



City of

FAIR OAKS RANCH

August 13, 2018

**Citizen Townhall
Proposed City Budget
Fiscal Year 2018-2019**

General Fund Budget Summary

	M&O Tax Rate				I&S Tax Rate	Total Tax Rate
	General Admin	General CIP	General Equip Repl	General TOTAL	Debt Service	Grand TOTAL
<u>Revenues:</u>						
Taxes	5,739,835			5,739,835	556,909	6,296,744
Franchise Fees	566,500			566,500		566,500
Interest	63,500			63,500	1,000	64,500
Permits	272,700			272,700		272,700
Animal Control	3,400			3,400		3,400
Fines & Forfeitures	127,570			127,570		127,570
Fees & Services	230,034			230,034		230,034
Miscellaneous Income	20,100			20,100		20,100
Transfers	111,750	310,000	160,503	582,253		582,253
Total Available Resources	7,135,389	310,000	160,503	7,605,892	557,909	8,163,801
<u>Expenditures:</u>						
Personnel	4,210,327			4,210,327	-	4,210,327
Supplies, Maintenance & Operations	717,064			717,064	-	717,064
Professional Services	1,120,818	60,000		1,180,818	-	1,180,818
Shared Services	337,592			337,592	-	337,592
Capital Outlay	127,850	250,000		377,850	-	377,850
Debt Service	-			-	557,909	557,909
Transfers & Non-Cash Adjustments	621,738		160,503	782,241	-	782,241
Total Expenditures	7,135,389	310,000	160,503	7,605,892	557,909	8,163,801
Net Budget Surplus/(Deficit)	0	-	-	0	-	0



FAIR OAKS RANCH

Example Tax Bills by Jurisdiction

Comal County Residents			
Entity	Tax Rate	Estimated Tax	%
Fair Oaks Ranch	0.3668	\$1,775	18%
Comal County	0.358	\$1,733	17%
Boerne ISD	1.3540	\$6,554	65%
		<u>\$9,012</u>	<u>100%</u>

Comal County Residents			
Entity	Tax Rate	Estimated Tax	%
Fair Oaks Ranch	0.3668	\$1,775	17%
Comal County	0.3579	\$1,733	17%
Comal ISD	1.3900	\$6,728	66%
		<u>\$9,187</u>	<u>100%</u>

Kendall County Residents			
Entity	Tax Rate	Estimated Tax	%
Fair Oaks Ranch	0.3668	\$1,775	17%
Kendall County	0.4127	\$1,998	19%
Boerne ISD	1.3540	\$6,554	63%
		<u>\$10,327</u>	<u>100%</u>

Bexar County Residents			
Entity	Tax Rate	Estimated Tax	%
Fair Oaks Ranch	0.3668	\$1,775	15%
Bexar County	0.7467	\$3,614	30%
Boerne ISD	1.3540	\$6,554	55%
		<u>\$11,944</u>	<u>100%</u>

* Based on Average Home Value of \$484,049



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Tax Increase and Impact

- Current Tax Rate is \$0.3295 per \$100
- Proposed Increase of \$0.0373 per \$100
- New Rate will be \$0.3668 per \$100

- Effective Tax Rate is \$0.3222
- Rollback Tax Rate is \$0.3445

- Average Value of a FOR Home = \$484,049

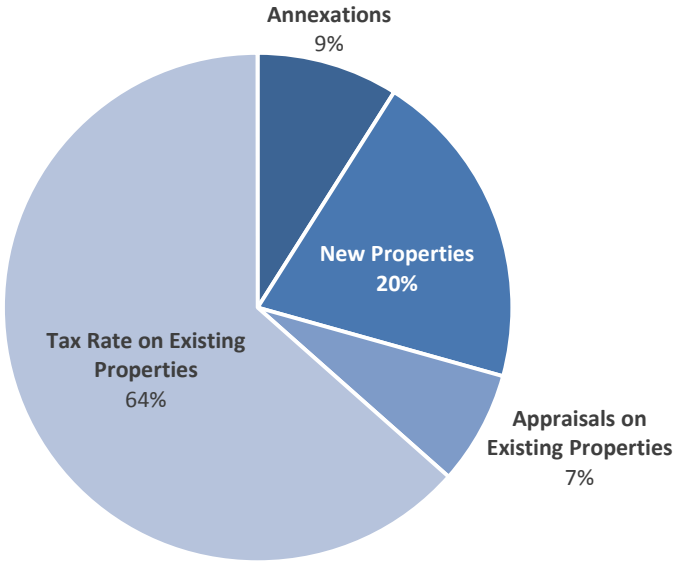
- Impact of the \$.0373 increase
 - Annual = \$181
 - Monthly = \$15

