



City of Fair Oaks Ranch Annual Budget FY 2024-25



Adopted Version



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INTRODUCTION





Annual Budget

Fiscal Year October 1, 2024-September 30, 2025

This budget will raise more revenue from property taxes than last year's budget by an amount of \$361,670, which is a 5.1% increase from last year's budget. The property tax revenue to be raised from new property added to the roll this year is \$195,718.

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
Ruben Olvera	Absent
Laura Koerner	Aye
Scott Parker	Absent
Chesley Muenchow	Aye

The governing body voted on the proposed budget on September 19, 2024.

	Fiscal Year 2024-25	Fiscal Year 2023-24
Property Tax Rate	0.2853	0.3005
No-New-Revenue Rate	0.2853	0.3056
No-New Revenue M&O Rate	0.2643	0.2818
Voter Approval Rate	0.3454	0.3565
Debt Rate	0.0341	0.0229

Municipal Debt Obligations as of October 1, 2024 - \$14,992,996

The above information is presented on the cover page of the City's FY 2024-25 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, 2023

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, 2023. 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
Ruben Olvera	Council Member, Place 3
Laura Koerner	Mayor Pro-Tem, Place 4
Scott Parker	Council Member, Place 5
Chesley Muenchow	Council Member, Place 6

City Manager
Scott M. Huizenga, ICMA-CM

Assistant City Manager Jim Williams, MBA, ICMA-CM	Assistant City Manager Carole Vanzant, CPM, TRMC, MMC	Interim Chief of Police Todd Smith
Director of Finance Summer Fleming, CGFO	Director of HR & Communications Joanna Merrill, IPMA-SCP	Director of Public Works & Engineering Services Grant Watanabe, P.E.
	City Secretary Christina Picioccio, TRMC	





City of Fair Oaks Ranch Leadership



Gregory C. Maxton
Mayor



Emily Stroup
Council Member, Place 1



Keith Rhoden
Council Member, Place 2



Ruben Olvera
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 2024-25 Budget Calendar

Apr 4	Budget Timeline Presentation
May	Staff Budget Workshops
June 6	City Council Budget Workshop
June 20	City Council Budget Workshop
July 18	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)
August 1	City Council Budget Workshop
August 15	City Council Budget Workshop 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 City's website using form prescribed by the 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)
August 19	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 Meeting to Vote on Tax Rate</i> in the Sunday, September 1st 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, September 1st 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 Rate Meeting (Tax Code Sec. 26.065), and Notice of Budget Hearing (LGC 102.006c) on the City's Website.
September 16	Public Hearing for Proposed Budget and Meeting to Vote on Tax Rate. Council Meeting for the First Reading of Budget and Tax Rate Ordinances is held.
September 19	Second Reading and adoption of the Budget and Tax Rate ordinances





Message from the City Manager

Scott M. Huizenga, ICMA-CM

August 19, 2024

Honorable Mayor Gregory 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, 2024, and ending September 30, 2025. This City Manager's Proposed Budget presents in summary form the revenues and expenditures for each of the funds.

This proposed budget incorporates a \$0.0152 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 2024-25 is the fourth 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 2024-25 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 values for 2024 increased by about 8.5%, or almost \$211 million, compared to the 2023 certified values. The growth represents an increase in certified valuations from \$2.49 billion to \$2.70 billion. New properties added to the tax roll in 2024 equates to about \$68.6 million.

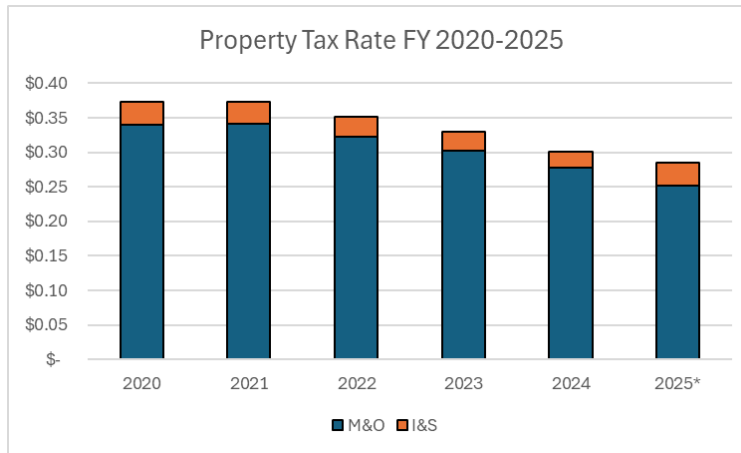
In FY 2022-23, the City increased property tax exemptions for Residents Over 65 from \$20,000 to \$50,000. This amounts to \$73.2 million in value that has been exempted from taxation for 2024. The City Council also approved property tax freezes for qualified disabled homesteads in FY 2022-23.

Property Tax Rate

The City's proposed property tax rate for the Fiscal Year 2024-25 is \$0.2853 per \$100 valuation, which is \$0.0152, or 5.1%, lower than last year's property tax rate of \$0.3005. The proposed debt service portion of the tax rate is \$0.0341, and the maintenance and operations portion of the tax rate is \$0.2512 to support the total tax rate of \$0.2853 per \$100 property valuation.

Prior to the General Obligation (GO) bond authorization election in May, the City estimated an average tax impact of approximately \$97 to the average Fair Oaks Ranch household. This budget meets and exceeds our promise to the voters. The FY 2024-25 Budget will have a total average impact of \$68 inclusive of GO Bond debt. This budget decreases the amount of taxes collected for maintenance and operations (M&O) by over \$170,000. That is an average tax cut of about \$22 to the average household to support the services of the city. The interest and sinking fund (debt) portion of the levy will support up to \$16 million in new infrastructure as authorized.





*Proposed

Financial Goals

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

- Manage the tax rate
- Maintain City infrastructure while meeting the demands of a larger and maturing City
- Execute the established capital improvements program
- 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
- Replace City equipment on established schedules

Budget in Brief

The FY 2024-25 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, has increased 10% over prior year's budget, continuing the upward trend that followed the pandemic. Franchise fees, paid by utilities who serve our residents and businesses, have increased by 65% in the last 10 years reflecting the growth of our city. Meanwhile, permit revenue is projected to remain steady. This proposed budget limits growth in governmental operations despite inflationary pressures and increasing demands for service in a maturing city.

The FY 2024-25 Proposed Budget for all funds includes approximately \$15.6 million for continued operations and \$7.3 million for capital improvement projects and equipment.

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, decreases by \$36,164, or 0.8%, to \$4,320,889. The City's agreement with Bexar County Emergency Services District No. 4 increases by \$36,476 to \$528,581. Similarly, the City's agreement with the City of Boerne for emergency dispatch services increases by \$58,024 to account for a greater share of calls supporting Fair Oaks Ranch operations. The budget also includes \$92,650 of new capital equipment including mass casualty care kits, patrol rifles, and portable radios. Finally, the proposed budget adds a cadet job classification to the department. Total wages and benefits in the Police Department decrease by \$6,066, or 0.2%.

The Municipal Court budget increases by \$12,372, or 4.9%. Court technology expenditures increase by \$8,000 to reflect investments to be made in the coming year. The court budget also includes 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 \$111,471, or 3.7%, in the FY 2024-25 Budget of \$3,119,277. The budget allocates \$900,000 to Street Maintenance. This level of investment ensures an Overall Condition Index (OCI) of at least 85. The budget adds a city planner and a project manager to meet the growing demands of the City and the capital improvements plan. Both additions are “cost neutral” by shifting funding from contractual services to personnel. The budget also invests \$135,000 in equipment including two vehicles, a water tank trailer and a thermoplastic remover. Finally, the budget will properly equip personnel on the City grounds with a new walk-in cooler, and replacement garage door openers.

