



City of Fair Oaks Ranch Annual Budget FY 2023-24



Adopted Version



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INTRODUCTION

City of
Fair Oaks Ranch



Annual Budget

Fiscal Year October 1, 2023-September 30, 2024

This budget will raise more revenue from property taxes than last year's budget by an amount of \$390,353, which is a 5.83% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$278,240.

City Council Record Vote

The record vote of each member of the governing body by name voting on the adoption of the budget is as follows:

Governing Body	Record Vote
Mayor Greg Maxton	Aye
Emily Stroup	Aye
Keith Rhoden	Aye
Michelle Bliss	Aye
Laura Koerner	Aye
Scott Parker	Absent
Chesley Muenchow	Aye

The governing body voted on the proposed budget on September 21, 2023.

	Fiscal Year 2023-24	Fiscal Year 2022-23
Property Tax Rate	0.3005	0.3291
No-New-Revenue Rate	0.3056	0.3257
No-New Revenue M&O Rate	0.2818	0.3072
Voter Approval Rate	0.3565	0.3703
Debt Rate	0.0229	0.0268

Municipal Debt Obligations as of October 1, 2023 - \$5,702,500

The above information is presented on the cover page of the City's FY 2023-24 proposed budget to comply with requirements of section 102.005 of the Texas Local Government Code





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Fair Oaks Ranch
Texas**

For the Fiscal Year Beginning

October 01, 2022

Christopher P. Morill

Executive Director

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Fair Oaks Ranch, Texas, for its Annual Budget for the fiscal year beginning October 1, 2022. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.

The Honorable
Mayor Gregory C. Maxton
Council Members

Emily Stroup	Council Member, Place 1
Keith Rhoden	Council Member, Place 2
Michelle Bliss	Council Member, Place 3
Laura Koerner	Mayor Pro-Tem, Place 4
Scott Parker	Council Member, Place 5
Chesley Muenchow	Council Member, Place 6

Interim City Manager
Scott M. Huizenga

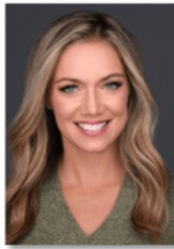
Assistant City Manager Vacant	Assistant City Manager Carole Vanzant, CPM, TRMC, MMC	Chief of Police Tim Moring
Interim Director of Finance Summer Fleming	Director of HR & Communications Joanna Merrill	Director of Public Works & Engineering Services Grant Watanabe, P.E.
	City Secretary Christina Picioccio	



City of Fair Oaks Ranch City Council



Gregory C. Maxton
Mayor



Emily Stroup
Council Member, Place 1



Keith Rhoden
Council Member, Place 2



Michelle Bliss
Council Member, Place 3



Laura Koerner, Mayor Pro-Tem
Council Member, Place 4



Scott Parker
Council Member, Place 5



Chesley Muenchow
Council Member, Place 6

Fair Oaks Ranch is a Home Rule city. City Council is elected at-large representing all residents within the City limits. Council members including the Mayor serve staggered three-year terms with City elections held each year.
The Mayor Pro-Tem is selected by the Council members each year after the election.

Truth in Taxation

Truth-in-taxation is a concept embodied in the Texas Constitution that requires local taxing units to make taxpayers aware of tax rate proposals and to afford taxpayers the opportunity to limit tax increases. Property owners have the right to know about increases in their properties' appraised value and to be notified of the estimated taxes that could result from the new value. For more information about this act and its impact on the budget and tax rate setting process, visit the Texas Comptroller's website and Truth in Taxation resources [↗](#).

Fair Oaks Ranch Governing Body Information can be found here:

Mayor [↗](#)

City Council [↗](#)

Comal Appraisal District: <http://www.comalad.org/> [↗](#)

Comal County Truth in Taxation Website: <https://comal.countytaxrates.com/tax> [↗](#)

Kendall Appraisal District: <https://www.kendallad.org/> [↗](#)

Kendall County Truth in Taxation Website: <https://kendall.countytaxrates.com/tax> [↗](#)

Bexar Appraisal District: <https://www.bcad.org/> [↗](#)

Bexar County Truth in Taxation Website: <https://www.bexar-taxes.org/property-search> [↗](#)

City of Fair Oaks Ranch Truth in Taxation [↗](#)

Fiscal Year 2023-24 Budget Calendar

Apr 6	Budget Timeline Presentation	
May	Staff Budget Workshops	
June 15	City Council Budget Workshop	
June 23	City Council Budget Workshop	
July 6	City Council Budget Workshop	
July 20	City Council Budget Workshop	
July 25	Deadline for Chief Appraisers to deliver certified rolls or certified estimates to taxing units and certification of anticipated collection rate by tax collector. (Tax Code Sec. 26.01 a-1)	Certified Totals ↗
August 17	Calculation of no-new-revenue, voter-approval, and De Minimis Rates. Finance posts the calculated no-new-revenue tax rate and voter-approval tax rate, along with certain debt information on the home page of the City's website using form prescribed by comptroller (Tax Code Sec 26.04 (e)) Finance Director submits the no-new-revenue and voter-approval rates to City Council. (Tax Code Sec 26.04(e)). City Council confirms maximum proposed tax rate and Council takes a record vote. (Tax Code Sec 26.061 (b)). City Council schedules one public hearing on the budget (LGC 102.006a-b) and one public hearing on the tax rate (Tax Code Sec. 26.05(d); (Tax Code Sec 26.06)	Tax Calculations ↗ 2023 Tax Rate Notice ↗
August 21	City Manager files the budget with City Secretary (LGC 102.005a). City Secretary ensures the proposed budget is available on the website and available for inspection at City Hall (LGC 102.005c)	
August 27	Finance Director publishes <i>Notice of Public Hearing on Tax Rate</i> in the Sunday, August 27th edition of Boerne Star and posts on the City's website (Tax Code Sec. 26.06(c)) Finance Director publishes <i>Notice of Public Hearing on the Proposed Budget</i> in the Sunday, August 27th edition of Boerne Star and posts the budget on the city's website. (LGC 102.005c) Finance Director/Communications posts the Tax Notice (Tax Code Sec 26.04(e)), Notice of Tax Hearing (Tax Code Sec. 26.065), and Notice of Budget Hearing (LGC 102.006c) on the City's Website.	Notice of Tax Rate Hearing ↗ Notice of Budget Hearing ↗
September 12	Public Hearing for Proposed Budget and Proposed Tax Rate. Council Meeting for the First Reading of Budget and Tax Rate Ordinances is held.	
September 21	Second Reading and adoption of the Budget and Tax Rate ordinances	



Message from the Interim City Manager

Scott M. Huizenga

August 21, 2023

Honorable Mayor Greg Maxton and Members of the City Council,

In accordance with Texas Statutes and the City of Fair Oaks Ranch City Charter, it is my honor to present the proposed budget for the fiscal year beginning October 1, 2023 and ending September 30, 2024. This City Manager's Proposed Budget presents in summary form the revenues and expenditures for each of the funds.

This proposed budget incorporates a \$0.0286 reduction in the City's overall property tax rate and encompasses all the service delivery and capital investment initiatives established by the City Council. FY 2023-24 is the third consecutive year the City will lower the tax rate. The budget was developed through continued utilization of a Strategic Planning process that ties citizen-driven service expectations with available resources. The FY 2023-24 budget is balanced and preserves the City's conservative position of financial strength and resiliency and serves as:

- The fiduciary policy position establishing service delivery expectations and accountability for the citizenry and staff;
- A plan of financial operations estimating proposed expenditures for the fiscal year and the proposed means of financing; and
- An operational plan for the programming and mobilization of human, material, and capital project resources during the fiscal year.

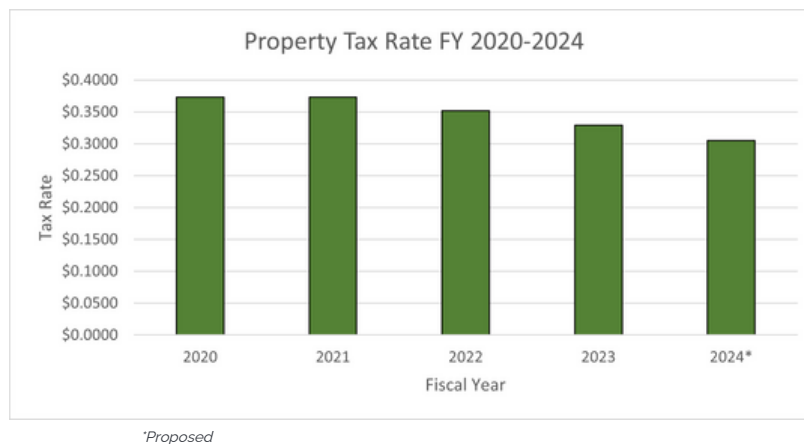
Property Values and Exemptions

Certified taxable values for 2023 increased by about 11.8%, or almost \$252 million, compared to the 2022 certified values. The growth represents an increase in certified valuations from \$2.14 billion to \$2.39 billion. New properties added to the tax roll in 2023 equates to about \$92.6 million.

In FY 2022-23, the City increased property tax exemptions for Residents Over 65 from \$20,000 to \$50,000. This amounts to \$41.2 million in additional value that has been exempted from taxation. The City Council also approved property tax freezes for qualified disabled homesteads in FY 2022-23.

Property Tax Rate

The City's proposed property tax rate for the Fiscal Year 2023-24 is \$0.3005/\$100 valuation, which is 8.7% or \$0.0286 lower than last year's property tax rate of \$0.3291. The proposed debt service portion of the tax rate is \$0.0229, and the maintenance and operations portion of the tax rate is \$0.2776 to support the total tax rate of \$0.3005 per \$100 property valuation.



Financial Goals

The proposed budget was completed with the following financial goals in mind.

- Maintain optimum fund balance levels in accordance with City policy
- Maintain a structurally-balanced budget in which operational revenues meet or exceed operational expenditures and excess reserves are only used to fund capital or other one-time expenses
- Maintain City infrastructure while meeting the demands of a larger and maturing City
- Establish the baseline for a robust capital improvements program

- Replace City equipment on established schedules
- Provide competitive pay and benefits to the City employees, our most valuable resource
- Manage the tax rate

Budget in Brief

The FY 2023-24 Proposed Budget continues the City's rich history of financial stewardship tailored to offset the residential tax burden. The City's major revenue sources have maintained strong growth for the General Fund. Second to ad valorem (property) taxes, the largest revenue source for the General Fund, sales and use tax, remains steady with prior year collections even after several years of exceptional growth. Franchise fees, paid by utilities who serve our residents and businesses, have increased by 67% in the last 10 years reflecting the growth of our city. Meanwhile, permit revenue is projected to decrease by \$100,000, or 32.4%, reflecting reduced housing development. This proposed budget balances the increased revenue growth with inflationary pressures and upholds a competitive compensation and benefits program.

The FY 2023-24 Proposed Budget totals \$19.1 million for all funds. Of that amount, approximately \$14.8 million is for continued operations, \$2.6 million is for capital improvement projects and equipment, \$570,078 is for debt service. The operating interfund transfers are approximately \$1.1 million.

Budget Highlights

The City's services and finances are guided by its Strategic Action Plan composed of five pillars.

- Financial Resilience and Responsibility
- Responsible Growth Management
- Reliable and Sustainable Infrastructure
- Public Health and Safety
- Operational Excellence

The following are the key highlights and changes to the budget as represented by these strategic pillars.

Public Health and Safety

Public Safety is consistently among the highest priorities of the City Council and its residents. Public Safety and Emergency Services, which includes police, fire, and medical response, increases by \$504,577, or 13.1%, to \$4,357,053. The City's agreement with Bexar County Emergency Services District No. 4 increases by \$74,124 to \$492,105. Similarly, the City's agreement with the City of Boerne for emergency dispatch services increases by \$56,019 to account for a greater share of calls supporting Fair Oaks Ranch operations. The budget also includes \$70,895 of new capital equipment including tasers, mobile radio units, duty weapons, and portable radios. The budget adds \$12,780 to lease body cameras for the first time, and includes \$177,000 to replace three patrol vehicles. Finally, the proposed budget adds a corporal job classification to the department that replaces the current Field Training Officer designation, and the budget adds a night shift differential stipend. Total wages and benefits in the Police Department increase by \$243,260, or 8.6%. The Municipal Court budget decreases by \$32,244, or 11.4%. Court security expenditures decrease by about \$52,724 to reflect investments made in the current fiscal year. The court budget also includes enhancements to court technology and adjustments to wages and benefits.

Infrastructure and Growth Management

The Public Works department manages the divisions of Building Codes and Permits, Engineering and Planning, and Maintenance to ensure the continued resilience of City infrastructure while responsibly managing growth of the City within state law. The General Fund budget for Public Works increases by \$162,269, or 5.7%, in the FY 2023-24 budget of \$3,007,806. The budget allocates \$1 million to Street Maintenance for the 4th consecutive year, of which approximately \$160,000 is budgeted for an additional Maintenance Technician and to purchase a fog seal machine. This key addition will provide the department with the flexibility to address additional maintenance areas such as drainage and facilities while insourcing the fog seal program. This level of investment ensures an Overall Condition Index (OCI) of at least 85. The budget also invests \$95,500 in replacement equipment including a skid steer, an ATV Gravelly and a GIS Plotter. Finally, the budget will properly equip personnel on the city grounds with a vertical personnel lift, replace garage door openers, a vehicle lift, and a safety camera for the street sweeper.

Financial Resilience and Operational Excellence

Collectively, Administration, City Secretary, Finance, Human Resources and Communication, Information Technology, and the Mayor and Council comprise \$2.2 million, or 20% of the General Fund Budget. Key changes include an additional \$25,000 for the local cost of up to four elections in 2024. In Human Resources and Communications, the budget adds new website software to address compliance with the Americans with Disabilities Act (ADA). The budget also includes \$7,000 to communicate key issues with residents via mail, recognizing our residents who may choose not to be active on social media. Finally, the budget adds \$112,000 to the Information Technology budget to enhance technology security and includes \$15,000 for the annual PC replacement program.

Utility Funds

The Utility Funds totals \$6 million and supports the City's water and wastewater services. Utility revenues will increase by an estimated \$792,000 in FY 2023-24. This increase primarily reflects Ordinance No. 2023-04, which the City Council passed to ensure wastewater revenues fully support operations.

Changes to the expenditures in the Utility Funds include an increase of \$132,000 in the City's water service agreement with the Guadalupe Blanco River Authority (GBRA). GBRA provides approximately half of the City's potable water and is crucial to the vitality of the City. Other operational changes include software upgrades of \$100,000 to include upgraded water meter automation, office cloud software, and the utility billing system. Finally, the budget provides \$50,000 for ongoing water tank cleaning and inspection and the budget adds an additional Utility Technician to ensure operations continue even in the event of unexpected absences or vacancies. The utilities budget includes nearly \$532,500 for replacement vehicles and equipment. And, most importantly, another \$257,500 is investment in operational capital to protect the long-term assets of the City. These investments include the installation of two generators at water wells to ensure water pumps will continue even in the event of a sustained power outage. These two generators will kickstart a program to install generators at all the City's best-producing wells. Other capital investments include easement repairs to ensure access to City wells, upgrades to water base stations that communicate with the City's automated meter readers and updated well monitoring software.

Capital Improvements Plan

The Capital Improvements Plan (CIP) for FY 2023-24 funds about \$1.3 million in capital projects. The budget allocates \$310,000 to two drainage projects at Chartwell Lane and at Delta Dawn. The budget also supports Phase 2 of design for the planned Dietz Elcorn Road reconstruction project, which will span the length from Fair Oaks Parkway to Ralph Fair Road, and provides \$300,000 for a sidewalk connector near Van Raub Elementary School to enhance pedestrian safety. Additionally, the capital budget for FY 2023-24 adds \$240,000 to upgrade four water wells with variable frequency drives and other enhancements to ensure nearly continuous operability. Finally, the budget allocates \$150,000 for much needed upgrades to one of the City's fire stations.

In the fall, the City Council will consider financing a full five-year CIP that will include approximately \$34 million for 24 currently-planned projects. As proposed, the CIP would complete 10 drainage projects, three roadways, 20 water and wastewater projects, and one building – the proposed community/civic center.

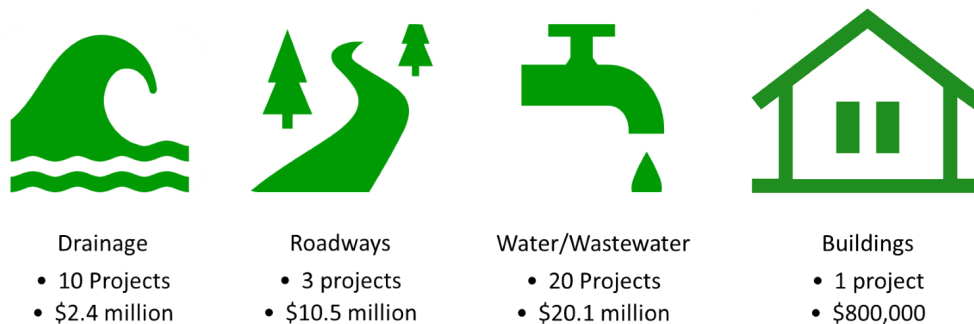


Figure 1 Proposed Capital Improvements Plan

Conclusion

The annual budget is the City's primary policy document. It represents the culmination of a financial planning process that starts with the Strategic Action Plan and continues with the Five-Year Financial Plan. This budget is structurally balanced. It provides for the recruitment and retention of vital team members who move our City every day. It provides them the necessary tools and equipment to do their jobs efficiently and effectively. And, it kickstarts a much-needed capital improvements plan to maintain and enhance the infrastructure of our community, which is now over 35 years old.

The budget was developed in close collaboration with the City Council and staff through a series of work sessions held weeks in advance of the formal budget presentation. I appreciate the commitment of elected officials and staff members alike as well as the public to produce a budget that reflects the values of the community and the expertise of its public servants.

Respectfully,

Scott M. Huizenga
Interim City Manager

Community Profile



Overview

The City of Fair Oaks Ranch is located on the edge of the beautiful Texas Hill Country, 27 miles northwest of downtown San Antonio. The city spans over three separate counties, Bexar, Kendall and Comal and covers an area of 7,861 acres.

Fair Oaks Ranch is a Home Rule Charter City and operates under a Council/Manager form of government. A Mayor and six Council Members are elected by the citizens, and the City Manager is appointed by the Council.

The History of Fair Oaks Ranch

The City of Fair Oaks Ranch had its beginnings as a working ranch when several parcels of land were acquired by oil man Ralph Fair, Sr. during the 1930s. The ranch, which had a dairy and granary, was first a center for a racehorse operation. Later, Mr. Fair established a registered Hereford cattle operation. After the death of Mr. and Mrs. Fair, the remaining family decided to develop a 5,000 acre portion of the ranch as a residential community. A homeowner's association was formed in 1975 with Boots Gaubatz as the president.



In 1985, the Fair Oaks Ranch Homeowners Association began to consider incorporation as a Type A General Law Municipality. Boots, along with Bob Herring and Don King, lead the process, and are now known as the "founding fathers" of Fair Oaks Ranch. The City was eventually incorporated in 1988. Once the population of Fair Oaks Ranch reached 5,000, the city was eligible to become home rule. It wasn't until a decade later that the draft home rule charter was introduced. In May 2017, the home rule election was held with over 90% of voters supporting the change.

Fair Oaks Ranch was created by a group of visionaries who had both the foresight and the political courage to dream of a special community and make it a reality. The ability to make the city a reality was enhanced by having a single development company for many years and working with a family that had a desire for their ranch to become a unique community. This commonality of vision was the glue that held the development process together and created such a unique city.

Economy and Growth

Fair Oaks Ranch is located immediately northwest of the 7th largest U.S. city, San Antonio. Proximity to the Alamo City, with its vast retail, professional, and medical offerings, paired with a unique Hill Country lifestyle, support a growing commuter population. San Antonio is also home to Joint Base San Antonio, the largest joint base in the U.S. Department of Defense, which adds to the economy and diversity of the entire metro area. Texas continues to be one of the national leaders for domestic migration, with much of the housing demand for new residents falling in the hill country area. Fair Oaks Ranch also serves as a popular retirement destination for many with its golf courses, walking trails and quiet hometown atmosphere. The City of Fair Oaks Ranch anticipates future growth as more people move into the area and is using growth management tools to ensure the community maintains the feel and charm that residents love.

Culture and Recreation

Fair Oaks Ranch is the perfect destination for tranquility, with several miles of hike and bike trails that meander through the city. The City is home to an array of wildlife including white tailed deer, axis deer, Egyptian geese, foxes, ducks, hawks and many others. This proximity to diverse wildlife is one of the advantages to living in this community.



Golf carts are just as common to see on the roadways in Fair Oaks Ranch as cars, and the streets are also routinely full of cyclists and runners. The Fair Oaks Ranch Golf and Country Club offers two championship golf courses, swimming, tennis, a fitness club and fine dining.

Many other cultural and recreational facilities are within a short drive south in the San Antonio area. A 90 minute drive to the north will take you to Austin, the capital city and cultural hub of Texas. Fair Oaks Ranch is also close to New Braunfels, Canyon Lake and the Guadalupe River, all popular recreation areas, particularly in the summer months.

For a little main street charm and unique shopping experiences, the City of Boerne is less than 10 miles away. A getaway destination for many tourists, the historic downtown area is home to antique stores, bakeries, art galleries and specialty boutiques. There are also year-round parades, festivals and cultural events. Boerne also sits next to Cibolo Creek and a nationally recognized nature center.

Education



Fair Oaks Ranch is part of Boerne and Comal ISDs, and is home to two elementary schools, Fair Oaks Ranch Elementary and Van Raub Elementary. The public school system is large enough to offer diverse programs, and small enough to allow teachers and administrators to cultivate a personal, active interest in each student.



Location of Fair Oaks Ranch



Population Overview



TOTAL POPULATION

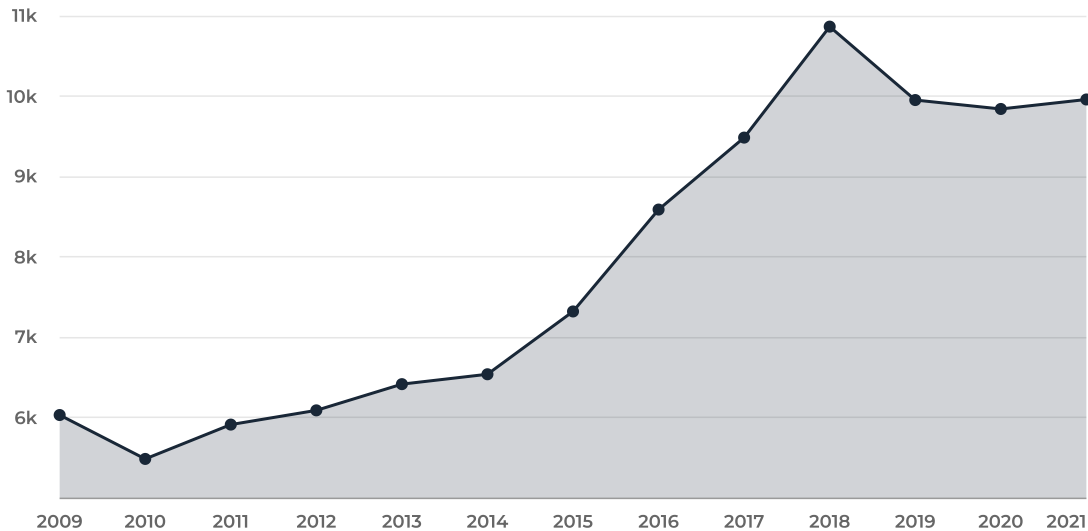
9,951

▲ 1.2%
vs. 2020

GROWTH RANK

486 out of **1220**

Municipalities in Texas



* Data Source: U.S. Census Bureau American Community Survey 5-year Data and the 2020, 2010, 2000, and 1990 Decennial Censuses



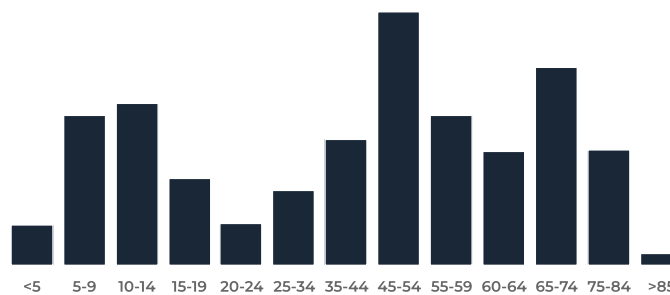
DAYTIME POPULATION

7,533

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

* Data Source: American Community Survey 5-year estimates

POPULATION BY AGE GROUP



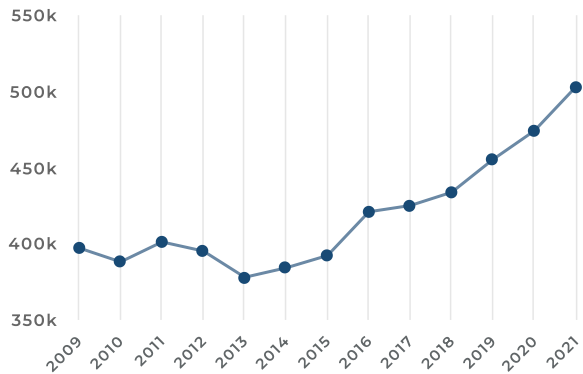
Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.

* Data Source: American Community Survey 5-year estimates

Housing Overview



2021 MEDIAN HOME VALUE
\$503,000



* Data Source: 2021 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>). American Community Survey. Home value data includes all types of owner-occupied housing.

HOME OWNERS VS RENTERS

Fair Oaks Ranch State Avg.



HOME VALUE DISTRIBUTION

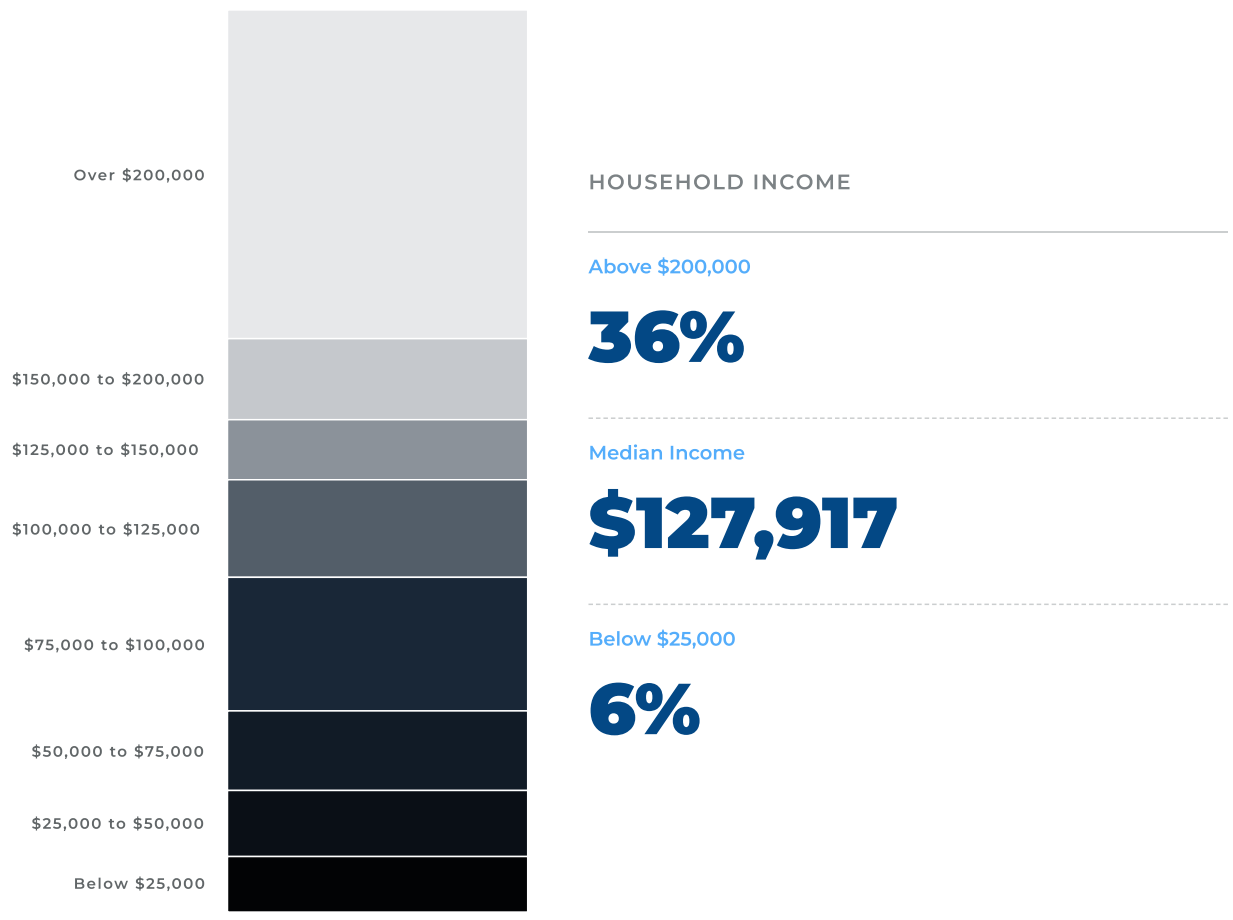


* Data Source: 2021 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>). American Community Survey. Home value data includes all types of owner-occupied housing.

* Data Source: 2021 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>). American Community Survey. Home value data includes all types of owner-occupied housing.

Economic Analysis

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.

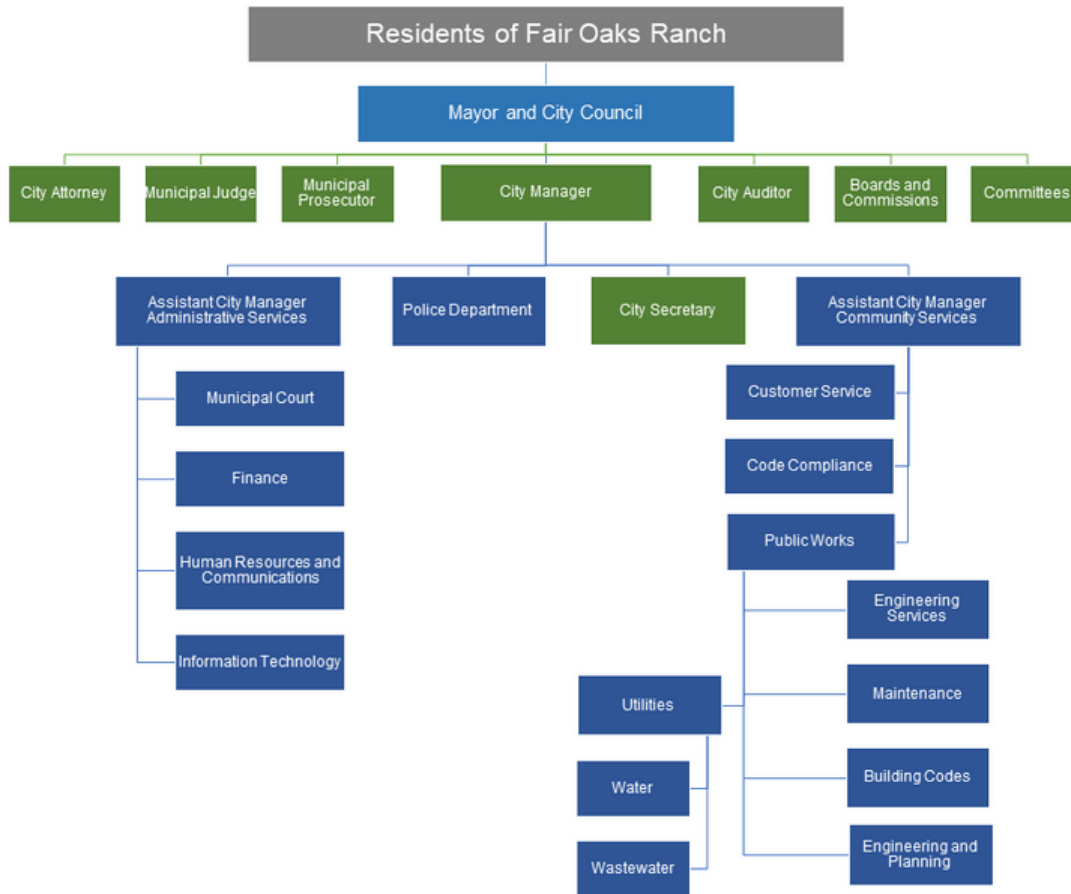


* Data Source: American Community Survey 5-year estimates

* Data Source: American Community Survey, 2010 Census, 2000 US Census and 1990 US Census



Organizational Chart of the City



Advisory Boards and Commissions

Planning and Zoning Commission. The Planning and Zoning Commission (P&Z) acts as an advisory group to the City Council in required and discretionary land use matters associated with the following:

Comprehensive Planning, Zoning, Subdivision Platting and other growth management initiatives related to the physical development of the City. Commission members serve three year staggered terms with no term limits. Members are appointed by the City Council.

Lamberto "Bobby" Balli	Bobbe Barnes, Chairperson	Eric Beilstein
David Horwath, Vice Chairperson	Shawna Verrett	Dale Pearson
Linda Tom		

Municipal Development District Board. The Fair Oaks Ranch Municipal Development District Board (MDD) was created by voters on May 7, 2011 in accordance with Chapter 377 of the Texas Local Government Code. It began receiving a 1/2 percent sales tax in 2011 on all items in the district that are subject to the local sales tax. As a result of the MDD formation our ad valorem tax rate did not increase but these funds can now directly benefit our City and residents. The MDD's mission is to approve funding for economic development, retention and improvement of the district, and for improvement of short and long term property values. MDD boundaries include the City of Fair Oaks Ranch and portions of the ETJ within Bexar and Kendall Counties, but not Comal County.

Laura Koerner, President	Nicholas DiCianni, Vice President	Keith Rhoden
Mike Lovelace, Treasurer	David Fairhurst	Ruben Olvera
Stephen Robertson		

Investment Officer: Summer Fleming, Deputy City Secretary: Amanda Valdez

Board of Appeals. The role of the board is to hear and decide appeals of orders, decisions, or determinations made by the Building Official relative to the application and interpretation of the International Building Code, International Residential Code for One and Two Family Dwellings, International Energy Conservation Code, International Plumbing Code and National Electric Code.