* $\$181 = \$484,049 \times \$.0373 / \100



FAIR OAKS RANCH

Components of Property Tax Revenue Increase

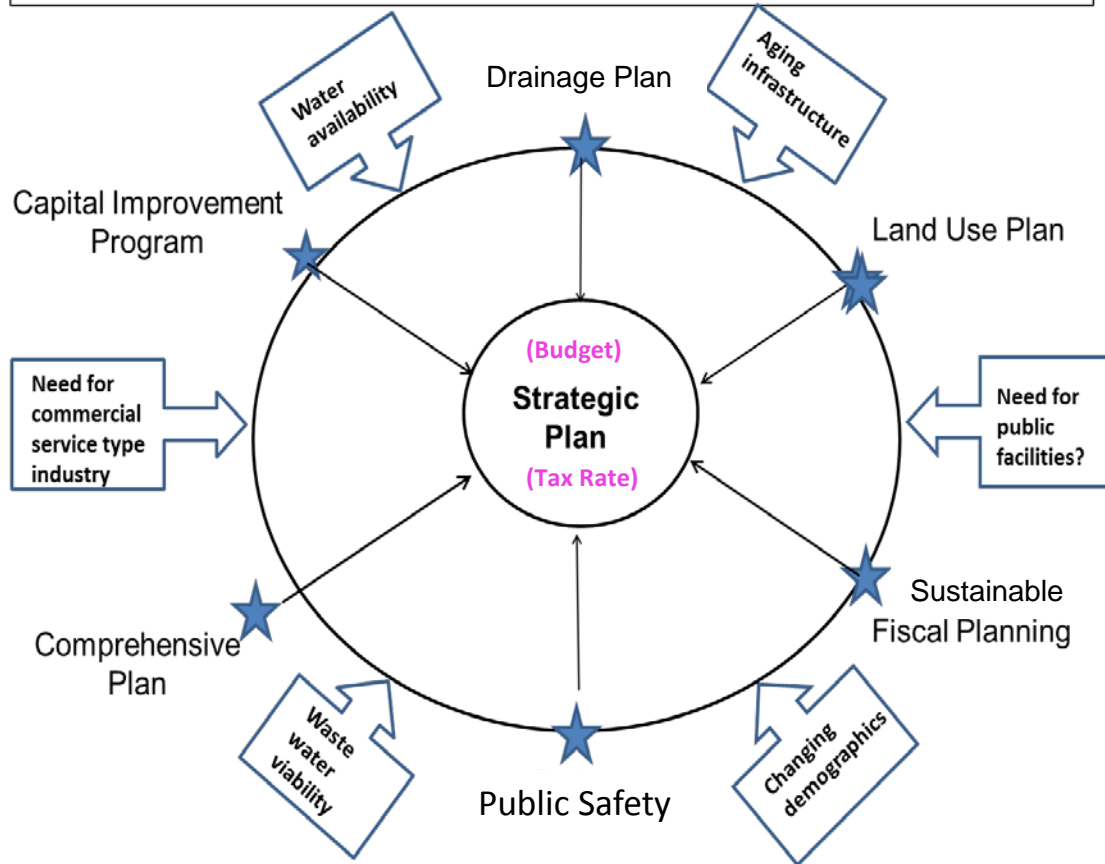


	2017-18 Budget	2018-19 Budget
Assessed Valuation	1,457,896,648	1,543,216,218
Tax rate/\$100 Valuation	0.32950	0.36678
Total Levy	4,803,769	5,660,270
Collection Rate	98.0%	98.0%
Collections \$	4,707,694	5,547,065
Year over Year Increase		\$ 839,371

Annexations	75,378
New Properties: Non-Annexations	170,905
Increased Appraisals on Existing Properties	60,397
Tax Rate on Existing Properties	532,691
Total	839,371



Strategic Planning Environment



FAIR OAKS RANCH

Council's Strategic Goals and Strategies

Vision Statement: Our unique traditional Texas hill country home town oasis with a semi-rural nature and a touch of sophistication

Achieve Self-Governance to Control our Future

SG-1	Develop a Legislative/Intelligence Ability
SG-2	Achieve Home Rule
SG-3	Leverage External State & Local Resources
SG-4	Implement a City Management Operating Model

Provide for Financial Integrity into the Future

FI-1	Develop a Budget Process that Links to our Strategy
FI-2	Develop Audit and Financial Reporting Process to Ensure Transparency and Confidence
FI-3	Develop a Predictable Financial Strategy and Rolling Forecast
FI-4	Develop Risk Mitigations and Corrections Strategies

Plan With, Not For our Citizens

WC-1	Utilize Inbound Communications
WC-2	Engage the Citizens
WC-3	Create Proactive Relationships with HOAs & Restriction Committees to Work Zoning Issues
WC-4	Utilize External Communications with Surrounding Partners, the Media, etc.
WC-5	Improve Citizen Communications
WC-6	Create a Customer Service/Customer Sensitive Environment

Develop a Comprehensive Plan to Manage our Growth

CP-2	Preserve our Ability to Manage our Growth Consistent with our Vision
CP-3	Develop and Implement a Sustainability Strategy
CP-4	Develop a Master Plan for Core Infrastructure Elements
CP-5	Develop a Financial Strategy to Support Growth Management Plan

Build and Maintain the "Spirit of a Hill Country Home Town"

HT-1	Ensure a High Standard of Public Services
HT-2	Enhance and Maintain the Aesthetics of the Community
HT-3	Create and Promote the COFOR Brand



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What are we addressing in this budget?

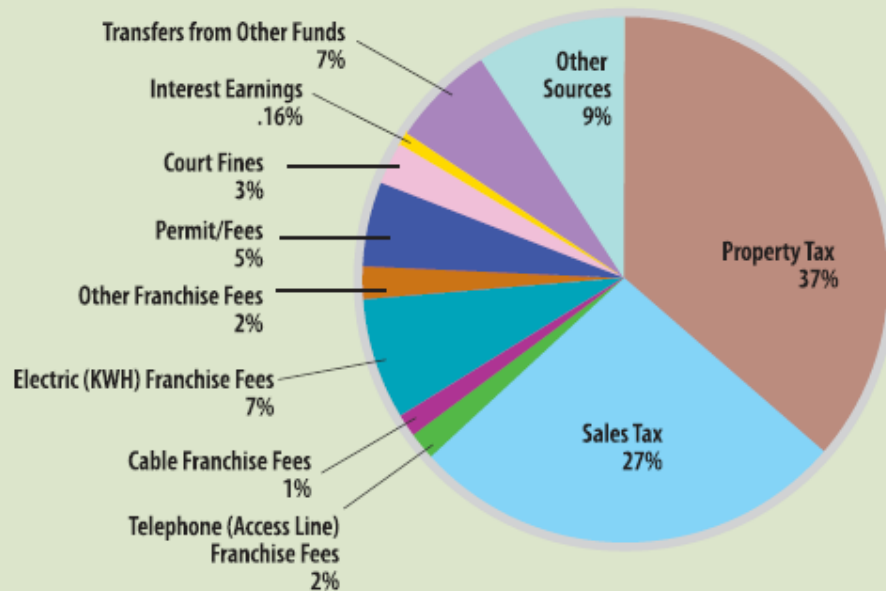
Plan With, Not For our Citizens		Project costs funded in Budget	FTE needed to accomplish this goal
WC-1	Utilize Inbound Communications		
#1	Streamline processing of all inbound communications	80	
WC-2	Engage the Citizens		
#1	Create Citizens on Patrol Program (COPP)	-	Executive Assistant
#2	Evaluate and define existing volunteer programs and committees	1,500	
#3	Continuation of State of the City and City-wide Events	16,500	
#5	Increase one on one face time, educate public on building processes, and updates	200	PT to FT inspector
WC-3	Create Proactive Relationships with HOAs & Restriction Committees to Work Zoning Issues		
#1	Proactive information exchange - Annual Partner workshop	-	
#2	Communicate zoning Ordinance and method of implementation of zoning ordinance	-	PT to FT inspector
WC-4	Utilize External Communications with Surrounding Partners, the Media, etc.		
WC-5	Improve Citizen Communications		
#2	Develop digitization requirements for city records	-	Deputy City Secretary
#3	Compile address database	-	Deputy City Secretary
#4	Update new resident packet	-	Deputy City Secretary
#7	Increase participation in Notify Me, CodeRed, and Facebook	-	PR/HR Assistant
#8	Publicize city events (Brush Pick-up, Hazardous Waste Day, Town Halls, etc)	-	PR/HR Assistant
#9	Informational Signage Program	-	
#10	Educate residents on the use of IWorkQ's work order system	-	
#11	New Resident, coffee with the mayor, and other resident events	600	PR/HR Assistant
WC-6	Create a Customer Service/Customer Sensitive Environment		
#1	Develop and Implement "Service is my Superpower" employee training initiative	5,975	PR/HR Assistant
#2	Update job descriptions and develop framework for professional development plans	-	PR/HR Assistant
#3	Participate in Top Workplaces employee engagement survey	-	PR/HR Assistant
#4	Implement online bill pay viewer and rate page	-	
#5	Safety, onboarding, exit, and development personnel procedures	-	PR/HR Assistant