Financial Resilience and Operational Excellence

Collectively, Administration, City Secretary, Finance, Human Resources and Communication, Information Technology (IT), and the Mayor and Council comprise \$2.2 million, or 20% of the General Fund Budget. Key changes include an additional \$15,000 for appraisal district and audit fees in the Finance Department. The budget also includes \$47,000 added to the Information Technology budget for software to enhance technology security.

A transfer of \$120,000 to the Strategic Projects Fund is budgeted for investments in Human Resources and Information Technology. Of those funds, \$70,000 will be used for a compensation study and updated personnel manual, and \$50,000 for an IT Master Plan.

Utility Funds

The Utility Funds total \$6.5 million and supports the City's water and wastewater services. Utility revenues will increase by an estimated \$1,878,000 in FY 2024-25. This increase can be attributed to increasing debt service, impact fees and interest income. In the coming year, debt service fees will increase to cover the issuance of Certificates of Obligation. Water customers will see a proposed increase of \$12.49 on their monthly bill, and wastewater customers a \$10.37 increase. These increases will help fund \$20 million in crucial infrastructure investments for the utility system.

Changes to the expenditures in the Utility Funds include an increase of \$34,517 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 \$51,000 to include cell modem service, firewall support and cybersecurity technology. Finally, the budget provides \$207,000 for water tank maintenance program. This long-term program will stabilize the maintenance and operations budget of the utility to ensure delivery of the City's precious water supply. Similar to the current year, the utilities budget includes a \$60,000 investment in operational capital for water well upgrades to keep our pumping at peak capacity.

Capital Improvements Plan

The Capital Improvements Plan (CIP) for FY 2024-25 funds about \$7.0 million in capital projects. The budget allocates \$250,000 to three drainage projects, one at Pimlico Lane and two along Rolling Acres Trail. The budget also supports \$2.0 million in construction for the Dietz Elkon Road reconstruction project, which will span the length from Fair Oaks Parkway to Ralph Fair Road, provides \$420,000 for a full depth reconstruction of a portion of Battle Intense, and \$440,000 for initial design of the Ammann Road Reconstruction. Additionally, the water utility capital budget for FY 2024-25 adds \$1.3 million for Water Plant 5 expansion, \$30,000 for design of a backup water connection with the San Antonio Water System (SAWS) and another \$1.85 million in needed waterline and electrical repairs. On the wastewater side, \$650,000 is budgeted for necessary sewer and manhole upgrades on Cojak Circle.

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.

Respectfully,



Scott M. Huizenga
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



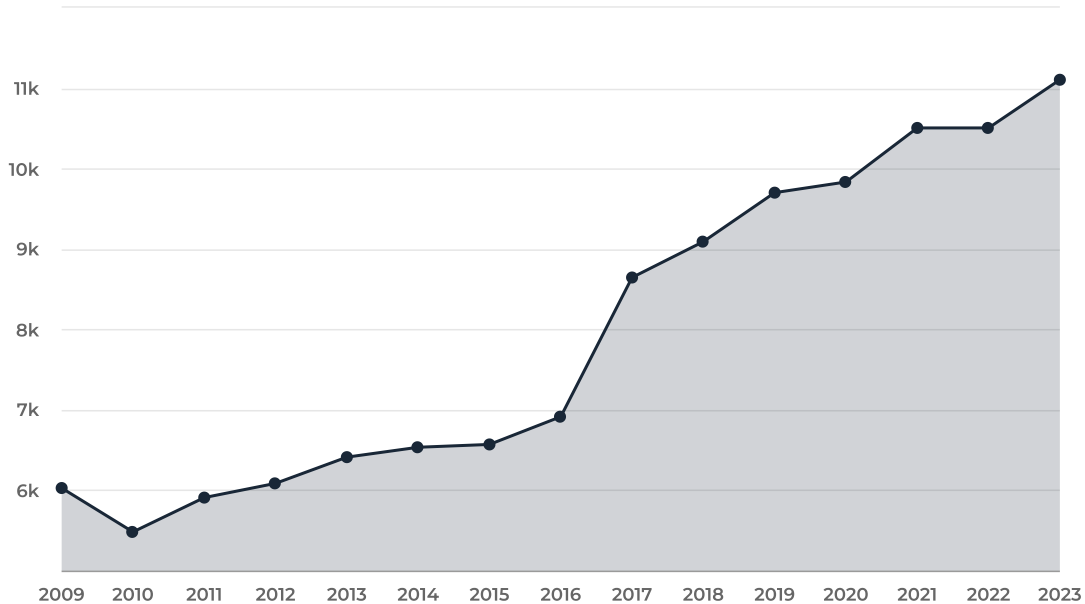
TOTAL POPULATION

11,104

▲ **5.7%**
vs. 2022

GROWTH RANK

5 out of **1222**
Municipalities in Texas



** Data Source: Client entered data for year 2023*



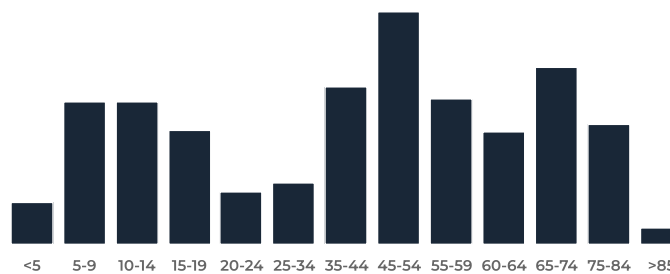
DAYTIME POPULATION

8,236

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.

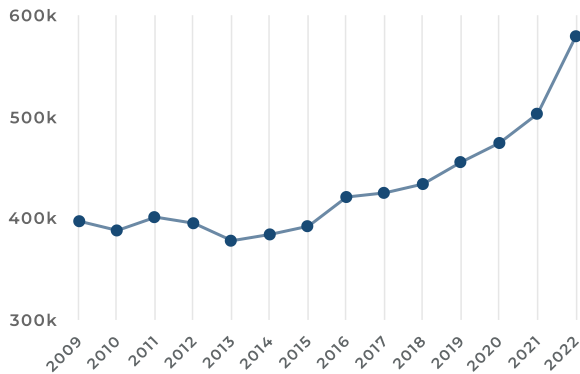
** Data Source: American Community Survey 5-year estimates*

Housing Overview



2022 MEDIAN HOME VALUE

\$579,300



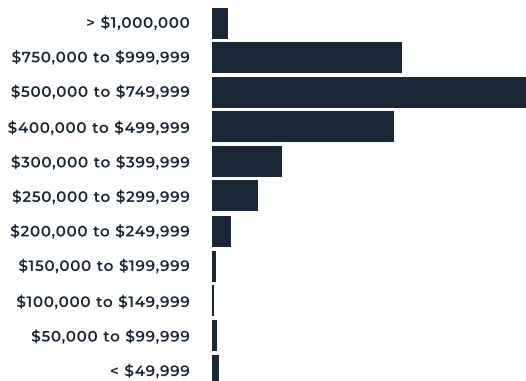
* Data Source: 2022 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

HOME OWNERS VS RENTERS

Fair Oaks Ranch State Avg.



