive services should be made 48 hours prior to this meeting. Please contact the City Secretary's office at 713-465-8308, Fax 713-461-7969, or [Email Jasmin Torres](mailto:Jasmin.Torres@springvalleyvillage.com) for further information.



Spring Valley Village City Council Agenda Item Data Sheet

MEETING DATE: June 23, 2026
SUBMITTING STAFF: Harrison Nicholson, Finance Director

SUBJECT:

DISCUSSION AND DIRECTION CONCERNING: Budget Policy Assumptions to Use in the Development of and Review of the Fiscal Year 2026-2027 Draft Budget.

BACKGROUND:

This is the second budget meeting as we prepare for the 2026–2027 Fiscal Year. The first meeting, held in May, covered the proposed five-year capital improvement plan. This meeting will focus on various funds that cover the day-to-day operations of the city, to include:

- General fund
- Capital Replacement Fund
- Utility Fund

Please see the attached memo which provides introductory details for our discussion.

ATTACHMENTS:

Memo FY27 Proposed Budget draft, Tax Year 2026 Tax Value Estimate, Spring Valley Village, Debt Book as of 9.30.26

FUNDING:

Amount Available	Account No.	Additional Appropriation Required	Project No.	Amount Budgeted	Account Description
------------------	-------------	-----------------------------------	-------------	-----------------	---------------------

RECOMMENDATION:



EST. 1955

SPRING VALLEY VILLAGE

MEMORANDUM

TO: Honorable Mayor and Members of City Council
FROM: Harrison Nicholson, Finance Director
CC: John McDonald, City Administrator
DATE: June 17, 2026
SUBJECT: Fiscal Year 2026–2027 Budget Development Overview

Introduction

The purpose of this memorandum is to provide an executive summary of the Budget Development Overview for the City of Spring Valley for Fiscal Year 2026–2027. The proposed budget will be balanced for operational needs and reflects the City's continued commitment to high-quality services, public safety, infrastructure maintenance, and responsible financial management.

Budget Policy Assumptions

Projecting Revenues

- Use a conservative approach to forecast revenues to include trend analysis and consider factors that may not be reflected in data yet due to current economic conditions.
- Property Tax: 2026 projected property values show an estimated overall increase of 6.54%. As a comparison, the 2025 projected property tax value was an estimated overall increase of 5.79%.
 - This number will decrease as property tax challenges continue to be heard.
 - The projected value increase of Residential property is currently 8.02% with Commercial at 3.00%.
 - The estimated 2026 taxable value for a median homestead property is \$1,039,608 and for 2025 this value was \$924,458.
- Currently the FY27 Proposed Budget maintains the existing property tax rate of \$0.39500. As we continue the budget process, receive the Tax Year 2026 Certified Appraisal Roll, and with Council input, we will look to reduce the tax rate while still meeting the objectives of the FY27 Budget and our future financial needs.
 - One cent of the current general fund tax rate of \$0.344820 equates to approximately \$173.5K of property tax revenue.
 - Use 99% collection rate to estimate property tax revenues.
- For Sales Tax and Municipal Court Revenues, revenues are based on 5-year trends in these areas with consideration for current and near-term items.