How Texas Cities Generate Revenue

A 2015 TML survey shows that municipal general fund revenue in Texas is made up of the following sources:

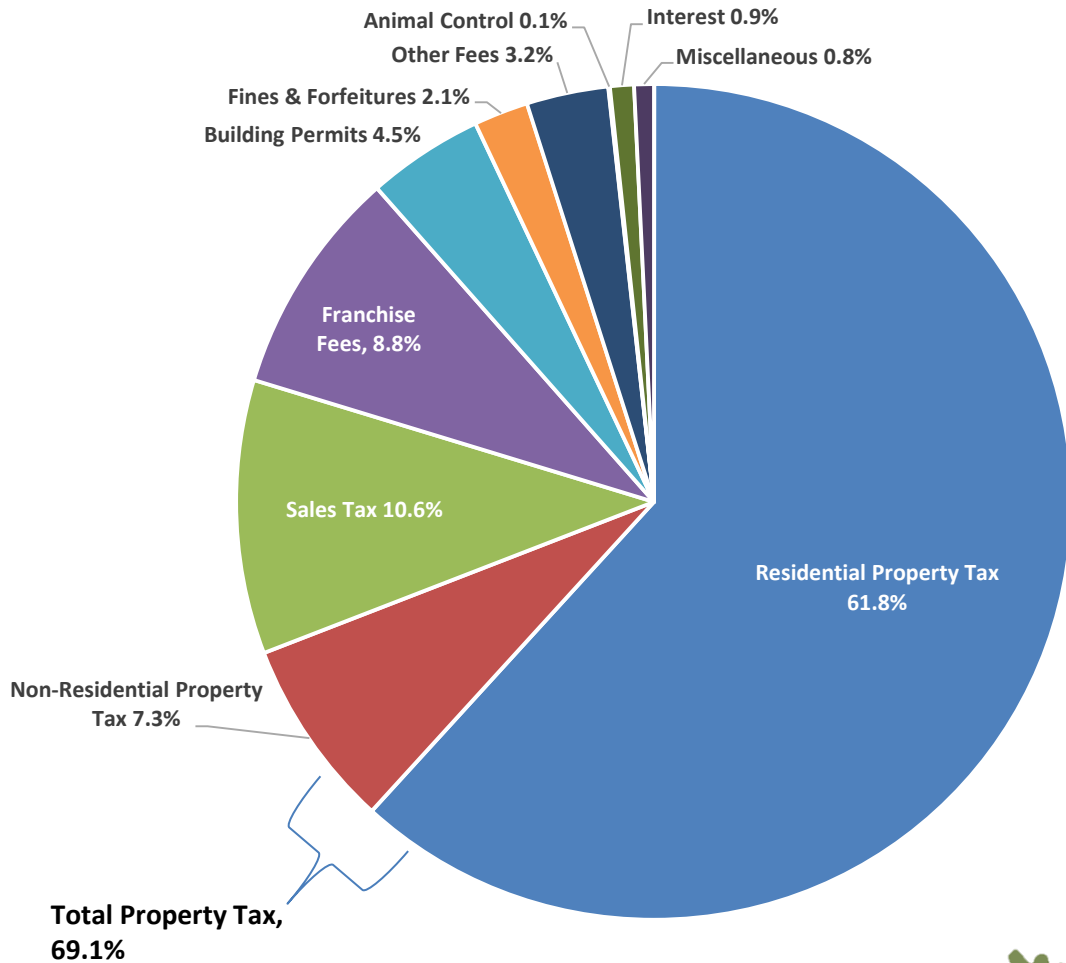
General Fund Revenue



- Property taxes
- Sales Taxes
- Franchise Fees
- Permits and Fees
- Court Fines
- Interest Earnings
- Transfers from other Funds
- Other (user fees, amusement taxes, hotel occupancy taxes)