HOME VALUE DISTRIBUTION



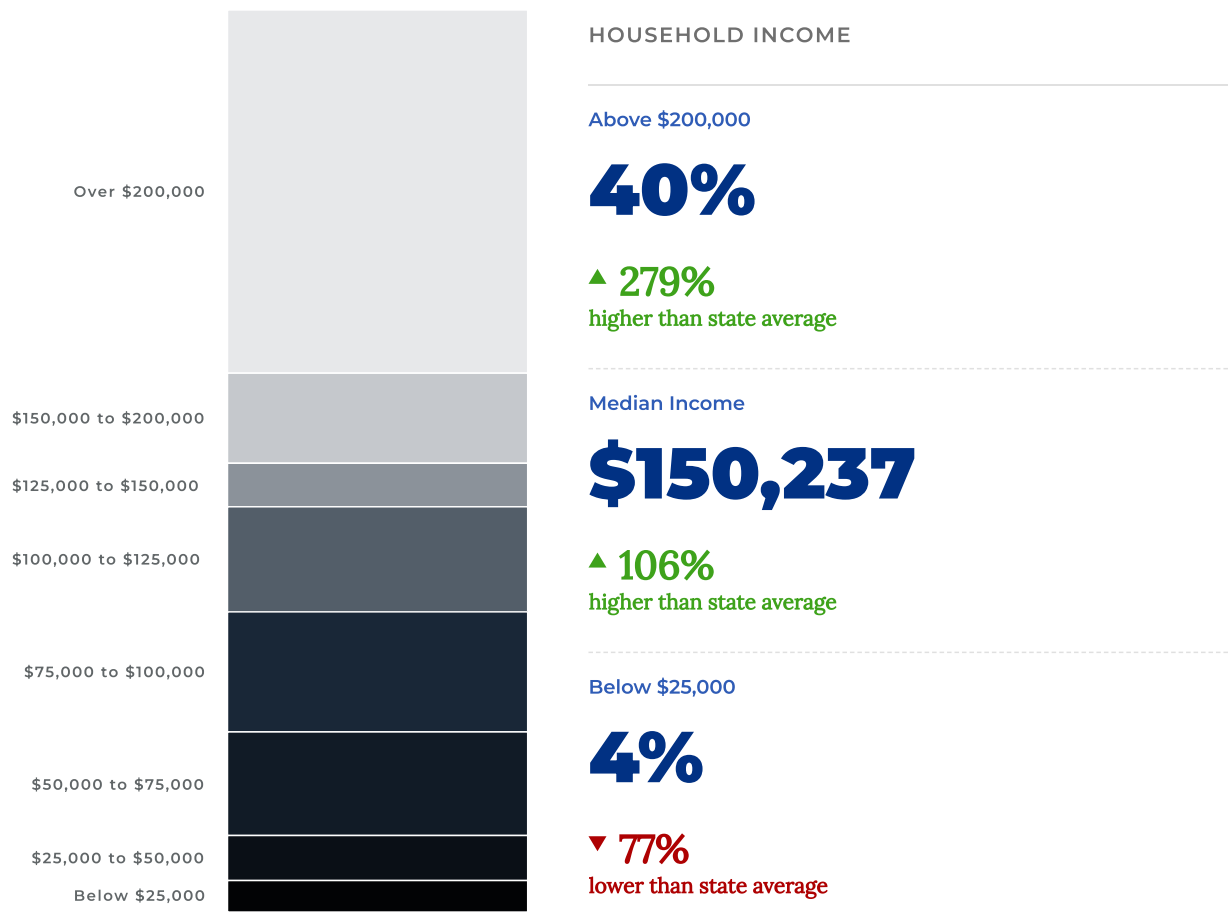
* Data Source: 2022 US Census Bureau (<http://www.census.gov/data/developers/data-sets.html>), American Community Survey. Home value data includes all types of owner-occupied housing.

* Data Source: 2022 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.

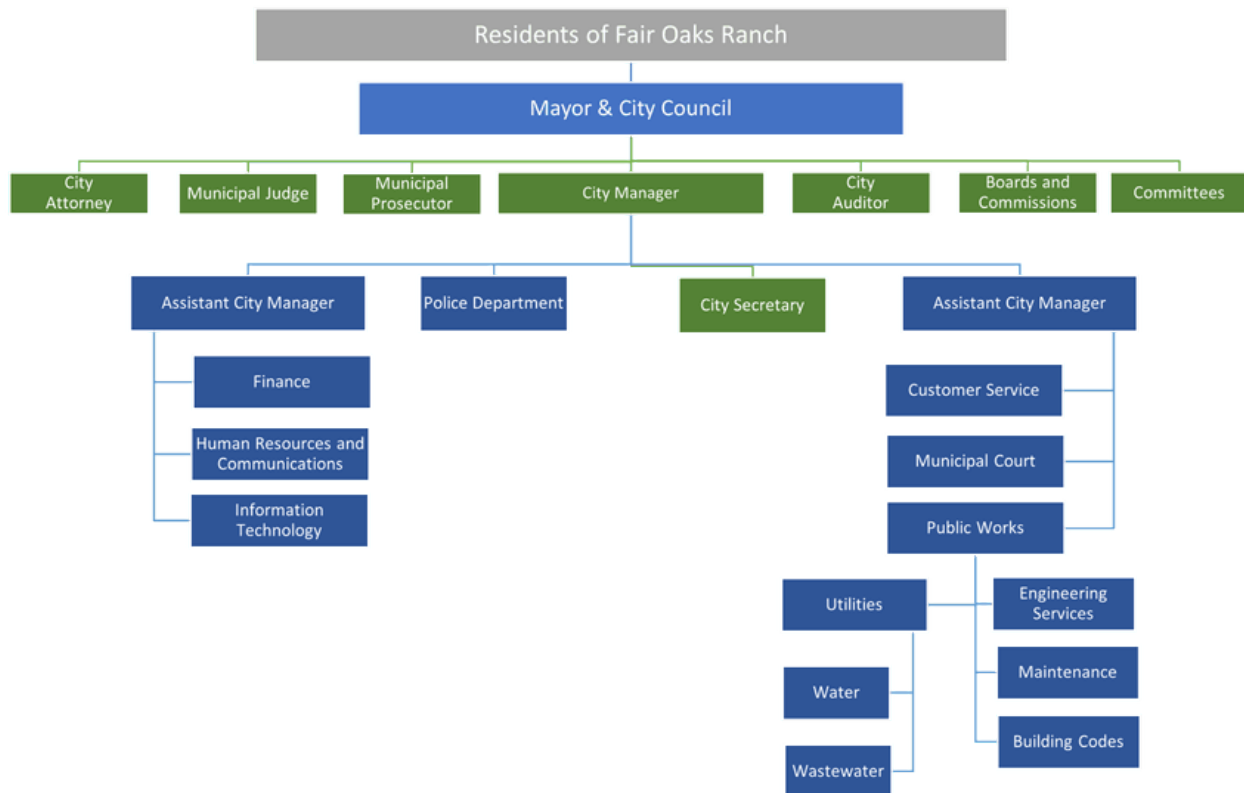


* Data Source: American Community Survey 5-year estimates

* 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, Secretary
Mike Lovelace, Treasurer	David Fairhurst	Stephen Robertson
Ruben Olvera		

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 Arends	John Wall
Eric Beilstein, Alternate		

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	Edward Gillespie	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
Jamin Kazarian	Ben Koerner	Paul Mebane, Chairperson
Gary Miller	Harold Prasatik	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		



Transportation Advisory Committee. The duties of the Transportation Safety Advisory Committee are to improve the city's quality of life through a citizen-government partnership that promotes transportation safety, review transportation safety issues submitted by citizens or by city staff, and provide recommendations to the City Council with respect to all means of city-owned transportation.