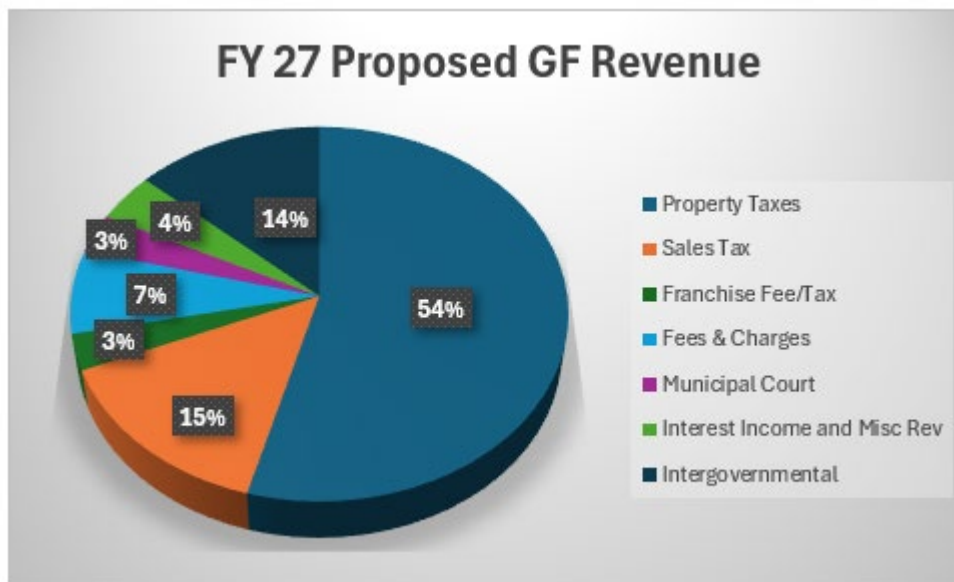
General Fund Overview

The proposed General Fund revenue budget for FY 2026–2027 totals \$11,783,763, a 6.28% increase over the FY 2025–2026 adopted budget of \$11,087,404.

Revenues

Total General Fund revenues are projected to fully support proposed operational and regular capital expenditures. Key revenue components include:

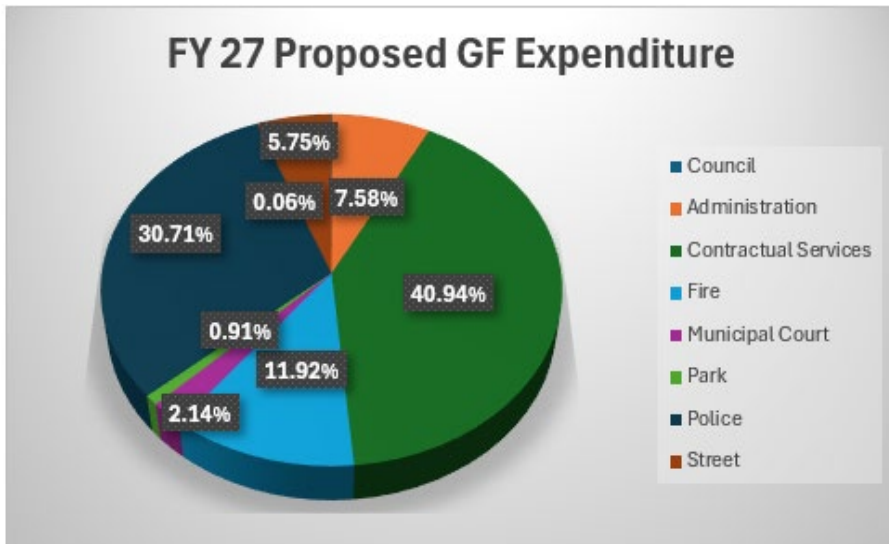
Revenue Source	FY26 Adopted	FY27 Proposed	\$ Diff	% Diff
	Budget	Budget		
Property Taxes	\$6,005,000	\$6,394,000	\$389,000	6.48%
Sales Tax	\$1,600,000	\$1,700,000	\$100,000	6.25%
Franchise Fee/Tax	\$355,000	\$366,000	\$11,000	3.10%
Fees & Charges	\$750,150	\$850,100	\$99,950	13.32%
Municipal Court	\$397,351	\$394,500	-\$2,851	-0.72%
Interest Income and Misc Rev	\$499,500	\$501,300	\$1,800	0.36%
Intergovernmental	\$1,480,403	\$1,577,863	\$97,460	6.58%
Total	\$11,087,404	\$11,783,763	\$696,359	6.28%



Expenditures

The proposed General Fund expenditure budget for FY2026-2027 totals \$15,044,649, a 35.69% increase over the FY2025-2026 adopted budget of \$11,087,404. The General Fund allocates resources to maintain essential services:

Department	FY26 Adopted	FY27 Proposed	\$ Diff	% Diff
	Budget	Budget		
Council	\$7,500	\$8,900	\$1,400	18.67%
Administration	\$1,029,248	\$1,140,850	\$111,602	10.84%
Contractual Services	\$2,757,426	\$6,158,700	\$3,401,274	123.35%
Fire	\$1,720,518	\$1,793,299	\$72,781	4.23%
Municipal Court	\$280,052	\$321,400	\$41,348	14.76%
Park	\$132,500	\$136,500	\$4,000	3.02%
Police	\$4,367,885	\$4,619,600	\$251,715	5.76%
Street	\$792,275	\$865,400	\$73,125	9.23%
Total	\$11,087,404	\$15,044,649	\$3,957,245	35.69%