How FOR Generates Revenue

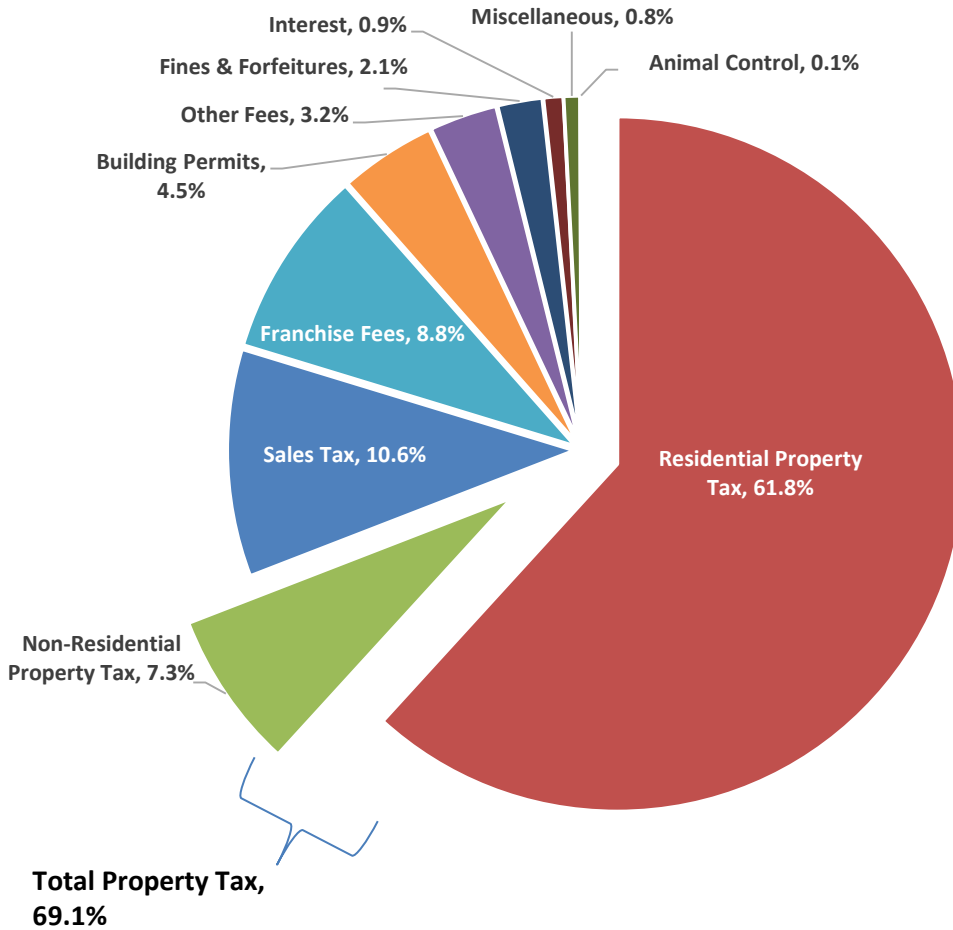


- Property taxes
- Sales Taxes
- Franchise Fees
- Permits and Fees
- Court Fines
- Interest Earnings
- Transfers from other Funds
- Other (Animal Control, Building Permits)