Shawn Balusek
Al Schmidt
Josh Cooke, Alternate

Chris Doepke
John Wall

Denise Fortenberry
Sharon Brimhall, Alternate



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 two capital project funds: the Strategic Projects Fund, which is funded through internal transfers from the General Fund and the Bond Capital Fund which is funded through General Obligation debt proceeds.

- **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.

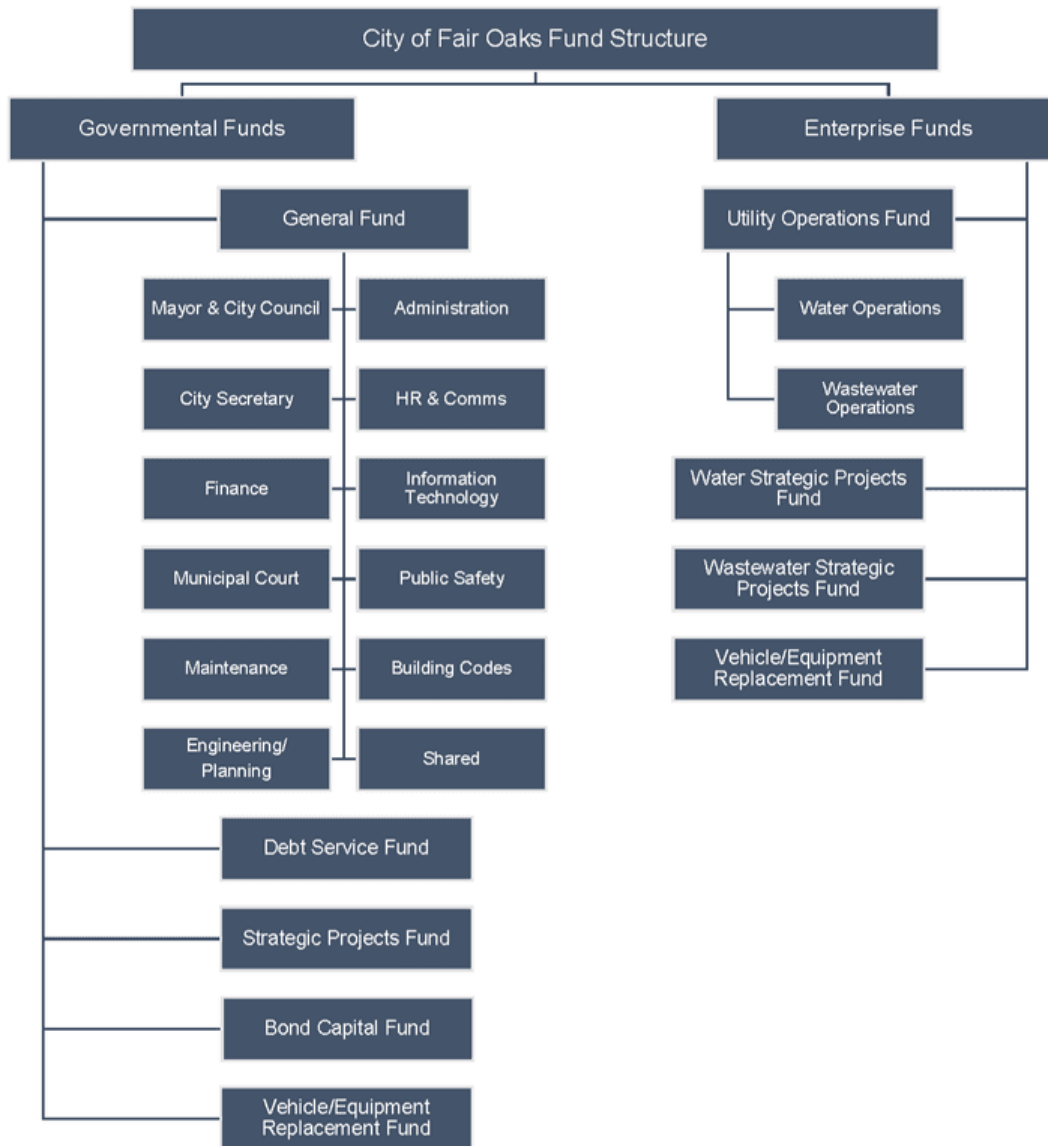
- **Wastewater Strategic and Capital Project Fund**

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 2024-25 Annual Budget and Tax Rate (September)
- FY 2024-25 Annual Budget is Published (September)
- Budget is Amended if Necessary (After the fiscal year has begun)

Post-Budget Adoption Changes

- **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 within a Fund:** 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.
- **Transfer of Appropriations between Funds:** 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 includes a 1.52 cents reduction in the property tax rate while focusing on:

- Improving public safety by funding crucial equipment upgrades, mass casualty kits and a Flock safety system
- Investing in IT cybersecurity priorities
- Reducing consulting costs for planning services by adding a city planner position to the staff
- Continuing funding for capital infrastructure projects through the approval of a General Obligation Bond for four roadway projects and Certificates of Obligation for crucial utility upgrades and construction
- Bringing project management in-house with the addition of a project manager to the staff to oversee \$34 million in capital projects scheduled over the next five years
- Investing in new employee benefit programs and training to ensure that the City of Fair Oaks Ranch remains competitive
- 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 2024-25 includes a 1.52 cents (5.1%) reduction in the property tax rate. The budget lowers the tax rate from \$0.3005 per \$100 of valuation to \$0.2853 per \$100. The City has managed this decrease despite the addition of a GO Bond authorized for up to \$16 million. The proposed M&O rate is \$0.2512 which is \$0.0264 lower than the prior year. The proposed I&S rate is \$0.0341, a \$0.0112 increase due to the issuance of the new debt. A major focus during the budget process this year was to keep M&O expenditures as low as possible while maintaining service levels to help offset the increase in the I&S tax rate.

Sales Tax Revenue

Sales tax revenue has exceeded expectations in the current year. The budget contains a small increase over this year's projections. This trend will be watched closely to see if sales tax revenue shows any signs of slowing with inflation and high interest rates.

Public Safety Investments

The budget for FY 2024-25 reflects the City's prioritization of citizen safety and welfare by supporting new public safety equipment purchases, much needed upgrades to existing equipment, the purchase of mass casualty kits for all vehicles, the investment in a Flock safety system, and a change to the hierarchical structure of the department; the addition of a Cadet 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.

City Planning and Project Management Investment

The budget for FY 2024-25 includes a city planner position which will support the increasing short and long term planning requirements that current staff do not have the bandwidth to manage as the City continues to grow. The funding for this position will be offset by a decrease in third party contract planning services. The budget also includes the addition of a project manager who will oversee the approved capital projects from design, to construction, acceptance and close-out. This position will be crucial with \$34 million in capital projects scheduled for the next four to five years.

Capital Improvements

Capital improvement projects represent \$7.3 million of the FY 2024-25 budget. Included are projects for roadway reconstruction, water utility upgrades, drainage, and a critical sewer/manhole upgrade. 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 Governmental Fund Budget and the Utility Budget.

Supporting our Employees

For FY 2024-25, 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
- 2.0% 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



Economic Pressures

This budget includes increases in expenditure budget lines that have been most impacted by the high inflation rate, including fuel, basic supplies, and utility chemicals. Contract costs have also increased as third party providers feel the effects of inflation.