Personnel

- Pay Adjustment and COLA
 - Step Pay Adjustment for Police – Patrol, Sergeants, and Lieutenant
 - 3% COLA for City staff not included in the above
- Supplemental Pay Increases
 - Updating Night Shift Differential pay for Police
 - Updating Certification pay for Police and Public Works
- Group Health Insurance
 - The current projected increase (11.5%) from our current provider, TML, based on input from the group that receives bids for health care for the City which they say other carriers are raising rates 10 – 17%. Our current agreement is a one-year contract, so we will be going back out on the market for the upcoming renewal.
 - Also includes changing the premium split for City/employee for dependent coverage from the current split of 55%/45% to 60%/40%.
- 457 Plan
 - Currently, the City contributes 2% to employee 457 Plan accounts. The FY27 Proposed Budget increases the 2% to 3%.
- TMRS
 - No changes to our TMRS plan currently. Continued 2:1 match at 7%. For FY27, the employer contribution rate for TMRS decreases from 6.26% to 6.04%.

Fire Department Contribution

- This year’s contribution is \$1,793,299, a 4.23% increase over last year.
- The VFD’s FY27 Budget was approved by Council at the May 2026 meeting.

Contracted Services

- For FY27, the items below remain relatively consistent with the current adopted budget:
 - Solid waste
 - Plan review and inspections
 - Computer Services (Software, Maintenance, Cybersecurity)
 - Insurance (Liability, Property, Surety Bonds, Vehicle)
 - Legal Notices

- Professional Services
 - Audit, Legal, Tax Assessor, Harris County Appraisal District
- Transfer to CIP - \$3.4 million increase from the current budget year.
 - The total FY27 Proposed for this line item is \$4,128,500:
 - \$867,617 from the General Fund, and
 - \$3,260,886 from General Fund “fund balance”.
 - Note that this \$4.13 million is the general fund’s allocation to fund the FY27 Proposed CIP and Fund 25 expenditure needs.
 - Any reduction to the tax rate will reduce the contribution from the General Fund and increase the contribution from fund balance.
- Transfer to Debt Services – FY27 Proposed (\$977,700) decreases from FY26 Adopted (\$1,039,816) slightly.
- Note that Transfer to CIP and Transfer to Debt Services are the largest account items in Contracted Services each fiscal year.

Parks and Community Events

- Continue with the Music in the Park and Movies in the Park programs (FY27 - movie projector for Movies in the Park).
- FY27 will be the second year of the holiday tree lighting event and the continuation of trees for Arbor Day.

Capital Replacement Fund

The Capital Expenditures are supported by departmental transfers totaling \$289,600, interest income, and projected revenue from sale of auctioned capital assets.

Planned Capital Investments

Fleet/Police & PW

- 2 PD Patrol Vehicles (\$148,400)
 - Switching to Dodge Durangos
- 1 PW Pickup Truck (\$43,200)

Infrastructure

- Replace Camera Server (\$10,500)
- Upgrade Wireless Access Points (\$28,575)
- Computer Replacement Program (\$6,000)
- UPS Replacement City MDF (\$7,425)
- UPS Replacement Court MDF (\$1,100)
- Buffer for Unforeseen Items (\$15,000)

Capital Improvement Plan Fund

The FY27 and 5 Year Capital Improvement Plan was presented and discussed during the Annual Capital Projects Workshop held May 2, 2025.

The proposed Capital Improvement Plan (CIP) Fund revenue budget for FY 2026–2027 totals \$5,039,850, a 384% increase over the FY 2025–2026 adopted budget of \$1,041,320. The difference between the fiscal years relates to FY26 utilizing previous bond proceeds, excess revenue over expenditures from the General Fund and interest income to pay for FY26 expenditures. For FY27, the

bond revenue related project, Brighton Place, was completed in FY26, so no bond proceeds will fund CIP related projects/expenditures. FY27 revenue includes: interest income, excess revenue over operational expenditures from the General Fund and Utility Fund, and use of General Fund and Utility Fund existing fund balance so that the CIP fund will have a balanced budget.