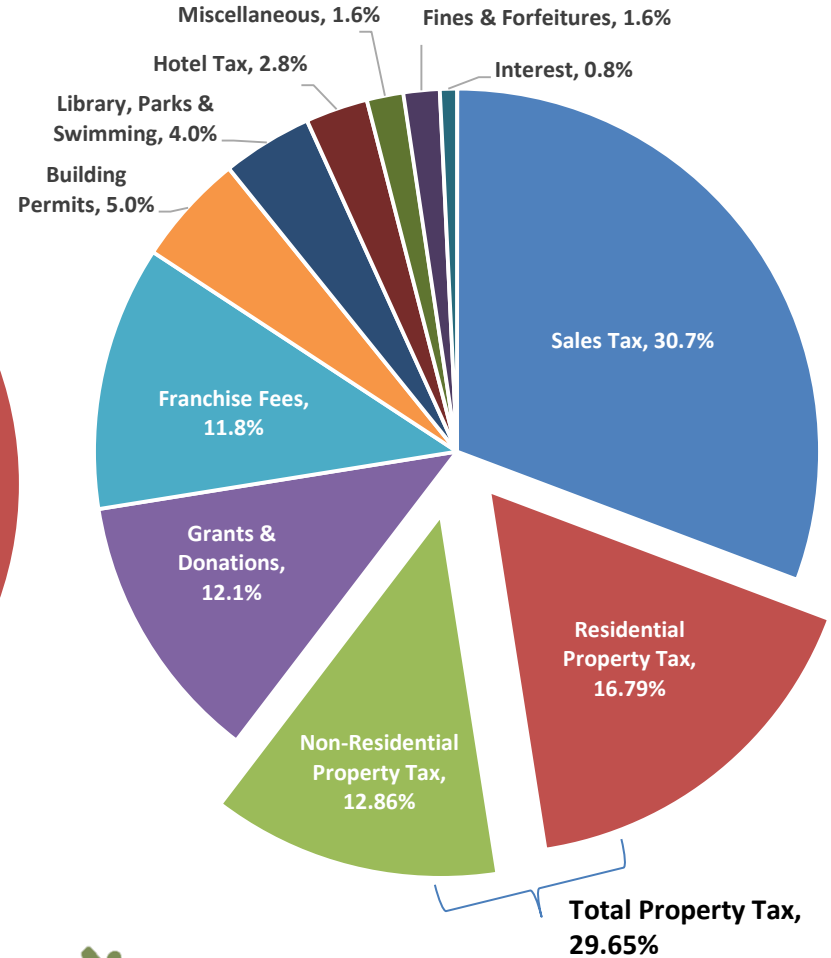


Revenue Portfolio Comparison

Fair Oaks Ranch

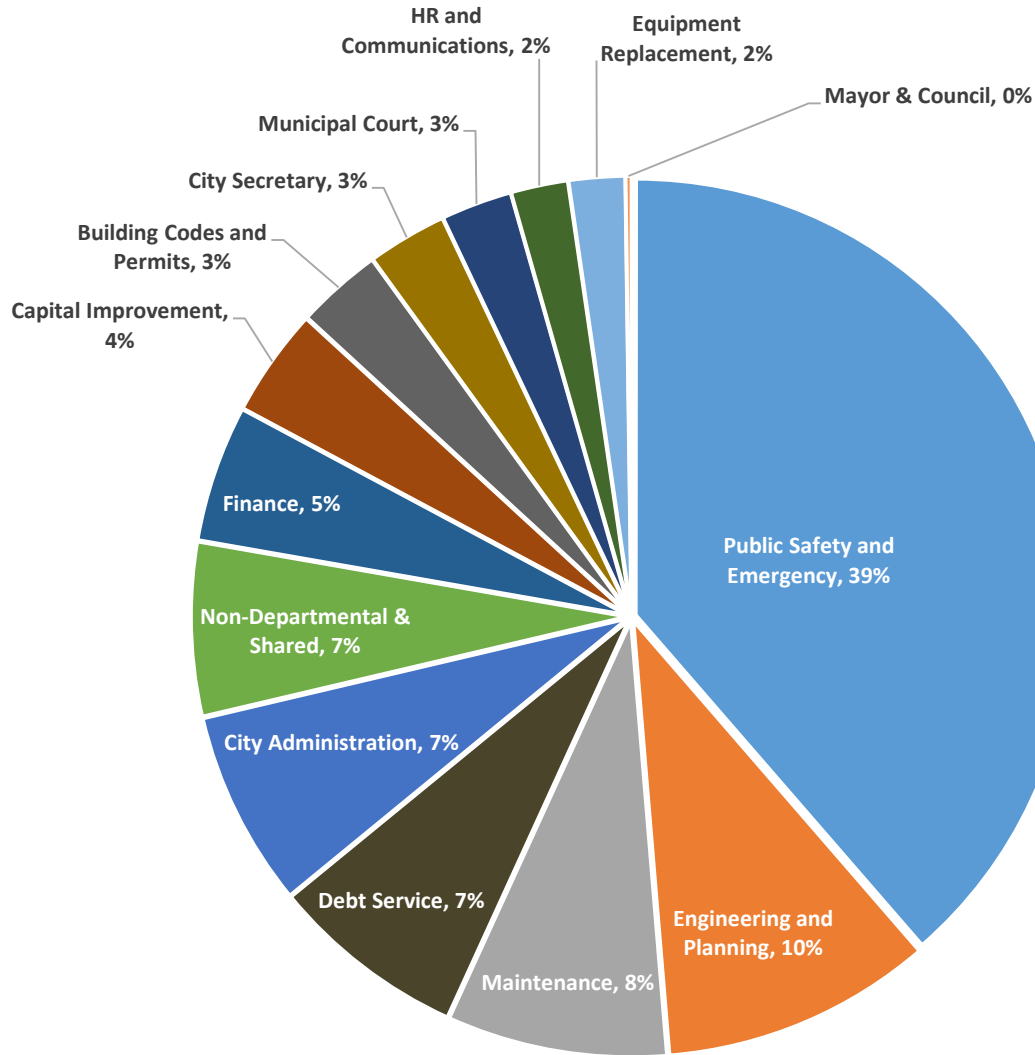


Boerne



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Where does it go?



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Truth in Taxation

(Texas Property Tax Code)

Municipal Tax Rate

General Fund

Maintenance and Operations (M&O) Rate

- *What it "costs" to Maintain and Operate City Functions*

Debt Service

Interest and Sinking (I&S) Rate

- *Is set based on debt service payments*

M&O + I&S = Total Tax Rate (FOR Property Owner)

Taxes are assessed on real property within the Jurisdiction

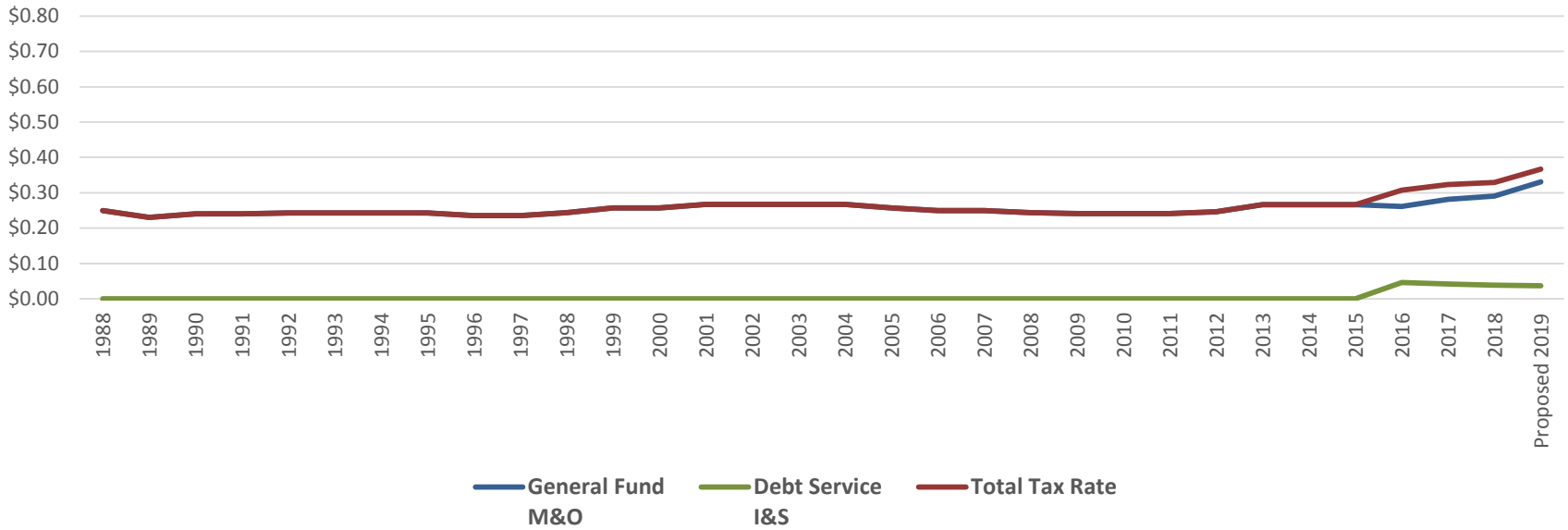
Certified Assessed Value From Appraisal Districts – **Not the City**

- FY 18-19 Total FOR Assessed Value = \$1,543,216,218
- FY 18-19: \$.01/100 Valuation of the Tax Rate @ 98% collection = \$151,235
- FY 18-19 Average Taxable Homestead = \$484,049