On the revenue side, the high inflation and interest rates have contributed to a decline in permit revenues as home remodels and new builds become cost prohibitive.

Planning for the Future

The FY 2024-25 budget includes a transfer to the General Fund operating reserve to maintain a six-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

- Continued focus on technology upgrades and cybersecurity
- Improve safety and deter crime with the addition of new public safety technology
- Invest in the employees with a continued focus on training
- New equipment requests to increase efficiency
- Wage adjustments for all employees

Utility

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

Strategic Priorities

Strategic priorities are non-operational costs for projects that support the City's overall vision and mission. The focus on the year's budget includes investments in the employees and the information technology infrastructure that fall under the pillar of operational excellence.

- Compensation and Benefit Plan Study
- Update of the Personnel Manual
- IT Master Plan



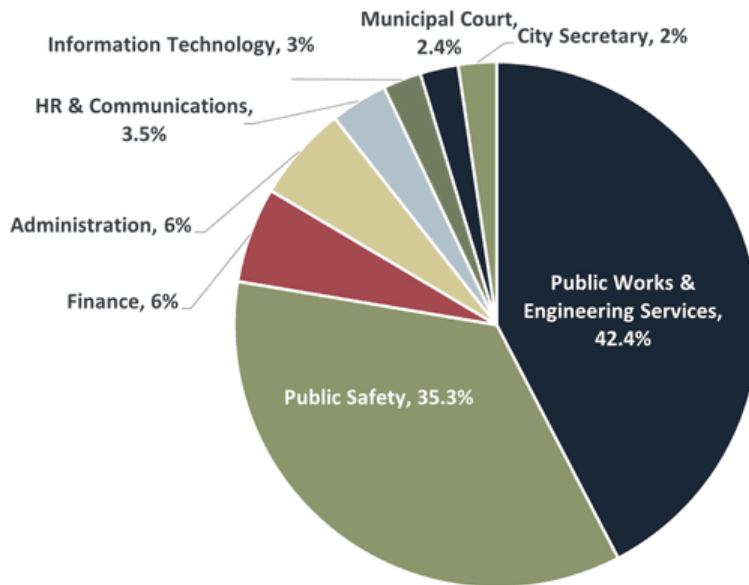
City of Fair Oaks Ranch Budgeted Staffing (FTE)

<u>Department</u>	<u>FY20-21</u>	<u>FY 21-22</u>	<u>FY 22-23</u>	<u>FY 23-24</u>	<u>FY 24-25</u>
Administration	5	5	5	5	5
Public Works & Engineering Services	29	31	32	34	36
Public Safety	28	28	30	30	30
Finance	5	5	5	5	5
Information Technology	2	2	2	2	2
Municipal Court	2	2	2	2	2
HR & Communications	2	3	3	3	3
City Secretary	2	2	2	2	2
Total FTE	75	78	81	83	85

For Fiscal Year 2024-25, the City has invested in 2 new positions (FTE):

- A project manager who will oversee the approved capital projects from design to construction, acceptance and project close-out. This position will be crucial with \$34 million in capital projects scheduled for the next five years.
- A city planner to support the increasing short and long term planning requirements that current staff do not have the bandwidth to support, and to cut consulting fees by bringing the services in-house.

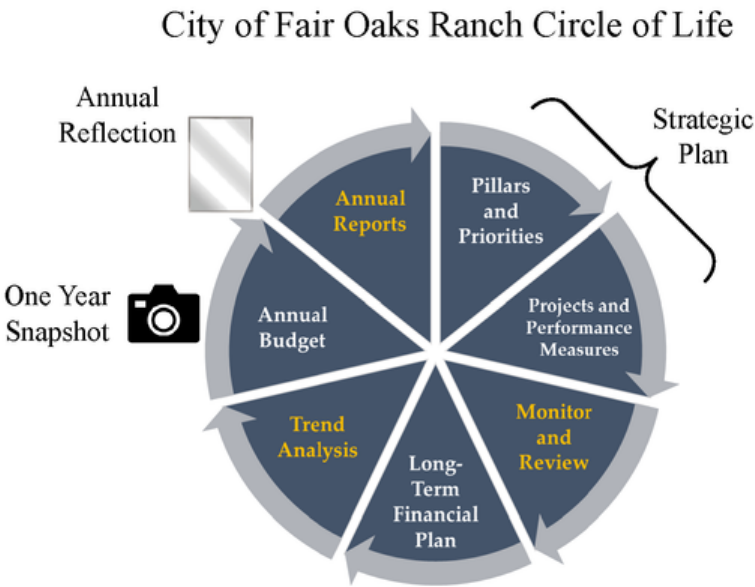
Full Time Equivalents (FTE) by Department



City of Fair Oaks Ranch Circle of Life

Long-term financial planning is essential to the stability and sustainability of every organization. The City of Fair Oaks Ranch has grown exponentially in the last ten years, not only in population, but also in quality of services provided, outreach to the community, and required staff to service the City. During this time of growth, City leadership made it a priority to develop long-range plans such as a Comprehensive Plan, a Master Transportation Plan, Capital Improvement Plans, and a Strategic Plan. Most recently, in 2023, the Finance Department created a Long-Term Financial Plan.

While some of these plans have been developed over the course of several years, only recently has there been a repeatable, systematic approach to reviewing, updating, and integrating these plans into the budget process. Review and update of these plans annually provides residents, City Council, and Staff with the analysis and direction to make informed decisions for the operating and capital budget. This approach is the City of Fair Oaks Ranch’s “Circle of Life.”



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.

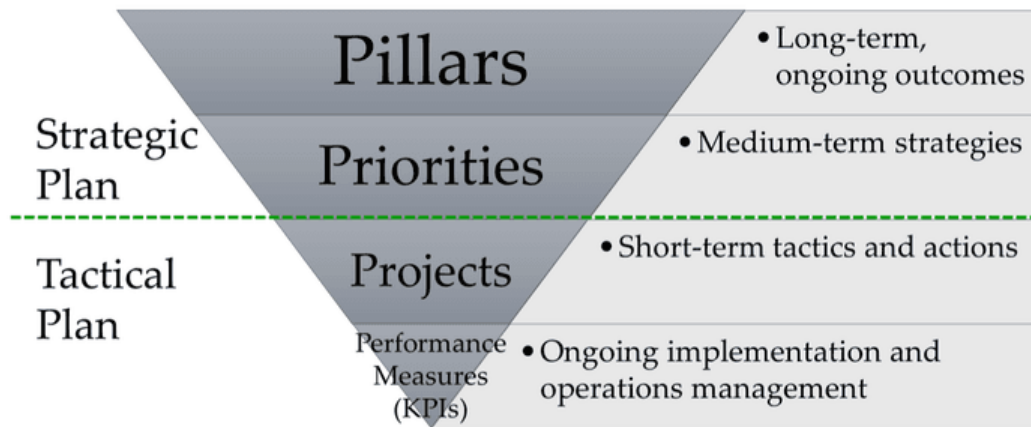
The Governmental Strategic Projects Fund includes non-utility, non-operational projects such as streets, drainage, master planning and general government facilities. Typically, these projects will be funded via general obligation bonds, certificates of obligation, tax revenue, or other financing methods. 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 continue experiencing 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 · 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 introducing innovative business practices, hiring quality employees, leveraging partnerships and strengthening the communication channels between the City and stakeholders.	Strategic Priority Areas · HR Programs · Communication Strategy · Service Expectations · IT Continuity and Master Plan · Interlocal Partnerships

Pillar 1: Financial Resilience and Responsibility

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 residential property taxes. 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 responsibility in the next several years as the City refines a 5-10 year financial plan.