Jenks Boston, Chairperson	Jerry Ahrends	John Wall
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Zoning Board of Adjustments. The Zoning Board of Adjustment shall hear and decide appeals when error is alleged in any order, requirement, decision or determination made by an administrative official of the City in the enforcement of any zoning related decisions. The Zoning Board of Adjustment may reverse or affirm, in whole or in part, or modify the administrative official's order, requirement, decision, or determination from which an appeal is taken and make the correct order.

Dean Gaubatz	Laurence Nichols	Michael Rey, Chairperson
J.C. Taylor	Jonathan Lisenby, Vice Chairperson	Roderick Terrell, Alternate
Al McDavid, Alternate		

Capital Improvements Advisory Committee. The Capital Improvements Advisory Committee (CIAC) was established to comply with Section 395.058 Texas Local Government Code-Chapter 395. This committee is responsible for assisting the City in the development of Land Use Assumptions, Capital Improvement Plans, and reviewing of impact fees.

Joe DeCola	Marcus Garcia	Dana Green
John Guidry	Ben Koerner	Paul Mebane, Chairperson
Seth Mitchell	Jamin Kazarian	Christopher Weigand, Vice Chairperson
	Council Liaison: Emily Stroup	City Liaison: Grant Watanabe

Audit Committee. The Audit Committee has three goals. First, it must satisfy itself that management is maintaining a comprehensive framework of internal control. Second, it must ensure that management's financial reporting practices are assessed objectively. Third, it needs to determine that the financial statements are properly audited and that any problems disclosed in the course of the audit are resolved.

Keith Rhoden	Greg Maxton	Chesley Muenchow
	Liaison: Summer Fleming	



Fund Structure of the City

The City maintains budgetary control of its operating accounts through the use of various funds. A "fund" is a self-balancing set of accounts with identifiable revenue sources and expenditures. It is segregated for the purpose of measuring a specific activity. Additionally, these funds are further separated into either major funds or non-major funds based on criteria that compares the amount of assets, liabilities, revenues or expenditures they report in comparison to the total governmental funds or the combination of the governmental funds and the enterprise funds.

Governmental Funds

Most of the City's government functions are financed through the governmental funds. These funds are generally used to account for tax-supported activities. Long-term liabilities and fixed assets are not accounted for through governmental funds. The measurement focus is to determine changes in financial position (fund balance) rather than to determine net income.

- **General Fund**

The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund includes expenditures for Administration, City Secretary, Human Resources, Finance, IT, Building Codes, Public Safety, Public Works, Engineering and Planning, and the Municipal Court.

- **Debt Service Fund**

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest. These resources are funded through ad valorem property tax at the interest and sinking (I&S) tax rate.

- **Capital Project Funds**

Capital Project Funds account for the proceeds of debt issuance and internal funding for the completion of capital or strategic action plan projects outside the scope of general operations, and will generally span more than one fiscal year to complete. The City currently has one capital project fund: the Strategic Projects Fund, which is funded through internal transfers from the General Fund.

- **Vehicle/Equipment Replacement Fund**

The Equipment Replacement Fund is used to account for the replacement of all City-owned vehicles and equipment, except those assigned to the City's enterprise funds. The City annually makes contributions into the fund to build up sufficient reserves to purchase replacement vehicles and equipment when scheduled.

Enterprise Funds

Enterprise funds are used to account for an activity for which a fee is charged to external users for goods and services. The City reports activities for a Utility Fund which includes water and wastewater services. The Utility Fund also provides funding for an Equipment Replacement Fund for the replacement of all vehicles and equipment assigned to the utility fund, as well as Capital Project Funds for capital improvement projects and Strategic Action Plan budgets.

- **Utility Operations Fund**

The Utility Operations Fund accounts for the revenues from water and wastewater operating activities. It includes expenditures for all operating and maintenance activities that support these services.

- **Water Strategic and Capital Project Fund**

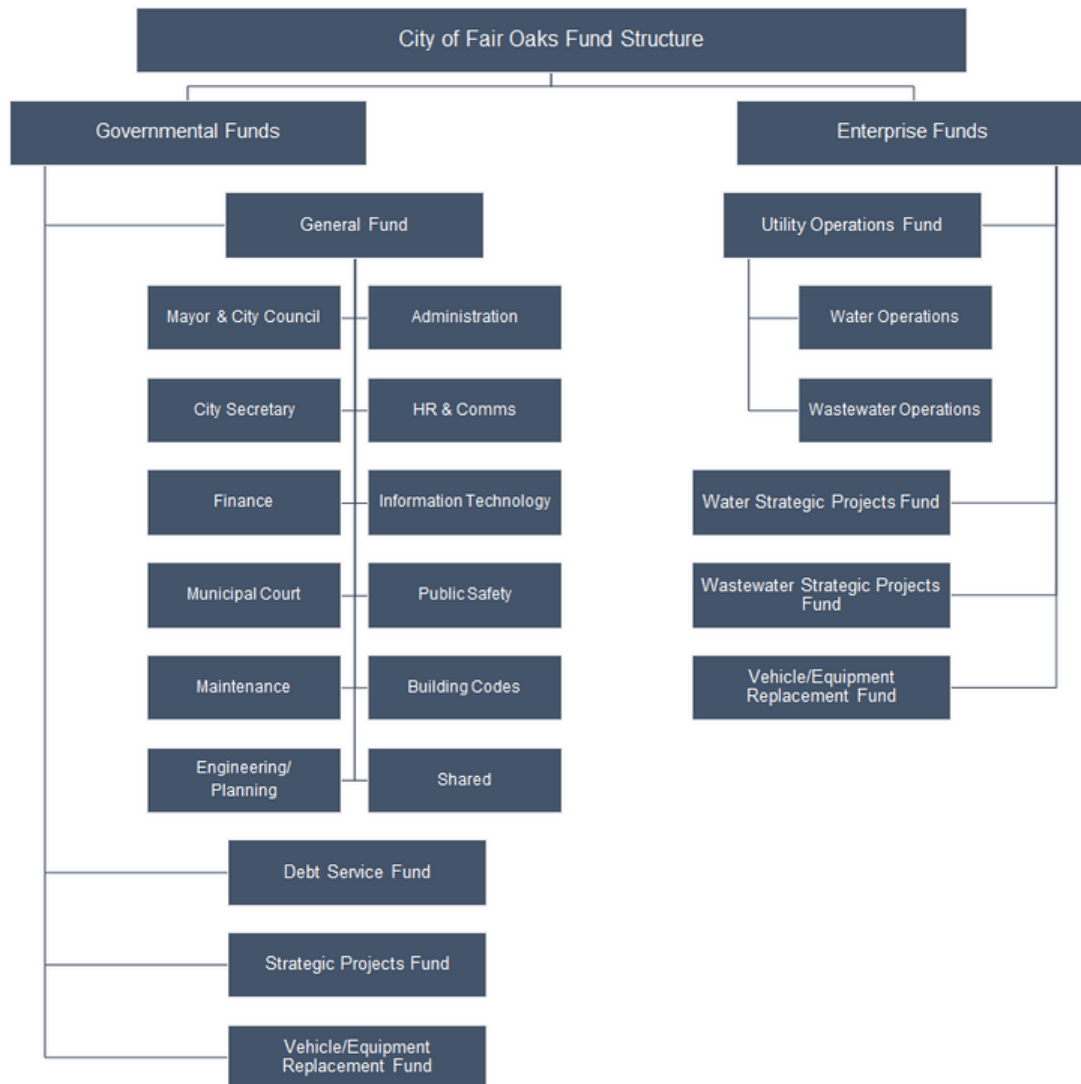
The Water Strategic and Capital Project Fund is used to account for financial resources, usually through internal funding from the Utility Operations Fund, to be used for the acquisition or construction of major capital facilities and strategic action plan projects for the water utility. The purpose of this fund is to separate costs that are considered non-operational, typically associated with one-time projects that are not annually occurring, or large projects which may span over multiple budget years.

- **Wastewater Strategic and Capital Project Fund**

The Wastewater Strategic and Capital Project Fund is used to account for financial resources, usually through internal funding from the Utility Operations Fund, to be used for the acquisition or construction of major capital facilities and strategic action plan projects of the wastewater utility. The purpose of this fund is to separate costs that are considered non-operational, typically associated with one-time projects that are not annually occurring, or large projects which may span over multiple budget years.

- **Vehicle/Equipment Replacement Fund**

The Vehicle/Equipment Replacement Fund is used to account for the replacement of all City-owned vehicles and equipment assigned to the City's enterprise funds. The City annually makes contributions into the fund to build up sufficient reserves to purchase replacement vehicles and equipment when scheduled.



THE CITY BUDGET

Basis of Accounting & Budgeting

Governmental Funds

Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on the balance sheet. Revenues are recognized when susceptible to accrual (i.e. when they become measurable and available) and expenditures are recorded when the related fund liability is incurred.

Enterprise Funds

Enterprise funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred. These funds are accounted for on a flow of economic resources measurement focus whereby all assets and liabilities associated with the operation of these funds are included on the balance sheet.

The City's basis of budgeting essentially follows the basis of accounting (modified accrual for government funds and full accrual for proprietary funds); however, there are exceptions, which are described below.

- Only revenues expected to be received during the year or soon thereafter are included in revenue estimates (budget basis).
- Only amounts that will be spent or encumbered by the end of the fiscal year are recorded as expenditures (budget basis).
- Depreciation expense is not displayed and capital expenditures and bond principal payments are shown as utilized by each fund (budget basis).
- Compensated absences (accrued but unused leave) and employee benefits are not reflected in the budget.
- Transfers are classified as revenues and expenditures (budget basis) rather than as "other financing sources or uses" (accounting basis).

Budget Process

The fiscal year of the City of Fair Oaks Ranch begins on October 1 of each calendar year and ends on September 30 of the following calendar year. In accordance with Texas state law and generally accepted accounting standards, Fair Oaks Ranch adopts a balanced budget for each fiscal year. The budget process includes multiple phases, each of which requires a joint effort by government leaders and City staff. The budget is the financial plan and policy statement for the fiscal year of operations that matches all planned funding sources and expenditures with the program of services desired by residents of the City.

Strategic Action Plan (SAP)

- **Development of Departmental Strategic Plan Drafts (February)**
Based off of the goals set forth by the Council, each department head reviews and begins developing departmental Strategic Plans and operational program changes that support their strategic plan for the upcoming budget cycle. During this time, department heads review the programmed equipment replacement schedules, and meet with Human Resources to begin discussions of program changes for Full Time Equivalents.
- **Budget Workshop with City Staff (March)**
The Finance department meets with each department head to answer questions, help define strategic goals for the department and determine how those goals fit into the overall SAP.
- **Department Heads Meet with the City Manager (May)**
Once the department heads have a working version of their strategic plan, they meet one-on-one with the City Manager to review their plans and goals for the upcoming fiscal year.

Budget Estimates

- **City Manager and Finance Develop a Baseline Budget (March)**
- **Budget Orientation (March)**
The City Manager and Finance department hold a budget orientation meeting with City staff to discuss the economic condition of the City and its effects on the budget. A review of the Strategic Action Plan occurs. The calendar and operations for the upcoming budget cycle are reviewed. Department heads begin to draft budget requests for the upcoming year. A standardized approach for budgeting operational costs occurs. Operational budgets for each department are defined separately from strategic projects. One-time expenditures are identified, and large one-time expenditures and Strategic Action Projects are budgeted in separate Capital Projects Funds.

Budget Development

- **Preliminary Tax Rolls Received (April)**
The City Manager along with the Finance Director determine the guidelines for the department heads to use in preparing their budgets based on the estimated values and potential tax rate scenarios for the coming fiscal year.
- **Budget Requests Submitted & Reviewed (April)**
Each department aligns its Strategic Action Plan with operational and strategic project budget requests and submits these requests to the Finance department for evaluation and compilation.
- **Budget Review Sessions with City Manager (June)**
Staff meet with the Finance department and City Manager to evaluate progress on continuing priorities, discuss new programs to be included in the budget, and re-evaluate each department's operational and SAP budget requests for the upcoming fiscal year.
- **Council Budget Work Sessions (June and July)**
The City Council holds budget work sessions in order to discuss the draft budget. Citizens are invited, but no public testimony is allowed at the work session meetings.
- **Certified Tax Rolls Received (July/August)**
The Finance department incorporates these numbers and delivers a proposed budget to the City Manager for review. The final proposed budget is discussed, and any concerns are addressed.

Budget Presentation, Consideration and Adoption

Once the Council has completed its work sessions and review, the steps for the budget presentation, consideration, and adoption follow Texas Local Government Code as well as Truth in Taxation Laws.

- **The City Manager files the Proposed Budget with the City Secretary (August)**
- **The City holds a Public Hearing on the proposed budget and tax rate to receive citizen feedback on the proposals. (September)**



- Council Adopts the FY 2023-24 Annual Budget and Tax Rate (September)
- FY 2023-24 Annual Budget is Published (September)
- Budget is Amended if Necessary (After the fiscal year has begun)

Supplemental Appropriations: If, during the fiscal year, the City Manager certifies that there are appropriation revenues in excess of those estimated in the budget, the Council may make supplemental appropriations for the year up to the amount of such excess.

Transfer of Appropriations: At any time during the fiscal year, the City Manager may transfer part or all of any unencumbered appropriation balance among programs within a fund.

Upon written request by the City Manager, the Council may, by ordinance, transfer part or all of any unencumbered appropriation balance from one Fund to another, or make an adjustment to a restricted fund.

Budget Overview

The proposed overall budget is \$19.1 million and includes a 2.86 cents reduction in the property tax rate while focusing on:

- Improving public safety by funding crucial equipment upgrades and body cameras
- Investing in IT upgrades and cybersecurity priorities
- Reducing roadway maintenance costs to external vendors by adding a dedicated maintenance technician and fog-seal equipment
- Continuing funding for capital infrastructure projects
- Investing in employee benefit programs and training to ensure that the City of Fair Oaks Ranch remains competitive
- Improving communications to residents by including physical mailers
- Managing continued inflationary pressures with no service level reduction
- Maintaining an operating reserve in accordance with City Policy

Tax Rate

The City's proposed budget for fiscal year 2024 includes a 2.86 cents reduction in the property tax rate. The budget lowers the tax rate from \$0.3291 per \$100 of valuation to \$0.3005 per \$100. Last year, the City Council approved a tax freeze exemption for qualifying disabled persons. This year will be the first that the City will experience a valuation decrease from this freeze.

Sales Tax Revenue

Sales tax revenue has plateaued and the expectation is for very modest to no growth over the next year. This trend will be watched closely to see if sales tax revenue shows signs of returning to pre-COVID levels, as online sales decline and residents return to brick and mortar shopping.

Public Safety Investments

The budget for FY 2023-24 reflects the City's prioritization of citizen safety and welfare by supporting new public safety equipment purchases, a body camera lease, much needed upgrades to existing equipment, a new stipend for officers who work the night shift, and a change to the hierarchical structure of the department; the addition of a Corporal rank. These investments will help to increase retention as well as improve the safety and welfare of the officers, in turn increasing their ability to serve the community more effectively.

Asset Maintenance Investment

The budget for FY 2023-24 includes a full-time maintenance technician position which will be dedicated to roadway improvements. The funding of this position will be offset by a decrease in the Annual Roadway Maintenance budget. The budget also includes the addition of a utility technician to assist with the maintenance and repair of our water/wastewater infrastructure, ensuring the safety and reliability of these crucial systems.

Strategic Action Plan and Funding for Capital Improvements

Capital Improvement projects represent \$1.3M of the FY 2023-24 budget. Included are projects for the water utility, drainage, streets and one of the City's fire stations. The capital project funding reflects the City Council's strategic focus on implementing the approved Roadway, Drainage, and Water and Wastewater Capital Improvement Plans and includes projects in both the General Fund Budget and the Utility Budget.

Supporting our Employees

For FY 2023-24, the City remains committed to investing in its most important asset, its employees. The goal is to support and retain current employees, while attracting new talent. This budget includes the following:

- Generous benefit options
- 2.5% wage adjustment in accordance with the Council approved Classification and Compensation Study
- Merit pay increases for qualified individuals
- Dedicated training funds to provide continuing education and advancement opportunities



Inflationary Pressures

This budget includes increases in expenditure budget lines that have been most impacted by the continued rise in the inflation rate, including fuel and electricity.

On the revenue side, the rising inflation rate and cost of electricity have impacted the franchise fee collections and interest revenue. An increase in franchise fee revenue for power companies and in interest revenue is reflected in the FY 2023-24 budget.

Planning for the Future

The FY 2023-24 budget includes a transfer to the General Fund operating reserve to maintain a 6-month level in compliance with City policy, and a transfer to General Fund and Utility Fund Equipment Replacement Funds to save for future capital replacements.

Priorities for the Upcoming Budget Year

Operational Priorities

Operational priorities are included within individual departmental budgets in either the Governmental Funds or the Utility Funds. The primary focus of this year's budget is to continue to increase external services and improve infrastructure and facilities, while maintaining a commitment to uphold competitive compensation and benefits.

Governmental

- Enhanced Annual Street Maintenance Program
- Continued improvements to citizen communications and engagement
- Important Information Technology improvements
- New equipment requests
- Wage adjustments for all employees

Utility

- Continued repair and maintenance of aging infrastructure
- New equipment requests
- Wage adjustments for all employees

Strategic Priorities & Projects

The following are the strategic priorities and projects to be addressed within the next 12 months. Priorities are categorized as strategic when they qualify as non-operational, or may span over multiple budget years. Strategic Project costs are included within one of the City's three Strategic and Capital Funds (Governmental, Water, or Wastewater).

Pillar 3: Reliable and Sustainable Infrastructure	
Enhance & Ensure Continuity of Reliable Water Resources in Accordance with CCN Obligations	
Well 27 Electrical and Add Variable Frequency	\$60,000
Well 31 Electrical and Add Variable Frequency	\$60,000
Well 25 Electrical and Add Variable Frequency	\$60,000
Well 28 Electrical and Add Variable Frequency	\$60,000
Enhance & Ensure Continuity of Reliable Drainage Improvement Initiatives	
Drainage Project #41 Triple Crown	\$64,829
Drainage Project #35 Chartwell	\$245,000
Enhance & Ensure Continuity of Reliable Roadways	
Dietz Elkhorn Roadway Reconstruction	\$309,235
Dietz Elkhorn Sidewalk Project	\$300,000
Pillar 4: Public Health and Safety	
Develop a Long-Term Strategy for Continuity of Fire Services	
Fire Station #3 Upgrades	\$150,000

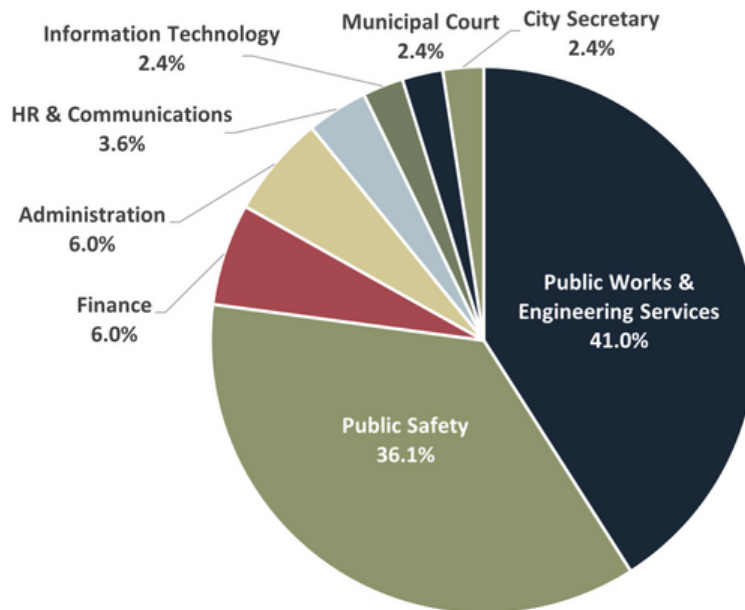
City of Fair Oaks Ranch Budgeted Staffing (FTE)

<u>Department</u>	<u>FY19-20</u>	<u>FY 20-21</u>	<u>FY 21-22</u>	<u>FY 22-23</u>	<u>FY 23-24</u>
Administration	5	5	5	5	5
Public Works & Engineering Services	29	29	31	32	34
Public Safety	28	28	28	30	30
Finance	6	5	5	5	5
Information Technology	0	2	2	2	2
Municipal Court	2	2	2	2	2
HR & Communications	2	2	3	3	3
City Secretary	2	2	2	2	2
Total FTE	74	75	78	81	83

For Fiscal Year 2023-24, the City has invested in 2 new positions (FTE):

- 1 Maintenance Technician that will be dedicated to roadway maintenance, the cost of which is offset by a reduction in the budget for outside vendor roadway work. This employee will be added to the Public Works department.
- 1 Utility Technician added to the Public Works department to assist with the maintenance of the Water and Wastewater systems.

Full Time Equivalents (FTE) by Department



Strategic Action Plan

Purpose of the Strategic Action Plan

The Strategic Action Plan acts as a planning and budgeting tool that guides the annual development of the City's budget. In support of the City's overall Vision and Mission, certain citizen-driven service expectations and risk mitigation strategies were identified, some of which will span the next 5-7 years. The City of Fair Oaks Ranch is in a period of dynamic change as it matures to build-out over the next decade. The purpose of the Strategic Action Plan is to keep the City of Fair Oaks Ranch on the desired course during this time of change and beyond. Five (5) foundational focus areas called "Pillars" were first defined, and then were detailed into priorities on which to focus for the next 5-7 years. City Council reviews progress towards initiatives, and analyzes specific projects for inclusion in the budget process on an annual basis. Performance measures were developed by staff as a means to align operations with the Council's Pillars and Priorities.

Vision

To offer the ideal place to call home in the hill country, guided by strong community values and responsible growth, that provides residents of all ages a place to relax and reconnect.

Mission

To deliver exceptional public services, preserve the natural beauty of our City, protect and promote quality of life, and foster community engagement.

The Strategic Action Planning Process

The Strategic Action Plan is reviewed each year as part of the budget process to reflect changing priorities and to provide a framework for identifying financial requirements in the upcoming budget cycle. Priority projects are identified; costs are estimated; and possible funding sources are acknowledged. Recommended projects are reviewed by the City Manager and presented to City Council for final approval along with the annual budget.

Costs included in the Strategic Projects

Both the Governmental and Enterprise Funds have Strategic and Capital Projects Funds. The Strategic Projects Funds qualify as Capital Improvement Project Funds for purposes of GASB reporting. The Funds include public physical improvements to be constructed with estimated resources available to finance the projected expenditures, as well as large expenditures for building foundational tools in the City's Growth Management, Operational Excellence and Risk Mitigation frameworks.

Capital and Strategic Projects coordinate directly with the Strategic Action Plan and typically qualify as non-operational, or may span over multiple budget years. Non-operational costs are typically associated with one-time projects that are not annually recurring, or meet the capitalization thresholds as defined by the City's financial management policy.

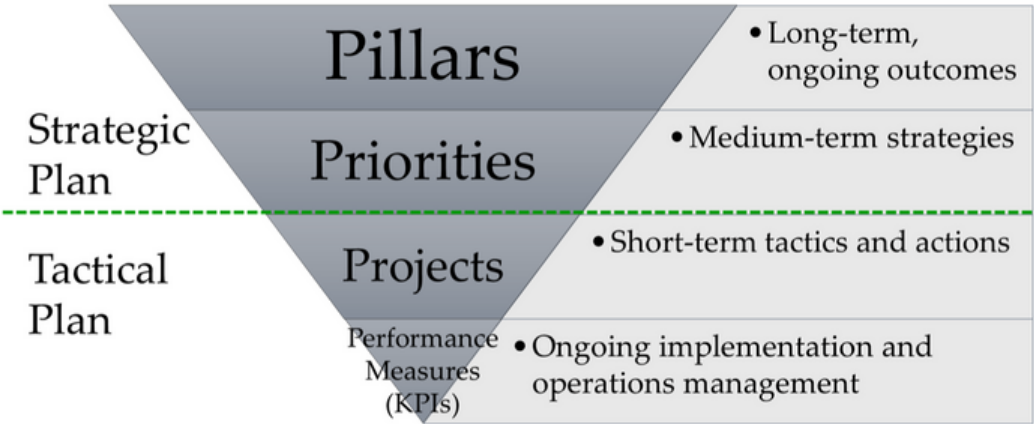
The Governmental Strategic Projects Fund includes non-utility, non-operational projects such as streets, drainage, master planning and general government facilities. Typically, these projects will be funded via general obligation bonds, certificates of obligation, tax revenue, or other financing methods. On the Utility Fund side, there are two separate Capital Projects Funds, one for water, and one for wastewater. These Utility Capital Projects Funds include utility non-operational projects for water and wastewater infrastructure, capital planning, and utility facilities. Typically, utility projects will be funded via user fees, certificates of obligation, long-term debt, or other financing methods.

Coordination with Outside Entities

While the City of Fair Oaks Ranch installs and maintains a significant number of capital projects within its jurisdiction, there are numerous other entities responsible for infrastructure in the area. Bexar County, Kendall County, Comal County, the Texas Department of Transportation (TxDOT), San Antonio Water System (SAWS), the Guadalupe-Blanco River Authority (GBRA) are just a few of the other partners that play a critical role in building and maintaining the infrastructure in the area surrounding the City of Fair Oaks Ranch. This plan is limited to projects that the City contributes funding for through the City's budget.



Strategic Plan Hierarchy



Strategic Pillars and Priorities

	Financial Resilience and Responsibility Securing Fair Oaks Ranch's future involves strengthening the city's financial condition by implementing strong management strategies within the organization. This priority also involves risk mitigation, and identifying funding strategies to support City goals and initiatives.	Strategic Priority Areas · Budget Processes · Long -Range Forecasting · Risk Inventory and Mitigation · Sustainable Financing Strategies · Financial Reporting Reliability · Modernize ERP
	Responsible Growth Management Based on the Comprehensive Plan, the City will be experiencing significant growth over the next several years. The City and its leadership need to be active participants in addressing regional issues and planning efforts. The City also needs to be represented and visible at all legislative levels.	Strategic Priority Areas · Comprehensive Plan · Infrastructure Master Plans · Mobility & Multi-modal Connectivity · Proactive Place Making · Environmental Sustainability
	Reliable and Sustainable Infrastructure Based on projected residential growth and local demand for resilient streets and utilities, the construction and maintenance of high-quality public infrastructure is a priority.	Strategic Priority Areas · Water Continuity · Wastewater Continuity · Drainage Continuity · Roadway Continuity · City Facility Continuity
	Public Health and Safety Ensuring the safety of the public continues to be among our highest priorities; this means hiring and training quality first responders and working to ensure continuity of 3rd party provided services.	Strategic Priority Areas · Police Services Continuity · Fire Services Continuity · EMS Continuity · Community Outreach · Municipal Court Best Practices
	Operational Excellence Government must have an awareness of citizens' needs while striving to provide the level of services that citizens desire. This can be achieved by managing the price of government, introducing innovative business practices, hiring quality employees, and leveraging partnerships to save resources.	Strategic Priority Areas · HR Programs · Communication Strategy · Service Expectations · IT Continuity and Master Plan · Interlocal Partnerships

Pillar 1 : Financial Integrity

Priority Areas and Projects

Citizen-driven mandates include remaining a bedroom community with very little commercial activity. This lack of revenue diversification leaves the City highly dependent on property taxes, which represent over 69% of General Fund revenue as compared to the average Texas City's 36%. As the City transitions toward buildout, it will be essential for citizens to comprehend the long-term financial impacts associated with funding services that reflect the values of the community through a programmed dependency on residential property taxes. This dependency combined with the City's aging infrastructure requires a strong focus on financial integrity in the next several years as the City develops a 5-10 year financial plan.

PROJECT STATUS LEGEND	
 	Project Planning Phase
 	Funds budgeted for this project
 	Project Completed/Operational
 	Project Cancelled

FINANCIAL RESILIENCE AND RESPONSIBILITY PRIORITY AREAS AND PRO.		2023	2024	2025	2026	2027	2028
1.1: Develop and Maintain a Budget process that links with the Strategic Action Plan							
1.1.2	Implement sustainable recurring budget/SAP process and procedures						
1.1.4	Redesign Enterprise Budget Process and Rate Model						
1.1.6	Implement a strategic planning, reporting, and monitoring system (NEW)						
1.1.7	Develop and track Key Performance Indicators (NEW)						
1.2: Develop a 5-Year Forecast							
1.2.1	Develop 5-year Revenue and Operational Projections						
1.2.3	Develop 5 Year CIP projections						
1.2.4	Develop and integrate staffing plan into the long-term financial plan (NEW)						
1.2.5	Integrate Capital Improvements Plan funding into the long-term financial plan (NEW)						
1.2.6	Integrate the Utility Fund into the long-term financial plan (NEW)						
1.3: Develop a Risk Inventory and mitigation strategies							
1.3.2	Develop a Risk Inventory for operational risks						
1.3.3	Implement internal controls for financial and operational risks						
1.3.4	Complete a risk management audit to ensure compliance with risk mitigation strategies (NEW)						
1.4: Develop Sustainable Financing Strategies aligned with service delivery expectations							
1.4.4	Update Water Impact Fee Study						
1.4.5	Update Wastewater Impact Fee Study						
1.4.8	Negotiate and update new franchise fee agreements for reliability and cost recovery						
1.4.9	Develop a sustainable and equitable Water Rate						
1.4.10	Develop a sustainable and equitable Wastewater Rate						
1.4.11	Develop a long-term capital and debt financing plan						
1.5: Ensure continuity and excellence of Financial Reporting Reliability							
1.5.1	Evaluate and update fund balance and reserve policies						
1.5.6	Review and Update Financial Management Policies						
1.6: Implement Procurement Function							
1.6.2	Establish Procurement Policy to include purchases, credit card purchases, employee reimbursables, etc.						
1.6.3	Implement Purchase Order Process in Incode and create Citywide SOP						
1.6.4	Formalize process for contracts execution and compliance						
1.7: Modernize Enterprise Resource Planning System (NEW)							
1.7.1	Conduct Strengths, Opportunities, Aspirations, and Results (SOAR) Analysis						
1.7.2	Identify current system resources and redundancies						
1.7.3	Identify and evaluate current ERP platform and alternatives						
1.7.4	Select and implement modern ERP System						

Pillar 2 : Responsible Growth Management

Priority Areas and Projects

Based on the Comprehensive Plan, the City will experience significant growth over the next several years. The City and its leadership need to be active participants in addressing regional issues and planning efforts. The City also needs to be represented and visible at all legislative levels.

PROJECT STATUS LEGEND	
 	Project Planning Phase
 	Funds budgeted for this project
 	Project Completed/Operational
 	Project Cancelled

RESPONSIBLE GROWTH MANAGEMENT PRIORITY AREAS AND PROJECTS		2023	2024	2025	2026	2027	2028
2.1: Manage the physical development of the city in accordance with the Comprehensive Plan							
2.1.1	Update International Family of Building and Life Safety Codes (every 3 years)						
2.1.2	Update Comprehensive Plan and Unified Development Code						
2.1.3	Develop and implement turnkey planning and development procedures guide						
2.1.5	Expand Fire Inspection and ultimately Fire Marshall roles						
2.1.8	Review future land use map (NEW)						
2.1.9	Identify and participate in regional development committees and initiatives (NEW)						
2.1.10	Identify staffing and training resources to manage the development process (NEW)						
2.1.11	Integrate small commercial opportunities into the Comprehensive Plan to diversify tax base (NEW)						
2.1.12	Evaluate and update the transportation plan for the city and surrounding area (NEW)						
2.2: Implement and update Infrastructure Master Plans							
2.2.4	Evaluate and update Master Plans (Waster, Wastewater)						
2.2.5	Evaluate and update Comprehensive Plan and UDC						
2.2.6	Evaluate and update Master Plans (Drainage)						
2.3: Enhance Local Mobility and Multimodal Connectivity							
2.3.3	Improve Access to Preserve and Park						
2.3.5	Institute a multimodal transportation committee to identify needs and opportunities (NEW)						
2.3.6	Revise development and multimodal development and design standards (NEW)						
2.4: Align Strategies with alternative funding sources							
2.4.1	Develop City Sponsored Application for Gateway Infrastructure *Contingent on MDD approval						
2.4.5	Align and update Civic Center Agreement between City and MDD						
2.5: Develop, Implement and Update Environmental Sustainability Programs							
2.5.2	Develop and Implement a Water Conservation program						
2.5.4	UDC Requirements for New Developments (Tree Preservation, Open Space, Conservation)						
2.5.6	Develop and Implement Tree preservation and Oakwilt Assessment Program						
2.5.7	Review wildlife education, preservation and management strategies (NEW)						
2.5.8	Establish partnerships with outside entities for conservation initiatives (NEW)						

Pillar 3: Reliable and Sustainable Infrastructure

Priority Areas and Projects

The City of Fair Oaks Ranch is over 30 years old and is beginning to see the aging of its infrastructure and systems. Several master plans have been developed over the past three years, including master water and wastewater plans, drainage plans, and a pavement assessment plan. The result of these plans was a path forward over the next several years of critically important infrastructure updates as outlined below and within the adopted Capital Improvement Plans.