The proposed CIP Fund expenditure budget for FY2026-2027 totals \$5,039,850, a 18.96% decrease over the FY2025-2026 adopted budget of \$6,219,342. The CIP Fund allocates expenditures based on the following projects:

Construction Projects

- Croes (East and West of Fries) - \$1,725,00 funded by General Fund (80%) Utility Fund (20%)
- PW Building - \$1,500,000 funded 100% by General Fund
- Wild Oak Cir, Echo Val & Cavell St. - \$1,585,625 funded by General Fund (80%) Utility Fund (20%)

In Design

- Mickey Way Area (Asphalt and Drainage) - \$80,000 funded 100% by General Fund
- Waterline Replacement - \$149,225 funded 100% by Utility Fund

Utility Fund

The proposed Utility Fund revenue budget for FY 2026-2027 totals \$3,467,700, a 1.65% increase over the FY 2025-2026 adopted budget of \$3,411,527. This fund is supported primarily through user fees.

Revenues

Revenue Source	FY26 Adopted	FY27 Proposed	\$ Diff	% Diff
	Budget	Budget		
Water Billing	\$1,827,928	\$1,799,900	-\$28,028	-1.53%
Sewer Billing	\$1,448,099	\$1,541,100	\$93,001	6.42%
Misc Revenue	\$135,500	\$126,700	-\$8,800	-6.49%
Total	\$3,411,527	\$3,467,700	\$56,173	1.65%

The proposed Utility Fund expenditure budget for FY 2026-2027 totals \$4,039,839, a 18.42% increase over the FY 2025-2026 adopted budget of \$3,411,527.

Expenditures

Department	FY26 Adopted	FY27 Proposed	\$ Diff	% Diff
	Budget	Budget		
Administration	\$839,150	\$1,619,750	\$780,600	93.02%
Debt Services	\$410,777	\$408,389	-\$2,388	-0.58%
Water	\$997,600	\$949,300	-\$48,300	-4.84%
Sewer	\$1,164,000	\$1,062,400	-\$101,600	-8.73%
Total	\$3,411,527	\$4,039,839	\$628,312	18.42%

Personnel

- 3% COLA of City PW staff
- Updating Certification pay for PW
- Other benefits – same as General Fund for Health, 457 Plan and TMRS

Resources for Departments

- Administration – Increase from FY26 Budget relates to Transfer out to CIP.
 - The total FY27 Proposed for this line item is \$786,350:
 - \$214,211 from the Utility Fund operational expenditures, and
 - \$572,139 use of Utility Fund “fund balance”.
 - Note this approximate \$786.4 thousand is the utility fund’s allocation for FY27 Proposed CIP and Fund 25.
- Debt Services – slight decrease from FY26 due to the FY27 fiscal year’s amount per the debt schedule.
- Water – Decrease from FY26 Budget largely due decreasing the amount in the account code for COH Ground Water as FY27 based on actual trend.
 - Repairs and Maintenance, Preventative Maintenance, and Water Meters maintain adequate levels to properly fund infrastructure maintenance and equipment replacement.
- Sewer – Decrease from FY26 Budget due to the amount for the City of Houston Sewer account code for FY27 based on actual trends.
 - Sewer maintains adequate funding for repair and maintenance and equipment replacement.

Conclusion

The FY 2026–2027 Proposed Budget reflects the City’s ongoing fiscal discipline and dedication to preserving a high quality of life for residents. The budget maintains core services, supports infrastructure, and provides strategic investments to ensure the City's long-term sustainability.



Harris Central Appraisal District

13013 Northwest Freeway
Houston TX 77040
Telephone: (713) 812-5800

P.O. Box 924208
Houston TX 77292-4208
Information Center: (713) 957-7800



Office of Chief Appraiser

Honorable Marcus Vajdos
Mayor
City of Spring Valley
1025 Campbell Road
Houston, TX 77055-7495

April 30, 2026

Re: 2026 Certified Estimates

Board of Directors

Jim Robinson, Chairman
Martina Lemond Dixon, Secretary
Ericka McCutcheon, Assistant Secretary
Kathy Blueford-Daniels, Director
Tracy Jones, Director
Melissa Noriega, Director
Annette Ramirez, Director, Tax Assessor-Collector
Kyle Scott, Director
Mike Sullivan, Director

Adam Bogard, Chief Appraiser
Jason Cunningham, Deputy Chief Appraiser
Clarette Walker, Deputy Chief Appraiser
Teresa S. Terry, Taxpayer Liaison Officer

Dear Mayor Vajdos:

As required by Texas Tax Code Sec. 26.01(e), we have prepared an estimate of taxable value for the above taxing jurisdiction for 2026. While this estimate is based on information currently available to us, some of the data needed for accuracy is not yet available. For example, in the area of business and industrial personal property, the extended date for property owners to file their annual renditions is May 15, and some will delay their filing an additional 15 days for good cause.