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
1.1.7	Develop and track Key Performance Indicators
1.2	Develop a 5-Year Forecast
1.2.1	Develop 5-year Revenue and Operational Projections
1.2.4	Develop and integrate staffing plan into the long-term financial plan
1.2.5	Integrate Capital Improvements Plan funding into the long-term financial plan
1.2.6	Integrate the Utility Fund into the long-term financial plan
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
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
1.4.11	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
1.5.3	Assess Monthly and Quarterly financial reporting deliverables
1.5.6	Review and Update Financial Management Policies
1.7	Modernize Enterprise Resource Planning System
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 continue to experience 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.

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 the Unified Development Code
2.1.3	Develop and implement turnkey pre-development process/development handbook
2.1.8	Review future land use map
2.1.9	Identify and participate in regional development committees and initiatives
2.1.10	Identify staffing and training resources to manage the development process
2.1.13	Update the Comprehensive Plan
2.2	Implement and update Infrastructure Master Plans
2.2.4	Evaluate and update Master Plans (Waster, Wastewater)
2.2.6	Evaluate and update Master Plans (Drainage)
2.3	Enhance Local Mobility and Multimodal Connectivity
2.3.5	Institute transportation and traffic safety committees and to identify needs and opportunities
2.3.6	Revise development and multimodal development and design standards
2.3.7	Evaluate and update the transportation plan for the city and surrounding area
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
2.5.4	UDC Requirements for New Developments (Tree Preservation, Open Space, Conservation)
2.5.6	Develop and Implement Tree preservation and Oakwilt Assessment Program

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 inclusive of 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.

3.1	Enhance and Ensure Continuity of Reliable Water Resources in Accordance with CCN Obligations
3.1.0	Develop Water Capital Improvement Plan and funding opportunities (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
3.1.18	Develop a drought contingency plan
3.2	Enhance and Ensure Continuity of Reliable Wastewater Treatment in Accordance with CCN Obligations
3.2.0	Develop Wastewater Capital Improvement Plan and funding opportunities (Wastewater CIP)
3.3	Enhance and Ensure Continuity of Reliable Drainage Improvement Initiatives
3.3.0	Develop Drainage Capital Improvement Plan and funding opportunities (Wastewater CIP)
3.3.3	Assess the effectiveness of drainage maintenance program
3.4	Enhance and Ensure Continuity of Reliable Roadway Improvement Initiatives
3.4.1	Develop Roadway Capital Improvement Plan and funding opportunities (Roadway CIP)
3.4.2	Conduct long-term road condition analysis (traffic studies, PCI, etc.)
3.4.4	Assess effectiveness of the annual road maintenance program
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
3.5.5	Plan and construct a community center



Pillar 4: Public Health and Safety

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.

4.1	Enhance and Ensure Continuity of Police Services
4.1.8	Maintain K-9 Unit Capability
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
4.2.4	Fire Station #3 Phase 2 Upgrades
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
4.4	Develop Ongoing Community Outreach and Education Programs
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	Refine communications role for Council and staff
4.6	Review and update Municipal Court best practices
4.6.1	Review and implement court security upgrades
4.6.2	Determine advantages and applicability of a court of record
4.6.4	Enhance online services for case management and customers

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 and other stakeholders 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.

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)
5.1.5	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
5.1.8	Develop a long-term plan for staffing needs
5.1.9	Evaluate and Implement technology to improve efficiency within HR
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
5.3	Evaluate and Update Service Delivery Expectations and Best Practices
5.3.3	Develop and implement digitization program for city records
5.3.3a	Acquire Software for Digitization (now operational 01-612-701)
5.3.3b	3rd Party Scanning of City Records
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
5.5.2	Conduct IT risk analysis and vulnerability assessment
5.5.3	Evaluate and Update Cyber Security Processes and Procedures

Long-Term Financial Plan

FIVE-YEAR FINANCIAL PLAN

Long term planning is essential to the stability and sustainability of every city. The City of Fair Oaks Ranch has several long-range plans that inform the budget and policy processes including a Comprehensive Plan, a Master Transportation Plan, the Strategic Action Plan, the Capital Improvement Plans, and Five-Year Financial Plan. The Five-Year Financial Plan is a long-term financial plan that links long-term policies and plans directly to the annual budget. 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 2023-24 Adopted Budget less one-time revenues and expenditures.

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.

GOVERNMENTAL FUNDS

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 2023-24 Budget with the following assumptions going forward:

Expenditures

- No new employees throughout the forecast period
- Wage increases for all employees grow with a 4.4% cost of living adjustment in the first year, and 2.0% each subsequent year, and 2.5% merit increases for eligible employees 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
- Incremental budget increases to ensure fire and EMS service, whether as a contract model or as a standalone department
- \$20,000 per year of new equipment for public safety and \$50,000 per year for maintenance
- Funding only capital projects that have been reviewed by the bond committee and the City Council
- \$16 million GO Bond to fund all approved roadway projects
- Cash funding of all approved drainage projects

Revenue

- Property Taxes increase by the voter-approval rate, maximum rate of 3.5% per year
- Sales Tax revenue increases 4.0% per year
- Other revenue sources increase 1.5% per year
- 45% decrease in investment interest revenue over 5 years

BALANCED SCENARIO

Includes assumptions in the baseline scenario plus the following:

- Issuance of \$2.1 million Certificate of Obligation to fund approved drainage projects
- Addition of two positions – a Communications Manager and a Drainage Maintenance Lead
- Adjustment to property tax rates to maintain the City's adopted reserve policy of 6 months of operational expenditures



	BASELINE	BALANCED
Sales tax increase 4.0%/yr.	X	X
Salary increases 4.4% COLA year one/2.0% COLA subsequent years +2.5% Merit/yr.	X	X
Health Insurance Premium increase 5.0%/yr.	X	X
Operational Costs increase 2.0%/yr.	X	X
Contract Services increase 5.0%/yr.	X	X
\$20,000/yr. new equipment for public safety	X	X
\$50,000/yr. new equipment for maintenance	X	X
GO Bond to fund approved roadway projects	X	X
No new FTEs	X	
2 New FTEs		X
Drainage Projects in approved CIPs funded with cash	X	
Drainage Projects in approved CIPs funded with CO		X
Property tax M&O revenue increase 3.5%/yr.	X	
Property tax rate adjusted to maintain reserve		X

UTILITY FUND

BASELINE SCENARIO

Currently a Baseline Scenario has been developed for the Utility Fund. It uses assumptions that can be ascertained with reasonable certainty using conservative assumptions. The Baseline Scenario uses the Adopted FY 2023-24 Budget with the following assumptions going forward:

Expenditures

- No new employees throughout the forecast period
- Wage increases for all employees grow with a 4.4% cost of living adjustment in the first year, and 2.0% each subsequent year, and 2.5% merit increases for eligible employees 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
- \$25,000 per year of new equipment for the water and wastewater utilities
- \$10,000 per year of new operational equipment for the water and wastewater utilities
- No funding of capital projects
- No new employees throughout the forecast period

Revenue

- 2.0% increase in residential water revenue each year
- 2.0% increase in residential wastewater revenue each year
- Other operational revenue sources increase 1.5% per year
- 45% decrease in investment interest revenue over 5 years

Download the full document here [🔗](#)



Capital Improvement Plans

The City's Capital Improvement Plans (CIP) are a crucial piece of the overall long-range planning. These plans outline the City's large approved capital projects and their corresponding timelines and budgets. Adequate financial planning requires advance knowledge of large capital expenditures so that proper financing may be identified and secured. The City has four separate approved CIPs, one each for roadways, drainage, water, and wastewater projects.