		PROJECT STATUS LEGEND					
		Project Planning Phase					
		Funds budgeted for this project					
		Project Completed/Operational					
		Project Cancelled					
RELIABLE AND SUSTAINABLE INFRASTRUCTURE PRIORITY AREAS AND PROJECTS		2023	2024	2025	2026	2027	2027
3.1: Enhance and Ensure Continuity of Reliable Water Resources in Accordance with CCN Obligations							
3.1.0	Develop project criticality chain and funding plan (Water CIP)						
3.1.15	Evaluate and ensure water supply availability and continuity in accordance with adopted master plans						
3.1.17	Develop a long-term water improvement plan for fire protection utilizing Master Plan						
3.2: Enhance and Ensure Continuity of Reliable Wastewater Treatment in Accordance with CCN Obligations							
3.2.0	Develop project criticality chain and funding plan (Wastewater CIP)						
3.3: Enhance and Ensure Continuity of Reliable Drainage Improvement Initiatives							
3.3.0	Develop project criticality chain and funding plan (Drainage CIP)						
3.3.1	Establish a programmed and systematic approach for Drainage Improvements from Master Plan (CIP)						
3.4: Enhance and Ensure Continuity of Reliable Roadway Improvement Initiatives							
3.4.1	Develop Roadway Master Maintenance and Rehabilitation Capital Improvement Plan						
3.4.2	Assess annual road maintenance program						
3.4.3	Conduct long-term road condition analysis (traffic studies, PCI, etc.)						
3.4.4	Evaluate, Implement and maintain a road rehabilitation plan						
3.5: Enhance and Ensure Continuity of Reliable City Facilities							
3.5.2	Develop a City Facilities Master Plan						
3.5.3	Develop a Citywide space plan						
3.5.4	City Hall Renovation-Construction						
3.5.5	Plan and construct a civic center						
3.5.6	City Hall Renovation - Equipment and Furniture						
3.5.7	Develop a replacement program for assets crucial to city operations (i.e. generators) (NEW)						

Pillar 4: Public Health, Safety and Welfare

Priority Areas and Projects

Maintaining a high level of service from the City's Police, Fire, and EMS has been indicated as a priority to the City's residents. Additionally, as the relationship between our service providers for Fire and EMS evolves, the City must be in a position to continue to provide superior services.

		PROJECT STATUS LEGEND						
		Project Planning Phase	Funds budgeted for this project	Project Completed/Operational	Project Cancelled			
PUBLIC HEALTH AND SAFETY PRIORITY AREAS AND PROJECTS		2023	2024	2025	2026	2027	2027	
4.1: Enhance and Ensure Continuity of Police Services								
4.1.6	Develop a standards of cover and utilization study							
4.1.7	Implement findings from standards and utilization study							
4.1.8	K9 Additional Unit							
4.1.9	Review Organizational Structure to Ensure Continuity of Leadership							
4.1.10	Develop a formal officer recognition program/event to boost morale							
4.2: Develop a Long-Term Strategy for Continuity of Fire Services								
4.2.1	Develop a standards of cover and utilization study							
4.2.2	Implement findings from standards and utilization study							
4.2.3	Update and renew service agreements with fire service providers (NEW)							
4.2.4	Fire Station #3 Phase 2 Upgrades (NEW)							
4.3: Develop a Long-Term Strategy for Continuity of Emergency Medical Services								
4.3.1	Develop a standards of cover and utilization study							
4.3.2	Implement findings from standards and utilization study							
4.3.3	Update and renew service agreements with emergency medical service providers (NEW)							
4.4: Enhance and Maintain Public Safety Community Outreach Initiatives								
4.4.1	Develop a School Resource Officer Program to provide security and promote communication with schools							
4.5: Establish a Formal Emergency Response Plan								
4.5.1	Develop an incident command hierarchy							
4.5.2	Develop and document a Continuity of Operation Plan							
4.5.3	Ensure senior staff is properly certified/trained for EOC (NIMS/ICS)							
4.5.4	Ensure City Council is properly educated on the emergency response plan and its role (NEW)							
4.6: Review and update Municipal Court best practices (NEW)								
4.6.1	Review and implement court security upgrades							
4.6.2	Determine advantages and applicability of a court of record							
4.6.3	Streamline Judge and Prosecutor case flow processes - Municipal Court							
4.6.4	Enhance online services for case management and customers - Municipal Court							

Pillar 5: Operational Excellence

Priority Areas and Projects

Maintaining a high level of customer service is a core function. The City operates through a multitude of service providers and plays a critical role in directly providing municipal services along with supporting and coordinating many others. The City most often serves as the first point of contact for residents and businesses.

The City's ambitious vision and mission cannot be implemented without highly skilled, trained, and motivated people. Ensuring the highest degree of effectiveness and customer service at all levels is an utmost priority. Providing facilities and resources to ensure a productive work environment and encourage a culture of innovation and creative problem-solving is key. Providing effective two-way communications with residents is essential. As the City experiences change and growth in the coming years, it will be important to develop a sustainable atmosphere of trust and transparency within the community.

OPERATIONAL EXCELLENCE PRIORITY AREAS AND PROJECTS		PROJECT STATUS LEGEND						
		Project Planning Phase	Funds budgeted for this project	Project Completed/Operational	Project Cancelled			
		2023	2024	2025	2026	2027	2027	
5.1: Evaluate and Implement key HR Programs that Promote Organizational Design and Development								
5.1.1	Evaluate and Update Compensation and Benefit Plans inclusive of Public Safety							
5.1.2	Evaluate and Update Employee Handbook (Legal)							
5.1.3	Evaluate, Update and Develop Talent Management Processes/Programs							
5.1.4	Evaluate and Implement technology to improve efficiency within HR (NeoGov)							
5.1.5	Research and Design Learning and Development Training Programs							
5.1.6	Review and Update Performance Evaluation Processes							
5.1.7	Research and Implement Recruitment and Retention Policies (NEW)							
5.1.8	Develop a long-term plan for staffing needs (NEW)							
5.2: Develop and Implement a Proactive Communication Strategy								
5.2.1	Create, coordinate, and lead Strategic Communication efforts							
5.2.2	Develop Brand Identity and Credibility							
5.2.3	Create Opportunities for Resident Engagement and Participation							
5.2.4	Provide Transparent and Timely Communication to Media and Public							
5.2.5	Ensure a Well-Informed City Workforce							
5.2.6	Design and Construct a City Gateway Feature (NEW)							
5.3: Evaluate and Update Service Delivery Expectations and Best Practices								
5.3.2	Develop and implement a records management plan							
5.3.3	Develop and implement digitization program for city records							
5.3.3b	3rd Party Scanning of City Records							
5.3.10	Implement agenda management program							
5.3.11	Evaluate and implement Public Information Request software programs							
5.3.12	Implement Fuel Station for City Fleet Vehicles							
5.5: Evaluate and Update IT Infrastructure, Software, and Security								
5.5.1	Define and Develop and Implement Core components of the IT master Plan							

City of Fair Oaks Ranch 5-Year Financial Plan



FIVE-YEAR
FINANCIAL PLAN

FY 2024-2028



FIVE-YEAR FINANCIAL PLAN

Long term planning is essential to the stability and sustainability of every city. The City of Fair Oaks Ranch has had a Strategic Plan for several years now but has not had a tool to weigh the impact of various assumptions beyond the immediate annual budgeting process. Developing a five-year financial plan is a key piece of the planning process. The plan projects revenues, expenditures and other factors that will have impacts on our financial health given specified assumptions. This five-year financial plan will help staff address the long-term objectives and priorities set forth by the City Council and provide a guide for future decision making. This planning model looks at future trends, assesses areas of potential trouble, and helps the City develop tools to achieve our goals and vision while maintaining our fiscal health.

The Baseline Scenario estimates future revenues and expenditure trends using assumptions with high probability and likelihood. The basis for this model is the FY 2022-23 Adopted Budget less one-time revenues and expenditures.



Figure 1: Planning and Budgeting Cycle

Scenarios

This model can generate alternative scenarios by taking the baseline and adding a variety of "what if" assumptions such as amending the capital improvements plan (CIP), incorporating debt for high-priority projects, adding new programs, and adjusting for inflation, salary and benefits changes, and more. The more reasonable or likely the assumption, the more useful the scenario will be for future planning.

This planning model is not a static document. It will be updated regularly, and the assumptions will shift with the economic and programmatic trends that impact our revenues and expenditures. The model is not meant to predict exactly what will happen in the future. However, it is intended to provide an outcome *given a certain set of assumptions*. It is one tool of many that can guide the Council when making policy decisions for the future of the City.

BASELINE SCENARIO

The planning model begins with a Baseline Scenario, which uses assumptions that we can ascertain with reasonable certainty using conservative assumptions. The Baseline Scenario uses the Adopted FY 2022-23 Budget with the following assumptions going forward:

Expenditures

- No new employees throughout the forecast period
- Wage increases for all employees grow with a 2.0% cost of living adjustment and 2.5% merit increases per year
- Employer insurance premiums increase 5.0% per year
- All software subscriptions increase 5.0% per year
- All facility and engineering contracts increase 5.0% per year
- All other operational costs increase 2.0% per year
- No new capital or strategic projects not already approved in the CIP or strategic plan (SAP)
- No new equipment purchases except life-cycle replacements in the Equipment Replacement Fund

Revenue

- Property Taxes increase by the voter-approval rate, maximum rate of 3.5% per year
- Sales Tax revenue increases 3.0% per year
- Other revenue sources increase 1.5% per year

SCENARIO 1

Includes assumptions in the baseline scenario plus the following:

- Modifying the CIP/SAP project schedule to allow for Pay-As-You-Go (PAYGO) Funding without depleting the operating reserve to zero. This involves pushing the timeline for approved projects out to future years beyond the original scope of the CIP.

SCENARIO 2

Includes assumptions in the baseline scenario plus the following:

- Incorporating an \$18 million bond program disbursed in three tranches, with 20-year terms at 3.5% interest.

	BASELINE	SCENARIO 1	SCENARIO 2
Property tax increase 3.5%/yr.	X	X	X
Sales tax increase 3.0%/yr.	X	X	X
Salary increases 2.0% COLA+2.5% Merit/yr.	X	X	X
Health Insurance Premium increase 5.0%/yr.	X	X	X
Operational Costs increase 2.0%/yr.	X	X	X
Contract Services increase 5.0%/yr.	X	X	X
No new capital purchases	X	X	X
No new FTEs	X	X	X
Capital Projects in approved CIPs funded with cash	X	X	
Capital Projects in approved CIPs proceed on original timeline	X		X
Capital Schedule Adjusted by pushing projects to future years		X	
GO Bond to fund approved CIP Projects			X

Download the full document here: <https://www.fairoaksranchtx.org/DocumentCenter/View/5039/5-Year-Financial-Plan> 

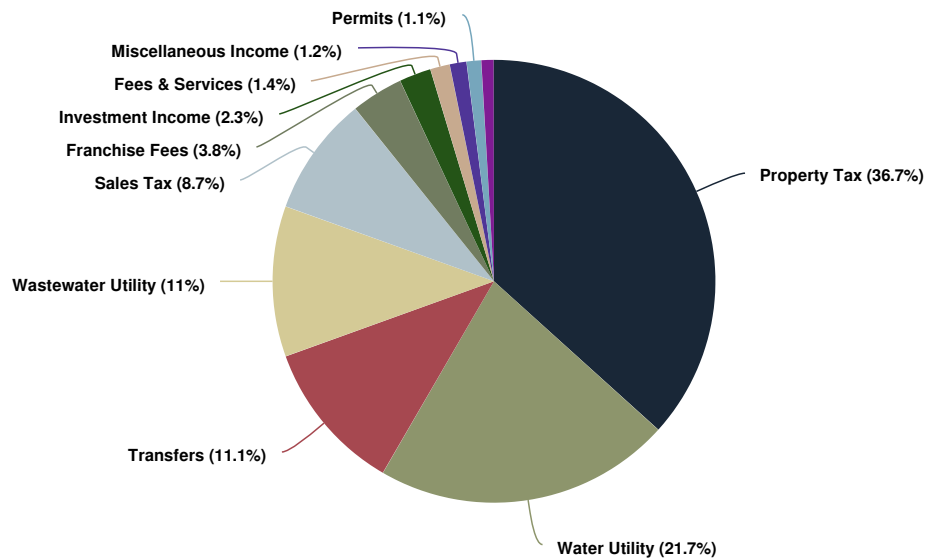
OVERVIEW OF REVENUE ASSUMPTIONS

Overview of Revenue Sources and Assumptions

Revenue is estimated based upon historical data, current economic conditions and other demographic data. The City's revenue budget estimation takes into consideration many unique elements that respond to a variety of external factors such as population growth, development, inflation, and interest rates. The City of Fair Oaks Ranch applies a conservative philosophy that will produce a long-term goal of neither overstating revenues nor understating expenditures. During our revenue estimation process, the City tries to consider as many factors as possible that may contribute to changes in revenues. The City of Fair Oaks Ranch obtains revenue from several sources, but relies heavily on residential property tax.

Total City Revenues by Source

Budgeted FY 2023-24 Total City Revenues by Source



Tax Revenue

Property Tax - 36.7% of Total City Revenue, 62.0% of General Fund Revenue:

The largest revenue source for the General Fund is ad valorem taxes, also known as property taxes. Through a rigorous 18-month comprehensive planning process, citizens overwhelmingly dictated that Fair Oaks Ranch should remain a bedroom community with few commercial areas. This plan, by design, leaves the City highly dependent on residential property taxes. The computation of the property taxes is based upon the taxable value of real and personal property. All property tax revenue is first applied to the debt service requirements. The remaining property tax revenue is used for the maintenance and operations of the General Fund.

For the Fiscal Year (FY) 2023-24, the total property tax rate will decrease by \$0.0286 per \$100 valuation from last year's total tax rate. The tax rate is determined based upon completion of the budget process, which entails projecting the expected revenue, determining the most efficient use of resources and expected levels of expenditures, while utilizing the tax rate required to balance the budget.

Tax year 2023 certified estimates of taxable values increased by about 11.8% or almost \$252 million in total, compared to the 2022 certified values. The growth represents an increase in certified valuations from \$2.14 billion to \$2.39 billion. New properties added to the tax roll in 2023 equate to about \$92.6 million.

Last year, the City increased property tax exemptions for residents over 65 from \$20,000 to \$50,000 and added a new exemption to qualifying disabled homesteads in the amount of \$50,000. These exemptions resulted in a reduction in the taxable valuation of approximately \$69 million.

The City is estimating to receive \$7.1 million in property tax revenue for FY 2023-24, \$6.5 million for M&O and \$539,997 for I&S.

Sales and Use Tax - 8.7% of Total City Revenue, 15.5% of General Fund Revenue:

Another large revenue source for the General Fund is Sales and Use Tax. Taxable sales had increased over the past few years primarily due to continued development and a shift to online purchasing, which generally sources sales tax to the purchaser's address. Online sales increased during the initial months of the pandemic, but have now plateaued and have been lower than anticipated for the current year. The City is projecting sales tax to decrease by 3.4% for FY 2023-24 over last year's budgeted amount. The City is estimating to receive \$1.7 million in sales tax revenue for FY 2023-24.

Fee, Permit and Miscellaneous Revenue

Utility Revenue - 32.7% of Total City revenues:

The City of Fair Oaks Ranch provides water and wastewater services to a portion of the residents. The City's overall customer base for its utility services has increased over the last few years due to new housing and commercial developments.

Transfers - 11.1% of Total City Revenues:

This category of revenue includes transfers between funds within the City (i.e. capital projects funds, vehicle replacement funds) which are used to fund programmed replacements and projects. The revenue in one fund will be offset by the corresponding expense in another fund.

Franchise Fees - 3.8% of Total City revenues:

The City also receives revenue from franchise fees. Franchise fees are collected from both public and private utilities and assessed for the continued use of the public right-of-way. Among these fees are: cable TV, telephone, electricity, solid waste, and gas. For FY 2023-24, the City is estimating to receive \$740,685 in franchise fees.

Permits - 1.1% of Total City revenues:

The source of this revenue includes fees charged by the City for new residential, general construction, and other miscellaneous permits. The City of Fair Oaks Ranch projects to receive \$209,075 for FY 2023-24, which is a 32.4% decrease from the prior year's budget. The primary driver for the decrease is the anticipated slow-down of development due to the number of available lots combined with a rise in interest rates and inflation.

Fees and Service Revenue - 1.4% of Total City revenues:

This section includes Fair Oaks Ranch Utilities Management Fee, credit card service fees, plat, and other miscellaneous fees charged for direct services. The City estimates to receive \$278,053 for fees and services in the upcoming fiscal year.

Municipal Court Fines and Fees - 0.91% of Total City revenues:

The projection for fines and fees is based on historical trends. The City estimates to collect \$176,465 for fines and fees in FY 2023-24. This projection is an increase of 0.09% over the prior year budget, and a 5.4% decrease over FY 2022-23 projected revenues.

Interest Revenue - 2.3% of Total City revenues:

Interest revenue is a fractional part of the total revenue for FY 2023-24 and is contingent on the total available cash balance of the City throughout the year. The City estimates to receive \$453,500 in interest in the governmental funds for the upcoming fiscal year. This is a large increase in projected revenue from the previous year's budget due to rising interest rates.

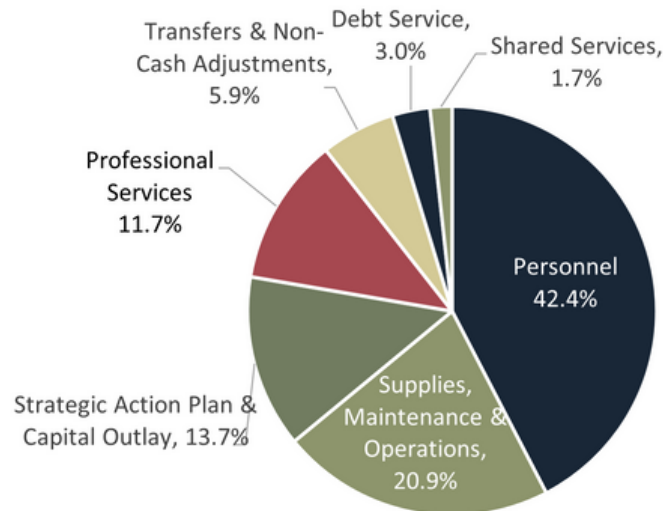
OVERVIEW OF EXPENDITURE ASSUMPTIONS

Overview of Expenditures and Assumptions

The City of Fair Oaks Ranch projects expenditures through a cost build-up approach based on historical data, economic data, and any other policy changes that might affect the expenditures for the fiscal year. The City's goal is to appropriate sufficient monies to provide quality services at a reasonable cost and within available financial resources.

Total City Expenditures by Category

Budgeted FY 2023-24 Total Expenditures by Category



Personnel Expenditures - 42.4% of Total City Expenditures:

Personnel expenditures include the salaries, insurance, taxes, retirement, and workers' compensation for all departments.

Supplies, Maintenance & Operations Expenditures - 20.9% of Total City Expenditures:

This category of expenditure includes in-house street maintenance, drainage work, vehicle maintenance and repairs, green space maintenance, building and equipment repairs, minor equipment, fuel and supplies/consumables.

Strategic Projects & Capital Outlay - 13.7% of Total City Expenditures:

Capital outlay includes the capital expenditures such as infrastructure and equipment, budgeted to be spent throughout all the funds.

Professional Services Expenditures - 11.7% of Total City Expenditures:

Professional services expenditures include consulting expenses, legal fees, dispatch and jail services, audits, election fees, investigations, training, technology/software, and reporting costs.

Transfers and Non-Cash Adjustments - 5.9% of Total City Expenditures:

This includes transfers to other funds within the City and depreciation on capital assets.

Debt Service Expenditures - 3.0% of Total City Expenditures:

Debt Service expenditures include the debt obligations due in FY 2023-24.

Shared Services Expenditures - 1.7% of Total City Expenditures:

Shared service expenditures include electricity, postage, phones, alarms, facility contracts and general liability insurance.



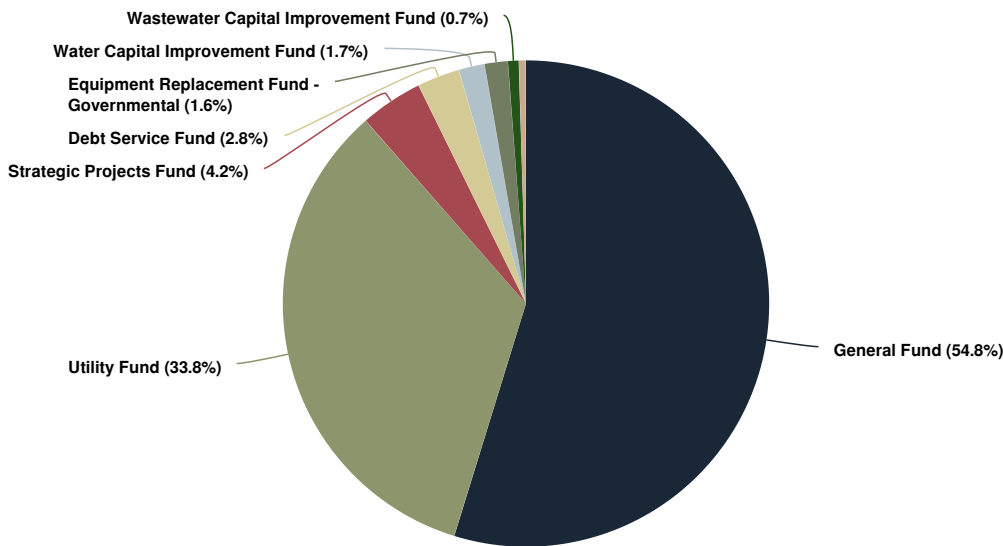
FUND SUMMARIES



Summary

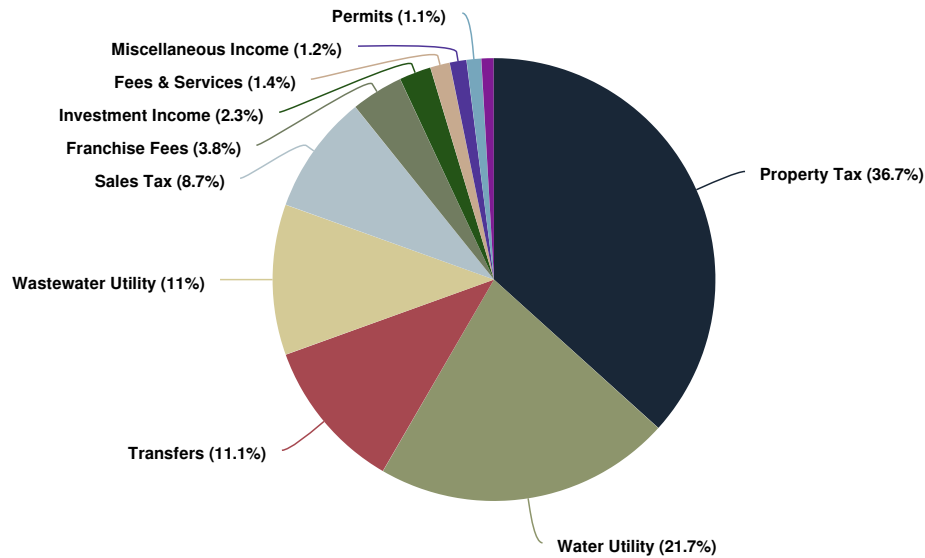
The City of Fair Oaks Ranch is projecting \$19.5M of revenue in FY 2023-24, which represents a 6.8% decrease over the prior year. Budgeted expenditures are projected to decrease by 16.72% or \$4M to \$20.1M in FY 2023-24.

Total City Revenue by Fund



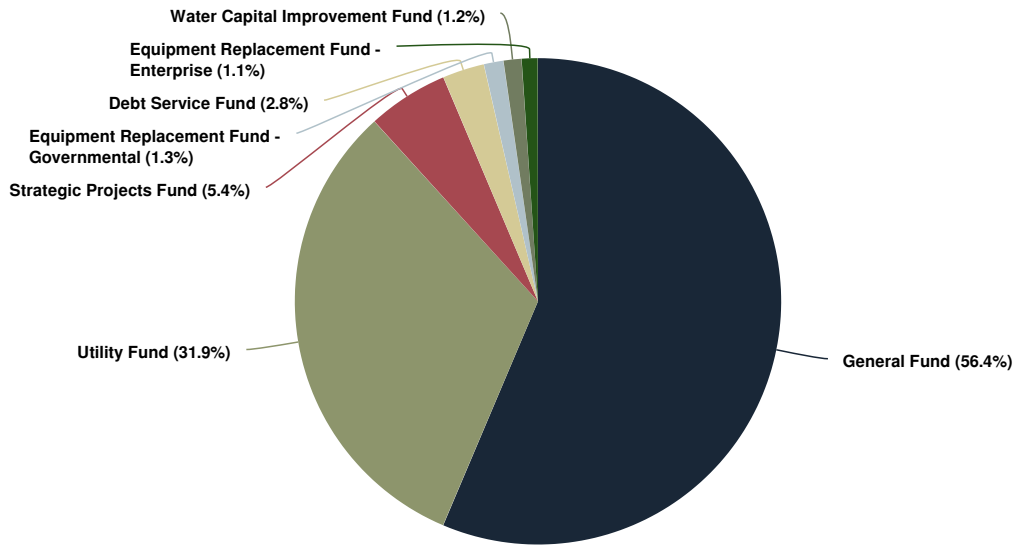
Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
General Fund	\$10,741,938	\$9,739,599	\$10,718,598	\$10,666,067
Strategic Projects Fund	\$1,236,222	\$3,442,995	\$3,442,995	\$813,526
Equipment Replacement Fund - Governmental	\$275,185	\$354,495	\$354,495	\$301,945
Debt Service Fund	\$557,906	\$554,268	\$569,410	\$549,497
Water Capital Improvement Fund	\$549,684	\$568,787	\$348,787	\$333,949
Wastewater Capital Improvement Fund	\$1,511,035	\$264,587	\$164,587	\$139,915
Equipment Replacement Fund - Enterprise	\$83,739	\$125,975	\$125,975	\$90,799
Utility Fund	\$7,915,967	\$5,841,605	\$6,235,833	\$6,575,696
Total:	\$22,871,676	\$20,892,311	\$21,960,680	\$19,471,394

Total City Budgeted Revenues by Source



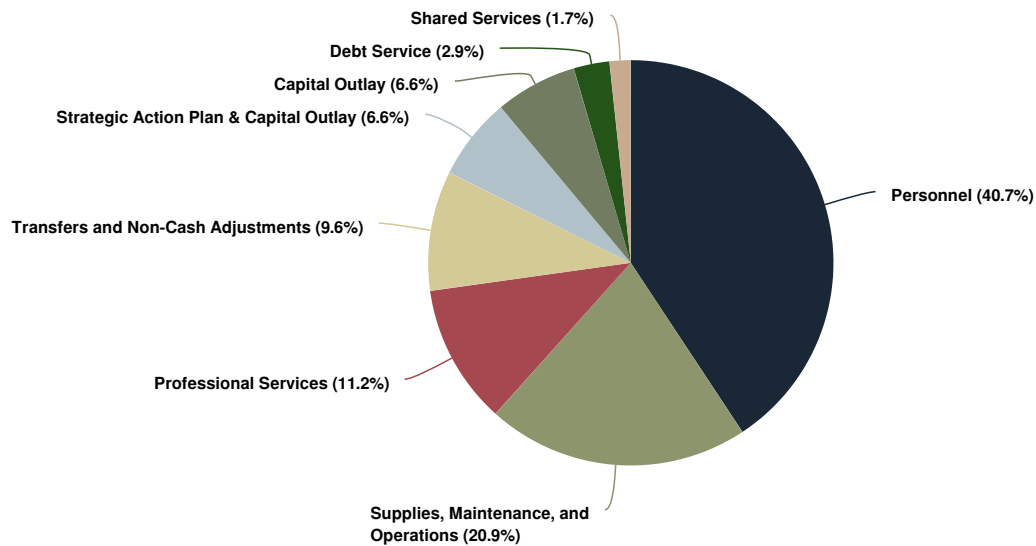
Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Revenue Source				
Property Tax	\$6,640,490	\$6,757,701	\$6,914,977	\$7,146,554
Sales Tax	\$1,603,934	\$1,758,683	\$1,651,283	\$1,700,071
Investment Income	\$80,335	\$73,000	\$554,500	\$453,500
Franchise Fees	\$761,408	\$692,050	\$757,550	\$740,685
Transfers	\$3,833,825	\$5,152,289	\$5,144,591	\$2,165,134
Permits	\$348,333	\$309,075	\$253,075	\$209,075
Animal Control	\$930	\$1,135	\$1,285	\$1,135
Fines & Forfeitures	\$174,573	\$176,300	\$186,550	\$176,465
Miscellaneous Income	\$1,313,852	\$123,020	\$393,104	\$237,526
Fees & Services	\$317,082	\$277,903	\$277,404	\$278,053
Water Utility	\$5,181,118	\$4,222,630	\$4,430,370	\$4,219,544
Wastewater Utility	\$2,615,796	\$1,348,525	\$1,395,991	\$2,143,652
Total Revenue Source:	\$22,871,676	\$20,892,311	\$21,960,680	\$19,471,394

Total City Expenditures by Fund



Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
General Fund	\$9,317,323	\$13,071,833	\$13,572,163	\$11,224,588
Strategic Projects Fund	\$901,851	\$3,485,543	\$4,437,400	\$1,069,064
Equipment Replacement Fund - Governmental	\$58,907	\$125,000	\$298,280	\$260,000
Debt Service Fund	\$549,585	\$552,530	\$552,530	\$553,563
Water Capital Improvement Fund	\$653,072	\$544,141	\$650,329	\$240,000
Wastewater Capital Improvement Fund	\$341,426	\$929,711	\$1,200,146	\$0
Equipment Replacement Fund - Enterprise	\$119,053	\$270,450	\$409,472	\$212,500
Utility Fund	\$7,054,246	\$5,214,662	\$4,706,174	\$6,348,343
Total:	\$18,995,462	\$24,193,870	\$25,826,494	\$19,908,059

Total City Budgeted Expenditures by Expense Type



Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Transfers and Non-Cash Adjustments	\$3,782,360	\$4,179,162	\$3,611,549	\$1,901,309
Personnel	\$6,406,102	\$7,674,944	\$7,289,789	\$8,108,368
Supplies, Maintenance, and Operations	\$3,930,459	\$4,268,118	\$4,919,200	\$4,162,536
Professional Services	\$1,927,720	\$1,838,844	\$2,009,613	\$2,219,765
Shared Services	\$213,904	\$226,227	\$214,709	\$332,828
Capital Outlay	\$266,553	\$474,900	\$921,478	\$1,304,111
Debt Service	\$572,016	\$572,280	\$572,280	\$570,077
Strategic Action Plan & Capital Outlay	\$1,896,348	\$4,959,395	\$6,287,875	\$1,309,064
Total Expense Objects:	\$18,995,462	\$24,193,870	\$25,826,494	\$19,908,059



Governmental Funds

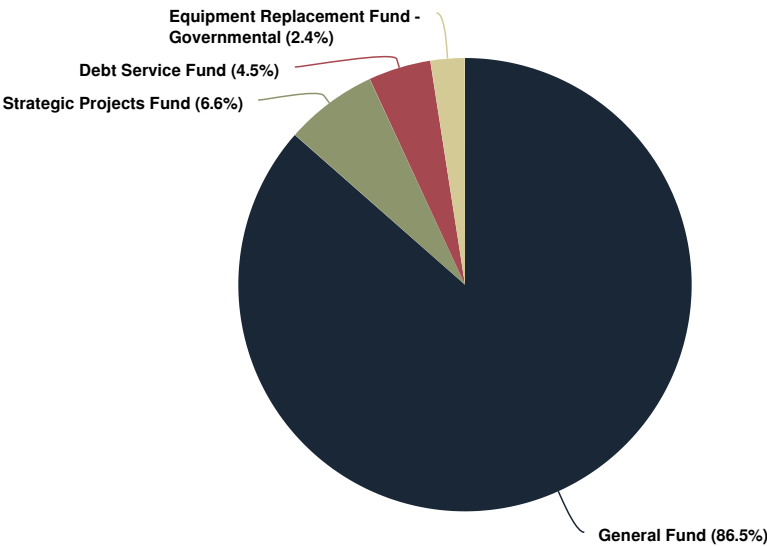
CONSOLIDATED GOVERNMENTAL FUNDS

Governmental funds are generally used to account for tax-supported activities. The City's governmental funds include the General Fund, which accounts for all financial resources not accounted for in some other fund, a Strategic Projects Fund, a Vehicle/Equipment Replacement Fund, and a Debt Service Fund.

Summary

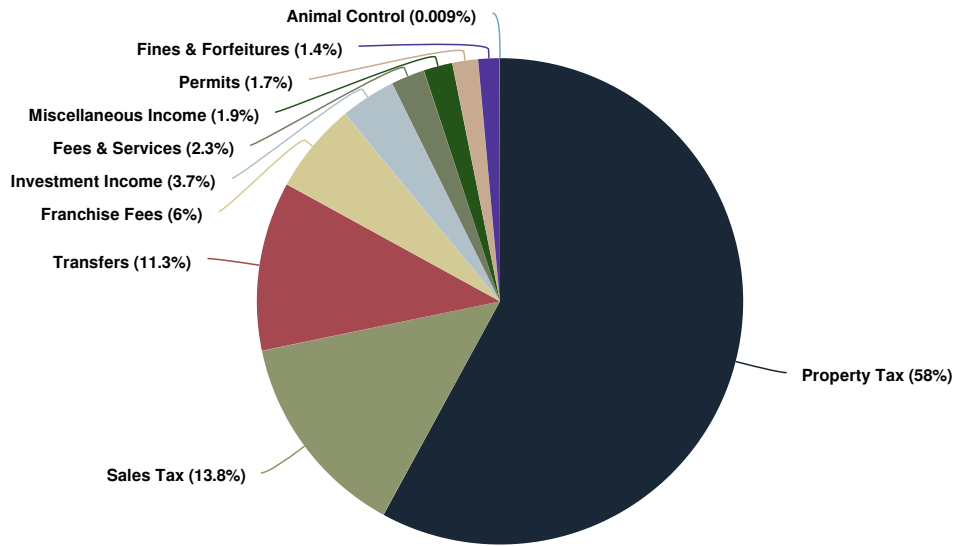
The City of Fair Oaks Ranch is projecting \$10.9M in revenue and \$1.4M in interfund transfers for a total of \$12.3M in revenue sources to the Governmental Funds. This is a 12.49% decrease over the prior year. The largest revenue source is ad valorem taxes, which comprise 58% of the total Governmental Fund revenue. Budgeted expenditures are projected to be \$11.7M and \$1.4M in interfund transfers for a total of \$13.1M in expenditures. This is a 23.95% decrease over prior year. The FY 2023-24 Capital Improvement Program includes \$1.1M in General Government expenditures for capital and strategic projects.