While we have taken our best estimate of potential hearing loss into account, protests for 2026 are in the process of being received and reductions made in the ARB protest hearing process during the next several months could cause a further reduction in value. Also, if fewer protests are filed, your value could possibly be higher.

Your final taxable value will also be impacted by late-filed exemption applications, late applications for productivity valuation, correction motions under Tax Code Sec. 25.25, and possible post-ARB appeals through binding arbitration, appeals to district court, or appeals to the State Office of Administrative Hearings.

Given these limitations, the estimated 2026 taxable value for the taxing unit identified above is:

\$1,962,356,445

The enclosed summary report gives a breakdown of this estimate by property category.

Please do not hesitate to contact your HCAD jurisdiction coordinator or my office if you have questions regarding this estimate or other matters affecting appraisal district operations.

Sincerely,

Adam Bogard
Chief Appraiser

**City Of Spring Valley
2026 Certified Estimate of Taxable Value**



Major Property Category	2025 Taxable Value	Percent Change	Projected 2026 Taxable Value
Residential & Rural Improved	1,532,174,869	8.02%	1,655,073,680
Apartments	1,300,000	1.23%	1,316,016
Commercial	235,602,003	3.00%	242,661,574
Vacant Land	17,117,140	33.36%	22,827,893
Industrial	0	0.00%	0
Utility	10,494,850	-8.03%	9,652,477
Commercial Personal	43,108,372	-31.38%	29,580,218
Industrial Personal	2,037,973	-38.93%	1,244,588
All Other Property	0	0.00%	0

Projected 2026 Taxable Value	1,841,835,207	6.54%	1,962,356,445
-------------------------------------	----------------------	--------------	----------------------

Projected 2026 Taxable Value Range

Accuracy +/- 5%	1,864,238,623	To	2,060,474,268
------------------------	----------------------	-----------	----------------------

Harris Central Appraisal District
Truth in Taxation Data



Jur: City Of Spring Valley

	2025	2026
Average Market Value of Residences:	\$1,288,325	\$1,488,547
Average Taxable Value of Residences:	\$1,025,568	\$1,114,528

Total Appraised Value of All Property:	\$2,379,925,909	\$2,535,657,332
Total Appraised Value of New Property:	\$38,620,084	\$43,516,377
Total Taxable Value of All Property:	\$1,841,835,207	\$1,962,356,445
Total Taxable Value of New Property:	\$29,888,254	\$33,677,517

Total Market Value of All Property:	\$2,414,924,269	\$2,572,945,824
-------------------------------------	-----------------	-----------------

Last Year Losses Due To Substantial Error Corrections	\$0
---	-----

Data as of April 28, 2026

City of Spring Valley Village
Summary of Outstanding Revenue Bonds
As of September 30, 2026

FYE	Waterworks and Sewer System Revenue Bonds Series 2014				Waterworks and Sewer System Revenue Bonds Series 2018				Total Debt Service for Revenue Bonds		
	Principal	Cpn	Interest	Debt Service	Principal	Cpn	Interest	Debt Service	Principal	Interest	Total Debt Service
2027	\$ 225,000	2.630%	\$ 18,147	\$ 243,147	\$ 120,000	1.800%	\$ 36,392	\$ 156,392	\$ 345,000	\$ 54,539	\$ 399,539
2028	230,000	2.630%	12,230	242,230	120,000	1.840%	34,232	154,232	350,000	46,462	396,462
2029	235,000	2.630%	6,181	241,181	125,000	1.950%	32,024	157,024	360,000	38,205	398,205
2030					125,000	2.070%	29,587	154,587	125,000	29,587	154,587
2031					130,000	2.190%	26,999	156,999	130,000	26,999	156,999
2032					130,000	2.290%	24,152	154,152	130,000	24,152	154,152
2033					135,000	2.360%	21,175	156,175	135,000	21,175	156,175
2034					135,000	2.410%	17,989	152,989	135,000	17,989	152,989
2035					140,000	2.450%	14,736	154,736	140,000	14,736	154,736
2036					145,000	2.490%	11,306	156,306	145,000	11,306	156,306
2037					150,000	2.520%	7,695	157,695	150,000	7,695	157,695
2038					150,000	2.610%	3,915	153,915	150,000	3,915	153,915
2039											
2040											
	690,000		36,557	726,557	1,605,000		260,201	1,865,201	2,295,000	296,758	2,591,758