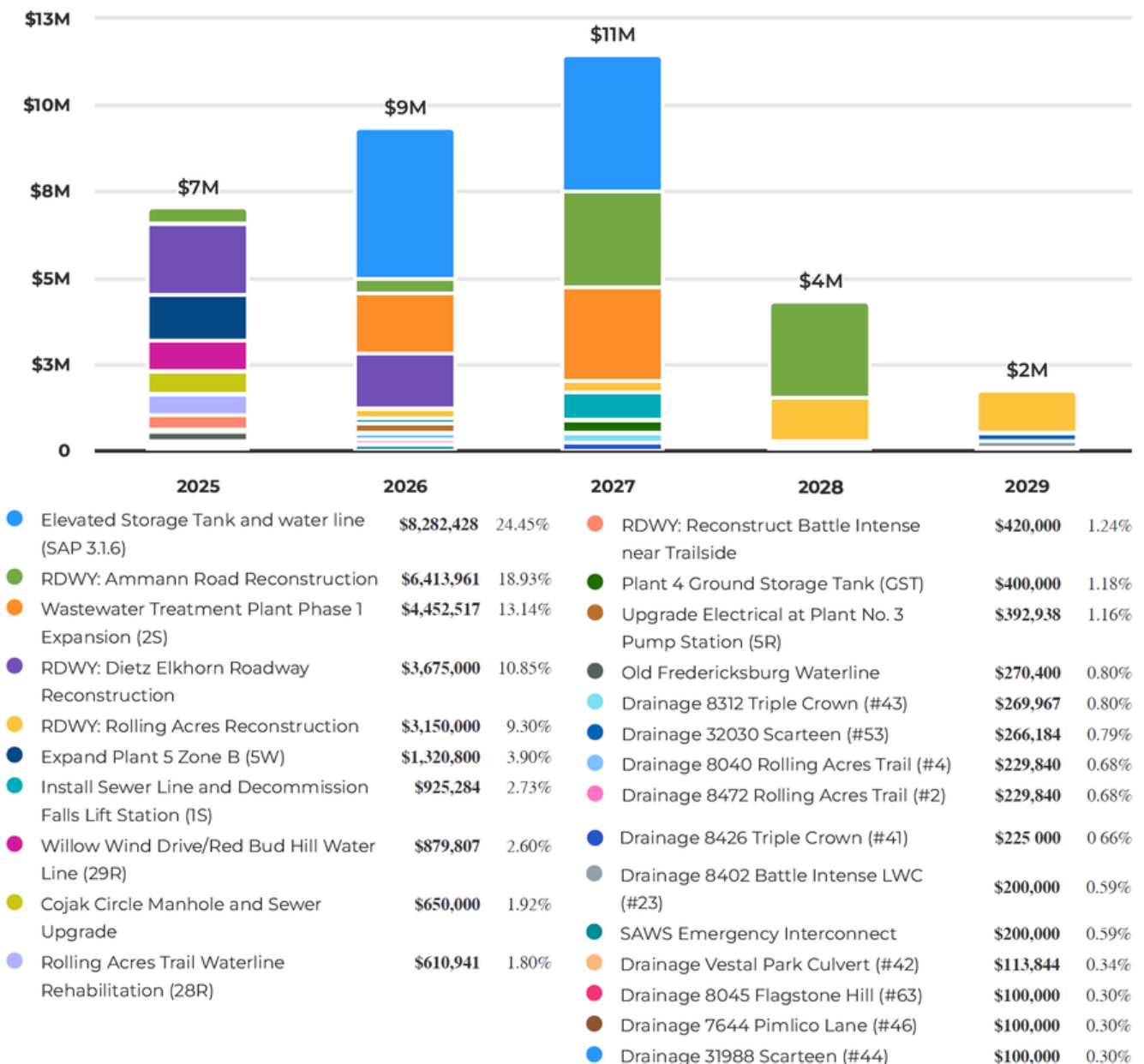
This year, the City received citizen approval for a (not to exceed) \$16 million General Obligation Bond to finance four major roadway projects. Construction is scheduled to begin in FY 2024-25 on two of the four, while engineering work will start on another. Several critical drainage projects are also budgeted for the coming year, and will be cash funded.

On the Utility side, Certificates of Obligation will be issued to fund over \$4 million in projects including water line rehabilitations, a crucial water plant expansion, and a major sewer/manhole upgrade.

The CIPs have empowered the City Council and City staff to responsibly address these infrastructure issues. Having all the projects laid out by timeline and cost allowed for prioritization and financial considerations.

View the detailed CIP schedule [here](#)

FY25 - FY29 Reliable and Sustainable Infrastructure Projects



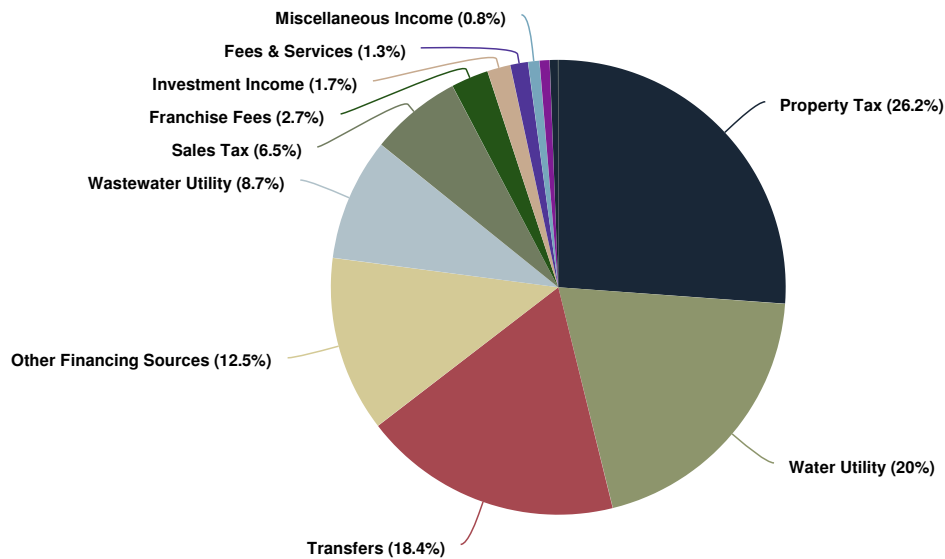
OVERVIEW OF REVENUE ASSUMPTIONS



Overview of Revenue Sources and Assumptions

Revenue is estimated based on 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



Tax Revenue

Property Tax - 29.9% of Total City Revenue, 61.1% of General Fund Revenue:

The largest revenue source for the General Fund is ad valorem taxes, also known as property taxes. The 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 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) 2024-25, the total property tax rate will decrease by \$0.0152 per \$100 valuation from last year's total tax rate, or 5.1%. 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 2024 certified values increased by about 8.5% or almost \$211 million in total, compared to the 2023 certified values. The growth represents an increase in certified valuations from \$2.49 billion to \$2.70 billion. New properties added to the tax roll in 2024 equate to about \$68.6 million.

In 2022, 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 \$74 million.

The City is estimating to receive \$7.5 million in property tax revenue for FY 2024-25, \$6.6 million for M&O and \$894,117 for I&S. The M&O portion of the property tax revenue is increasing by only 0.2% over prior year's budget, while the I&S portion of property tax revenue is increasing 65% over the prior year due to the issuance of general obligation bonds.