FAIR OAKS RANCH

Historical Tax Rate Distribution

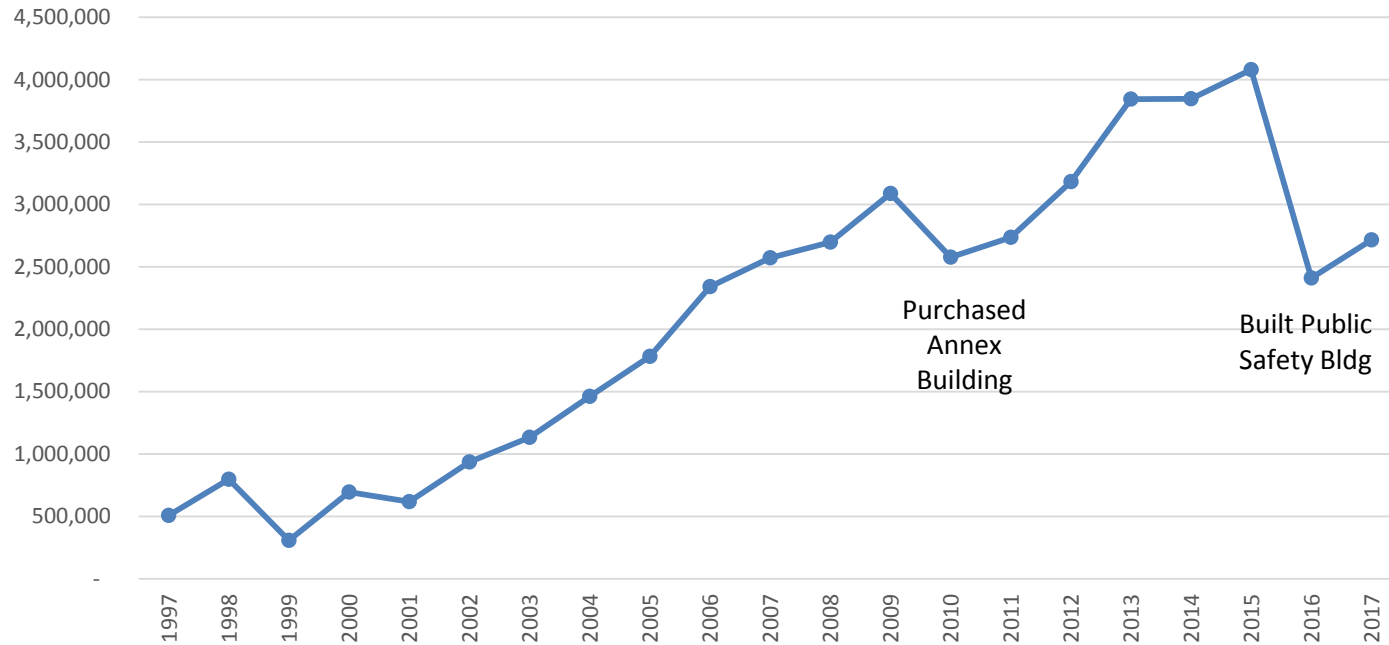


Year	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Proposed 2019
General Fund M&O	0.25	0.23	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.26	0.26	0.27	0.27	0.27	0.27	0.26	0.25	0.25	0.24	0.24	0.24	0.24	0.25	0.27	0.27	0.27	0.26	0.28	0.29	0.33
Debt Service I&S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.04	0.04	0.04
Total Tax Rate	0.25	0.23	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.26	0.26	0.27	0.27	0.27	0.27	0.26	0.25	0.25	0.24	0.24	0.24	0.24	0.25	0.27	0.27	0.27	0.31	0.32	0.33	0.37

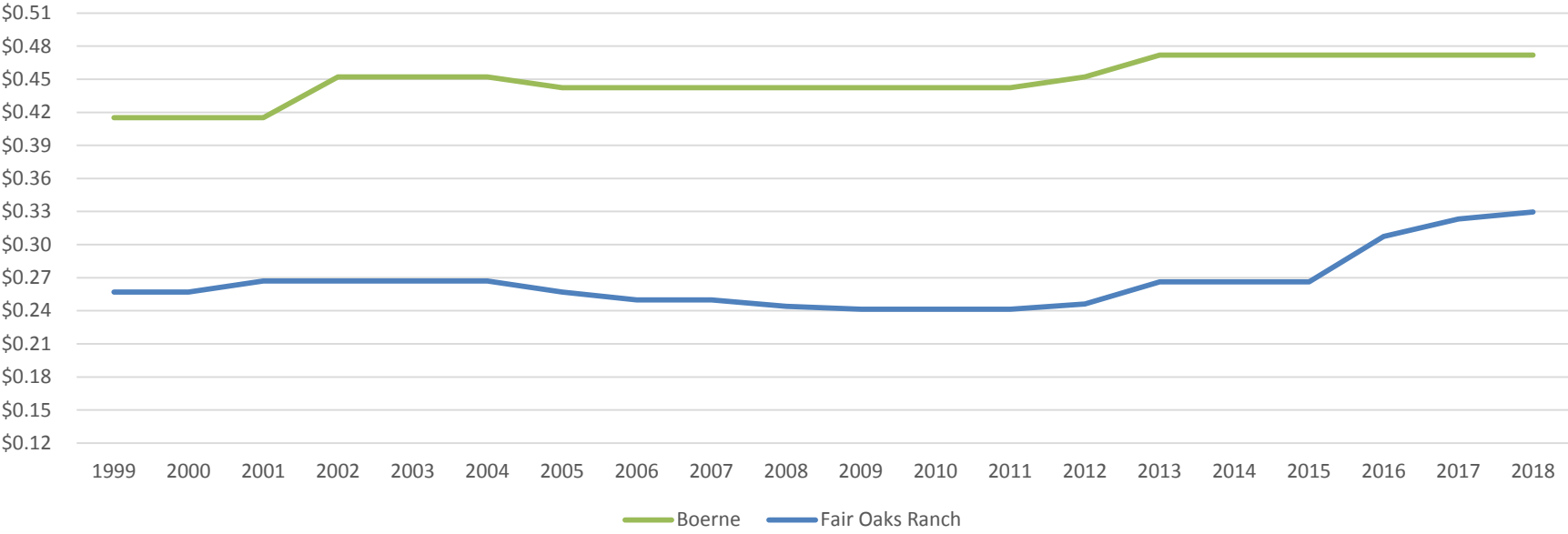


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Historical Government Fund Reserve Amounts