Governmental Revenue by Fund



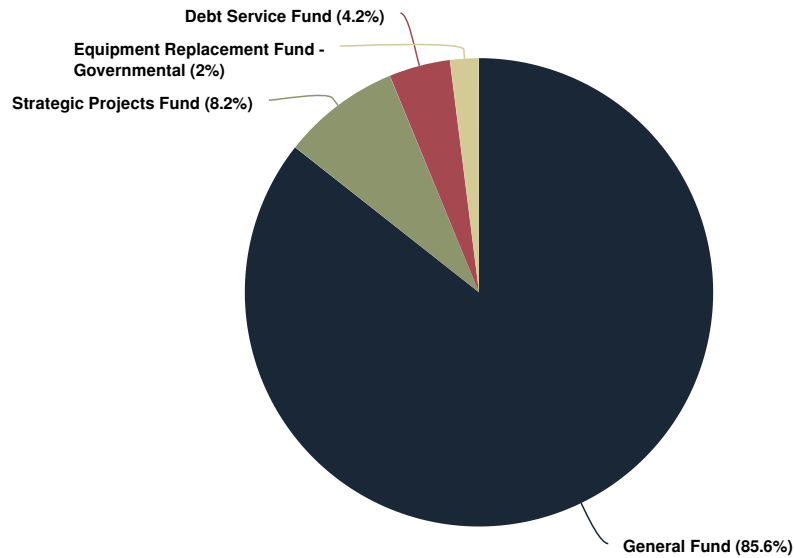
Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
General Fund	\$10,741,938	\$9,739,599	\$10,718,598	\$10,666,067
Strategic Projects Fund	\$1,236,222	\$3,442,995	\$3,442,995	\$813,526
Equipment Replacement Fund - Governmental	\$275,185	\$354,495	\$354,495	\$301,945
Debt Service Fund	\$557,906	\$554,268	\$569,410	\$549,497
Total:	\$12,811,251	\$14,091,357	\$15,085,498	\$12,331,035

Governmental Revenue by Source



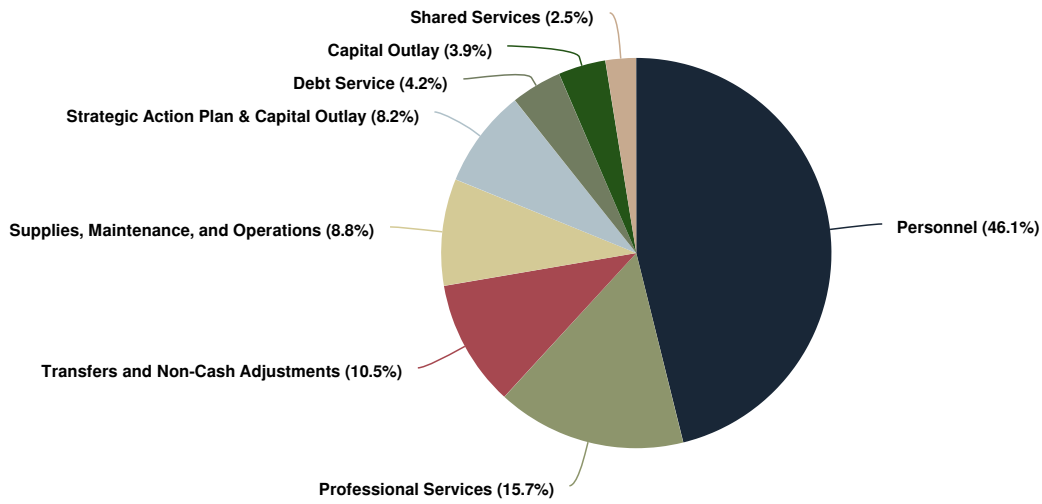
Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Revenue Source				
Property Tax	\$6,640,490	\$6,757,701	\$6,914,977	\$7,146,554
Sales Tax	\$1,603,934	\$1,758,683	\$1,651,283	\$1,700,071
Investment Income	\$80,335	\$73,000	\$554,500	\$453,500
Franchise Fees	\$761,408	\$692,050	\$757,550	\$740,685
Transfers	\$1,570,314	\$3,922,490	\$4,095,770	\$1,387,971
Permits	\$348,333	\$309,075	\$253,075	\$209,075
Animal Control	\$930	\$1,135	\$1,285	\$1,135
Fines & Forfeitures	\$174,573	\$176,300	\$186,550	\$176,465
Miscellaneous Income	\$1,313,852	\$123,020	\$393,104	\$237,526
Fees & Services	\$317,082	\$277,903	\$277,404	\$278,053
Total Revenue Source:	\$12,811,251	\$14,091,357	\$15,085,498	\$12,331,035

Governmental Expenditures by Fund



Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
General Fund	\$9,317,323	\$13,071,833	\$13,572,163	\$11,224,588
Strategic Projects Fund	\$901,851	\$3,485,543	\$4,437,400	\$1,069,064
Equipment Replacement Fund - Governmental	\$58,907	\$125,000	\$298,280	\$260,000
Debt Service Fund	\$549,585	\$552,530	\$552,530	\$553,563
Total:	\$10,827,666	\$17,234,906	\$18,860,373	\$13,107,215

Governmental Expenditures by Expense Type



Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Transfers and Non-Cash Adjustments	\$1,570,314	\$3,922,490	\$4,095,770	\$1,375,471
Personnel	\$4,710,417	\$5,734,360	\$5,485,923	\$6,046,964
Supplies, Maintenance, and Operations	\$1,208,898	\$1,387,774	\$1,838,665	\$1,159,111
Professional Services	\$1,514,155	\$1,729,032	\$1,786,751	\$2,056,103
Shared Services	\$213,904	\$226,227	\$214,709	\$332,828
Capital Outlay	\$158,542	\$196,950	\$448,625	\$514,111
Debt Service	\$549,585	\$552,530	\$552,530	\$553,563
Strategic Action Plan & Capital Outlay	\$901,851	\$3,485,543	\$4,437,400	\$1,069,064
Total Expense Objects:	\$10,827,666	\$17,234,906	\$18,860,373	\$13,107,215

Changes in Governmental Fund Balances

Fund balance is used to describe the net position of a governmental fund calculated in accordance with generally accepted accounting principals (GAAP). Fund balance is intended to serve as a measure of financial resources available in a governmental fund. At the end of each fiscal year, any unencumbered appropriation balances lapse and revert to the unassigned fund balance.

The total of all Government Fund balances on October 1, 2023 is estimated to be \$7.6 million, a decrease of \$3,774,875 from the previous year's total of \$11.3 million. The decrease is attributable to the City's response to addressing infrastructure needs as approved in the Capital Improvement Plans. The General Fund balance decreased \$2.9 million in unrestricted reserves from prior year surpluses to fund roadway and drainage capital projects. Additionally, the Strategic Projects Fund balance decreased \$1.0 million due to the continuation of projects.

The FY 2023-24 General Fund budget utilizes \$558,521 of fund balance for the continued investment in capital equipment and infrastructure improvements throughout the City.

The Fund Balance Policy of the General Fund is to maintain at least six months of operating expenses in unrestricted reserves, and all FY 2023-24 projected balances meet City Policy.

ESTIMATED FUND BALANCES FISCAL YEAR 2022-23

	Actual Beginning Funds 10/1/2022	Estimated Revenues and Other Sources FY 2022-23	Estimated Expenditures and Other Uses FY 2022-23	Estimated Ending Funds 9/30/2023	Estimated Change in Fund Balances FY 2022-23
Governmental Funds:					
General Fund	8,780,175	10,718,598	13,572,163	5,926,610	(2,853,565)
Strategic Projects Fund	1,407,555	3,442,995	4,437,400	413,150	(994,405)
Equipment Replacement Fund	1,089,047	354,495	298,280	1,145,262	56,215
Debt Service Fund	52,658	569,410	552,530	69,538	16,880
Total	11,329,435	15,085,498	18,860,373	7,554,560	(3,774,875)

PROJECTED FUND BALANCES FISCAL YEAR 2023-24

	Estimated Beginning Funds 10/1/2023	Budgeted Revenues and Other Sources FY 2023-24	Budgeted Expenditures and Other Uses FY 2023-24	Projected Ending Funds 9/30/2024	Projected Change in Fund Balances FY 2023-24
Governmental Funds:					
General Fund	5,926,610	10,666,067	11,224,588	5,368,089	(558,521)
Strategic Projects Fund	413,150	813,526	1,069,064	157,612	(255,538)
Equipment Replacement Fund	1,145,262	301,945	260,000	1,187,207	41,945
Debt Service Fund	69,538	549,497	553,563	65,472	(4,066)
Total	7,554,560	12,331,035	13,107,215	6,778,380	(776,180)



General Fund

GENERAL FUND

The General Fund is the primary operating fund of governmental activities for the City. It accounts for all financial resources except those required to be accounted for in another fund. The services provided within the General Fund include Public Safety, City Administration, City Secretary, Municipal Court, Public Works (Public Works, Streets, Building Maintenance, Fleet), Engineering Services (Development, Planning, Inspections), and Administrative Services (Finance, Purchasing, Human Resources, and Information Technology).

Summary

The City of Fair Oaks Ranch is projecting \$10.67M of revenue in FY 2023-24, which represents a 9.51% increase over the prior year. Budgeted expenditures are projected to decrease by 14.13% or \$1.8M to \$11.2M in FY 2023-24.

General Fund Revenues by Source

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Revenue Source				
Property Tax	\$6,082,993	\$6,204,433	\$6,350,067	\$6,600,557
Sales Tax	\$1,603,934	\$1,758,683	\$1,651,283	\$1,700,071
Investment Income	\$79,926	\$72,000	\$550,000	\$450,000
Franchise Fees	\$761,408	\$692,050	\$757,550	\$740,685
Transfers	\$58,907	\$125,000	\$298,280	\$272,500
Permits	\$348,333	\$309,075	\$253,075	\$209,075
Animal Control	\$930	\$1,135	\$1,285	\$1,135
Fines & Forfeitures	\$174,573	\$176,300	\$186,550	\$176,465
Miscellaneous Income	\$1,313,852	\$123,020	\$393,104	\$237,526
Fees & Services	\$317,082	\$277,903	\$277,404	\$278,053
Total Revenue Source:	\$10,741,938	\$9,739,599	\$10,718,598	\$10,666,067

General Fund Expenditures by Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Transfers and Non-Cash Adjustments	\$1,511,407	\$3,797,490	\$3,797,490	\$1,115,471
Personnel	\$4,710,417	\$5,734,360	\$5,485,923	\$6,046,964
Supplies, Maintenance, and Operations	\$1,208,898	\$1,387,774	\$1,838,665	\$1,159,111
Professional Services	\$1,514,155	\$1,729,032	\$1,786,751	\$2,056,103
Shared Services	\$213,904	\$226,227	\$214,709	\$332,828
Capital Outlay	\$158,542	\$196,950	\$448,625	\$514,111
Total Expense Objects:	\$9,317,323	\$13,071,833	\$13,572,163	\$11,224,588

Fund Balance

	FY2021	FY2022	FY2023	FY2024
Fund Balance	—	—	—	—
Unassigned	\$3,265,168	\$4,365,224	\$1,242,902	\$495,091
Assigned	\$3,885,321	\$4,275,321	\$4,555,322	\$4,738,120
Committed	\$0	\$0	\$0	\$0
Restricted	\$109,002	\$114,302	\$103,059	\$109,551
Nonspendable	\$96,070	\$25,328	\$25,328	\$25,328
Total Fund Balance:	\$7,355,561	\$8,780,175	\$5,926,611	\$5,368,090

General Fund Expenditures by Department

Name	FY 2022 Actual	FY 2023 Budgeted	FY 2023 Projected	FY 2024 Budgeted
Departments				
Mayor & Council	\$7,268	\$29,700	\$11,384	\$30,100
City Administration	\$668,343	\$702,201	\$630,756	\$718,468
City Secretary	\$199,507	\$249,361	\$244,687	\$288,688
HR & Communication	\$168,855	\$232,503	\$230,289	\$280,232
Finance	\$299,194	\$370,915	\$329,801	\$389,773
Information Technology	\$387,269	\$387,471	\$431,844	\$507,204
Municipal Court	\$218,920	\$283,126	\$307,196	\$251,974
Public Safety & Emergency	\$3,235,681	\$3,852,476	\$4,094,933	\$4,357,053
Maintenance	\$676,270	\$884,108	\$908,864	\$1,163,550
Building Codes	\$281,031	\$322,479	\$278,932	\$330,152
Engineering & Planning	\$1,503,785	\$1,638,950	\$1,705,714	\$1,514,104
Non-Departmental & Shared	\$1,671,201	\$4,118,543	\$4,397,763	\$1,393,290
Total Expenditures	\$9,317,323	\$13,071,883	\$13,572,163	\$11,224,588



Governmental Strategic Projects Fund

The Strategic Projects Fund (SAP Fund) qualifies as a Capital Improvement Project Fund for purposes of GASB reporting. The Fund includes public physical improvements to be constructed with estimated resources available to finance the projected expenditures, as well as large expenditures for building foundational tools in the City's Growth Management, Operational Excellence and Risk Mitigation frameworks.

Capital Improvements are defined as any expenditure of public funds for the purchase, construction, rehabilitation, replacement or expansion of the physical assets of the community when the project is relatively large in size, expensive, long-term and permanent.

The Governmental Strategic Projects Fund represents non-utility projects such as streets, master planning and general government facilities. Typically, these projects will be funded via general obligation bonds, certificates of obligation, tax revenue, or other financing methods.

Summary

The City of Fair Oaks Ranch is projecting revenue of \$813,526 in FY 2023-24, which represents a 76.37% decrease over the prior year budget. Budgeted expenditures are projected to decrease by 69.33% or \$2.41M to \$1.07M in FY 2023-24.

Revenues by Source

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Revenue Source				
Transfers	\$1,236,222	\$3,442,995	\$3,442,995	\$813,526
Total Revenue Source:	\$1,236,222	\$3,442,995	\$3,442,995	\$813,526

Expenditures by Expense Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Strategic Action Plan & Capital Outlay				
Strategic and Capital Projects				
CITY CIVIC CENTER		\$412,815	\$299,441	\$0
CITY CAMPUS RENOVATION	\$376,825	\$0	\$661,819	\$0
CHARTWELL & DIETZ INTERSECTION	\$352,393	\$0	\$98,126	\$0
ROLLING ACRES TRAIL PROJECT #5	\$14,262	\$606,000	\$250,000	\$0
SILVER SPUR TRAIL PROJECT #17	\$12,841	\$601,000	\$28,796	\$0
TIVOLI WAY PROJECT #34	\$23,428	\$456,000	\$1,200,000	\$0
TURF PARADISE LANE PROJECT #37		\$85,031	\$94,000	\$0
ROCKINGHORSE LANE PROJECT #61		\$0	\$29,609	\$0
BOND DEVELOPMENT PROGRAM	\$52,031	\$0	\$147,969	\$0
POST OAK TRAIL		\$875,000	\$875,000	\$0
DIETZ ELKHORN RECONSTRUCTION		\$245,915	\$300,000	\$309,235
DIETZ ELKHORN SIDEWALK		\$41,282	\$150,000	\$300,000
BATTLE INTENSE SIDEWALK		\$54,500	\$54,500	\$0
CHARTWELL LANE PROJECT #35			\$0	\$64,829
DELTA DAWN PROJECT #15			\$0	\$245,000
PS COMMAND STRUCTURE REVIEW	\$895	\$0	\$0	\$0
FIRE SERVICES PROGRAM REVIEW	\$1,128	\$18,000	\$73,775	\$0



Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
EMS PROGRAM REVIEW	\$1,128	\$0	\$0	\$0
FIRE STATION #3 UPGRADES			\$0	\$150,000
COMMUNICATIONS & MKTG STRATEGY	\$27,471	\$0	\$42,139	\$0
RECORDS MANAGEMENT	\$3,591	\$0	\$4,259	\$0
IT RISK ANALYSIS	\$24,835	\$0	\$0	\$0
CITY RECORDS DIGITIZATION		\$0	\$22,967	\$0
TICKETING W/ GIS COMPATIBILITY	\$10,498	\$0	\$0	\$0
CITY FLEET FUEL STATION		\$50,000	\$65,000	\$0
3RD PARTY SCANNING		\$40,000	\$40,000	\$0
PERSONAL PROPERTY	\$524	\$0	\$0	\$0
Total Strategic and Capital Projects:	\$901,851	\$3,485,543	\$4,437,400	\$1,069,064
Total Strategic Action Plan & Capital Outlay:	\$901,851	\$3,485,543	\$4,437,400	\$1,069,064
Total Expense Objects:	\$901,851	\$3,485,543	\$4,437,400	\$1,069,064

Fund Balance

	FY2021	FY2022	FY2023	FY2024
Fund Balance	—	—	—	—
Assigned	\$1,073,184	\$1,407,555	\$413,150	\$157,612
Total Fund Balance:	\$1,073,184	\$1,407,555	\$413,150	\$157,612



Governmental Vehicle and Equipment Replacement Fund

The Governmental Vehicle/Equipment Replacement Fund (ERF) is dedicated for the replacement of Governmental Fund capital items such as fleet vehicles and heavy equipment. The purpose of the fund is to ensure that adequate funds are available to purchase vehicles and equipment, to stabilize budgeting for major purchases, and to provide a systematic approach to procurement and disposition of the fleet.

Summary

The City of Fair Oaks Ranch is budgeting \$302K of revenue in FY 2023-24, which represents a 14.82% decrease over the prior year. Budgeted expenditures are increasing by 108% or \$135K to \$260K in FY 2023-24.

Governmental ERF Revenues by Source

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Revenue Source				
Transfers	\$275,185	\$354,495	\$354,495	\$301,945
Total Revenue Source:	\$275,185	\$354,495	\$354,495	\$301,945

Governmental ERF Expenditures by Expense Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Transfers and Non-Cash Adjustments				
General Expense				
Transfer to Other Funds	\$58,907	\$125,000	\$298,280	\$260,000
Total General Expense:	\$58,907	\$125,000	\$298,280	\$260,000
Total Transfers and Non-Cash Adjustments:	\$58,907	\$125,000	\$298,280	\$260,000
Total Expense Objects:	\$58,907	\$125,000	\$298,280	\$260,000

Fund Balance

	FY2021	FY2022	FY2023	FY2024
Fund Balance	—	—	—	—
Assigned	\$872,769	\$1,089,047	\$1,145,262	\$1,187,207
Total Fund Balance:	\$872,769	\$1,089,047	\$1,145,262	\$1,187,207





Governmental Debt Service Fund

The Governmental Debt Service Fund accumulates and makes payments of principal and interest on long-term debt secured by the general taxing powers of the City. Resources include an applicable portion of the ad valorem tax levy (I&S rate) and related interest income.

Debt Service Revenues by Source

The I&S rate for FY 2023-24 is \$.0229 per \$100 valuation, which is less than last year's rate of \$.0268 per \$100 valuation.

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Revenue Source				
Property Tax	\$557,497	\$553,268	\$564,910	\$545,997
Investment Income	\$409	\$1,000	\$4,500	\$3,500
Total Revenue Source:	\$557,906	\$554,268	\$569,410	\$549,497

Debt Service Expenditures by Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Debt Service	\$549,585	\$552,530	\$552,530	\$553,563
Total Expense Objects:	\$549,585	\$552,530	\$552,530	\$553,563

Fund Balance

	FY2021	FY2022	FY2023	FY2024
Fund Balance	—	—	—	—
Restricted	\$44,337	\$52,658	\$69,539	\$65,473
Total Fund Balance:	\$44,337	\$52,658	\$69,539	\$65,473



Utility Operating Funds

The Utility Fund is an Enterprise Fund of the City. Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. Services provided by the Utility Fund include utility administration, meter reading, water treatment and distribution, and wastewater collection and treatment. The fund's source of revenue is the charge for water and sewer services. Utility rates are set by the City Council.



Summary

The City of Fair Oaks Ranch is projecting \$6.58M of revenue in FY 2023-24, which represents a 12.57% increase over the prior year. Budgeted expenditures are projected to increase by 21.74% or \$1.1M to \$6.35M in FY 2023-24.

Projected Utility Fund Revenues by Source

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Revenue Source				
Transfers				
TRANSFER FROM EQUIP REPL FUND	\$62,998	\$114,750	\$201,848	\$110,000
TRANSFER FROM EQUIP REPL FUND	\$56,055	\$155,700	\$207,624	\$102,500
Total Transfers:	\$119,053	\$270,450	\$409,472	\$212,500
Water Utility				
WATER REVENUE RESIDENTIAL	\$3,774,441	\$2,852,897	\$3,052,897	\$2,928,832
WATER DEBT SERVICE	\$283,245	\$283,707	\$283,707	\$282,791
WATER CAPITAL	\$256,178	\$257,810	\$257,810	\$283,949
WATER REVENUE COMMERCIAL	\$159,633	\$179,592	\$169,592	\$168,665
WATER CONTRACT COMMERCIAL	\$172,604	\$177,360	\$177,360	\$177,354
WATER REVENUE NON POTABLE	\$78,477	\$18,691	\$18,691	\$77,500
WATER SERVICE CONNECT FEES	\$39,770	\$46,726	\$26,726	\$25,000
WATER PENALTIES	\$46,768	\$34,753	\$39,753	\$34,753
WATER IMPACT FEES	\$293,506	\$310,977	\$90,977	\$50,000
WATER INTEREST INCOME	\$29,150	\$24,000	\$181,000	\$150,000
WATER - BAD DEBTS	-\$27	-\$500	-\$1,848	-\$500
MISC./SPECIAL REQUESTS	\$103	\$500	\$90,615	\$500
THIRD PARTY REIMBURSEMENT	\$13,353	\$6,917	\$6,917	\$8,500
PERMITS/VARIANCES	\$1,175	\$1,200	\$700	\$1,200
CREDIT CARD SERVICE FEE	\$32,743	\$28,000	\$28,000	\$31,000
WATER SALE OF ASSETS		\$0	\$7,473	\$0
Total Water Utility:	\$5,181,118	\$4,222,630	\$4,430,370	\$4,219,544
Wastewater Utility				
SEWER REVENUE RESIDENTIAL	\$961,737	\$967,112	\$967,112	\$1,709,775
SEWER DEBT SERVICE	\$54,320	\$54,620	\$54,620	\$54,077
SEWER CAPITAL	\$97,305	\$97,842	\$97,842	\$107,915
SEWER REVENUE COMMERCIAL	\$4,418	\$4,418	\$4,418	\$58,345
SEWER SERVICE CONNECT FEE	\$25,900	\$31,248	\$21,248	\$23,000
SEWER PENALTIES	\$8,258	\$8,438	\$8,438	\$8,438
SEWER IMPACT FEES	\$193,727	\$166,745	\$66,745	\$32,000
SEWER INTEREST INCOME	\$25,913	\$18,000	\$175,000	\$150,000
SEWER BAD DEBT	-\$18	-\$250	-\$492	-\$250
SEWER GRANT REVENUE	\$1,244,133	\$0	\$0	\$0
MISC./SPECIAL REQUESTS	\$103	\$352	\$352	\$352
SEWER SALE OF ASSETS		\$0	\$708	\$0



Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Total Wastewater Utility:	\$2,615,796	\$1,348,525	\$1,395,991	\$2,143,652
Total Revenue Source:	\$7,915,967	\$5,841,605	\$6,235,833	\$6,575,696

Utility Fund Budgeted Expenditures by Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Transfers and Non-Cash Adjustments				
Water Utility				
WATER SERVICE DEPRECIATION	\$498,557	\$508,075	\$510,388	\$508,075
WATER ASSETS TRANSFER	-\$641,967	-\$666,391	-\$911,351	-\$792,500
Transfer to Water Cap Improvem	\$549,684	\$568,787	\$348,787	\$333,949
TRANSFER TO VEH/EQUIP REPL	\$56,032	\$66,735	\$66,735	\$49,866
Total Water Utility:	\$462,306	\$477,206	\$14,559	\$99,390
Wastewater Utility				
SEWER SERVICE DEPRECIATION	\$261,466	\$270,600	\$270,600	\$270,600
WASTEWATER ASSETS TRANSFER	-\$169,520	-\$1,085,411	-\$1,402,679	-\$237,500
Transfer to WW Capital Improve	\$1,511,035	\$264,587	\$164,587	\$139,915
TRANSFER TO VEH/EQUIP REPL	\$27,707	\$59,240	\$59,240	\$40,933
Total Wastewater Utility:	\$1,630,688	-\$490,984	-\$908,252	\$213,948
Total Transfers and Non-Cash Adjustments:	\$2,092,993	-\$13,778	-\$893,693	\$313,338
Personnel				
Water Utility				
WATER SERVICE OVERTIME	\$8,102	\$4,339	\$9,806	\$8,102
WATER SERVICE SALARIES	\$261,096	\$265,548	\$232,544	\$294,770
WATER SERVICE TAXES SOCIAL SECURITY	\$15,744	\$16,554	\$14,534	\$18,778
WATER SERVICE MEDICARE TAX	\$3,682	\$3,871	\$3,399	\$4,392
WATER SVC WORKERS COMP INSURAN	\$7,505	\$9,599	\$9,614	\$10,082
WATER SER TAXES - FUTA/SUTA	\$140	\$473	\$40	\$518
WATER SERVICE RETIREMENT	\$19,870	\$31,832	\$28,923	\$37,382
WATER SERVICE INSURANCE	\$48,734	\$52,364	\$45,178	\$60,093
WATER SERVICE OPEB	\$1,819	\$0	\$0	\$0
WATER SERVICE ALLOW FOR VACANCIES	\$0		\$0	-\$14,738
WATER ADMIN OVERTIME	\$181	\$181	\$411	\$186
WATER ADMINISTRATIVE SALARIES	\$389,286	\$450,057	\$418,377	\$465,943
WATER ADMIN. TAXES SOCIAL SECURITY	\$21,781	\$27,746	\$24,968	\$28,783
ADMIN. TAXES MCARE	\$5,132	\$6,489	\$5,872	\$6,759
W ADMIN. WORKERS COMP INSURANC	\$1,847	\$1,525	\$1,527	\$1,462
WATER ADMIN TAXES - FUTA/SUTA	\$81	\$504	\$51	\$504
WATER ADMIN. RETIREMENT	\$27,652	\$53,356	\$50,021	\$57,532
WATER ADMIN. INSURANCE	\$52,810	\$57,027	\$56,836	\$62,703



Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
WATER ADMIN OPEB	\$2,531	\$0	\$0	\$0
WATER ADMIN ALLOW FOR VACANCIES	\$0		\$0	-\$4,058
Total Water Utility:	\$867,994	\$981,465	\$902,103	\$1,039,193
Wastewater Utility				
WASTEWATER OVERTIME	\$9,116	\$4,432	\$10,778	\$8,430
SEWER SERVICE SALARIES	\$238,049	\$270,593	\$254,050	\$306,118
SEWER SERVICE TAXES SOCIAL SECURITY	\$14,757	\$16,892	\$16,161	\$19,502
SEWER SERVICE TAXES MCARE	\$3,451	\$3,951	\$3,780	\$4,561
SEWER SVC WORKERS COMP INSURAN	\$8,377	\$9,792	\$9,808	\$10,457
WW SERVICE TAXES - FUTA/SUTA	\$136	\$473	\$45	\$518
SEWER SERVICE RETIREMENT	\$18,236	\$32,483	\$31,586	\$38,823
SEWER SERVICE INSURANCE	\$39,252	\$44,798	\$38,568	\$51,630
SEWER SERVICE OPEB	\$1,669	\$0	\$0	\$0
SEWER SERVICE ALLOW FOR VACANCIES	\$0		\$0	-\$15,305
WASTEWATER ADMIN OVERTIME	\$181	\$181	\$411	\$186
SEWER ADMINISTRATIVE SALARIES	\$384,087	\$432,549	\$400,883	\$447,540
SEWER ADMIN. TAXES SOCIAL SECURITY	\$21,267	\$26,662	\$23,882	\$27,642
SEWER ADMIN TAXES MCARE	\$5,010	\$6,235	\$5,617	\$6,492
WW ADMIN WORKERS COMP INSURANC	\$1,322	\$1,468	\$1,470	\$1,407
WW ADMIN TAXES - FUTA/SUTA	\$78	\$477	\$49	\$477
SEWER ADMIN. RETIREMENT	\$27,032	\$51,270	\$47,934	\$55,261
SEWER ADMIN INSURANCE	\$53,196	\$56,863	\$56,743	\$62,530
SEWER ADMIN OPEB	\$2,474	\$0	\$0	\$0
SEWER ADMIN ALLOW FOR VACANCIES	\$0		\$0	-\$4,058
Total Wastewater Utility:	\$827,692	\$959,119	\$901,763	\$1,022,211
Total Personnel:	\$1,695,685	\$1,940,584	\$1,803,866	\$2,061,404
Supplies, Maintenance, and Operations				
Water Utility				
WATER SERVICE UNIFORMS	\$5,145	\$6,720	\$6,720	\$7,110
WATER POWER	\$191,985	\$140,000	\$170,000	\$150,000
MAINTENANCE OF PLANT/LINES	\$112,433	\$127,125	\$125,100	\$120,000
WATER ANALYSIS FEES	\$11,132	\$7,400	\$7,400	\$9,000
WATER CHEMICALS	\$5,375	\$3,200	\$4,200	\$3,500
WATER CITY MANAGEMENT FEE	\$209,258	\$161,427	\$170,927	\$167,618
WATER EQUIPMENT MAINTENANCE	\$19,938	\$13,875	\$13,875	\$15,900
WATER EQUIPMENT GAS & OIL	\$13,843	\$11,500	\$15,500	\$15,000
GBRA WATER FEES	\$1,205,020	\$1,425,536	\$1,527,447	\$1,557,453
WATER EQUIPMENT LEASE	\$1,337	\$690	\$1,380	\$1,000
WATER TOOLS & MINOR EQUIP	\$5,495	\$16,875	\$10,562	\$11,125
WATER SERVICE TRAINING	\$9,415	\$24,648	\$14,648	\$24,638
WATER UTILITIES & RADIO	\$23,118	\$21,897	\$21,897	\$27,705
WATER SIGNAL & TELEMETRY	\$162	\$0	\$34	\$1,536



Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
WATER BUILDING MAINTENANCE	\$4,881	\$9,630	\$9,630	\$11,380
SUPPLIES & CONSUMABLES	\$2,236	\$1,750	\$2,600	\$2,200
VEHICLE MAINTENANCE/REPAIR	\$3,858	\$6,500	\$6,500	\$6,500
WATER INVENTORY ADJUSTMENT	\$2,755	\$0	\$0	\$0
WTR ADM UTILITIES/ TELEPHONE	\$9,234	\$8,869	\$8,869	\$9,189
WATER DUES & PUBLICATIONS	\$669	\$1,822	\$1,822	\$2,281
WATER PERMITS & LICENSES	\$8,441	\$8,683	\$8,683	\$8,883
WATER GEN. LIABILITY INSURANCE	\$25,495	\$28,280	\$28,127	\$32,500
WATER OFFICE SUPPLIES	\$709	\$3,257	\$3,257	\$3,244
WATER TRAVEL & MEETINGS	\$750	\$4,000	\$2,500	\$4,250
WATER SOFTWARE & COMPUTER	\$84,720	\$122,820	\$209,571	\$202,267
RECORDING/REPORTING EXPENSES	\$627	\$500	\$500	\$500
WATER POSTAGE	\$595	\$938	\$938	\$938
WATER ADM BLDG/EQUIP MAINT	\$88	\$150	\$0	\$150
CONSERVATION EDUCATION		\$1,370	\$0	\$1,370
BILLING STATEMENT CHARGE	\$3,567	\$3,400	\$3,400	\$3,400
BILLING POSTAGE	\$8,890	\$8,500	\$8,500	\$8,500
COPIER LEASE	\$1,745	\$1,654	\$1,654	\$1,954
PUBLIC RELATIONS	\$2,937	\$4,000	\$4,431	\$4,000
EMPLOYMENT COSTS	\$324	\$1,480	\$1,480	\$1,330
EMPLOYEE APPRECIATION	\$3,228	\$5,108	\$5,108	\$5,231
WATER MISCELLANEOUS	\$226	\$250	\$0	\$250
CREDIT CARD SERVICE FEE	\$29,587	\$27,500	\$27,500	\$27,500
Total Water Utility:	\$2,009,219	\$2,211,354	\$2,424,760	\$2,449,401
Wastewater Utility				
SEWER SERVICE UNIFORMS	\$5,438	\$5,025	\$5,025	\$5,335
SEWER POWER	\$42,770	\$38,500	\$42,500	\$40,000
MAINTENANCE OF PLANT/LINES	\$64,643	\$65,000	\$62,975	\$50,000
SLUDGE DISPOSAL	\$323,451	\$225,000	\$187,193	\$25,000
SEWER ANALYSIS FEES	\$18,248	\$27,000	\$27,000	\$27,000
SEWER CHEMICALS	\$14,614	\$16,500	\$17,500	\$32,500
SEWER CITY MANAGEMENT FEE	\$48,308	\$48,576	\$48,576	\$88,406
SEWER EQUIPMENT MAINTENANCE	\$11,193	\$8,235	\$8,235	\$9,790
SEWER EQUIPMENT GAS & OIL	\$12,064	\$9,500	\$11,500	\$11,875
SEWER SVC EQUIPMENT LEASE	\$7,128	\$2,500	\$2,500	\$2,500
SEWER TOOLS & MINOR EQUIPMENT	\$3,887	\$13,575	\$13,575	\$10,250
SEWER SERVICE TRAINING	\$7,760	\$24,099	\$21,599	\$24,064
SEWER SVC UTILITIES & RADIO	\$21,455	\$20,171	\$20,171	\$26,005
SIGNAL & TELEMETRY	\$461	\$0	\$159	\$1,920
SEWER BUILDING MAINTENANCE	\$3,689	\$9,150	\$9,150	\$15,900
SUPPLIES & CONSUMABLES	\$2,912	\$1,650	\$3,150	\$2,500
VEHICLE MAINTENANCE/REPAIR	\$3,936	\$5,000	\$6,000	\$5,000
INVENTORY ADJUSTMENT	\$1	\$0	\$0	\$0



Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
SWR ADM UTILITIES/ TELEPHONE	\$9,412	\$7,830	\$7,830	\$8,130
SEWER DUES & PUBLICATIONS	\$1,044	\$2,027	\$2,027	\$2,324
SEWER PERMITS & LICENSES	\$1,684	\$3,493	\$3,493	\$3,693
SEWER GEN. LIABILITY INSURANCE	\$25,495	\$28,280	\$28,127	\$32,500
SEWER OFFICE SUPPLIES	\$873	\$2,256	\$2,256	\$2,244
SEWER TRAVEL & MEETINGS	\$697	\$4,000	\$2,000	\$4,250
SEWER SOFTWARE & COMPUTER	\$59,602	\$76,241	\$97,825	\$97,024
RECORDING/REPORTING EXPENSE	\$418	\$350	\$350	\$350
SEWER POSTAGE	\$548	\$600	\$600	\$600
SWR ADM BLD/EQUIP MAINTENANCE	\$88	\$150	\$0	\$150
BILLING STATEMENT CHARGES	\$3,567	\$3,500	\$3,500	\$3,500
BILLING POSTAGE	\$8,890	\$8,500	\$8,500	\$8,500
Copier Lease	\$1,745	\$1,654	\$1,654	\$1,954
PUBLIC RELATIONS	\$2,937	\$4,000	\$4,429	\$4,000
EMPLOYMENT COSTS	\$285	\$1,480	\$1,480	\$1,330
EMPLOYEE APPRECIATION	\$2,873	\$4,898	\$4,898	\$5,181
SEWER MISCELLANEOUS	\$226	\$250	\$0	\$250
Total Wastewater Utility:	\$712,342	\$668,990	\$655,776	\$554,024
Total Supplies, Maintenance, and Operations:	\$2,721,561	\$2,880,344	\$3,080,535	\$3,003,425
Professional Services				
Water Utility				
WATER PROFESSIONAL FEES	\$354,625	\$54,656	\$165,681	\$106,581
Total Water Utility:	\$354,625	\$54,656	\$165,681	\$106,581
Wastewater Utility				
SEWER PROFESSIONAL FEES	\$58,940	\$55,156	\$57,181	\$57,081
Total Wastewater Utility:	\$58,940	\$55,156	\$57,181	\$57,081
Total Professional Services:	\$413,565	\$109,812	\$222,862	\$163,662
Capital Outlay				
Water Utility				
WATER OPERATIONAL CAPITAL		\$35,500	\$96,761	\$257,500
WATER EQUIPMENT PURCHASES	\$62,998	\$86,750	\$168,910	\$295,000
Total Water Utility:	\$62,998	\$122,250	\$265,671	\$552,500
Wastewater Utility				
WASTEWATER OPERATIONAL CAPITAL	\$45,013	\$46,200	\$46,200	\$0
WASTEWATER EQUIPMENT PURCHASES		\$109,500	\$160,982	\$237,500
Total Wastewater Utility:	\$45,013	\$155,700	\$207,182	\$237,500
Total Capital Outlay:	\$108,011	\$277,950	\$472,853	\$790,000
Debt Service				
Water Utility				



Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
OB BOND INTEREST COST	\$18,842	\$16,590	\$16,590	\$13,872
Total Water Utility:	\$18,842	\$16,590	\$16,590	\$13,872
Wastewater Utility				
OB BOND INTEREST COST	\$3,589	\$3,160	\$3,160	\$2,642
Total Wastewater Utility:	\$3,589	\$3,160	\$3,160	\$2,642
Total Debt Service:	\$22,431	\$19,750	\$19,750	\$16,514
Total Expense Objects:	\$7,054,246	\$5,214,662	\$4,706,174	\$6,348,343

Fund Balance

The fund balance of the City's Utility consists mostly of its investment in capital assets, such as water and wastewater plants, distribution lines, machinery, vehicles and equipment. The fund balance of the Utility is expected to increase by \$227,353 or 1.6% in FY 2023-24.