Call Date	8/15/2024	8/15/2028
Original TIC		2.2019%
Underwriter	JPMorgan Chase Bank	TWDB
Sale Type	Private Placement	Private Placement

Notes:

Callable

For Discussion Purposes Only

City of Spring Valley Village
Summary of Outstanding General Obligation Bonds
As of September 30, 2026

FYE	General Obligation Bonds Series 2015				Combination Tax & Revenue Certificates of Obligation Series 2019				Combination Tax & Revenue Certificates of Obligation Series 2020			
	Principal	Cpn	Interest	Debt Service	Principal	Cpn	Interest	Debt Service	Principal	Cpn	Interest	Debt Service
2027	\$ 700,000	3.000%	\$ 210,019	\$ 910,019	\$ 300,000	4.000%	\$ 146,513	\$ 446,513	\$ 385,000	4.000%	\$ 135,500	\$ 520,500
2028	720,000	3.000%	188,719	908,719	315,000	3.000%	135,788	450,788	405,000	4.000%	119,700	524,700
2029	745,000	3.000%	166,744	911,744	325,000	3.000%	126,188	451,188	415,000	2.000%	107,450	522,450
2030	765,000	3.000%	144,094	909,094	330,000	3.000%	116,363	446,363	425,000	2.000%	99,050	524,050
2031	790,000	3.000%	120,769	910,769	345,000	3.000%	106,238	451,238	430,000	2.000%	90,500	520,500
2032	815,000	3.125%	96,184	911,184	355,000	3.000%	95,738	450,738	440,000	2.000%	81,800	521,800
2033	840,000	3.125%	70,325	910,325	365,000	3.000%	84,938	449,938	450,000	2.000%	72,900	522,900
2034	865,000	3.250%	43,144	908,144	375,000	3.250%	73,369	448,369	460,000	2.000%	63,800	523,800
2035	895,000	3.250%	14,544	909,544	390,000	3.250%	60,938	450,938	470,000	2.000%	54,500	524,500
2036					400,000	3.250%	48,100	448,100	480,000	2.000%	45,000	525,000
2037					415,000	3.250%	34,856	449,856	490,000	2.000%	35,300	525,300
2038					425,000	3.250%	21,206	446,206	495,000	2.000%	25,450	520,450
2039					440,000	3.250%	7,150	447,150	505,000	2.000%	15,450	520,450
2040									520,000	2.000%	5,200	525,200
	7,135,000		1,054,541	8,189,541	4,780,000		1,057,381	5,837,381	6,370,000		951,600	7,321,600

Call Date	2/15/2024	2/15/2027	2/15/2028
Original TIC	3.0136%	2.9409%	1.5676%
Underwriter	Coastal Securities, Inc.	Raymond James & Associates, Inc.	FHN Financial
Sale Type	Competitive	Competitive	Competitive

Notes:

Callable

For Discussion Purposes Only

City of Spring Valley Village
Summary of Outstanding General Obligation Bonds
As of September 30, 2026

Total Debt Service for General Obligation Bonds			
FYE	Principal	Interest	Total Debt Service
2027	\$ 1,385,000	\$ 492,031	\$ 1,877,031
2028	1,440,000	444,206	1,884,206
2029	1,485,000	400,381	1,885,381
2030	1,520,000	359,506	1,879,506
2031	1,565,000	317,506	1,882,506
2032	1,610,000	273,722	1,883,722
2033	1,655,000	228,163	1,883,163
2034	1,700,000	180,313	1,880,313
2035	1,755,000	129,981	1,884,981
2036	880,000	93,100	973,100
2037	905,000	70,156	975,156
2038	920,000	46,656	966,656
2039	945,000	22,600	967,600
2040	520,000	5,200	525,200
	<u>18,285,000</u>	<u>3,063,522</u>	<u>21,348,522</u>

For Discussion Purposes Only