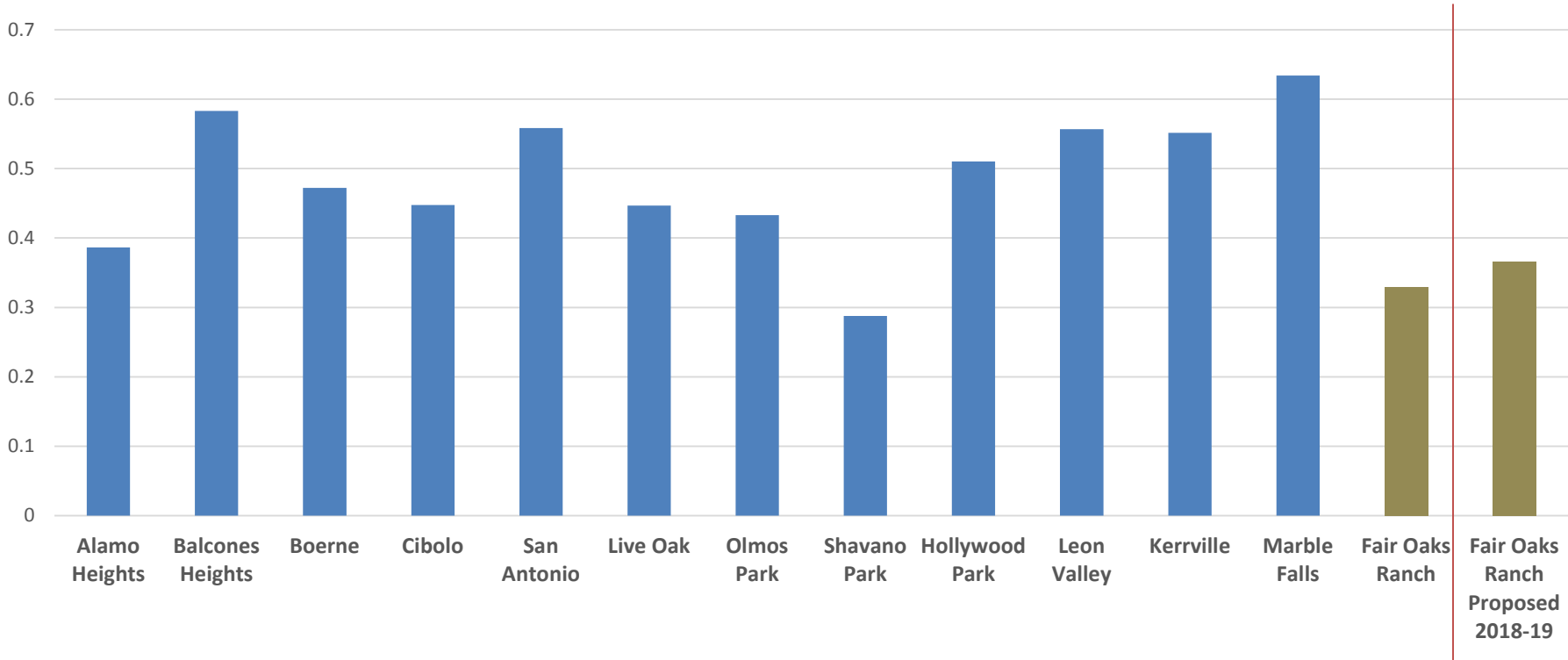


Property Tax Rates Compared to Boerne



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Property Tax Rates Compared to Surrounding Cities



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What are we addressing in this budget..?



Personnel

- 12 New Full-Time Equivalents

Projects

- Internal Control Framework
- Complete Unified Development Code
- Stormwater Utility Feasibility Study
- Continuation of Financial Integrity Strategic Plan

Equipment

- Replace aging IT components
- Replace aging Public Safety equipment
- Replace aging Public Works Equipment

Capital Improvements

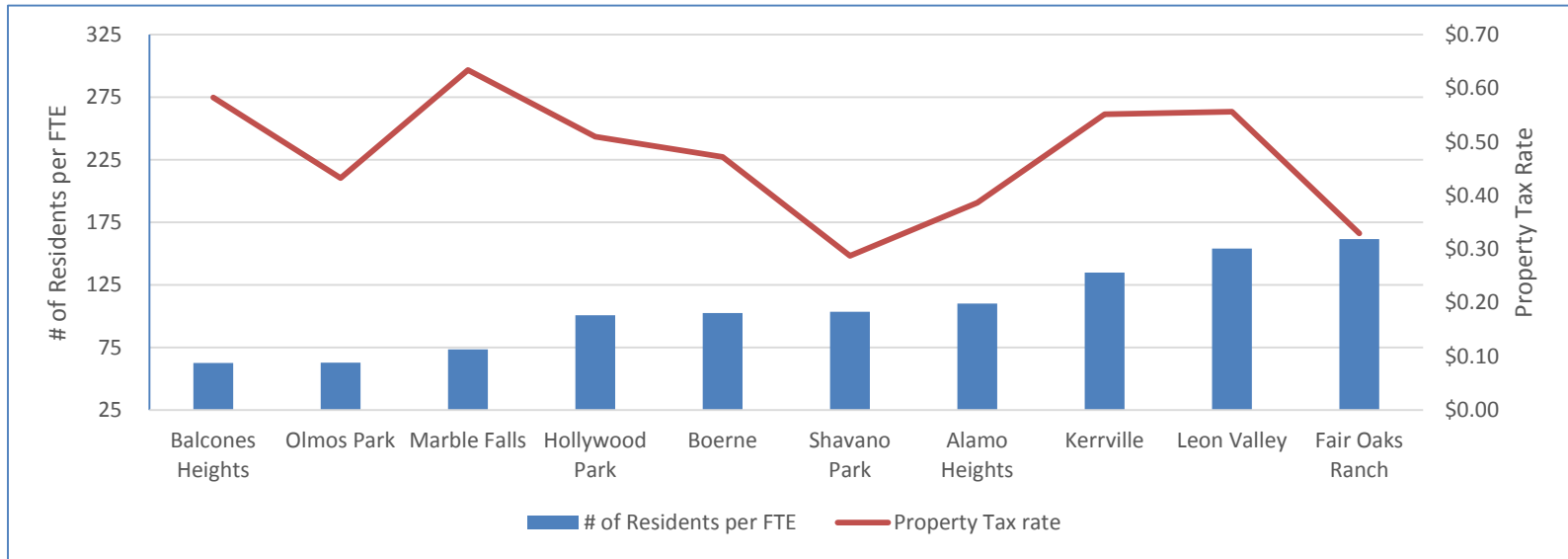
- Repurpose City Hall and Campus Facilities
- Continuation of Chip-seal project
- In-house Drainage work and Street Maintenance

...Quality of Life



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Number of Residents Per City Staff And Property Tax Rates



City	# of Residents per FTE	Population	FTE	Property Tax rate
Balcones Heights	62.78	2,825	45	\$0.58
Olmos Park	62.89	2,390	38	\$0.43
Marble Falls	73.53	6,397	87	\$0.63
Hollywood Park	100.94	3,331	33	\$0.51
Boerne	102.52	14,968	146	\$0.47
Shavano Park	103.74	3,527	34	\$0.29
Alamo Heights	110.11	8,038	73	\$0.39
Kerrville	134.96	24,292	180	\$0.55
Leon Valley	154.13	10,866	71	\$0.56
Fair Oaks Ranch	161.59	8,645	54	\$0.33

*Data is based on comparable service offerings to Fair Oaks Ranch at 9/30/2017



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Responsible Growth Management

Risk Addressed: Citizen investment and quality of life



Unified Development Code

- Zoning & form-based design guidelines
- Master water & wastewater plan
- Master stormwater plan
- Subdivision Regulations
- Infrastructure design guidelines
- Sign design guidelines
- Sustainability