	FY2021	FY2022	FY2023	FY2024
Fund Balance	—	—	—	—
Unassigned	\$3,936,411	\$4,306,593	\$3,273,106	\$2,929,134
Nonspendable	\$8,081,382	\$8,572,921	\$11,136,066	\$11,707,391
Total Fund Balance:	\$12,017,793	\$12,879,514	\$14,409,172	\$14,636,525



Water Strategic and Capital Fund

The Water Strategic and Capital Project Fund is used to account for financial resources, usually through internal funding from the Utility Operations Fund, to be used for the acquisition or construction of major capital facilities and strategic action plan projects for the water utility. The purpose of this fund is to separate costs that are considered non-operational, typically associated with one-time projects that are not annually occurring, or large projects which may span over multiple budget years.

Summary

The City of Fair Oaks Ranch is projecting \$334K of revenue in FY 2023-24, which represents a 41.29% decrease over the prior year. Budgeted expenditures are projected to decrease by 55.89% or \$304K to \$240K in FY 2023-24.

Revenues by Source

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Revenue Source				
Transfers	\$549,684	\$568,787	\$348,787	\$333,949
Total Revenue Source:	\$549,684	\$568,787	\$348,787	\$333,949

Expenditures by Expense Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Strategic Action Plan & Capital Outlay				
Water Utility				
N. ELEVATED STORAGE TOWER	\$5,310	\$0	\$50,000	\$0
PLANT 2 HYDRO TANK	\$547,297	\$0	\$7,065	\$0
CREEK CROSSING WEST WATERLINE	\$18,281	\$0	\$144,196	\$0
ELMO DAVIS UPGRADES		\$64,642	\$0	\$0
PLANT 5 EXPANSION		\$229,499	\$15,000	\$0
DEVELOP SCADA PROGRAM	\$43,215	\$0	\$0	\$0
WORK ORDER SYSTEM W/ GIS	\$631	\$0	\$0	\$0
WILLOW WIND/RED BUD HILL		\$0	\$70,705	\$0
OLD FREDERICKSBURG RD WATERLIN	\$8,080	\$250,000	\$291,920	\$0
ROLLING ACRES TRAIL		\$0	\$66,794	\$0
WELL 27 ELECTRICAL/VFD			\$0	\$60,000
WELL 31 ELECTRICAL/VFD			\$0	\$60,000
WELL 25 ELECTRICAL/VFD			\$0	\$60,000
WELL 28 ELECTRICAL/VFD			\$0	\$60,000
UTILITY RATE STUDY	\$19,930	\$0	\$4,649	\$0
WATER SYSTEM EPA RISK ASSESS	\$10,326	\$0	\$0	\$0
Total Water Utility:	\$653,072	\$544,141	\$650,329	\$240,000
Total Strategic Action Plan & Capital Outlay:	\$653,072	\$544,141	\$650,329	\$240,000
Total Expense Objects:	\$653,072	\$544,141	\$650,329	\$240,000

Fund Balance

The fund balance of the Water Strategic and Capital Fund is expected to increase 9% in FY 2023-24. These funds are derived from Impact Fees charged on new development in the water utility system as well as a Capital Projects Fee charged to water utility customers each month. These funds are assigned for capital improvements to the water utility system.

	FY2021	FY2022	FY2023	FY2024
Fund Balance	—	—	—	—
Assigned	\$1,443,116	\$1,339,728	\$1,038,186	\$1,132,135
Total Fund Balance:	\$1,443,116	\$1,339,728	\$1,038,186	\$1,132,135



Wastewater Strategic and Capital Fund

The Wastewater Strategic and Capital Project Fund is used to account for financial resources, usually through internal funding from the Utility Operations Fund, to be used for the acquisition or construction of major capital facilities and strategic action plan projects of the wastewater utility. The purpose of this fund is to separate costs that are considered non-operational, typically associated with one-time projects that are not annually occurring, or large projects which may span over multiple budget years.

Summary

The City of Fair Oaks Ranch is projecting \$140K of revenue in FY 2023-24, which represents a 47.12% decrease over the prior year. Budgeted expenditures are projected to decrease by 100% or \$930K to \$0 in FY 2023-24.

Revenues by Source

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Revenue Source				
Transfers	\$1,511,035	\$264,587	\$164,587	\$139,915
Total Revenue Source:	\$1,511,035	\$264,587	\$164,587	\$139,915

Expenditures by Expense Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Strategic Action Plan & Capital Outlay				
Wastewater Utility				
SOLIDS HANDLING	\$124,507	\$0	\$1,095,497	\$0
FUTURE WW TREATMENT PLANT	\$186,404	\$929,711	\$100,000	\$0
WORK ORDER SYSTEM W/ GIS	\$631	\$0	\$0	\$0
UTILITY RATE STUDY	\$19,930	\$0	\$4,649	\$0
WW SYSTEM EPA RISK ASSESSMENT	\$9,953	\$0	\$0	\$0
Total Wastewater Utility:	\$341,426	\$929,711	\$1,200,146	\$0
Total Strategic Action Plan & Capital Outlay:	\$341,426	\$929,711	\$1,200,146	\$0
Total Expense Objects:	\$341,426	\$929,711	\$1,200,146	\$0

Fund Balance

The fund balance is expected to increase \$139,915 or 11.5% in FY 2023-24. These funds are derived from Impact Fees charged on new development in the wastewater utility system as well as a Capital Projects Fee charged to wastewater customers each month. These funds are assigned for capital improvements to the wastewater system.

	FY2021	FY2022	FY2023	FY2024
Fund Balance	—	—	—	—
Assigned	\$1,087,394	\$2,257,004	\$1,221,445	\$1,361,360
Total Fund Balance:	\$1,087,394	\$2,257,004	\$1,221,445	\$1,361,360



Utility Vehicle and Equipment Replacement Fund

The Utility Vehicle/Equipment Replacement Fund (ERF) is dedicated for the replacement of Utility Fund capital items such as fleet vehicles and heavy equipment for all of the utilities. The purpose of this fund is to ensure that adequate funds are available to purchase vehicles and equipment, to stabilize budgeting for major purchases, and to provide a systematic approach to procurement and disposition of the fleet.

Summary

The City of Fair Oaks Ranch is projecting \$91K of revenue in FY 2023-24, which represents a 27.92% decrease over the prior year. Budgeted expenditures are projected to decrease by 21.43% or \$58K to \$212K in FY 2023-24.

Utility ERF Revenues by Source

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Revenue Source				
Transfers	\$83,739	\$125,975	\$125,975	\$90,799
Total Revenue Source:	\$83,739	\$125,975	\$125,975	\$90,799

Utility ERF Expenditures by Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Transfers and Non-Cash Adjustments				
General Expense				
TRANSFER TO WATER DIVISIO	\$62,998	\$114,750	\$201,848	\$110,000
TRANSFER TO WASTEWATER DIV	\$56,055	\$155,700	\$207,624	\$102,500
Total General Expense:	\$119,053	\$270,450	\$409,472	\$212,500
Total Transfers and Non-Cash Adjustments:	\$119,053	\$270,450	\$409,472	\$212,500
Total Expense Objects:	\$119,053	\$270,450	\$409,472	\$212,500

Fund Balance

	FY2021	FY2022	FY2023	FY2024
Fund Balance	—	—	—	—
Assigned	\$886,405	\$851,091	\$567,594	\$445,893
Total Fund Balance:	\$886,405	\$851,091	\$567,594	\$445,893

CITY DEPARTMENTS

Mayor & City Council



Mission Statement/Objectives

To serve as the legislative and policy-making body of the City. The Mayor and Council provide community leadership, adopt ordinances, plans, budgets and capital improvement programs that encourage citizen awareness and involvement, guide the delivery of high-quality municipal services, and preserve and protect the City's unique quality of life.

Scope of Services Summary

Fair Oaks Ranch is a home-rule city. The City Council consists of six Council Members and a Mayor, all of which vote on the issues brought before Council. All members of the Council are elected at-large and are limited to two consecutive, three-year terms. The City Council operates under the City of Fair Oaks Ranch Home Rule Charter, City ordinances and State law. The City Manager, City Attorney, Municipal Judge, City Secretary and Investment Officer are appointed by the City Council and operate under its guidance.

The City Council is the policy-making arm of city government. It has a wide variety of tasks which include approving the yearly budget of the City, appointing citizen advisory board and commission members, ordering regular and special elections, and setting the Strategic Plan for the City.

Recent Accomplishments

- Named the #4 Safest City in Texas
- Placed School Resource Safety Officers at both elementary schools
- Police Department conducted 7 Community Engagement events
- Police Department accreditation
- Finance department awarded all 3 GOFA awards, earning the Triple Crown designation
- Completed upgrades to Water Plant #2
- Continued annual street maintenance improvements
- Prepared for reconstruction of Post Oak Trail
- Installed Screw Press system into wastewater treatment plant
- Developed and approved plans for future wastewater treatment plant
- Replaced major water line crossing Balcones Creek
- Completed realignment of Chartwell Lane
- Initiated road reconstruction in Enchanted Oaks
- Repaired Battle Intense Sidewalk
- Completed engineering design for Tivoli Way stormwater project
- Initiated drainage reconstruction on Turf Paradise and Rocking Horse Lanes
- Conducted winter storm disaster brush clean up
- Completed the City Hall renovation
- Conducted quarterly Town Hall meetings
- Installed signs signifying Fair Oaks Ranch is a Purple Heart City
- Conducted a great 4th of July fireworks show and celebration
- Significantly increased social media posting and notifications to residents
- Updated the City's Unified Development Code

Departmental Goals

- Provide quality municipal services while maintaining fiscal responsibility
- Protect the health, safety, and welfare of the citizens
- Identify and promote the long-term strategic objectives for the City

Expenditures Summary

\$30,100 **\$400**
(1.35% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Supplies, Maintenance, and Operations				
General Government				
UNIFORMS		\$350	\$350	\$350
COMMITTEE - COMMUNICATIONS	\$199	\$500	\$82	\$500
COMMITTEE - PLANNING & ZONING	\$58	\$500		\$500
COMMITTEE - BOARD OF ADJ	\$203	\$500		\$500
URBAN WILDLIFE		\$500		\$500
COMMITTEE - AUDIT		\$500		\$500
Total General Government:	\$460	\$2,850	\$432	\$2,850
Total Supplies, Maintenance, and Operations:	\$460	\$2,850	\$432	\$2,850
Professional Services				
General Government				
DUES/SUBSCRIPTIONS	\$2,944	\$2,800	\$3,068	\$3,200
TRAINING/SEMINARS & TRAVEL		\$7,000	\$2,000	\$7,000
MEETINGS & RELATED TRAVEL	\$3,415	\$11,800	\$4,300	\$11,800
PUBLIC RELATIONS & EVENTS	\$449	\$5,250	\$1,585	\$5,250
Total General Government:	\$6,808	\$26,850	\$10,953	\$27,250
Total Professional Services:	\$6,808	\$26,850	\$10,953	\$27,250
Total Expense Objects:	\$7,268	\$29,700	\$11,385	\$30,100

Administration



Scott Huizenga
Interim City Manager

Mission Statement/Objectives

To preserve and continually improve the unique hill country quality of life for Fair Oaks Ranch residents and businesses through a proactive partnership approach that facilitates city management *with* the community rather than city management *for* the community.

Scope of Services Summary

As the top appointed official of Fair Oaks Ranch, the City Manager provides management of the day-to-day activities of the City, and is responsible for implementing and executing the policies established by the elected City Council. The City Manager provides executive leadership to the organization and staff and communicates organizational goals and values to the public. In addition, the City Manager ensures a strong financial condition for the City, provides strategic guidance, and promotes citizen engagement and governmental transparency.

The Assistant City Manager for Administrative Services is highly responsible for developing the City's strategic action plan, implementing and executing policies as established by the City Council, and overseeing the Finance, IT, Court and HR and Communications departments.

The Assistant City Manager for Community Services portfolio includes planning and zoning, building permits, code compliance, engineering services, utilities, street maintenance and other contract services. This position oversees the Maintenance, Building Codes, Engineering and Planning, Water and Wastewater departments.

The administrative clerks are the first point of contact for citizen information regarding City services, programs and events. They also collect fees, issue various permits and licenses, and offer free notary service to City residents for non-business documents.

The "Big Picture" opportunity for the City of Fair Oaks Ranch is, and will continue to be, managing growth and enhancing the quality of life for the citizenry. The focus of the City must be on developing and maintaining an "achievable" Strategic Plan that represents the interests of residents and business owners (current and future), while maintaining the integrity of an implementation strategy that is coordinated, equitable, predictable, and delivers the most "bang for the buck." City Management must be effective in communicating and soliciting service delivery expectations from the citizenry based on existing resource allocations.

As the City moves towards build-out, delivery of service challenges will evolve. These challenges encompass everything from infrastructure (water, wastewater, drainage, mobility, open space, etc.), to police and fire. It is essential for City Management to continue to be a proactive supporter of the City Council's ongoing effort to formulate and administer policies and controls that reflect the values of the community and maintain the integrity of the municipal service delivery function.

Departmental Goals

- Conduct the City's operations in an efficient and responsible manner
- Develop effective master planning to ensure the City is well positioned now, and for the future
- Effectively communicate with citizens, businesses, other governmental entities, and stakeholders
- Provide exceptional customer service and effective administration of services

Budgeted Staffing

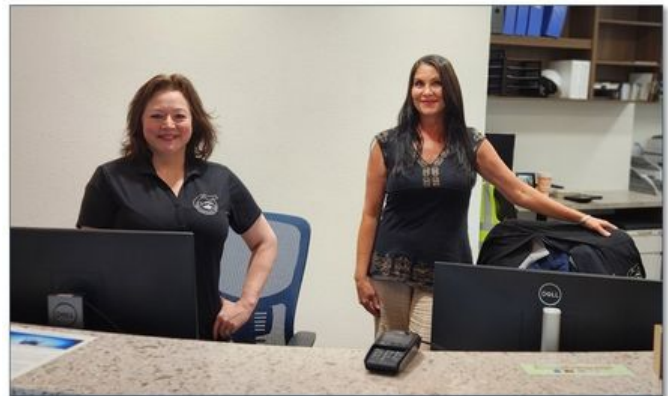
Title	2020-21	2021-22	2022-23	2023-24
City Manager	1	1	1	1
Assistant City Manager-Administrative Services	1	1	1	1
Assistant City Manager-Community Services	1	1	1	1
Administrative Clerk	2	2	2	2
Total Funded Staffing	5	5	5	5



Scott Huizenga, Interim City Manager



Carole Vanzant, Assistant City Manager
Community Services



Administrative Clerks, Veronica and Lilianna

Expenditures Summary

\$718,468
\$16,267
 (2.32% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Personnel				
OVERTIME	\$47	\$111	\$21	\$119
SALARIES	\$400,189	\$446,314	\$412,311	\$472,019
TAXES - SOCIAL SECURITY	\$21,509	\$27,611	\$23,051	\$26,986
TAXES - MEDICARE	\$5,731	\$6,457	\$6,018	\$6,846
TAXES - FUTA/SUTA	\$241	\$306	\$31	\$306
WORKERS' COMP INSURANCE	\$703	\$1,460	\$1,462	\$1,424
RETIREMENT	\$47,595	\$53,095	\$50,132	\$58,274
HEALTH INSURANCE	\$35,507	\$39,172	\$32,557	\$33,807
CAR ALLOWANCE	\$7,200	\$7,200	\$7,200	\$7,200
ALLOWANCE FOR VACANCIES				-\$2,918
Total Personnel:	\$518,723	\$581,726	\$532,783	\$604,063
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$651	\$650	\$900	\$650
MINOR EQUIPMENT & FURNITURE	\$497	\$900	\$900	\$1,600
FUEL	\$25	\$200	\$200	\$100
UNIFORMS	\$137	\$250	\$250	\$250
Total Supplies, Maintenance, and Operations:	\$1,309	\$2,000	\$2,250	\$2,600
Professional Services				
PROFESSIONAL SERVICES	\$107,817	\$85,040	\$80,040	\$85,040
DUES/SUBSCRIPTIONS	\$4,073	\$4,136	\$4,607	\$3,995
TRAINING/SEMINARS & TRAVEL	\$7,914	\$22,576	\$7,576	\$17,220
MEETINGS & RELATED TRAVEL	\$1,093	\$6,473	\$3,250	\$5,300
EMPLOYEE APPRECIATION	\$54	\$250	\$250	\$250
Total Professional Services:	\$120,951	\$118,475	\$95,723	\$111,805
Capital Outlay				
FURNITURE, FIXTURES & EQUIP	\$27,360	\$0		\$0
Total Capital Outlay:	\$27,360	\$0		\$0
Total Expense Objects:	\$668,343	\$702,201	\$630,756	\$718,468

City Secretary



Christina Picioccio
City Secretary

Mission Statement/Objectives

The City Secretary's Office is dedicated to delivering exceptional service to the community, along with providing support to the Mayor, City Council, and staff. We are committed to serving with fairness, honesty, integrity, transparency, and consistency, as we are mindful of what a privilege it is to serve our citizens.

Scope of Services Summary

The position of City Secretary is a statutory position required by state law, is appointed by the City Council, and falls under the supervision of the City Manager. The City Secretary prepares Council and other committee agendas and official minutes, prepares legal notices related to agendas and other City issues for publication and posting, serves as the custodian for the official city records (i.e. Code of Ordinances, Resolutions, and meeting minutes of City Council and various Boards and Commissions), maintains the city seal and attests all city documents, is responsible for oaths of office, and processes open records requests. The City Secretary serves as the Election Officer for City Elections and as the Records Manager.

Recent Accomplishments

- Received the Municipal Clerk's Office Achievement of Excellence Award as provided by the Texas Municipal Clerks Association, Inc.
- Developed online Public Information Request access.
- Both department members are currently serving as executive board members of the local Texas Municipal Clerk's Association - San Antonio Chapter.
- Both department members are currently serving on multiple committees at the state level of the Texas Municipal Clerk's Association.
- City Secretary serving on the parliamentary local chapter and state level boards.
- City Secretary staff pursuing parliamentarian registration training.

Departmental Goals

- Initiate the next phase of Records Management Plan – Evaluating our electronic records, reorganizing, reclassifying, off-site storage, and eliminating duplications and instituting an electronic destruction plan.
- Combine in-house and 3rd party digitization (OCR) of vital, historic and other necessary paper records inclusive of deteriorating as-builts and plans.
- Achievement of Certified Parliamentarian Accreditation for both the City Secretary and the Deputy City Secretary.

Budgeted Staffing

Title	2020-21	2021-22	2022-23	2023-24
City Secretary	1	1	1	1
Deputy City Secretary	1	1	1	1
Total Funded Staffing	2	2	2	2



Christina Picioccio, City Secretary



Amanda Valdez, Deputy City Secretary

Operational Performance Measures

Strategic Pillar	Performance Measure	2019-20	2020-21	2021-22	Projected 2022-23	Proposed 2023-24
Operational Excellence	# Agendas/Minutes	56 Each	70 Each	57 Each	51 Each	45 Each
Operational Excellence	# Ordinances and Resolutions Passed	57	40	15	10	10
Operational Excellence	# Public Information Requests Processed	86	194	66	86	75
Operational Excellence	Average Turnaround Time for PIA Requests (Managed by the City)	N/A	4.89 Days	5.6 Days	4.75 Days	5 Days

Expenditures Summary

\$288,688
\$39,327
 (15.77% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Personnel				
General Government				
SALARIES	\$139,469	\$148,131	\$152,630	\$160,347
TAXES - SOCIAL SECURITY	\$8,098	\$9,024	\$9,052	\$9,942
TAXES - MEDICARE	\$1,894	\$2,111	\$2,117	\$2,325
TAXES - FUTA/SUTA	\$18	\$180	\$18	\$180
WORKERS' COMP INSURANCE	\$369	\$477	\$478	\$484
RETIREMENT	\$16,337	\$17,354	\$18,202	\$19,791
HEALTH INSURANCE	\$19,401	\$19,973	\$20,012	\$21,360
Total General Government:	\$185,587	\$197,250	\$202,509	\$214,429
Total Personnel:	\$185,587	\$197,250	\$202,509	\$214,429
Supplies, Maintenance, and Operations				
General Government				
SUPPLIES & CONSUMABLES	\$912	\$1,300	\$1,300	\$1,200
MINOR EQUIPMENT & FURNITURE	\$95	\$280	\$280	\$400
UNIFORMS		\$100	\$87	\$100
Total General Government:	\$1,007	\$1,680	\$1,667	\$1,700
Total Supplies, Maintenance, and Operations:	\$1,007	\$1,680	\$1,667	\$1,700
Professional Services				
General Government				
PROFESSIONAL SERVICES	\$3,249	\$24,889	\$7,889	\$10,889
DUES/SUBSCRIPTIONS	\$671	\$762	\$762	\$960
TRAINING/SEMINARS & TRAVEL	\$3,209	\$6,180	\$6,180	\$6,180
MEETINGS & RELATED TRAVEL	\$178	\$1,500	\$1,000	\$1,500
ELECTIONS		\$7,000	\$16,580	\$32,000
EMPLOYEE APPRECIATION	\$35	\$100	\$100	\$100
RECORDING / REPORTING	\$5,571	\$10,000	\$8,000	\$10,000
TECH/INTERNET/SOFTWARE				\$10,930
Total General Government:	\$12,914	\$50,431	\$40,511	\$72,559
Total Professional Services:	\$12,914	\$50,431	\$40,511	\$72,559



Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Total Expense Objects:	\$199,507	\$249,361	\$244,687	\$288,688

HR & Communications



Joanna Merrill
HR & Communications Director

Mission Statement/Objectives

The Human Resources & Communications department is committed to attracting, developing, and retaining a diverse workforce capable of providing quality services to the citizens of Fair Oaks Ranch, and to informing, educating, and engaging the citizenry through active City communications.

Scope of Services Summary

Human Resource Management: This department plans, coordinates, and directs the administrative functions of the City's organizational/employee life cycle, such as partnering with other departments to provide workforce and management strategies in the areas of workforce planning, compensation, personnel management, benefits, and policy development. Human Resources also serves as the link between the City's management teams, and its employees as needed. The department also provides the functions of assisting with staff recruitment, interviews and the selection process, policy development and management, employment law compliance, employee recognition and development, and personnel records management.

Risk Management: This department also acts as the liaison for the management of the City's worker's compensation coverage through the Texas Municipal Intergovernmental Risk Pool. The function of this area of the department is to work with other departments to promote a safe working environment, ensure safety training is available, and that proper procedures are in place, including maintenance of claims files and monitoring of all claims filed from initial notice through the final resolution/outcome.

Communications: The department develops, recommends, implements, and coordinates the City's communication strategy with the citizens of Fair Oaks Ranch, staff, and Council. These functions are performed by maintaining the City's website and social media accounts. The department plans, coordinates, markets, and promotes any community outreach events as needed, and serves as the staff liaison for the communications committee on projects such as branding and future strategies for a clear, concise, and strategic dissemination of information and messaging.

Recent Accomplishments - HR

- Received Top Work Place for 2022
- Designed and implemented a monthly employee birthday celebration and years of service recognition program
- Hosted an in house supervisory training seminar
- Designed the Onboarding module within NeoGov
- Redesigned the Employee of the Quarter Nomination process
- Designed and implemented wellness programming for employees
- HR/Communications Specialist named Employee of the Year

Recent Accomplishments - Communications

- Live streamed the State of the City presentation
- Transitioned to a new emergency alert system
- Developed and implemented a weekly newsletter for citizens
- Created and implemented the Mayor's Recap videos
- Increased post impression across social media by 660%
- Increased post engagement across social media by 340%
- Expanded media contacts and coverage of city events and issues
- Created a City Style Guide

Budgeted Staffing

Title	2020-21	2021-22	2022-23	2023-24
Director of HR & Communications	1	1	1	1
HR Generalist	1	1	1	1
Multimedia Communications Officer	-	1	1	1
Total Funded Staffing	2	3	3	3



Joanna Merrill, HR and Communications
Director



Jennifer Hudson, HR Generalist



Casey Parker, Multimedia Communications Officer

Departmental Goals - HR

- Update Performance Evaluation Forms
- Complete an update of the Employee Handbook
- Design and Implement the On-boarding module that will seamlessly integrate new hires from our applicant tracking system into our Core HRIS platform, streamlining the process for a smooth and efficient transition

Departmental Goals - Communications

- Develop an annual content calendar for advanced notice and proactive communications planning for cyclical events
- Increase social media presence as measured by monthly tracking of analytics
- Update City website to be in-line with our branding/style guidelines and to enhance ease of use for both internal and external users

Operational Performance Measures

Strategic Pillar	Performance Measure	2019-20	2020-21	2021-22	2022-23 Projected	2023-24 Proposed
Operational Excellence	# of Separations/Hires	9/11	16/17	11/16	10/9	8/12
Operational Excellence	Average Annual Retention Rate	89.8%	88.3%	87.6%	90.28%	90%
Operational Excellence	# Days Positions Vacant	30	45	60+	30	30
Operational Excellence	# of Followers*	1,679	2,723	9,142	10,222	10,250
Operational Excellence	# Social Media/Website Posts*	178	600	920	1,545	1,550
Operational Excellence	Average # of People Reached	2,464	4,663	36,830	46,047	50,000

**Data prior to FY2021-22 only measured Facebook. Data for FY2021-22 includes Facebook, NextDoor, Twitter, LinkedIn and YouTube*

Expenditures Summary

\$280,232 **\$47,729**
(20.53% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Personnel				
SALARIES	\$94,621	\$118,023	\$121,748	\$129,503
TAXES - SOCIAL SECURITY	\$5,594	\$7,237	\$7,321	\$8,029
TAXES - MEDICARE	\$1,308	\$1,693	\$1,712	\$1,878
TAXES - FUTA/SUTA	\$14	\$135	\$14	\$135
WORKERS' COMP INSURANCE	\$277	\$383	\$384	\$391
RETIREMENT	\$11,029	\$13,917	\$14,518	\$15,984
HEALTH INSURANCE	\$8,016	\$10,200	\$10,097	\$10,927
Total Personnel:	\$120,858	\$151,588	\$155,794	\$166,847
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$4,123	\$1,600	\$1,600	\$1,600
MINOR EQUIPMENT & FURNITURE	\$5,082	\$1,600	\$1,600	\$1,600
UNIFORMS	\$178	\$150	\$143	\$150
Total Supplies, Maintenance, and Operations:	\$9,384	\$3,350	\$3,343	\$3,350
Professional Services				
PROFESSIONAL SERVICES	\$2,795	\$495	\$520	\$550
DUES/SUBSCRIPTIONS	\$1,440	\$2,010	\$2,010	\$2,280
TRAINING/SEMINARS & TRAVEL	\$2,933	\$16,275	\$8,775	\$8,875
MEETINGS & RELATED TRAVEL	\$724	\$950	\$950	\$950
PUBLIC RELATIONS & EVENTS	\$17,912	\$43,450	\$44,513	\$50,750
EMPLOYEE APPRECIATION	\$10,343	\$11,410	\$11,410	\$12,040
EMPLOYMENT COSTS	\$2,467	\$2,975	\$2,975	\$2,675
TECH/INTERNET/SOFTWARE				\$31,915
Total Professional Services:	\$38,614	\$77,565	\$71,153	\$110,035
Total Expense Objects:	\$168,855	\$232,503	\$230,290	\$280,232

Finance



Summer Fleming
Interim Director of Finance

Mission Statement/Objectives

The Finance department is committed to ensuring and maintaining the financial integrity and stability of the City, and to proactively plan for future growth through the responsible management of the City's finances.

Scope of Services Summary

The Finance department is responsible for financial operations, financial reporting, accounting, accounts payable, accounts receivable, payroll, fixed assets, financial planning, internal controls, procurement, debt management and utility billing. This office, working closely with other City departments, also develops the annual General Fund Budget, Utility Fund Budget and Strategic Action Plan. Further, the Finance Office is responsible for all cash management and investments. This department also acts as the liaison for the management of the City's property and liability insurance coverage through the Texas Municipal Intergovernmental Risk Pool.

The Finance department is committed to providing timely, accurate, and complete information and support to other City departments, citizens, and the community at large while maintaining a high level of compliance with all pertinent Federal, State, and local rules and regulations. The Director of Finance is designated as the City's Investment Officer and serves as the City liaison to the Municipal Development District.

Recent Accomplishments

- Received Government Finance Officers Association (GFOA) Award for Excellence in Financial Reporting for the FY2021 Annual Comprehensive Financial Report and the GFOA Distinguished Budget Presentation Award for the City's FY2023 Budget.
- Received the City's first GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for the FY2021 Popular Annual Financial Report.
- Named a GFOA Triple Crown winner for FY2021.
- Developed a long-term planning tool to address long-term priorities and guide future decision making.
- Complied with all state and federal grant reporting requirements including a separate independent accountant's report on compliance for the U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Program.
- Successfully applied and qualified for the Local Government Veterans Exemption Relief Funding.
- Procurement Manager was awarded Employee of the Quarter.

Budgeted Staffing

Title	2020-21	2021-22	2022-23	2023-24
Director of Finance	1	1	1	1
Accounting Manager	1	1	1	1
Accountant	1	1	1	1
Procurement Manager	1	1	1	1
AP/Payroll Specialist	1	1	1	1
Total Funded Staffing	5	5	5	5



Summer Fleming, Interim Director of Finance



Clayton Hoelscher, Procurement Manager



Julie Lovelace, Interim Accounting Manager

Departmental Goals

- Provide accurate and timely financial reporting and budgeting
- Ensure financial stability, accountability, and transparency of all City funds
- Maintain and update the 5-year planning tool and long-term financial plans

Operational Performance Measures

Strategic Pillar	Performance Measure	2019-20	2020-21	2021-22	2022-23 Projected	2023-24 Proposed
Financial Integrity	# of Invoices Processed	2,287	2,227	2,090	2,665	2,500
Financial Integrity	# Months in GF Operating Reserve	7.3	7.0	6.4	6.1	6.0
Financial Integrity	# Purchases w/Competitive Requirements	27	36	46	50	50
Financial Integrity	Clean Audit Finding	Yes	Yes	Yes	Yes	Yes
Financial Integrity	Receive GFOA ACFR Award	Yes	Yes	Yes	Yes	Yes
Financial Integrity	Receive GFOA Distinguished Budget Award	Yes*	Yes	Yes	Yes	Yes
Financial Integrity	Receive GFOA PAFR Award	-	-	Yes*	Yes	Yes

* First year City applied for this award

Expenditures Summary

\$389,773
\$18,858
 (5.08% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Personnel				
General Government				
OVERTIME	\$79	\$152	\$184	\$157
SALARIES	\$150,934	\$213,697	\$184,975	\$217,514
TAXES - SOCIAL SECURITY	\$8,658	\$13,195	\$10,974	\$13,496
TAXES - MEDICARE	\$2,025	\$3,086	\$2,567	\$3,156
TAXES - FUTA/SUTA	\$20	\$225	\$24	\$225
WORKERS' COMP INSURANCE	\$461	\$698	\$699	\$656
RETIREMENT	\$17,894	\$25,373	\$22,177	\$26,866
HEALTH INSURANCE	\$29,012	\$34,569	\$30,698	\$37,043
ALLOWANCE FOR VACANCIES				-\$4,025
Total General Government:	\$209,084	\$290,995	\$252,298	\$295,088
Total Personnel:	\$209,084	\$290,995	\$252,298	\$295,088
Supplies, Maintenance, and Operations				
General Government				
SUPPLIES & CONSUMABLES	\$1,044	\$1,325	\$1,325	\$1,300
MINOR EQUIPMENT & FURNITURE	\$106	\$500	\$661	\$500
UNIFORMS	\$86	\$250	\$96	\$250
Total General Government:	\$1,235	\$2,075	\$2,082	\$2,050
Total Supplies, Maintenance, and Operations:	\$1,235	\$2,075	\$2,082	\$2,050
Professional Services				
General Government				
PROFESSIONAL SERVICES	\$85,399	\$71,120	\$70,620	\$75,735
DUES/SUBSCRIPTIONS	\$1,525	\$475	\$625	\$410
TRAINING/SEMINARS & TRAVEL	\$1,795	\$5,600	\$3,600	\$6,100
MEETINGS & RELATED TRAVEL		\$400	\$325	\$400
EMPLOYEE APPRECIATION	\$156	\$250	\$250	\$250
TECH/INTERNET/SOFTWARE				\$9,740
Total General Government:	\$88,875	\$77,845	\$75,420	\$92,635
Total Professional Services:	\$88,875	\$77,845	\$75,420	\$92,635

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Total Expense Objects:	\$299,194	\$370,915	\$329,800	\$389,773



Information Technology



Brian LeJeune
IT Manager

Mission Statement/Objectives

Information Technology (IT) serves the City through a series of functions that include integrating software systems, providing cybersecurity and technology support, and negotiating and managing IT related contracts. It is committed to keeping the City's access to vital information timely, affordable and safe.

Scope of Services Summary

- Provide all network, software, hardware, and telecommunication support to the City.
- Develop an annual IT master plan which combines the information technology service plan and supports individual departmental plans.
- Create the technological environment that enables City employees to quickly access vital information using the most efficient and cost effective system hardware and software.
- Monitor industry standards, legislative rulings, and vendor recommendations to maintain a secure, current, and viable technological platform for all user's training and education.
- Maintain a continuous education and training schedule to stay current with the ever-changing and evolving field.

Recent Accomplishments

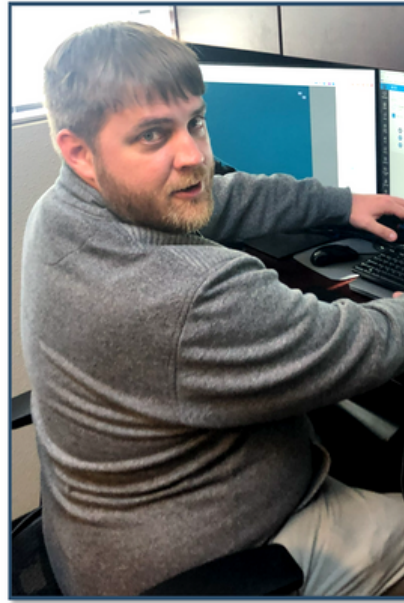
- Migrated to ReGroup for our resident Emergency Notification System.
- Migrated to Tyler Payment for new credit card readers on site.
- Moved staff into newly renovated offices.
- Replaced a water meter data receiver that failed.
- Located a replacement firewall to temporarily stand in place for several months to cover the original firewall that succumbed to damage from ants, saving the City over \$10k and residents the ability to still see their water usage through AquaHawk on a daily basis.
- Installed two (2) new replacement firewalls to protect the water meter networks.
- Built a new file server to migrate data from an old server running out of space and an old operating system.
- Implemented Building Permit Online for building projects online payment system.
- Sourced and implemented online scheduling software for Building Codes to allow residents and contractors to conveniently schedule a building inspector.
- Recovered from server errors with the assistance of a 3rd party due to an unexpected and extended power failure.
- Migrated to new spam filter for all users.
- Installed new cabling, terminated existing cabling on new patch panel, and deployed newer switch to increase port density in the Public Works building.
- Migrated the Police Department's video to the cloud thereby freeing up local storage space and providing additional flexibility for future expansion.
- Migrated e-mail from on-premise to Microsoft Cloud with the expansion of additional services to increase productivity.
- Built new servers for migration of backend services from old servers running an old operating system.

Budgeted Staffing

Title	2020-21	2021-22	2022-23	2023-24
IT Manager	1	1	1	1
IT Technician	1	1	1	1
Total Funded Staffing	2	2	2	2



Brian LeJeune, IT Manager



Jason MacDonald, IT Network Specialist

Departmental Goals

- Ensure the City IT infrastructure facilitates efficient work and communications and is hardened to cyber threats
- Improve the effectiveness of new and existing technologies

Operational Performance Measures

Strategic Pillar	Performance Measure	2019-20	2020-21	2021-22	2022-23 Projected	2023-24 Proposed
Operational Excellence	# of Workstations Installed	19	20	21	10	15
Operational Excellence	# IT Tickets Resolved	2	707	750	800	800

New KPIs in development

Expenditures Summary

\$507,204
\$119,733
 (30.90% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Personnel				
General Government				
SALARIES	\$80,330	\$84,052	\$86,695	\$91,101
TAXES - SOCIAL SECURITY	\$4,613	\$5,184	\$5,127	\$5,648
TAXES - MEDICARE	\$1,079	\$1,212	\$1,199	\$1,321
TAXES - FUTA/SUTA	\$9	\$90	\$9	\$90
WORKERS' COMP INSURANCE	\$184	\$274	\$274	\$275
RETIREMENT	\$9,414	\$9,968	\$10,339	\$11,244
HEALTH INSURANCE	\$12,312	\$12,358	\$12,198	\$13,187
Total General Government:	\$107,942	\$113,138	\$115,841	\$122,866
Total Personnel:	\$107,942	\$113,138	\$115,841	\$122,866
Supplies, Maintenance, and Operations				
General Government				
SUPPLIES & CONSUMABLES	\$195	\$200	\$200	\$200
MINOR EQUIPMENT & FURNITURE	\$244	\$200	\$200	\$200
UNIFORMS	\$79	\$100	\$100	\$100
Total General Government:	\$518	\$500	\$500	\$500
Total Supplies, Maintenance, and Operations:	\$518	\$500	\$500	\$500
Professional Services				
General Government				
PROFESSIONAL SERVICES	\$2,732	\$2,000	\$1,500	\$114,000
DUES/SUBSCRIPTIONS	\$88	\$175	\$175	\$175
TRAINING/SEMINARS & TRAVEL	\$1,367	\$4,500	\$3,850	\$4,750
MEETINGS & RELATED TRAVEL		\$100	\$200	\$350
EMPLOYEE APPRECIATION	\$109	\$100	\$100	\$100
TECH/INTERNET/SOFTWARE MAINTEN	\$174,317	\$197,440	\$240,607	\$184,728
Total General Government:	\$178,612	\$204,315	\$246,432	\$304,103
Total Professional Services:	\$178,612	\$204,315	\$246,432	\$304,103
Shared Services				
General Government				



Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
FACILITY CONTRACTS & SERVICES	\$25,184	\$17,461	\$17,461	\$17,461
PHONE/CABLE/ALARMS	\$33,947	\$37,057	\$37,057	\$41,648
Total General Government:	\$59,132	\$54,518	\$54,518	\$59,109
Total Shared Services:	\$59,132	\$54,518	\$54,518	\$59,109
Capital Outlay				
General Government				
FURNITURE, FIXTURES & EQUIP	\$41,066	\$15,000	\$14,552	\$20,626
Total General Government:	\$41,066	\$15,000	\$14,552	\$20,626
Total Capital Outlay:	\$41,066	\$15,000	\$14,552	\$20,626
Total Expense Objects:	\$387,269	\$387,471	\$431,843	\$507,204

Municipal Court



Ricardo Bautista
Court Administrator

Mission Statement/Objectives

The mission of the Municipal Court is to provide effective and impartial administration of justice, as prescribed by the Texas Code of Criminal Procedure and the Code of Judicial Conduct, with exceptional customer service while building public trust and confidence.

Scope of Services Summary

The Municipal Court is a Judicial Branch of the City government. This Court and its officers are dedicated to the principles of impartiality, fairness, integrity, separation of powers, and judicial independence. These are the principles to which the Court is committed in its role as the Judicial Branch of our local government.

The Municipal Court handles the judicial processing of Class C misdemeanors that originate from traffic citations, citizen complaints, code violations and misdemeanor arrests occurring within the territorial limits of the City of Fair Oaks Ranch. The Municipal Court process is predetermined by the Texas Code of Criminal Procedure and the Code of Judicial Conduct.

In addition to the judicial processing, the Court prepares dockets, schedules trials, processes juries, records and collects fine payments and issues warrants for Violation of Promise to Appear and Failure to Appear. The Municipal Court also processes code violations as part of the citywide code enforcement effort. The Municipal Court Judge is appointed by the City Council. The Judge presides over trials and hearings, levies fines, sets bails, accepts bonds, issues arrest and search warrants, administers juvenile magistrate's warnings and arraigns prisoners.

Recent Accomplishments

- Established a paperless procedure across the Court
- Established live streaming Court proceedings
- Expanded online services for customers

Budgeted Staffing

Title	2020-21	2021-22	2022-23	2023-24
Court Administrator	1	1	1	1
Court Clerk	1	1	1	1
Total Funded Staffing	2	2	2	2



Ricardo Bautista, Court Administrator and Court Clerk, Maria

Honorable Judge Kimberly S. Keller presides over the Municipal Court of Fair Oaks Ranch, Texas and is appointed by the City Council.

Departmental Goals

- Maintain standards to uphold laws and provide prompt and accurate processing of cases.
- Encourage and support staff with their professional advancement
- Increase efficiencies within records processing and documentation

Operational Performance Measures

Strategic Pillar	Performance Measure	2019-20	2020-21	2021-22	2022-23 Projected	2023-24 Proposed
Operational Excellence	# of Cases Filed	1,074	975	1,483	1,878	2329
Operational Excellence	# of Cases in Collection	433	643	686	783	979
Operational Excellence	# of Hours of Staff Training	252	317	124	100	140
Operational Excellence	# of Defendants Appearing Before the Judge	113	77	144	277	377
Operational Excellence	#Magistrate Services	2	2	8	2	5

Expenditures Summary

\$251,974 **-\$31,152**
 (-11.00% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Personnel				
OVERTIME	\$2,177	\$311	\$350	\$344
SALARIES	\$86,985	\$97,976	\$102,398	\$107,605
TAXES - SOCIAL SECURITY	\$5,170	\$6,026	\$5,803	\$6,693
TAXES - MEDICARE	\$1,209	\$1,409	\$1,357	\$1,565
TAXES - FUTA/SUTA	\$18	\$180	\$18	\$180
WORKERS' COMP INSURANCE	\$369	\$318	\$319	\$325
RETIREMENT	\$10,487	\$11,588	\$12,247	\$13,324
HEALTH INSURANCE	\$18,991	\$24,164	\$28,611	\$29,433
Total Personnel:	\$125,407	\$141,972	\$151,103	\$159,469
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$1,493	\$1,700	\$1,700	\$1,700
MINOR EQUIPMENT & FURNITURE	\$291	\$1,400	\$1,400	\$1,400
UNIFORMS	\$217	\$150	\$150	\$150
COURT TECHNOLOGY		\$0		\$2,823
COURT SECURITY BUILDING	\$2,008	\$58,724	\$59,243	\$6,000
Total Supplies, Maintenance, and Operations:	\$4,009	\$61,974	\$62,493	\$12,073
Professional Services				
PROFESSIONAL SERVICES	\$78,478	\$74,230	\$89,500	\$74,590
DUES/SUBSCRIPTIONS	\$70	\$800	\$300	\$800
TRAINING/SEMINARS & TRAVEL	\$2,550	\$3,550	\$3,550	\$3,550
MEETINGS & RELATED TRAVEL	\$46	\$500	\$150	\$300
EMPLOYEE APPRECIATION		\$100	\$100	\$100
TECH/INTERNET/SOFTWARE				\$1,092
Total Professional Services:	\$81,144	\$79,180	\$93,600	\$80,432
Capital Outlay				
FURNITURE, FIXTURES & EQUIP	\$8,360	\$0		\$0
Total Capital Outlay:	\$8,360	\$0		\$0
Total Expense Objects:	\$218,920	\$283,126	\$307,196	\$251,974

Public Safety



Tim Moring
Chief of Police

Mission Statement/Objectives

The mission of the Fair Oaks Ranch Police Department is to be responsive to our community, through the proactive enforcement of laws, the protection of life and property and the maintaining of order while affording dignity and respect to those we serve. We will strive to meet the present and future needs of the public through community partnership and innovation.

Vision Statement

To be the safest city to live in, work and visit.

Scope of Services Summary

The Fair Oaks Ranch Police Department is currently authorized 27 commissioned Police Officers, 3 Civilian Staff, and 1 K-9 Unit. The department is comprised of 5 sections; Administration, Patrol, Investigations, School Resource Officers and Animal Control. Each section has its own unique responsibilities within the department.

Administration is comprised of the Chief of Police, the Lieutenant, the department's administrative assistant and administrative clerk. Administrative staff is responsible for every function of the department including scheduling, training, records, complaints, budgeting, and implementing policies.

Criminal investigations is comprised of a CID Sergeant and two investigators that handle numerous functions including investigating criminal offenses, collection and securing of evidence, and court preparation. Investigators get called out depending on the nature of the incident that has occurred. However, our patrol officers are primarily responsible for completing the initial investigation and crime scene processing.

The patrol division is the largest division in the department with 20 officers. It is made up of four sections with day patrol consisting of one sergeant, one corporal and 3 patrol officers per shift and night patrol consisting of one sergeant, one corporal and three officers per shift. The patrol division conducts the day-to-day operations of the Police Department. They are the most visible aspect of the City and are responsible for maintaining public safety and answering calls for service.

The department has two School Resource Officers (SRO) that are staffed full-time at both of the City's Elementary Schools.

The department currently has one Animal Services Officer. The Animal Services Officer is responsible for handling all calls regarding deer or other wildlife, as well as pets.

One major opportunity for the Fair Oaks Ranch Police department is to be recognized as an Accredited Agency by the Texas Police Chiefs Association. The department reached accredited status for the first time in 2010 as the 35th department in the State of Texas to gain this prestigious recognition. The department was re-accredited in 2014, 2019, and in June of 2023.

The department's K-9 program was initiated in the summer of 2018 with plans to help combat the influx of narcotics both within and around the City of Fair Oaks Ranch. By continuing to fully support this program, we hope to decrease the propensity of narcotics not only within the City but also to support neighboring agencies.

The department prides itself on being a true community-oriented Police Department through its numerous community outreach programs, such as the Junior Police Academy, Halloween Trunk or Treat event, Christmas Toy Drive, Santa Parade and many more. The department looks forward to having the events each year with plans for many more in the near future.

Recent Accomplishments

- Sgt. Richard Gonzalez, and Officer Matthew Drexler were awarded Life Saving medals for their heroic actions.
- 4 Officers received Letters of Commendation for their exceptional service to the City
- Fair Oaks Ranch was named the 4th Safest City in Texas
- Officer Nathan Domenech & Officer Lacey Gonzalez received their 5 year service awards
- Det. Stacy Love received a 10 year service award
- Lt. John Ojeda received a 15 year service award
- Officers Michael Maddox, Matthew Drexler & SRO Iris Solis took first place in 2021's Back the Badge 5K
- Department had over 60 requests to attend this years Junior Police Academy.

Budgeted Staffing

Title	2020-21	2021-22	2022-23	2023-24
Chief of Police	1	1	1	1
Lieutenant	1	1	1	1
Sergeant	5	5	5	5
Police Investigator	2	2	2	2
Corporals*	-	-	-	4
Patrol Officer & SROs	16	16	18	14
Animal Services Officer	1	1	1	1
PD Admin Assistant	1	1	1	1
PD Admin Clerk	1	1	1	1
K-9 Unit (Buddy)	1	1	1	1
Total Funded Staffing	29	29	31	31

*The Corporal rank was added to the Police Department organizational hierarchy starting FY23-24

Community Service

Santa Parade: During the height of the COVID pandemic, officers implemented a Santa parade to bring some holiday joy to our residents during social distancing. After receiving numerous requests to continue the parade in 2021, the Officers, along with special guests Santa and Mrs. Clause, spent four nights in early December taking Santa around the City. The Santa parade is now an annual event every December.

National Night Out: In October 2022, the Police Department visited 17 separate neighborhood gatherings and enjoyed visiting with community members.

Trunk or Treat: In October 2022, the Police Department held their annual Trunk or Treat event in the Police station parking lot. Officers decorated patrol cars and delivered candy to all the kids that came to visit. In 2022, over 400 trick or treaters visited the Police Department event and took turns dunking the Chief and Lieutenant in the very cold dunking booth.

Citizens' Law Enforcement Academy: The 2023 Citizen's Law Enforcement Academy was held in March in partnership with Boerne Police Department and Kendall County Sheriff's Office.

Annual Toy Drive: For many years, the Police Department has participated in the annual Toy Drive during the Christmas holiday. In 2022, the toy drive became the largest in our history with over 1,200 toys donated by residents and local organizations. The Police Department cannot express our extreme gratitude to those who donated and housed our toy drive boxes to achieve so many toys. All toys were donated to Presbyterian Children's Home, Catholic Charities of San Antonio, and A Brighter Day, a local non-profit.

Departmental Goals

- Recruit and train a highly skilled, motivated law enforcement workforce, and invest in the personal and professional development of those employees
- Monitor crime trends and develop strategies to reduce crime
- Expand public outreach efforts through enhanced community relations
- Maintain all standards set forth by the Texas Police Chiefs Association Recognition Program

Operational Performance Measures

Strategic Pillar	Performance Measure	2019	2020	2021	2022
Public Health, Safety and Welfare	# of Call for Service	3,913	3,482	3,955	4,031
Public Health, Safety and Welfare	# of Arrests Made	207	157	199	289
Public Health, Safety and Welfare	# of Traffic Stops	4,893	2,924	4,026	4,708
Public Health, Safety and Welfare	# of Calls for Animal Control	835	702	1,097	643
Public Health, Safety and Welfare	# of Home Watches	23,033	8,195	5,038	10,916

Performance measures for the Police Department are compiled by calendar year.

See all the department statistics here: [City of Fair Oaks Ranch Police Department Annual Reports](#)



Tim Moring, Chief of Police



Lieutenant John Ojeda



K-9 Officer, Buddy

Expenditures Summary

\$4,357,053
\$504,577
(13.10% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Personnel				
OVERTIME	\$74,082	\$35,427	\$75,602	\$36,430
SALARIES	\$1,665,671	\$1,986,210	\$2,002,580	\$2,231,540
TAXES - SOCIAL SECURITY	\$105,650	\$122,890	\$126,918	\$140,614
TAXES - MEDICARE	\$24,708	\$28,740	\$29,682	\$32,886
TAXES - FUTA/SUTA	\$604	\$2,700	\$289	\$2,700
WORKERS' COMP INSURANCE	\$54,276	\$79,985	\$80,113	\$82,732
RETIREMENT	\$206,310	\$236,316	\$249,256	\$279,794
HEALTH INSURANCE	\$247,223	\$297,214	\$289,036	\$329,966
UNIFORM ALLOWANCE	\$21,000	\$27,000	\$25,000	\$27,000
ALLOWANCE FOR VACANCIES				-\$103,920
Total Personnel:	\$2,399,524	\$2,816,482	\$2,878,476	\$3,059,742
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$3,657	\$4,000	\$4,000	\$5,000
MINOR EQUIPMENT & FURNITURE	\$28,511	\$26,100	\$12,000	\$26,550
FUEL	\$46,970	\$40,000	\$43,000	\$43,000
UNIFORMS	\$13,350	\$22,120	\$19,120	\$11,550
VEHICLE MAINTENANCE/REPAIRS	\$25,475	\$20,880	\$23,380	\$20,880
Total Supplies, Maintenance, and Operations:	\$117,963	\$113,100	\$101,500	\$106,980
Professional Services				
PROFESSIONAL SERVICES	\$674,484	\$724,975	\$724,975	\$850,171
DUES/SUBSCRIPTIONS	\$3,076	\$3,435	\$3,435	\$4,275
TRAINING/SEMINARS & TRAVEL	\$21,399	\$24,000	\$21,000	\$24,250
MEETINGS & RELATED TRAVEL		\$500		\$500
INVESTIGATIONS	\$11,519	\$9,500	\$9,500	\$7,000
LEOSE TRAINING		\$2,500	\$1,850	\$3,000
FELONY FORFEITURE EXPENDITURES		\$0	\$22,954	\$0
PUBLIC RELATIONS & EVENTS	\$6,567	\$6,534	\$6,675	\$8,100
EMPLOYEE APPRECIATION	\$1,149	\$1,500	\$1,500	\$1,500
TECH/INTERNET/SOFTWARE				\$43,550
Total Professional Services:	\$718,194	\$772,944	\$791,889	\$942,346



Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Capital Outlay				
FURNITURE, FIXTURES & EQUIP	\$0	\$149,950	\$323,068	\$247,985
Total Capital Outlay:	\$0	\$149,950	\$323,068	\$247,985
Total Expense Objects:	\$3,235,681	\$3,852,476	\$4,094,933	\$4,357,053

Maintenance



Julio Colunga
Assistant Director of Public Works

Mission Statement/Objectives

To maintain a safe, clean, and attractive City appearance with the preservation of all City owned facilities, roads, rights-of-way, and drainage features that promote a welcoming environment for residents and visitors of Fair Oaks Ranch.

Scope of Services Summary

The Maintenance department is responsible for the maintenance and repair of all city-owned property. City buildings include City Hall, the Public Safety Building, EMS station, two Fire stations, the Maintenance shop, and the HOA building. The Maintenance department is responsible for maintaining 60 miles of roads, 23 miles of sweeping, 31 miles of right-of-way mowing, vehicle/equipment maintenance/repairs and all City-owned drainage easements. The department seeks to improve the annual street maintenance operations by creating an in-house program. Staff will bring in previous contracted road work applications such as fog and slurry seal treatments.

Recent Accomplishments

- Completed Chartwell realignment
- Completed in-house drainage maintenance on Rock Oak Circle, Rolling Acres Trail and Silver Spur
- Completed 245,140 square yards of road maintenance
- Established preventative maintenance schedules for all vehicles and equipment
- Implemented GIS work order system
- Oversaw and completed the winter storm brush pick up



Budgeted Staffing

Title	2020-21	2021-22	2022-23	2023-24
Assistant Director of Public Works	1	1	1	1
Maintenance Supervisor	1	1	1	1
Maintenance Lead	1	1	1	1
Maintenance Worker	4	4	4	5
Drainage Worker	-	2	2	2
Custodian	1	1	1	1
Mechanic	-	-	1	1
Total Funded Staffing	8	10	11	12

Departmental Goals

- Continue executing the in-house drainage maintenance plan, and complete improvements at several locations
- Begin in-house road maintenance with a dedicated maintenance position and new fog-seal machine
- Improve recruitment and retention by establishing mid-level positions for career progression, certification pay, and other incentives to reduce the high turnover in the department

Operational Performance Measures

Strategic Pillar	Performance Measure	2019-20	2020-21	2021-22	2022-23 Projected	2023-24 Proposed
Reliable and Sustainable Infrastructure	# Hours Mowing/Tree Maintenance	562	931	950	1700	1700
Reliable and Sustainable Infrastructure	Street Overall Condition Index (OCI)	81.0	84.3	83.2	83.3	84.0
Reliable and Sustainable Infrastructure	# Street Signs Replaced	104	105	102	88	90
Reliable and Sustainable Infrastructure	# Miles Street Sweeping	140	300	490	190	200



Maintenance Crew

Expenditures Summary

\$1,163,550
\$279,442
 (31.61% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Personnel				
OVERTIME	\$13,197	\$4,815	\$13,233	\$6,004
SALARIES	\$303,898	\$425,858	\$389,296	\$517,301
TAXES - SOCIAL SECURITY	\$18,623	\$26,606	\$23,996	\$32,445
TAXES - MEDICARE	\$4,355	\$6,222	\$5,612	\$7,588
TAXES - FUTA/SUTA	\$402	\$900	\$88	\$990
WORKERS' COMP INSURANCE	\$14,295	\$22,141	\$22,176	\$25,552
RETIREMENT	\$37,039	\$51,163	\$48,021	\$64,589
HEALTH INSURANCE	\$70,394	\$99,341	\$93,755	\$114,337
ALLOWANCE FOR VACANCIES				-\$34,749
Total Personnel:	\$462,203	\$637,046	\$596,177	\$734,057
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$6,933	\$4,830	\$5,080	\$6,000
MINOR EQUIPMENT & FURNITURE	\$12,499	\$15,450	\$15,450	\$12,250
FUEL	\$14,931	\$11,500	\$15,500	\$15,000
UNIFORMS	\$5,028	\$7,760	\$7,760	\$7,900
VEHICLE MAINTENANCE/REPAIRS	\$13,927	\$10,000	\$10,000	\$15,000
EQUIPMENT MAINTENANCE/REPAIRS	\$13,968	\$14,500	\$14,500	\$15,500
BUILDING MAINTENANCE/REPAIRS	\$26,973	\$17,250	\$27,250	\$23,063
LANDSCAPING & GREENSPACE MAINT	\$6,373	\$5,500	\$5,500	\$15,500
STREET MAINTENANCE	\$19,530	\$38,000	\$38,000	\$30,000
DRAINAGE WORK	\$1,076	\$50,000	\$15,000	\$20,000
Total Supplies, Maintenance, and Operations:	\$121,238	\$174,790	\$154,040	\$160,213
Professional Services				
PROFESSIONAL SERVICES	\$4,963	\$30,200	\$45,200	\$200
DUES/SUBSCRIPTIONS	\$100	\$932	\$232	\$932
TRAINING/SEMINARS & TRAVEL	\$5,489	\$8,540	\$7,540	\$12,700
MEETINGS & RELATED TRAVEL		\$100	\$200	\$400
EMPLOYEE APPRECIATION	\$521	\$500	\$500	\$500
TECH/INTERNET/SOFTWARE				\$21,548
Total Professional Services:	\$11,072	\$40,272	\$53,672	\$36,280



Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Capital Outlay				
FURNITURE, FIXTURES & EQUIP	\$81,756	\$32,000	\$104,975	\$233,000
Total Capital Outlay:	\$81,756	\$32,000	\$104,975	\$233,000
Total Expense Objects:	\$676,270	\$884,108	\$908,864	\$1,163,550

Building Codes



Kyle Reeves
Building Codes Official

Mission Statement/Objectives

To help ensure the health, safety and welfare of the citizens of the City of Fair Oaks Ranch through the effective enforcement of all building related codes, design standards, zoning regulations and UDC requirements duly adopted.. The Building Codes department is committed to integrity, professionalism and consistency at all times.

Scope of Services Summary

The Building Official, supported by the Building Inspector and Administrative Assistant, is responsible for issuing permits and conducting inspections for all new construction, additions, remodels, pools, irrigation systems, fences, signs, building relocations and demolitions. Plan reviews are performed on all proposed construction projects prior to the issuance of permits to ensure compliance with all adopted codes and ordinances, as well as FEMA requirements.

Recent Accomplishments

- Successfully onboarded a new building official and building codes inspector
- Completed the setup to allow permit applications and payments online

Budgeted Staffing

Title	2020-21	2021-22	2022-23	2023-24
Building Official	1	1	1	1
Building Codes Inspector	1	1	1	1
Admin Assistant	1	1	1	1
Total Funded Staffing	3	3	3	3



Kyle Reeves, Building Official



Hunter Hickman, Building Codes Inspector



Rachel, Building Codes Admin Asst

Departmental Goals

- Ensure that all construction codes, restrictions, and regulations are followed
- Correct violations and mitigate neglected properties within the City
- Increase the online permitting capabilities

Operational Performance Measures

Strategic Pillar	Performance Measure	2019-20	2020-21	2021-22	2022-23 Projected	2023-24 Proposed
Responsible Growth Management	# Building Plans Reviewed	970	1,043	843	556	600
Responsible Growth Management	# Total Building Permits Issued (Total)	891	939	728	480	500
Responsible Growth Management	# Permits Issued (New Single Family Homes)	157	247	135	89	80
Responsible Growth Management	# Inspections Conducted	2,297	2,751	2,764	1,824	2,000

Expenditures Summary

\$330,152 **\$7,673**
(2.38% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Personnel				
OVERTIME		\$255		\$278
SALARIES	\$192,229	\$200,978	\$157,875	\$188,147
TAXES - SOCIAL SECURITY	\$11,673	\$12,387	\$9,579	\$11,682
TAXES - MEDICARE	\$2,730	\$2,897	\$2,240	\$2,732
TAXES - FUTA/SUTA	\$27	\$270	\$36	\$270
WORKERS' COMP INSURANCE	\$941	\$1,226	\$1,228	\$1,042
RETIREMENT	\$22,617	\$23,820	\$18,881	\$23,256
HEALTH INSURANCE	\$27,749	\$28,316	\$24,520	\$38,906
Total Personnel:	\$257,965	\$270,149	\$214,359	\$266,313
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$528	\$875	\$875	\$575
MINOR EQUIPMENT & FURNITURE	\$1,974	\$1,250	\$1,250	\$750
FUEL	\$2,368	\$2,600	\$1,600	\$3,900
UNIFORMS	\$150	\$530	\$530	\$530
Total Supplies, Maintenance, and Operations:	\$5,020	\$5,255	\$4,255	\$5,755
Professional Services				
PROFESSIONAL SERVICES	\$16,651	\$44,500	\$57,000	\$46,000
DUES/SUBSCRIPTIONS	\$165	\$275	\$1,053	\$590
TRAINING/SEMINARS & TRAVEL	\$1,098	\$2,050	\$2,015	\$11,100
MEETINGS & RELATED TRAVEL		\$100	\$100	\$100
EMPLOYEE APPRECIATION	\$133	\$150	\$150	\$150
TECH/INTERNET/SOFTWARE				\$144
Total Professional Services:	\$18,047	\$47,075	\$60,318	\$58,084
Total Expense Objects:	\$281,031	\$322,479	\$278,932	\$330,152

Engineering Services



Grant Watanabe, P.E.
Director of Public Works

Mission Statement/Objectives

To maintain a safe, clean, and attractive City appearance with the preservation of all City-owned facilities, roads, rights-of-way, and drainage features to promote a welcoming environment for residents of and visitors to Fair Oaks Ranch.

Scope of Services Summary

The City's Engineering Services department houses the Environmental Program Manager, the GIS Technician, the Infrastructure Inspector, the Code Compliance Officer, and the Public Works Administrative Assistant. Each function provides services and support to all new development and capital improvement projects within the City limits. This department works with developers, contractors, engineers, home builders, and residents to ensure applicable regulations are followed during infrastructure and dwelling construction. Furthermore, this department provides vital support to preserve and protect City assets.

Recent Accomplishments

- Completed various roadway and drainage improvement projects including Rocking Horse Lane, Turf Paradise Lane, and Battle Intense Sidewalk Repairs. Awarded projects pending construction start include: the Rolling Acres Trail Low Water Crossing HALT System and Post Oak Trail Widening.
- Awarded design contracts for Dietz Elkhorn Road (East) Reconstruction, Dietz Elkhorn Sidewalk Improvements, Tivoli Way Drainage Improvements and the future City community/civic center.
- Supported quarterly City Council Townhall meetings focused on transportation, wastewater treatment plant expansion plans and the Dietz Elkhorn Reconstruction project.