FM 3351 Expansion

- Owners Representative Consultant
- Develop context sensitive design solutions

Storm Water Feasibility Study

- Funding Source
- Capital Improvement Implementation

Code Enforcement

- Growth Management Administration

Street and Facility Maintenance

- Protection of Public Investment

PERSONNEL

Code Enforcement FTE
3rd Party Contract Planning
3rd Party Owners Rep. Consultant
3rd Party Fire Inspections
3rd Party Stormwater Consultant

EQUIPMENT

Office Space
Computer, desk, & telephone
Campus Renovations



FAIR OAKS RANCH

Public Safety

Risk Addressed: Citizen Safety and Protection of Property



24/7 Full-Service Department & Command Structure

- Patrol availability/Priority-one calls
- Criminal investigation services
- Community outreach

PERSONNEL

Two patrol officers
One Criminal Investigation Sergeant
One Administrative Clerk

EQUIPMENT


Patrol vehicle, camera systems & radios
Officer body armor
Officer Weapons
K-9 services
Community outreach aids



FAIR OAKS RANCH

Government Service Expectations & Mandates

Risk Addressed: Open and Transparent Government and Preservation of Public Infrastructure and Facilities



Full Service Administration and Public Works Services

- City Council, Planning & Zoning, Zoning Board of Adjustment
- Records Management and Retention
- Public Information Act
- Public Relations
- Citizen Committees and Outreach Initiatives
- Street maintenance program
- Drainage maintenance program
- Right-of-way maintenance program
- Stormwater Quality Program
- Public facility maintenance program

PERSONNEL

- Street Maintenance/Custodian
- Deputy City Secretary
- Administrative Clerk
- Public Relations/HR Assistant

EQUIPMENT

- Office space
- Computer, desk, & telephones
- Public Works Vehicles & Material
- Campus Renovations

Financial Integrity and Sustainability

Risk Addressed: Responsible Stewardship of Public Assets



Financial Management Tool Box (Develop and Administer)

- Budgeting & Financial Reporting
- Asset Management & Replacement
- Internal Controls & Procurement
- Strategic Planning & Forecasting
- IT Infrastructure and Cyber Security
- Accounts Payable & Payroll Administration
- Infrastructure Financial Strategy Support

PERSONNEL

Procurement Manager
Staff Accountant
IT manager

EQUIPMENT

Office space
Computer, Desk, & telephone
Campus Renovations



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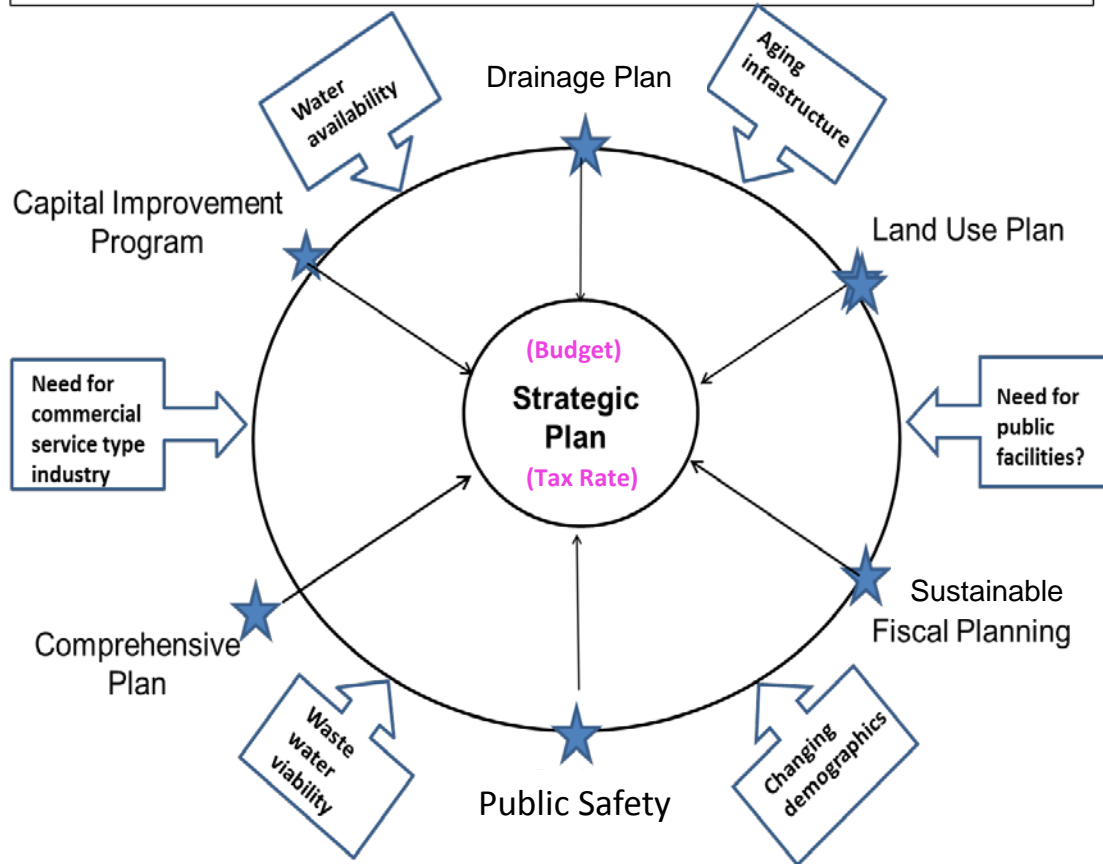
Planning for the Future– What’s not budgeted..?



- **Stormwater Improvements**
 - **Fire & EMS Services**
 - **Public Facility Master Planning**
 - **Parks Department**
- **Large Capital Projects**
 - **3351/Ralph Fair Road Expansion**
 - **The “M” in the M&O Tax Rate**
 - **IT Infrastructure and Planning**



Strategic Planning Environment



FAIR OAKS RANCH

Q&A

Tax Increase and Impact

- Current Tax Rate is \$0.3295 per \$100
- Proposed Increase of \$0.0373 per \$100
- New Rate will be \$0.3668 per \$100
 - Average Value of a FOR Home = \$484,049
 - Impact of the \$.0373 increase
 - Annual = \$181
 - Monthly = \$15
- Average Tax Bill = \$1,794/Annual
= \$150/Month

* $\$181 = \$484,049 \times \$0.0373/\100



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