Budgeted Staffing

Title	2020-21	2021-22	2022-23	2023-24
Public Works Director	1	1	1	1
Manager of Engineering Services	1	1	1	1
Environmental Program Manager	1	1	1	1
GIS Technician	1	1	1	1
Infrastructure Inspector	1	1	1	1
Code Compliance Officer	1	1	1	1
Administrative Assistant	1	1	1	1
Total Funded Staffing	7	7	7	7



Grant Watanabe, Director of Public Works and Engineering



Julio Colunga, Assistant Director of Public Works

Departmental Goals

- Adopt and implement UDC amendments, including administrative procedures manual, platting processes, and other development processes. Organize website to make resources readily available.
- Update Fee Schedule to match Administrative Procedures Manual Application Listings and other items not on current Fee Schedule.
- Complete design and construction of all roadway, drainage, utility and facility capital improvement projects included in the budget.
- Support upcoming Bond Election by providing updated project scope, cost estimate and justification to the Bond Advisory Committee and any public outreach efforts



Engineering Services Group: Kelsey, Robert, Ernie, and Tom

Operational Performance Measures

Strategic Pillar	Performance Measure	2019-20	2020-21	2021-22	2022-23 Projected	2023-24 Proposed
Responsible Growth Management	# New Residential Lots Platted/Approved	150	181	116	53	50
Responsible Growth Management	# Maps/Exhibits Created	46	86	63	81	85
Reliable and Sustainable Infrastructure	# Infrastructure Inspection(Street, Water/WW,Other)	772	1073	637	595	725

Additional metrics being developed for Engineering & Planning, Code Compliance and Environmental Compliance

Expenditures Summary

\$1,514,104
-\$124,846
 (-7.62% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Personnel				
OVERTIME	\$68	\$225	\$781	\$249
SALARIES	\$244,441	\$294,437	\$290,506	\$320,441
TAXES - SOCIAL SECURITY	\$14,644	\$18,209	\$17,711	\$19,883
TAXES - MEDICARE	\$3,425	\$4,258	\$4,142	\$4,650
TAXES - FUTA/SUTA	\$38	\$378	\$38	\$378
WORKERS' COMP INSURANCE	\$2,937	\$1,250	\$1,252	\$1,259
RETIREMENT	\$28,582	\$35,015	\$34,840	\$39,581
HEALTH INSURANCE	\$28,989	\$35,048	\$37,313	\$37,649
Total Personnel:	\$323,125	\$388,820	\$386,583	\$424,090
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$4,348	\$10,260	\$10,260	\$11,000
MINOR EQUIPMENT & FURNITURE	\$441	\$2,090	\$2,090	\$1,090
FUEL	\$3,666	\$2,300	\$3,500	\$3,450
UNIFORMS	\$931	\$1,400	\$1,400	\$1,400
STREET MAINTENANCE	\$932,348	\$1,000,000	\$1,048,771	\$840,000
Total Supplies, Maintenance, and Operations:	\$941,734	\$1,016,050	\$1,066,021	\$856,940
Professional Services				
PROFESSIONAL SERVICES	\$237,292	\$220,000	\$235,000	\$200,000
DUES/SUBSCRIPTIONS	\$683	\$1,050	\$1,050	\$1,379
TRAINING/SEMINARS & TRAVEL	\$485	\$12,280	\$10,280	\$12,280
MEETINGS & RELATED TRAVEL	\$165	\$400	\$400	\$400
EMPLOYEE APPRECIATION	\$301	\$350	\$350	\$350
TECH/INTERNET/SOFTWARE				\$6,165
Total Professional Services:	\$238,926	\$234,080	\$247,080	\$220,574
Capital Outlay				
FURNITURE, FIXTURES & EQUIP		\$0	\$6,030	\$12,500
Total Capital Outlay:		\$0	\$6,030	\$12,500
Total Expense Objects:	\$1,503,785	\$1,638,950	\$1,705,714	\$1,514,104

Non-Departmental and Shared



Expenditures Summary

\$1,393,290 **-\$2,725,253**
 (-66.17% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Transfers and Non-Cash Adjustments				
TRANSFER TO CAP IMP FUND 02	\$1,236,222	\$3,442,995	\$3,442,995	\$813,526
TRANSFER TO VEH/EQUIP FUND 31	\$275,185	\$354,495	\$354,495	\$301,945
Total Transfers and Non-Cash Adjustments:	\$1,511,407	\$3,797,490	\$3,797,490	\$1,115,471
Personnel				
Salaries		\$145,194		\$0
Total Personnel:		\$145,194		\$0
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$4,490	\$3,600	\$3,600	\$3,600
MISCELLANEOUS	\$531	\$550		\$0
EMERGENCY RESPONSE			\$436,482	\$500
Total Supplies, Maintenance, and Operations:	\$5,021	\$4,150	\$440,082	\$4,100
Shared Services				
FACILITY CONTRACTS & SERVICES	\$54,902	\$69,524	\$55,000	\$159,094
POSTAGE	\$3,176	\$5,625	\$4,625	\$5,625
GENERAL LIABILITY INSURANCE	\$51,940	\$56,560	\$58,066	\$65,000
ELECTRICITY	\$44,754	\$40,000	\$42,500	\$44,000
Total Shared Services:	\$154,772	\$171,709	\$160,191	\$273,719
Total Expense Objects:	\$1,671,201	\$4,118,543	\$4,397,763	\$1,393,290

Utilities



Julio Colunga
Assistant Director of Public Works

Mission Statement/Objectives

To maintain and administer the utilities, and provide safe, uninterrupted water and wastewater services, while providing exemplary customer assistance to its consumers.

Scope of Services Summary

The utility purchases the majority of its water from GBRA with other water sources provided from 40 ground water wells located throughout the City. The utility wastewater is transported and treated at the City's local wastewater treatment plant rated for 0.5 million gallons/day. Staff is responsible for maintaining 77 miles of water lines, 36 miles of sanitary sewer lines, 270 fire hydrants, 290 man-holes, 3,246 water service connections, 2,000 wastewater service connections, five water plants, one wastewater plant, and six wastewater lift stations.

Another major function of the utility administration is customer service, both in person and by phone. This office works closely with field operations handling all work orders pertaining to utility service accounts, including but not limited to: service connections, disconnections, transfers, collections and related duties. The Water Quality department is responsible for producing safe and acceptable water in accordance with state and federal health standards. The water quality team also handles the daily field operations and maintenance of all water plants, distribution systems, water wells, and work orders. The Wastewater department is responsible for treatment of all wastewater produced by its customers to meet all health and safety standards required by TCEQ for discharging of effluent as irrigation. The wastewater team handles the daily field operations and maintenance of the wastewater plant, collection systems, lift stations, and wastewater work orders.

Recent Accomplishments

- Awarded Wastewater Treatment Plant of the Year (Category 1) and Wastewater Operator of the Year (Bill Champion)
- Completion of Water Plant #2 Upgrade
- Constructed the Sludge Dewatering Press
- Awarded and constructed the Balcones Creek water line realignment
- Awarded Wastewater Treatment Plant (W/WTP) Feasibility Study

Budgeted Staffing for Water Utility

Title	2020-21	2021-22	2022-23	2023-24
Water Distribution and Quality Supervisor	1	1	1	1
Water Operator III	2	-	-	1
Water Operator II	-	3	1	-
Water Operator I	1	-	1	1
Water Utility Tech	2	2	3	3
Utility Billing Clerk	1	1	1	1
Total Funded Staffing	7	7	7	7

Departmental Goals - Water

- Adopt and implement rate study recommendations to align fees/tiers with industry standards
- Improve recruitment and retention by joining the Water Environmental Association of Texas (WEAT) Department of Labor (DoL) Apprenticeship Program, and developing internal qualification standards for each operator level
- Complete land acquisition and final design for elevated storage tank



Water Utilities Crew

Performance Measures - Water

Strategic Pillar	Performance Measure	2019-20	2020-21	2021-22	2022-23 Projected	2023-24 Proposed
Operational Excellence	# Leak Repairs - Main and Service Lines (Hrs)	N/A	710	671	575	600
Reliable and Sustainable Infrastructure	# of Water Connections	3,118	3,210	3,212	3,246	3,260
Reliable and Sustainable Infrastructure	Water Production/Pumpage (gallons)	231,702,112	204,789,982	336,577,000	580,954,457	550,000,000
Reliable and Sustainable Infrastructure	# Fire Hydrants Inspected/Repaired/Replaced	273	262	255	301	275

Budgeted Staffing - Wastewater Utility

Title	2020-21	2021-22	2022-23	2023-24
Wastewater Systems Supervisor	1	1	1	1
Wastewater Operator III	-	1	1	1
Wastewater Operator II	2	1	1	1
Wastewater Operator I	-	-	-	-
Wastewater Utility Tech	1	1	1	2
Total Funded Staffing	4	4	4	5



Wastewater Utilities Crew

Departmental Goals - Wastewater

- Start design on first phase of WWTP capacity expansion
- Improve recruitment and retention by joining the WEAT DoL Apprenticeship Program, and developing internal qualification standards for each operator level

Performance Measures - Wastewater

Strategic Pillar	Performance Measure	2019-20	2020-21	2021-22	2022-23 Projected	2023-24 Proposed
Reliable and Sustainable Infrastructure	# of Wastewater Connections	1,901	1,970	1,979	2,003	2,017
Reliable and Sustainable Infrastructure	Solid Waste Hauled (gallons)	1,131,400	1,288,200	1,784,700	461,700	200,000
Reliable and Sustainable Infrastructure	Effluent Treated (gallons)	88,410,380	92,992,200	90,000,000	108,098,460	110,000,000
Reliable and Sustainable Infrastructure	# Manhole/Lift Station Maintenance Hours	1,135	1,094	1,059	1,050	1,050

Expenditures Summary

\$6,348,343 **\$1,133,681**
(21.74% vs. prior year)

Expenditures by Expense Type

Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Expense Objects				
Transfers and Non-Cash Adjustments				
Water Utility				
WATER SERVICE DEPRECIATION	\$498,557	\$508,075	\$510,388	\$508,075
WATER ASSETS TRANSFER	-\$641,967	-\$666,391	-\$911,351	-\$792,500
Transfer to Water Cap Improvem	\$549,684	\$568,787	\$348,787	\$333,949
TRANSFER TO VEH/EQUIP REPL	\$56,032	\$66,735	\$66,735	\$49,866
Total Water Utility:	\$462,306	\$477,206	\$14,559	\$99,390
Wastewater Utility				
SEWER SERVICE DEPRECIATION	\$261,466	\$270,600	\$270,600	\$270,600
WASTEWATER ASSETS TRANSFER	-\$169,520	-\$1,085,411	-\$1,402,679	-\$237,500
Transfer to WW Capital Improve	\$1,511,035	\$264,587	\$164,587	\$139,915
TRANSFER TO VEH/EQUIP REPL	\$27,707	\$59,240	\$59,240	\$40,933
Total Wastewater Utility:	\$1,630,688	-\$490,984	-\$908,252	\$213,948
Total Transfers and Non-Cash Adjustments:	\$2,092,993	-\$13,778	-\$893,693	\$313,338
Personnel				
Water Utility				
WATER SERVICE OVERTIME	\$8,102	\$4,339	\$9,806	\$8,102
WATER SERVICE SALARIES	\$261,096	\$265,548	\$232,544	\$294,770
WATER SERVICE TAXES SOCIAL SECURITY	\$15,744	\$16,554	\$14,534	\$18,778
WATER SERVICE MEDICARE TAX	\$3,682	\$3,871	\$3,399	\$4,392
WATER SVC WORKERS COMP INSURAN	\$7,505	\$9,599	\$9,614	\$10,082
WATER SER TAXES - FUTA/SUTA	\$140	\$473	\$40	\$518
WATER SERVICE RETIREMENT	\$19,870	\$31,832	\$28,923	\$37,382
WATER SERVICE INSURANCE	\$48,734	\$52,364	\$45,178	\$60,093
WATER SERVICE OPEB	\$1,819	\$0	\$0	\$0
WATER SERVICE ALLOW FOR VACANCIES	\$0		\$0	-\$14,738
WATER ADMIN OVERTIME	\$181	\$181	\$411	\$186
WATER ADMINISTRATIVE SALARIES	\$389,286	\$450,057	\$418,377	\$465,943
WATER ADMIN. TAXES SOCIAL SECURITY	\$21,781	\$27,746	\$24,968	\$28,783
ADMIN. TAXES MCARE	\$5,132	\$6,489	\$5,872	\$6,759
W ADMIN. WORKERS COMP INSURANC	\$1,847	\$1,525	\$1,527	\$1,462



Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
WATER ADMIN TAXES - FUTA/SUTA	\$81	\$504	\$51	\$504
WATER ADMIN. RETIREMENT	\$27,652	\$53,356	\$50,021	\$57,532
WATER ADMIN. INSURANCE	\$52,810	\$57,027	\$56,836	\$62,703
WATER ADMIN OPEB	\$2,531	\$0	\$0	\$0
WATER ADMIN ALLOW FOR VACANCIES	\$0		\$0	-\$4,058
Total Water Utility:	\$867,994	\$981,465	\$902,103	\$1,039,193
Wastewater Utility				
WASTEWATER OVERTIME	\$9,116	\$4,432	\$10,778	\$8,430
SEWER SERVICE SALARIES	\$238,049	\$270,593	\$254,050	\$306,118
SEWER SERVICE TAXES SOCIAL SECURITY	\$14,757	\$16,892	\$16,161	\$19,502
SEWER SERVICE TAXES MCARE	\$3,451	\$3,951	\$3,780	\$4,561
SEWER SVC WORKERS COMP INSURAN	\$8,377	\$9,792	\$9,808	\$10,457
WW SERVICE TAXES - FUTA/SUTA	\$136	\$473	\$45	\$518
SEWER SERVICE RETIREMENT	\$18,236	\$32,483	\$31,586	\$38,823
SEWER SERVICE INSURANCE	\$39,252	\$44,798	\$38,568	\$51,630
SEWER SERVICE OPEB	\$1,669	\$0	\$0	\$0
SEWER SERVICE ALLOW FOR VACANCIES	\$0		\$0	-\$15,305
WASTEWATER ADMIN OVERTIME	\$181	\$181	\$411	\$186
SEWER ADMINISTRATIVE SALARIES	\$384,087	\$432,549	\$400,883	\$447,540
SEWER ADMIN. TAXES SOCIAL SECURITY	\$21,267	\$26,662	\$23,882	\$27,642
SEWER ADMIN TAXES MCARE	\$5,010	\$6,235	\$5,617	\$6,492
WW ADMIN WORKERS COMP INSURANC	\$1,322	\$1,468	\$1,470	\$1,407
WW ADMIN TAXES - FUTA/SUTA	\$78	\$477	\$49	\$477
SEWER ADMIN. RETIREMENT	\$27,032	\$51,270	\$47,934	\$55,261
SEWER ADMIN INSURANCE	\$53,196	\$56,863	\$56,743	\$62,530
SEWER ADMIN OPEB	\$2,474	\$0	\$0	\$0
SEWER ADMIN ALLOW FOR VACANCIES	\$0		\$0	-\$4,058
Total Wastewater Utility:	\$827,692	\$959,119	\$901,763	\$1,022,211
Total Personnel:	\$1,695,685	\$1,940,584	\$1,803,866	\$2,061,404
Supplies, Maintenance, and Operations				
Water Utility				
WATER SERVICE UNIFORMS	\$5,145	\$6,720	\$6,720	\$7,110
WATER POWER	\$191,985	\$140,000	\$170,000	\$150,000
MAINTENANCE OF PLANT/LINES	\$112,433	\$127,125	\$125,100	\$120,000
WATER ANALYSIS FEES	\$11,132	\$7,400	\$7,400	\$9,000
WATER CHEMICALS	\$5,375	\$3,200	\$4,200	\$3,500
WATER CITY MANAGEMENT FEE	\$209,258	\$161,427	\$170,927	\$167,618
WATER EQUIPMENT MAINTENANCE	\$19,938	\$13,875	\$13,875	\$15,900
WATER EQUIPMENT GAS & OIL	\$13,843	\$11,500	\$15,500	\$15,000
GBRA WATER FEES	\$1,205,020	\$1,425,536	\$1,527,447	\$1,557,453
WATER EQUIPMENT LEASE	\$1,337	\$690	\$1,380	\$1,000
WATER TOOLS & MINOR EQUIP	\$5,495	\$16,875	\$10,562	\$11,125



Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
WATER SERVICE TRAINING	\$9,415	\$24,648	\$14,648	\$24,638
WATER UTILITIES & RADIO	\$23,118	\$21,897	\$21,897	\$27,705
WATER SIGNAL & TELEMTRY	\$162	\$0	\$34	\$1,536
WATER BUILDING MAINTENANCE	\$4,881	\$9,630	\$9,630	\$11,380
SUPPLIES & CONSUMABLES	\$2,236	\$1,750	\$2,600	\$2,200
VEHICLE MAINTENANCE/REPAIR	\$3,858	\$6,500	\$6,500	\$6,500
WATER INVENTORY ADJUSTMENT	\$2,755	\$0	\$0	\$0
WTR ADM UTILITIES/ TELEPHONE	\$9,234	\$8,869	\$8,869	\$9,189
WATER DUES & PUBLICATIONS	\$669	\$1,822	\$1,822	\$2,281
WATER PERMITS & LICENSES	\$8,441	\$8,683	\$8,683	\$8,883
WATER GEN. LIABILITY INSURANCE	\$25,495	\$28,280	\$28,127	\$32,500
WATER OFFICE SUPPLIES	\$709	\$3,257	\$3,257	\$3,244
WATER TRAVEL & MEETINGS	\$750	\$4,000	\$2,500	\$4,250
WATER SOFTWARE & COMPUTER	\$84,720	\$122,820	\$209,571	\$202,267
RECORDING/REPORTING EXPENSES	\$627	\$500	\$500	\$500
WATER POSTAGE	\$595	\$938	\$938	\$938
WATER ADM BLDG/EQUIP MAINT	\$88	\$150	\$0	\$150
CONSERVATION EDUCATION		\$1,370	\$0	\$1,370
BILLING STATEMENT CHARGE	\$3,567	\$3,400	\$3,400	\$3,400
BILLING POSTAGE	\$8,890	\$8,500	\$8,500	\$8,500
COPIER LEASE	\$1,745	\$1,654	\$1,654	\$1,954
PUBLIC RELATIONS	\$2,937	\$4,000	\$4,431	\$4,000
EMPLOYMENT COSTS	\$324	\$1,480	\$1,480	\$1,330
EMPLOYEE APPRECIATION	\$3,228	\$5,108	\$5,108	\$5,231
WATER MISCELLANEOUS	\$226	\$250	\$0	\$250
CREDIT CARD SERVICE FEE	\$29,587	\$27,500	\$27,500	\$27,500
Total Water Utility:	\$2,009,219	\$2,211,354	\$2,424,760	\$2,449,401
Wastewater Utility				
SEWER SERVICE UNIFORMS	\$5,438	\$5,025	\$5,025	\$5,335
SEWER POWER	\$42,770	\$38,500	\$42,500	\$40,000
MAINTENANCE OF PLANT/LINES	\$64,643	\$65,000	\$62,975	\$50,000
SLUDGE DISPOSAL	\$323,451	\$225,000	\$187,193	\$25,000
SEWER ANALYSIS FEES	\$18,248	\$27,000	\$27,000	\$27,000
SEWER CHEMICALS	\$14,614	\$16,500	\$17,500	\$32,500
SEWER CITY MANAGEMENT FEE	\$48,308	\$48,576	\$48,576	\$88,406
SEWER EQUIPMENT MAINTENANCE	\$11,193	\$8,235	\$8,235	\$9,790
SEWER EQUIPMENT GAS & OIL	\$12,064	\$9,500	\$11,500	\$11,875
SEWER SVC EQUIPMENT LEASE	\$7,128	\$2,500	\$2,500	\$2,500
SEWER TOOLS & MINOR EQUIPMENT	\$3,887	\$13,575	\$13,575	\$10,250
SEWER SERVICE TRAINING	\$7,760	\$24,099	\$21,599	\$24,064
SEWER SVC UTILITIES & RADIO	\$21,455	\$20,171	\$20,171	\$26,005
SIGNAL & TELEMTRY	\$461	\$0	\$159	\$1,920
SEWER BUILDING MAINTENANCE	\$3,689	\$9,150	\$9,150	\$15,900



Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
SUPPLIES & CONSUMABLES	\$2,912	\$1,650	\$3,150	\$2,500
VEHICLE MAINTENANCE/REPAIR	\$3,936	\$5,000	\$6,000	\$5,000
INVENTORY ADJUSTMENT	\$1	\$0	\$0	\$0
SWR ADM UTILITIES/ TELEPHONE	\$9,412	\$7,830	\$7,830	\$8,130
SEWER DUES & PUBLICATIONS	\$1,044	\$2,027	\$2,027	\$2,324
SEWER PERMITS & LICENSES	\$1,684	\$3,493	\$3,493	\$3,693
SEWER GEN. LIABILITY INSURANCE	\$25,495	\$28,280	\$28,127	\$32,500
SEWER OFFICE SUPPLIES	\$873	\$2,256	\$2,256	\$2,244
SEWER TRAVEL & MEETINGS	\$697	\$4,000	\$2,000	\$4,250
SEWER SOFTWARE & COMPUTER	\$59,602	\$76,241	\$97,825	\$97,024
RECORDING/REPORTING EXPENSE	\$418	\$350	\$350	\$350
SEWER POSTAGE	\$548	\$600	\$600	\$600
SWR ADM BLD/EQUIP MAINTENANCE	\$88	\$150	\$0	\$150
BILLING STATEMENT CHARGES	\$3,567	\$3,500	\$3,500	\$3,500
BILLING POSTAGE	\$8,890	\$8,500	\$8,500	\$8,500
Copier Lease	\$1,745	\$1,654	\$1,654	\$1,954
PUBLIC RELATIONS	\$2,937	\$4,000	\$4,429	\$4,000
EMPLOYMENT COSTS	\$285	\$1,480	\$1,480	\$1,330
EMPLOYEE APPRECIATION	\$2,873	\$4,898	\$4,898	\$5,181
SEWER MISCELLANEOUS	\$226	\$250	\$0	\$250
Total Wastewater Utility:	\$712,342	\$668,990	\$655,776	\$554,024
Total Supplies, Maintenance, and Operations:	\$2,721,561	\$2,880,344	\$3,080,535	\$3,003,425
Professional Services				
Water Utility				
WATER PROFESSIONAL FEES	\$354,625	\$54,656	\$165,681	\$106,581
Total Water Utility:	\$354,625	\$54,656	\$165,681	\$106,581
Wastewater Utility				
SEWER PROFESSIONAL FEES	\$58,940	\$55,156	\$57,181	\$57,081
Total Wastewater Utility:	\$58,940	\$55,156	\$57,181	\$57,081
Total Professional Services:	\$413,565	\$109,812	\$222,862	\$163,662
Capital Outlay				
Water Utility				
WATER OPERATIONAL CAPITAL		\$35,500	\$96,761	\$257,500
WATER EQUIPMENT PURCHASES	\$62,998	\$86,750	\$168,910	\$295,000
Total Water Utility:	\$62,998	\$122,250	\$265,671	\$552,500
Wastewater Utility				
WASTEWATER OPERATIONAL CAPITAL	\$45,013	\$46,200	\$46,200	\$0
WASTEWATER EQUIPMENT PURCHASES		\$109,500	\$160,982	\$237,500
Total Wastewater Utility:	\$45,013	\$155,700	\$207,182	\$237,500
Total Capital Outlay:	\$108,011	\$277,950	\$472,853	\$790,000



Name	FY2022 Actual	FY2023 Budgeted	FY2023 Projected	FY2024 Budgeted
Debt Service				
Water Utility				
OB BOND INTEREST COST	\$18,842	\$16,590	\$16,590	\$13,872
Total Water Utility:	\$18,842	\$16,590	\$16,590	\$13,872
Wastewater Utility				
OB BOND INTEREST COST	\$3,589	\$3,160	\$3,160	\$2,642
Total Wastewater Utility:	\$3,589	\$3,160	\$3,160	\$2,642
Total Debt Service:	\$22,431	\$19,750	\$19,750	\$16,514
Total Expense Objects:	\$7,054,246	\$5,214,662	\$4,706,174	\$6,348,343

DEBT

Government-wide Debt Overview

Overview

Major capital improvements such as streets, drainage, buildings, and other facilities are often financed by bonds. This funding mechanism allows payment for infrastructure improvements to be made over multiple years, usually over the life of the improvement.

Debt Service Policy

For large infrastructure projects or large pieces of equipment, debt financing is sometimes required. The City's debt management objective is to maintain a level of debt service that does not adversely impact tax or utility rates and does not hinder the City's ability to effectively operate the utility systems, street network, or other facilities. The statutory debt limit for the City is \$2.50 per \$100 assessed valuation.

Legal Debt Margin For Fiscal Year 2024

Total Assessed Value	\$2,388,156,944
Debt Limit (\$2.50 per \$100 assessed valuation)	59,703,924
Debt applicable to limit:	
General bonded debt outstanding	3,856,975
Less: Amount set aside for repayment of general bonded debt	0
Total debt applicable to limit	3,856,975
Annual legal debt margin	\$55,846,949

When the City of Fair Oaks Ranch utilizes long-term debt financing, it will ensure the debt is soundly financed by:

- Conservatively projecting the revenue sources that will be utilized to pay the debt.
- Financing the improvement over a period of time not greater than the useful life of the asset.

Outstanding Debt Obligations

Bonded Debt - FY 2024			
Purpose	2015	2020	Totals
	General Obligation Streets	Cert of Obligation Utility System	
Amount Issued	\$ 7,000,000	\$ 2,660,000	\$ 9,660,000
Outstanding Principal	\$ 3,525,000	\$ 1,795,000	\$ 5,320,000
Repayment Schedule of Principal and Interest by Issue			
2024	553,163	336,514	889,677
2025	552,475	338,256	890,731
2026	550,950	334,974	885,924
2027	548,575	336,666	885,241
2028	550,888	338,308	889,196
2029	552,825	160,808	713,633
2030	548,100	-	548,100
Total P&I Payments	3,856,976	1,845,526	5,702,502



\$889,677

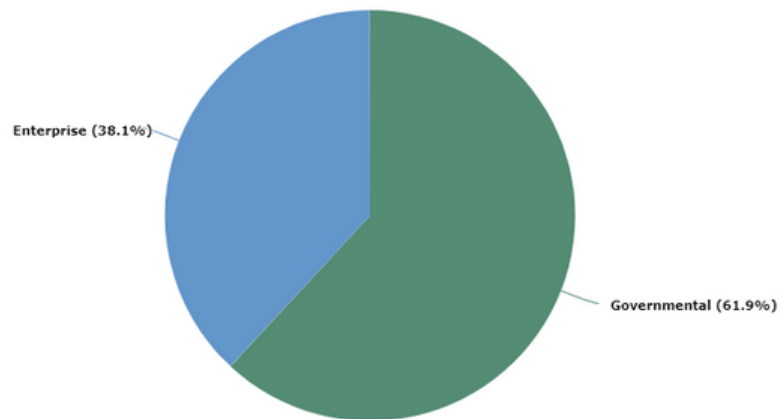
-\$2,199 (-0.25% vs. 2023 year)

FY 2023-24 Total Debt Payments

The total debt service requirement for the City of Fair Oaks Ranch in fiscal year 2023-24 is \$889,677. The chart below shows the Bond Principal and Interest requirements by fund.

	Debt Service Fund	Utility Fund	Total
Principal	\$470,000	\$320,000	\$790,000
Interest	\$83,163	\$16,514	99,677
Total Debt Service	\$553,163	\$336,514	\$889,677

Debt by Fund



	FY2021	FY2022	FY2023	FY2024
All Funds	Actual	Actual	Actual	Budgeted
Governmental	\$550,675	\$549,185	\$552,130	\$553,163
Enterprise	\$251,824	\$337,952	\$339,746	\$336,514
Total All Funds:	\$802,499	\$887,137	\$891,876	\$889,677

Governmental

General Obligation (GO) Interest and Sinking Fund

This fund derives its revenue from ad valorem taxes. The function of this fund is to retire bonded indebtedness and pay the interest on the indebtedness. The City currently has one general obligation bond, which was issued in 2015 for General Fund street reconstruction.

Street Bond Program:

- Bond Election 11/4/14 passed
- \$7,000,000 bond issued for a Roadway Reconstruction Project
- Major thoroughfare roads were rehabilitated
- Construction project completed during 2019

S&P Bond Rating: AA+

	FY2021	FY2022	FY2023	FY2024
Governmental	Actual	Actual	Actual	Budgeted
Debt Service Fund	\$550,675	\$549,185	\$552,130	\$553,163
Total Governmental:	\$550,675	\$549,185	\$552,130	\$553,163

Enterprise

In FY 2020, the City of Fair Oaks Ranch Utilities issued Certificates of Obligation related to the refinance of a capital lease. With historically low interest rates in the market, the City opted for early retirement of the lease, as allowed under the contract, at 102% of the unpaid principal. The interest rate was reduced from 3.31% to 1.25%, and a certificate of obligation would carry more favorable terms to the City than the existing capital lease agreement.

Water Utility SCADA system:

- Resolution 2020-10 passed and approved July 2, 2020
- \$2,660,000 Certificate of Obligation issued

	FY2021	FY2022	FY2023	FY2024
Enterprise	Actual	Actual	Actual	Budgeted
Utility Fund	\$251,824	\$337,952	\$339,746	\$336,514
Total Enterprise:	\$251,824	\$337,952	\$339,746	\$336,514

CAPITAL IMPROVEMENTS

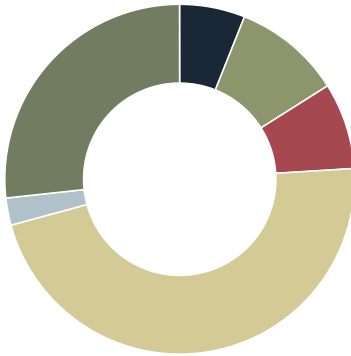
Capital Improvements: One-year Plan

Total Capital Requested

\$2,480,049

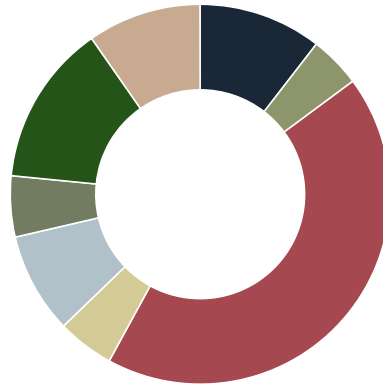
34 Capital Improvement Projects

Total Funding Requested by Department



Public Health, Safety and Welfare (6%)	\$150,000.00
Public Safety & Emergency (10%)	\$247,985.00
Public Works (8%)	\$198,000.00
Reliable and Sustainable Infrastructure (47%)	\$1,159,064.00
Wastewater Utility (3%)	\$62,500.00
Water Utility (27%)	\$662,500.00
TOTAL	\$2,480,049.00

Total Funding Requested by Source



General Fund ERF (10%)	\$260,000.00
Governmental Operations (4%)	\$108,485.00
Governmental SAP Fund (43%)	\$1,069,064.00
UF Operations (5%)	\$120,000.00
Utility Fund ERF (9%)	\$212,500.00
Wastewater Operations (5%)	\$128,750.00
Water Operations (14%)	\$341,250.00
Water SAP Fund (10%)	\$240,000.00
TOTAL	\$2,480,049.00

General Fund ERF (Equipment Replacement Fund)

The General Fund Equipment Replacement Fund (ERF) is dedicated for the replacement of Governmental Fund capital items such as fleet vehicles and heavy equipment. The purpose of the fund is to ensure that adequate funds are available to purchase vehicles and equipment, to stabilize budgeting for major purchases, and to provide a systematic approach to procurement and disposition of the fleet. Total funded for FY 2023-24 includes \$177,000 in vehicles for the Public Safety department, and \$83,000 in equipment for the Public Works department for a total of \$260,000.

General Fund Operations

The General Fund Operations budget includes \$86,795 in new capital equipment for the Public Safety and Maintenance departments. The new capital equipment will be added to the strategic asset management program moving forward, which programs for systematic replacement through the Equipment Replacement Fund when the assets reach the end of their useful lives.

Governmental SAP Fund (Governmental Strategic and Capital Fund)

Of the \$1,069,064 of Governmental SAP projects funded for FY 2023-24, all are capital projects. These projects include: two drainage improvements, a continuing roadway reconstruction, a new sidewalk construction, and improvements to one of the City's fire stations.

Utility Fund Operations

The Utility Fund Operations budget includes \$432,500 in new capital equipment which will be added to the strategic asset management program moving forward. It also includes \$157,500 in small capital projects and repairs.

Utility Capital Funds

The following funding sources are utilized for Utility Capital projects:

- Water SAP Fund (Water Strategic and Capital Fund)
- Wastewater SAP Fund (Wastewater Strategic and Capital Fund)
- Contribution in Aid
- Capital Reserve Fees
- Impact Fees
- Grants

The total of all categories of funding for the Utility capital projects is \$240,000, all of which are Water Capital Projects.

Utility Fund ERF (Utility Equipment Replacement Fund)

The Utility Vehicle/Equipment Replacement Fund (ERF) is dedicated for the replacement of Utility Fund capital items such as fleet vehicles and heavy equipment. The purpose of the fund is to ensure that adequate funds are available to purchase vehicles and equipment, to stabilize budgeting for major purchases, and to provide a systematic approach to procurement and disposition of the fleet. The total funded for FY 2023-24 includes \$212,500 in Water and Wastewater departmental vehicle and equipment replacements.

Public Safety & Emergency Requests

Itemized Requests for 2024

2024 FORD POLICE INTERCEPTOR UTILITY - PATROL UNIT 241	\$59,000
VEHICLE IS PROGRAMMED UNDER VEHICLE REPLACEMENT PLAN TO REPLACE AGING/HIGH-MILEAGE PATROL VEHICLE.	
2024 FORD POLICE INTERCEPTOR UTILITY - PATROL UNIT 242	\$59,000
VEHICLE IS PROGRAMMED UNDER VEHICLE REPLACEMENT PLAN TO REPLACE AGING/HIGH-MILEAGE PATROL VEHICLE.	
2024 FORD POLICE INTERCEPTOR UTILITY -PATROL UNIT 243	\$59,000
VEHICLE IS PROGRAMMED UNDER VEHICLE REPLACEMENT PLAN TO REPLACE AGING/HIGH-MILEAGE PATROL VEHICLE.	
Mobile Radio Units for patrol Cars	\$10,000
Additional Mobile Radio Units needed for the patrol cars	
Night Vision/Thermal Recording Binoculars	\$10,000
Thermal binoculars to assist patrol officers in searching and locating potential criminal activity. Current night vision equipment is outdated and non-functioning. New devices are more cost effective than replacing night vision...	
Portable Handheld Radios - XL-95P	\$27,970
Current handheld radios (XG-75) will no longer be supported by service providers with a cut-off date in early 2025. New model Harris XL-95P handheld radios are available for purchase and will be needed once service is cut to the outdated...	
Tasers	\$8,000
Will allow each officer to have their own taser plus an additional in case a spare is needed. (Purchase 5)	
Update Duty Weapons - Handguns	\$15,015
Scheduled replacement of duty weapons for sworn personnel. Current inventory of 25 weapons is 2 years beyond the scheduled replacement. Updates will move weapons from .40 caliber to 9mm based on current research and ballistic performance...	
Total: \$247,985	

Public Works Requests

Itemized Requests for 2024

4 Post Truck Lift	\$35,000
--------------------------	-----------------

We would like to replace the current 2 post lift that is under rated, old, and unsafe for the type of work that is done in the shop. The new unit will make working on trucks safer and is rated for the correct vehicals.

ATV gravely replacement	\$30,000
--------------------------------	-----------------

The current ATV is set to be replaced and, due to age and hours used, it is recommended to replace it with a newer, safer unit. this unit is used by both departments as some areas that work is done is along the creek and allows for staff to access...

GIS Plotter (replacement)	\$25,000
----------------------------------	-----------------

The GIS plotter needs replacement due to its age and use. The previous plotter was purchased for lower volume use, and as the city has grown, the unit has become worn and is beginning to show its wear. Staff recommends replacing the unit with one...

Portable Man Lift	\$40,000
--------------------------	-----------------

This is for a new man-lift for repairs, tree trimming and maintenance. The city currently rents a unit. This year's rental fees were close to \$8k, and last year they were about \$3K. This unit would pay for itself in 5 years.

Skid Steer (Replacement)	\$68,000
---------------------------------	-----------------

The skid steer is set to be replaced. We want to replace it as we are starting to have more mechanical issues with the current one due to age. We plan to replace the existing unit with tracks for better operations and safety.

Total: \$198,000

Water Utility Requests

Itemized Requests for 2024

Dump Trailer (replacement)	\$20,000
-----------------------------------	-----------------

The dump truck is set for replacement. However, after reevaluating the need for two dump trucks in the fleet, staff recommended replacing the dump truck with an F-450 and a dump trailer. This would provide for better use of the equipment and...

Easement Gates	\$20,000
-----------------------	-----------------

The utility has multiple water and sewer lines in residents' backyards. Some water and sewer lines are inaccessible due to fences built over them without gates. Due to the missing gates, in the event of a water line or sewer backup,...

ford explorer (replacement)	\$45,000
------------------------------------	-----------------

Staff recommends replacing the ford escape due to age and replacing it with a ford explorer as they are the primary passenger-style vehicles within the city fleet.

Ford F-450 (replacement)	\$90,000
---------------------------------	-----------------

The dump truck is set for replacement. However, after reevaluating the need for two dump trucks in the fleet, staff recommended replacing the dump truck with an F-450 and a dump trailer. This would provide for better use of the equipment and...

Hydro-Excavator	\$130,000
------------------------	------------------

This will be the 2nd Hydro-Excavator in the Utility Department. This equipment is used for cleaning lines and tanks. Having a second one will extend the lives of both pieces of equipment, and prevent cross contamination.

JW-1 SCADA Waterwell set up	\$60,000
------------------------------------	-----------------

The JW1 water well is located outside the city off Ralph Fair Road and near Plant 4. This water well was never put into operation due to previous concerns of contamination from the military base. However, a few years back, the base notified the...

NEW meter base station	\$120,000
-------------------------------	------------------

Our current base stations used for capturing the water meter reads will be 10 years old and unable to provide additional information to efficiently manage the water meters in the Sensus Cloud environment. The old equipment is not being...

Water plant 1 valve installation	\$17,500
---	-----------------

There is currently a minor water leak at water plant 1. For staff to repair this line, it would require shutting down the gravity feed line leaving water plant one that feeds gravity zone B. Shutting this line down would shut the water off to half...

Water well generators	\$100,000
------------------------------	------------------

Staff recommends installing generator hookups and purchasing mobile generators large enough to power the water wells in case of a power outage. Staff is unsure of the project's cost but hopes the requested amount would cover setting up two...

Well 26 easement and repair	\$60,000
------------------------------------	-----------------

This project is to bring well 26 back on line and establish an access easement. Water well 26l located in Village Green outside of the city has been down for two years due to the pump failing. Due to the litigation issues, this...

Total: \$662,500



Wastewater Utility Requests

Itemized Requests for 2024

New e-pump	\$45,000
------------	----------

The emergency diesel trailer pumps are used during emergencies. Currently, the utility owns three used for 3 of the six lift stations around the city. The other two are run on a backup generator; however, one lift station is left with no backup....

Ridged Sewer Cam (replacement)	\$17,500
--------------------------------	----------

Staff recommends replacing the ridged sewer push camera for inspecting customer and utility laterals. The current unit is over ten years old and is currently not working. This unit's parts are challenging to find to repair the camera. The...

Total: \$62,500

Public Health, Safety and Welfare Requests

Itemized Requests for 2024

Fire Station #3 Upgrades	\$150,000
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Install bay door openers with remote operation Install Open Path building access control Install a building back-up generator

Total: \$150,000

Reliable and Sustainable Infrastructure Requests

Itemized Requests for 2024

Drainage 28907 Chartwell Lane (#35)	\$64,829
Drainage channel through the Chartwell subdivision experiences erosive velocities during storm events. Must-Do project. This drainage channel through the Chartwell subdivision experiences erosive velocities during storm events. It is one...	
Drainage 8622 Delta Dawn (#15)	\$245,000
Erosion control measures and channel improvements to reduce velocities and slow or stop erosion near the City's Deer Meadow Estates Sewer Lift Station. Must-Do project due to potential impact to public infrastructure. Erosion has...	
RDWY: Connect sidewalk between both Elkhorn Ridge subdivision entrances on Dietz Elkhorn	\$300,000
1,300 LF Sidewalk Gap From Proposed MF Tract to Van Raub Elementary School Drainage & Utility Adjustments Coordination w/Developer Will Be Key	
RDWY: Dietz Elkhorn Roadway Reconstruction	\$309,235
Addition of ped/bike amenities, drainage improvements, utility adjustments Overall Condition Index (OCI) Score Below 40 In Less Than 3 Years, the Average OCI Will Be Below 20 Full Depth Reconstruction, Drainage Improvements, & Utility...	
Well 25 - Electrical	\$60,000
This project consists of replacing the electrical service head, panels, conductors, replacement of rotophase converter with variable frequency drive (VFD) and other associated electrical components. Well 25 ranked worst of all of the...	
Well 27 - Electrical	\$60,000
This project consists of replacing the electrical service head, panels, conductors, replacement of rotophase converter with variable frequency drive (VFD) and other associated electrical components. As the City has experienced with other...	
Well 28 - Electrical	\$60,000
This project consists of replacing the electrical service head, panels, conductors, replacement of rotophase converter with variable frequency drive (VFD) and other associated electrical components. The existing Well 28 electrical...	
Well 31 - Electrical	\$60,000
This project consists of replacing the electrical service head, panels, conductors, replacement of rotophase converter with variable frequency drive (VFD) and other associated electrical components. Based on the condition and critical...	
Total: \$1,159,064	

Capital Improvement Plan (CIP)

A Capital Improvement Plan (CIP) is a multi-year forecast which identifies major capital projects requiring the use of public funds over and above routine annual operating expenses.

A capital project creates, improves, replaces, repairs, or permanently adds to the City's assets, including land, site improvements, streets, bridges, utility improvements, major equipment, and computer hardware purchases.

This CIP is a supplement to the City's larger strategic action plan, and is aligned with the Mission, Vision and Pillars set forth by the City Council. This plan outlines the City's large capital projects and their corresponding timelines.

Reliable and Sustainable Infrastructure - Drainage CIP

	2023	2024	2025	2026	2027	2028
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - DRAINAGE PROJECTS						
3.3.2 Drainage 7840 Silver Spur Trail (Drainage CIP # 17)	28,796	-	-	-	-	-
3.3.3 Drainage 29010 Tivoli Way (Drainage CIP #34)	1,200,000	-	-	-	-	-
3.3.7 Drainage 7967 Turf Paradise Lane (Drainage CIP #37)	94,000	-	-	-	-	-
3.3.9 Drainage 7820 Rolling Acres Trail (Drainage CIP #5)	250,000	-	-	-	-	-
3.3.10 Drainage Rockinghorse Lane (Drainage CIP #61)	29,609	-	-	-	-	-
3.3.22 Drainage 28907 Chartwell Lane (CIP #35)	-	64,829	260,000	-	-	-
3.3.23 Drainage 8622 Delta Dawn (CIP# 15)	-	245,000	-	-	-	-
3.3.14 Drainage 8472 Rolling Acres Trail (CIP# 2)	-	-	65,000	150,000	-	-
3.3.17 Drainage 8040 Rolling Acres Trail (CIP# 4)	-	-	65,000	150,000	-	-
3.3.18 Drainage 7740 Pimlico Lane (CIP# 42)	-	-	109,465	-	-	-
3.3.13 Drainage 7420 Rolling Acres Trail (CIP#6)	-	-	-	108,867	108,867	510,000
3.3.12 Drainage 8426 Triple Crown (CIP# 41)	-	-	-	-	225,000	-
3.3.20 Drainage 8312 Triple Crown (CIP #43)	-	-	-	-	240,000	-
3.3.6 Drainage 29314 Sumpter Drive (CIP# 32)	-	-	-	-	-	61,829
3.3.19 Drainage 32030 Scarteen (CIP# 53)	-	-	-	-	-	61,829
Total Drainage	1,602,405	309,829	499,465	408,867	573,867	633,658

Reliable and Sustainable Infrastructure - Roadway CIP

	2023	2024	2025	2026	2027	2028	2029
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - ROADWAY PROJECTS							
3.4.7 Modify Chartwell and Dietz Intersection	98,126	-	-	-	-	-	-
3.4.10 Dietz Elkhorn Roadway reconstruction	300,915	300,000	253,128	1,843,760	1,843,760	-	-
3.4.13 Post Oak Tr Roadway reconstruction, TX Dot Grant	875,000	-	-	-	-	-	-
3.4.14 Connect sidewalk between Elkhorn Ridge	15,000	250,000	-	-	-	-	-
3.4.15 Battle Intense Reconstructing sidewalk curb	54,500	-	-	-	-	-	-
3.4.16 Reconstruct Battle Intense near Trailside	-	-	300,000	-	-	-	-
3.4.12 Rolling Acres Roadway reconstruction	-	-	-	373,901	373,901	2,492,673	2,492,673
Total Roadway	1,343,541	550,000	553,128	2,217,661	2,217,661	2,492,673	2,492,673

Reliable and Sustainable Infrastructure - Buildings

	2023	2024	2025	2026	2027	2028
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - BUILDINGS						
3.5.5 Plan and construct a civic/community center	412,815	800,000	-	-	-	-
Total Buildings	412,815	800,000	-	-	-	-

Reliable and Sustainable Infrastructure - Water and Wastewater

		2023	2024	2025	2026	2027	2028
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - WATER							
3.1.2	Plant 2 Tank and Variable Frequency Drives (1W)	7,065	-	-	-	-	-
3.1.4	Replace Creek Crossings West (not Impact Fee)(6R)	144,196	-	-	-	-	-
3.1.5	Willow Wind Drive/Red Bud Hill Water Line (29R)	70,705	845,968	-	-	-	-
3.1.6	Elevated Storage Tank (2W)	50,000	736,313	3,480,000	3,480,000	-	-
3.1.10	Rolling Acres Trail Water Line Rehabilitation (28R)	66,794	587,443	-	-	-	-
3.1.11	Expand Plant No. 5 (Impact fee) (5W)	15,000	1,270,000	-	-	-	-
3.1.24	Old Fredericksburg Waterline (21W)	291,920	260,000	-	-	-	-
3.1.3a	Upgrade Elmo Davis Pump Station (1R, 2R)		385,000	-	-	-	-
3.1.8	Well 27 Electrical (15R) Add Variable Frequency		60,000	-	-	-	-
3.1.27	Well 31 Electrical (19R) Add Variable Frequency	-	60,000	-	-	-	-
3.1.30	Well 25 Electrical (New) Add Variable Frequency	-	60,000	-	-	-	-
3.1.31	Well 28 Electrical (New) Add Variable Frequency	-	60,000	-	-	-	-
3.1.13	Upgrade Electrical at Plant No. 3 Pump Station (5R)		-	71,557	294,489	-	-
3.1.3b	Upgrade Electrical at Elmo Davis Pump Station (3R)		-	67,642	296,348	81,559	-
3.1.25	Well K6 Electrical (11R)	-	-	60,000	-	-	-
3.1.26	Well CR1 Electrical (16R)	-	-	60,000	-	-	-
3.1.12	Expand Elmo Davis Water Plant Zone C (Impact Fee) (6W)	-	-	-	178,661	973,198	256,790
Water Total		645,680	4,324,724	3,739,199	4,249,498	1,054,757	256,790
RELIABLE AND SUSTAINABLE INFRASTRUCTURE - WASTEWATER							
3.2.2	Solids Handling Improvements (4R)	1,095,497	-	-	-	-	-
3.2.11	Wastewater Treatment Plant Phase 1 Expansion (2S)	100,000	2,531,000	2,531,000	-	-	-
3.2.3	Install Sewer Line and Decommission Falls Lift Station (1S)	-	-	-	104,957	721,654	-
3.2.6	Improvements at School Lift Station (8R)	-	-	-	280,575	-	-
3.2.7a	Improvements at Deer Meadows Lift Stations No 1 (10R)	-	-	-	-	159,563	-
3.2.7b	Improvements at Deer Meadows Lift Stations No 2 (9R)	-	-	-	-	159,563	-
Wastewater Total		1,195,497	2,531,000	2,531,000	385,532	1,040,780	-

DOCUMENTS

2023 Tax Rate Calculation Worksheets

2023 Tax Rate Calculation Worksheet Taxing Units Other Than School Districts or Water Districts

Form 50-856

Fair Oaks Ranch, City of

210-698-0900

Taxing Unit Name

Phone (area code and number)

7286 Dietz Elkhorn

www.fairoaksranchtx.org

Taxing Unit's Address, City, State, ZIP Code

Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	2022 total taxable value. Enter the amount of 2022 taxable value on the 2022 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). ¹	\$ 2,136,409,507
2.	2022 tax ceilings. Counties, cities and junior college districts. Enter 2022 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2022 or a prior year for homeowners age 65 or older or disabled, use this step. ²	\$ 0
3.	Preliminary 2022 adjusted taxable value. Subtract Line 2 from Line 1.	\$ 2,136,409,507
4.	2022 total adopted tax rate.	\$ 0.329100 /\$100
5.	2022 taxable value lost because court appeals of ARB decisions reduced 2022 appraised value. A. Original 2022 ARB values: \$ 0 B. 2022 values resulting from final court decisions: - \$ 0 C. 2022 value loss. Subtract B from A. ³	\$ 0
6.	2022 taxable value subject to an appeal under Chapter 42, as of July 25. A. 2022 ARB certified value: \$ 8,090 B. 2022 disputed value: - \$ 0 C. 2022 undisputed value. Subtract B from A. ⁴	\$ 8,090
7.	2022 Chapter 42 related adjusted values. Add Line 5C and Line 6C.	\$ 8,090

¹ Tex. Tax Code §26.012(14)

² Tex. Tax Code §26.012(14)

³ Tex. Tax Code §26.012(13)

⁴ Tex. Tax Code §26.012(13)

Form developed by: Texas Comptroller of Public Accounts, Property Tax Assistance Division

For additional copies, visit: comptroller.texas.gov/taxes/property-tax

50-856 • 6-23/10



ORDINANCE 2023-09

ADOPTING THE CITY OF FAIR OAKS RANCH ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023 AND ENDING SEPTEMBER 30, 2024; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City Manager submitted to the City Council a proposed budget for the next ensuing budget year, and filed the proposed budget with the City Secretary for public review pursuant to LGC §102.005; and,

WHEREAS, on August 17, 2023, the Council set September 12, 2023, as the date for the public hearing thereon and caused notice of such public hearing to be posted on the City's website and published in the Boerne Star pursuant to LGC §102.006 and 102.0065; and,

WHEREAS, the public hearing was held on said date and all persons were then afforded an opportunity to appear and object to any or all items and estimates in the proposed budgets; and,

WHEREAS, pursuant to Local Government Code §102.007, the City Council, by passage of the Budget Ordinance shall adopt the budget for the ensuing fiscal year and appropriate such sums of money as the Council deems necessary to defray all expenditures of the City during the 2023-24 budget year.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS, THAT:

SECTION 1. BUDGET.

- a. The City hereby approves and adopts the "FY 2023-24 Municipal Budget", attached as **Exhibit A**, in all respects as the City's annual budget for the fiscal year beginning October 1, 2023 and ending September 30, 2024.
- b. The City Manager may reallocate budget amounts within and between departmental accounts, but reallocation of amounts between funds must be approved by the City Council by ordinance. For purposes of this section the term "fund" refers to the Governmental Accounting definition of a fund (i.e. "General Fund", "Utility Fund", and "Debt Service Fund").
- c. In accordance with LGC §102.008(a), the adopted budget shall be filed with the City Secretary; and a copy of the adopted budget including the cover page shall be posted on the City's website.

SECTION 2. SEVERABILITY.

If any provision of this ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this ordinance would have been enacted without such invalid provision.

SECTION 3. CONFLICT OF ORDINANCES.

Ordinances or parts of ordinances in conflict herewith are hereby repealed and are no longer of any force and effect.

SECTION 4. EFFECTIVE DATE.

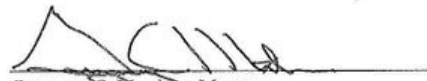
This ordinance shall take effect on the first day of October 2023.

PASSED on first reading this 12th day of September, 2023 and recorded as follows:

	FOR	AGAINST	ABSTAIN
Mayor Greg Maxton	✓		
Council Member Stroup	✓		
Council Member Rhoden	✓		
Council Member Bliss	✓		
Mayor Pro Tem Koerner	ABSENT		
Council Member Parker	✓		
Council Member Muenchow	ABSENT		

PASSED, APPROVED and ADOPTED on second reading, this the 21st day of September, 2023 and recorded as follows:

	FOR	AGAINST	ABSTAIN
Mayor Greg Maxton	✓		
Council Member Stroup	✓		
Council Member Rhoden	✓		
Council Member Bliss	✓		
Mayor Pro Tem Koerner	✓		
Council Member Parker	ABSENT		
Council Member Muenchow	✓		


Gregory C. Maxton, Mayor

ATTEST:


Christina Picioccio, TRMC, City Secretary

APPROVED AS TO FORM:


Denton Navarro Rocha Bernal & Zech, P.C.,
City Attorney

ORDINANCE 2023-10

AN ORDINANCE LEVYING AD VALOREM TAXES FOR USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF FAIR OAKS RANCH, TEXAS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023 AND ENDING SEPTEMBER 30, 2024; PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, on August 17, 2023, the City Council established a proposed ad valorem tax rate to support the proposed FY 2023-24 budget and set September 12, 2023, as the date for the public hearing thereon and caused notice of such public hearing to be posted pursuant to Local Government Code §140.010(e)(f) and (g); and,

WHEREAS, the public hearing was held on said date and all persons were then afforded an opportunity to appear and object to the proposed ad valorem tax rate; and,

WHEREAS, by ordinance the Council will approve the municipal budget for the fiscal year beginning October 1, 2023 and ending September 30, 2024; and

WHEREAS, it is necessary that an ordinance be passed levying an ad valorem tax on all property, both real and personal, within the corporate limits of the City of Fair Oaks Ranch, Texas in accordance with said budget and Texas Property Tax Code, §26.05(b).

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH:

SECTION 1. TAX LEVY.

- a. That there is hereby levied and there shall be collected for the use and support of the municipal government of the City of Fair Oaks Ranch (herein the "City"), upon all property, real, personal, and mixed, in the corporate limits of said City subject to taxation, a tax rate of **\$0.2776** on each \$100 taxable valuation of property, said tax being so levied for the maintenance and operations of the General Fund of the municipal government for FY 2023-24.
- b. That there is hereby levied and there shall be collected for the use and support of the municipal government of the City of Fair Oaks Ranch (herein the "City"), upon all property, real, personal, and mixed, in the corporate limits of said City subject to taxation, a tax rate of **\$0.0229** on each \$100 taxable valuation of property, said tax being so levied for the debt service principal and interest of the Debt Service Fund of the municipal government for FY 2023-24.
- c. **THIS TAX RATE WILL RAISE LESS TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE LOWERED BY 1.5% AND WILL LOWER TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$4.23.**

SECTION 2. TAX PAYMENT DUE DATE AND DELINQUENT EFFECTIVE DATE.

- a. Unless the due date has been extended, taxes levied under this ordinance shall be due on October 1, 2023, and if not paid on or before January 31, 2024, shall immediately become delinquent.



- b. Taxes shall become a lien upon the property against which assessed, and the Bexar County Tax Office as the collector of property taxes is hereby authorized and empowered to enforce the collection of such taxes according to the Constitution and laws of the State of Texas and ordinances of the City and shall, by virtue of the tax rolls, fix and establish a lien by levying upon such property, whether real or personal, for the payment of said taxes, penalty and interest, and, the interest and penalty collected from such delinquent taxes shall be apportioned to the general fund of the City. All delinquent taxes shall bear interest from date of delinquency at the rate as prescribed by state law.

SECTION 3. SEVERABILITY.

If any provision of this ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this ordinance would have been enacted without such invalid provision.

SECTION 4. EFFECTIVE DATE

This ordinance shall take effect and be in force from the date after its passage.

PASSED and APPROVED on first reading this 12th day of September 2023 and recorded as follows:

	FOR	AGAINST	ABSTAIN
Mayor Greg Maxton	✓		
Council Member Stroup	✓		
Council Member Rhoden	✓		
Council Member Bliss	✓		
Mayor Pro Tem Koerner		ABSENT	
Council Member Parker	✓		
Council Member Muenchow		ABSENT	

PASSED, APPROVED, AND ADOPTED on second reading this 21st day of September 2023 and recorded as follows:

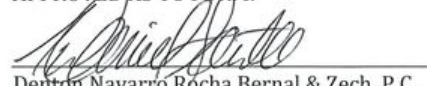
	FOR	AGAINST	ABSTAIN
Mayor Greg Maxton	✓		
Council Member Stroup	✓		
Council Member Rhoden	✓		
Council Member Bliss	✓		
Mayor Pro Tem Koerner	✓		
Council Member Parker		ABSENT	
Council Member Muenchow	✓		

ATTEST:


Christina Piciocco, TRMC, City Secretary


Gregory C. Maxton, Mayor

APPROVED AS TO FORM:


Denton Navarro Rocha Bernal & Zech, P.C.,
City Attorney

Financial Policies

The City of Fair Oaks Ranch is committed to financial management through integrity, prudent stewardship, planning, accountability, full disclosure and communication. The broad purpose of the Financial Management Policy is to enable the City to achieve and maintain a long-term stable and positive financial condition, and provide guidelines for the day-to-day planning and operations of the City's financial affairs.

The Financial Management Policy includes areas of accounting and fiscal reporting, internal controls, operating and capital budgeting, revenue, expense, asset, investment and debt management. The following is a summary of the major components of the Financial Management Policy.

Operating Budget

The City's operating budget is the annual financial operating plan and consists of governmental and enterprise funds. The City's goal is to have a balanced operating budget; whereby the appropriations for each fund do not exceed the resources available to that fund for the fiscal year.

The budget is prepared by the Finance department with the cooperation of all City departments, and is submitted to the City Manager for review prior to presenting to City Council for approval.

Revenue Management

The City will strive to understand its revenue sources and enact consistent collection policies to provide assurances that the revenue base will materialize according to budget. Revenues received will be regularly compared to budget, and variances will be analyzed. One-time or non-recurring revenues will not be used for ongoing operations.

Property tax revenues will be budgeted at a *minimum* of 97% collection rate with a delinquency rate of 3%. Property shall be assessed at 100% of the fair market value as appraised by the appropriate Appraisal District. Reappraisal and reassessment shall be done regularly as required by State law. The City will seek to minimize or eliminate all forms of subsidization between entities, funds, services, utilities and customers. User-based charges and fees will be established at a level related to the cost of providing the service when possible. There will be an annual review of fees to ensure they provide adequate coverage of direct and indirect costs of services.

Water and wastewater rates will be reviewed annually by City Administration and the City Council. If necessary, new rates may be adopted in order to generate the revenue required to cover operating expenditures, meet the legal restrictions of all applicable bond covenants, and provide for an adequate level of working capital needs.

Expenditure Control

The level of budgetary control is at the fund level in all funds. Budget adjustments between funds must be approved by the City Council. The City will only pay from receipts, invoices and disbursement vouchers that have the appropriate authorizing signature, total dollar amount excluding tax, and general ledger account code. All invoices will be paid 30 days of receipt in accordance with the prompt payment requirements of State law. All credit card purchases shall be in accordance with the credit card policies as defined in the Personnel Policy Manual.

Professional service expenditures will be processed through a request for qualifications as defined by the Texas local government code. The City Manager may execute any contract, including legal settlements, less than \$50,000 provided there is a budget appropriation for such contract. A detailed list of capital expenses and projects will be prepared annually by the City Manager as part of the fiscal year budget. All departments will be involved in preparing the list of capital expenditures, and the Finance department will be responsible for recording and properly capitalizing applicable capital purchases.

APPENDIX

Glossary

Account: A term used to identify an individual asset, liability, expenditure, revenue, encumbrance, or fund balance.

Accounting Standards: The generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB), which guides the recording and reporting of financial information by state and local governments. The standards establish such guidelines as when transactions are recognized, the types and purposes of funds, and the content and organization of the annual financial report.

Accounting System: The total structure of records and procedures that identify record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

Accrued Interest: The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

Activity: A specific and distinguishable line of work performed by one or more organizational components of a governmental unit for the purpose of accomplishing a function for which the governmental unit is responsible. See also **Function**.

Adopted Budget: An annual spending plan that is adopted by the City Council.

Ad Valorem Taxes: Taxes levied on real property according to the property's valuation and the tax rate. See **Property Taxes**.

Amended Budget: Includes the adopted budget for a fiscal year, plus any budget amendments or budget transfers.

Amortization: The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

Annual Comprehensive Financial Report (ACFR): This report summarizes financial data for the previous fiscal year in a standardized format.

Appropriation: A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

Assessed Valuation: A value assigned to real estate or other property by a government as the basis for levying taxes.

Audit: An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

Audit Report: Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

Available Funds: Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

Balance Sheet: A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

Balanced Budget: A budget with total expenditures not exceeding total revenues and monies available in the fund balance within an individual fund.

Bexar County Appraisal District: An entity established by the State of Texas to insure uniform property appraisals for all taxing entities in Bexar County.

Bond: A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

Bond and Interest Record: (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

Bond Issue: Generally, the sale of a certain number of bonds at one time by a governmental unit.



Bond Rating (Municipal): A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

Budget: A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)

Budget Amendment: The budget may be formally amended after it has been approved.

Budget Calendar: The schedule of key dates which the City follows in the preparation and adoption of the budget.

Budget Document: The instrument used by the budget-making authority to present a comprehensive financial plan of operations to the City Council.

Budget Ordinance: The official enactment, by the City Council, to legally authorize the City Staff to obligate and expend the resources of the City.

Budget Year: The fiscal year of the City which begins October 1 and ends September 30.

Capital Assets: All real and tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

Capital Budget: An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

Capital Expenditures Charges for the acquisition at the delivered price including transportation, costs of equipment, land, buildings, or improvements of land or buildings, fixtures, and other permanent improvements with a value in excess of \$5,000 and a useful life expectancy of greater than 1 year.

Capital Improvement Program (CIP): A long-range plan for providing the capital outlays necessary to insure that adequate services are provided to the residents of the City. The plan includes improvements, or the acquisition of structural improvements, and major equipment purchases.

Capital Projects Fund: A fund created to account for financial resources to be used for the acquisition and/or the construction of major capital facilities or equipment.

Cash: Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

Cash Management: The process of monitoring the ebb and flow of money in and out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short- term borrowing and investment of idle cash.

Chart of Accounts: A way of recording revenues and expenditures that includes all transactions and that fits the organizational structure. A chart of accounts assigns a unique number to each type of transaction and to each budgetary unit in the organization.

City Charter: The document that establishes the City as an incorporated political subdivision (municipal government) in accordance with the statutes of the State of Texas.

Comal County Appraisal District: An entity established by the State of Texas to insure uniform property appraisals for all taxing entities in Comal County.

Debt Burden: The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

Debt Service: The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

Debt Service Fund: The fund used to account for accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs other than debt serviced by Proprietary Fund Types. The revenue source is principally ad valorem taxes levied by the City.

Deficit: The excess of expenditures over revenues during an accounting period.

Delinquent Taxes: Real or personal property taxes that remain unpaid on or after February 1st of each year upon which penalties and interest are assessed.

Department: A major administrative organizational unit of the City, which indicates overall management responsibility of one or more activities.

Depreciation: The process of estimating and recording the expired useful life of a fixed asset which is used to distribute its cost over its revenue producing years.

Encumbrance: A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

Enterprise Funds: An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery--direct, indirect, and capital costs—are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

Exemptions: A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

Expenditure: An outlay of money made by municipalities to provide the programs and services within their approved budget.

Fiduciary Funds: Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Fiscal Year: A 12-month period to which the annual operating budget applies. (The City of Fair Oaks Ranch has established October 1 through September 30 as its fiscal year.)

Fixed Assets: Long-lived, assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

Fixed Costs: Costs that are legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

Full Faith and Credit: A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

Fund: An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Fund Accounting: Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.

General Fund: The fund used to account for most financial resources and activities governed by the normal appropriation process.

General Obligation Bonds: Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

Governing Body: A board, committee, commission, or other executive or policymaking body of a municipality or school district.

Indirect Cost: Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

Interest: Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

Interest Rate: The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

Investments: Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

Maturity Date: The date that the principal of a bond becomes due and payable in full.

Municipal(s): (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

Note: A short-term loan, typically with a maturity date of a year or less.

Objects of Expenditures: A classification of expenditures that is used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

Operating Budget: A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

Principal: The face amount of a bond, exclusive of accrued interest.

Purchased Services: The cost of services that are provided by a vendor.

Reserve Fund: An amount set aside annually within the budget of a town to provide a funding source for extraordinary or unforeseen expenditures.

Revenue Bond: A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

Surplus Revenue: The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

Tax Rate: The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

Uncollected Funds: Recently deposited checks included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be loaned or used as part of the bank's reserves and they are not available for disbursement.)

Undesignated Fund Balance: Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

Unreserved Fund Balance (Surplus Revenue Account): The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)



Valuation (100 Percent): The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.

Appendix

Amortization Tables for Enterprise Bond on the left and Street Bond on the right.

BOND DEBT SERVICE					
City of Fair Oaks Ranch, Texas					
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2020					
FINAL NUMBERS					
Callable at Par Anytime with 30-day Notice					
Dated Date		09/23/2020			
Delivery Date		09/23/2020			
Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2021	230,000	1.010%	9,552.36	239,552.36	
08/01/2021			12,271.50	12,271.50	
09/30/2021					251,823.86
02/01/2022	315,000	1.010%	12,271.50	327,271.50	
08/01/2022			10,680.75	10,680.75	
09/30/2022					337,952.25
02/01/2023	320,000	1.010%	10,680.75	330,680.75	
08/01/2023			9,064.75	9,064.75	
09/30/2023					339,745.50
02/01/2024	320,000	1.010%	9,064.75	329,064.75	
08/01/2024			7,448.75	7,448.75	
09/30/2024					336,513.50
02/01/2025	325,000	1.010%	7,448.75	332,448.75	
08/01/2025			5,807.50	5,807.50	
09/30/2025					338,256.25
02/01/2026	325,000	1.010%	5,807.50	330,807.50	
08/01/2026			4,166.25	4,166.25	
09/30/2026					334,973.75
02/01/2027	330,000	1.010%	4,166.25	334,166.25	
08/01/2027			2,499.75	2,499.75	
09/30/2027					336,666.00
02/01/2028	335,000	1.010%	2,499.75	337,499.75	
08/01/2028			808.00	808.00	
09/30/2028					338,307.75
02/01/2029	160,000	1.010%	808.00	160,808.00	
09/30/2029					160,808.00
	2,660,000		115,046.86	2,775,046.86	2,775,046.86

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
2/1/2016	390,000	1.000%	110,147.92	500,147.92	
8/1/2016			64,138.75	64,138.75	
9/30/2016					564,286.67
2/1/2017	425,000	1.000%	64,138.75	489,138.75	
8/1/2017			62,013.75	62,013.75	
9/30/2017					551,152.50
2/1/2018	430,000	1.000%	62,013.75	492,013.75	
8/1/2018			59,863.75	59,863.75	
9/30/2018					551,877.50
2/1/2019	435,000	1.250%	59,863.75	494,863.75	
8/1/2019			57,145.00	57,145.00	
9/30/2019					552,008.75
2/1/2020	440,000	1.250%	57,145.00	497,145.00	
8/1/2020			54,395.00	54,395.00	
9/30/2020					551,540.00
2/1/2021	445,000	1.400%	54,395.00	499,395.00	
8/1/2021			51,280.00	51,280.00	
9/30/2021					550,675.00
2/1/2022	450,000	1.500%	51,280.00	501,280.00	
8/1/2022			47,905.00	47,905.00	
9/30/2022					549,185.00
2/1/2023	460,000	1.600%	47,905.00	507,905.00	
8/1/2023			44,225.00	44,225.00	
9/30/2023					552,130.00
2/1/2024	470,000	2.250%	44,225.00	514,225.00	
8/1/2024			38,937.50	38,937.50	
9/30/2024					553,162.50
2/1/2025	480,000	2.250%	38,937.50	518,937.50	
8/1/2025			33,537.50	33,537.50	
9/30/2025					552,475.00
2/1/2026	490,000	2.500%	33,537.50	523,537.50	
8/1/2026			27,412.50	27,412.50	
9/30/2026					550,950.00
2/1/2027	500,000	2.500%	27,412.50	527,412.50	
8/1/2027			21,162.50	21,162.50	
9/30/2027					548,575.00
2/1/2028	515,000	2.500%	21,162.50	536,162.50	
8/1/2028			14,725.00	14,725.00	
9/30/2028					550,887.50
2/1/2029	530,000	2.500%	14,725.00	544,725.00	
8/1/2029			8,100.00	8,100.00	
9/30/2029					552,825.00
2/1/2030	540,000	3.000%	8,100.00	548,100.00	
9/30/2030					548,100.00
	7,000,000		1,279,830.42	8,279,830.42	8,279,830.42