Sales and Use Tax - 7.4% of Total City Revenue, 17.3% of General Fund Revenue:

Another large revenue source for the General Fund is Sales and Use Tax. Taxable sales have increased over the past five years primarily due to continued development and a shift to online purchasing, which generally sources sales tax to the purchaser's address. The City is projecting sales tax to increase by 10.01% for FY 2024-25 over last year's budgeted amount. The City is estimating to receive \$1.87 million in sales tax revenue for FY 2024-25.

Fee, Permit and Miscellaneous Revenue

Utility Revenue - 32.9% 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 developments. The City also updated the rates for the wastewater utility in 2023 which has increased revenues on that side. The issuance of certificates of obligation in the budget year will necessitate an increase in the debt fees for both water and wastewater which will be collected to make the debt service payment.

Transfers - 21.1% 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 - 3.0% 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 2024-25, the City is estimating to receive \$762,350 in franchise fees.

Permits - 0.7% 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 \$168,200 for FY 2024-25, which is a 19.55% decrease from the prior year's budget. The primary driver for the decrease is the anticipated slow-down of development due to a decreased 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 \$360,415 for fees and services in the upcoming fiscal year.

Municipal Court Fines and Fees - 0.83% of Total City Revenues:

The projection for fines and fees is based on historical trends. The City estimates to collect \$207,300 for fines and fees in FY 2024-25. This projection is a decrease of 0.10% over the prior year budget, and a 17.47% increase over FY 2023-24 projected revenues.

Interest Revenue - 1.8% of Total City Revenues:

Interest revenue is a fractional part of the total revenue for FY 2024-25 and is contingent on the total available cash balance of the City throughout the year. Interest rates remain high so the City is budgeting another year of elevated investment interest. The City estimates to receive \$474,500 in interest in the governmental funds for the upcoming fiscal year.

Other Financing Sources

Other Financing Sources - 12.5% of Total City Revenues:

The source of these funds is the General Obligation bond approved by the residents in May 2024. The first tranche of the bond is \$3.55 million dollars and will be used to pay for capital expenditures related to the four approved roadway reconstruction projects.



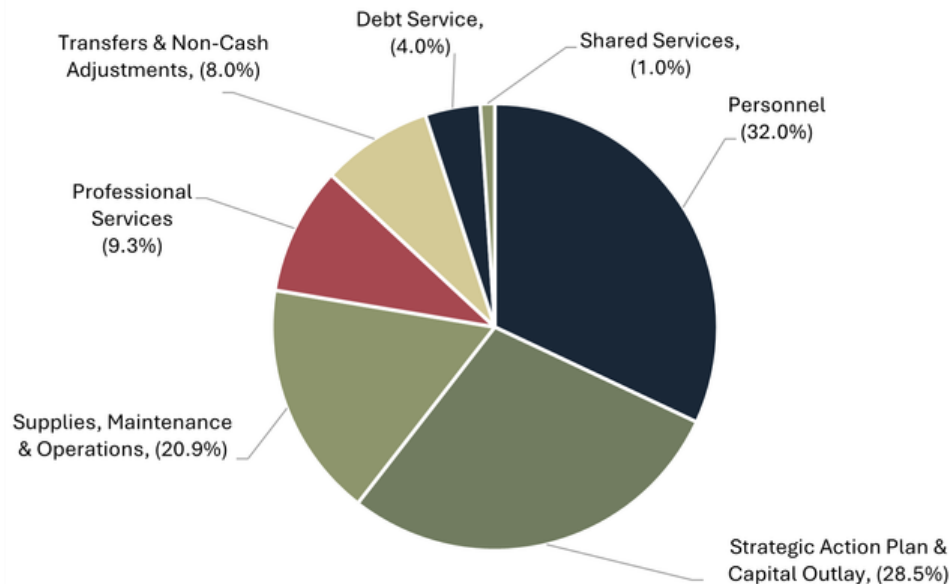
OVERVIEW OF EXPENDITURE ASSUMPTIONS



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. An additional goal this year was to keep the M&O expenditures as low as possible while maintaining service levels to offset the increase in the debt service (I&S) expenditures from new debt issuances.

Total City Expenditures by Category



Personnel Expenditures - 32% of Total City Expenditures:

Personnel expenditures include the salaries, insurance, taxes, retirement, and workers' compensation for all departments. Personnel expenditures are increasing only 3% over the prior year's budget. This is due in part to the retirement of tenured employees and a reduction in insurance costs.

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. The budget for this category has increased 7% over the prior year. The steadily increasing costs of supplies, fuel and equipment is a contributing factor to this change.

Strategic Projects & Capital Outlay - 28.5% of Total City Expenditures:

Capital outlay includes the capital expenditures such as infrastructure and equipment, budgeted to be spent throughout all the funds. This budget is seeing the largest change, increasing 181% over prior year. This is attributable to the nearly \$7 million in capital projects scheduled for FY 2024-25, \$3.2 million in the general fund, and \$3.8 million in the utility fund.

Professional Services Expenditures - 9.3% 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. The budget is increasing 14% year over year, and includes a new water tank maintenance program, and increases in public safety dispatch and fire contracts.



Transfers and Non-Cash Adjustments – 8% of Total City Expenditures:

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

Debt Service Expenditures – 4.0% of Total City Expenditures:

Debt Service expenditures include the debt obligations due in FY 2024-25. The budget for debt service includes the new roadway GO Bond, and interest expenses for the issuance of COs for the utility.

Shared Services Expenditures – 1.0% of Total City Expenditures:

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



FUND SUMMARIES

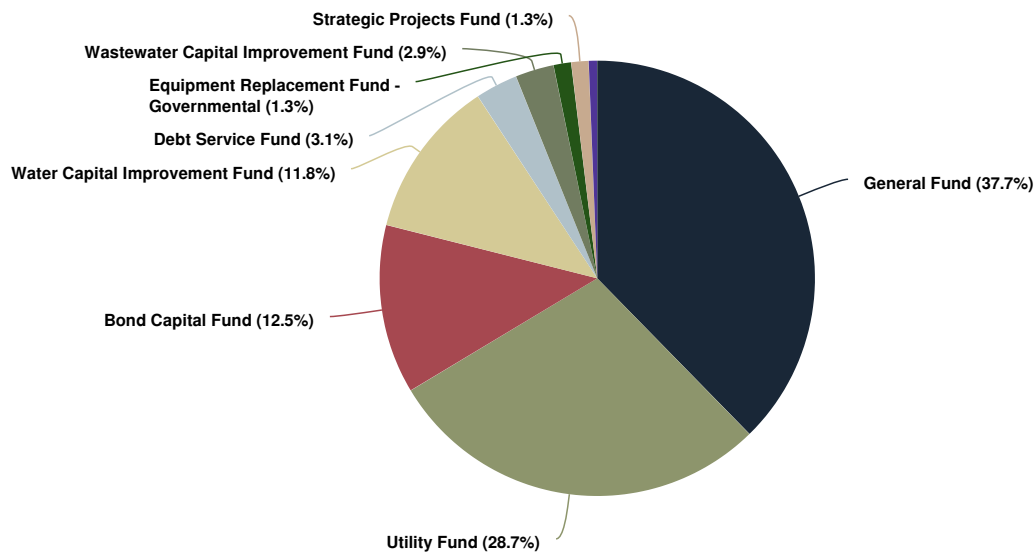




Summary

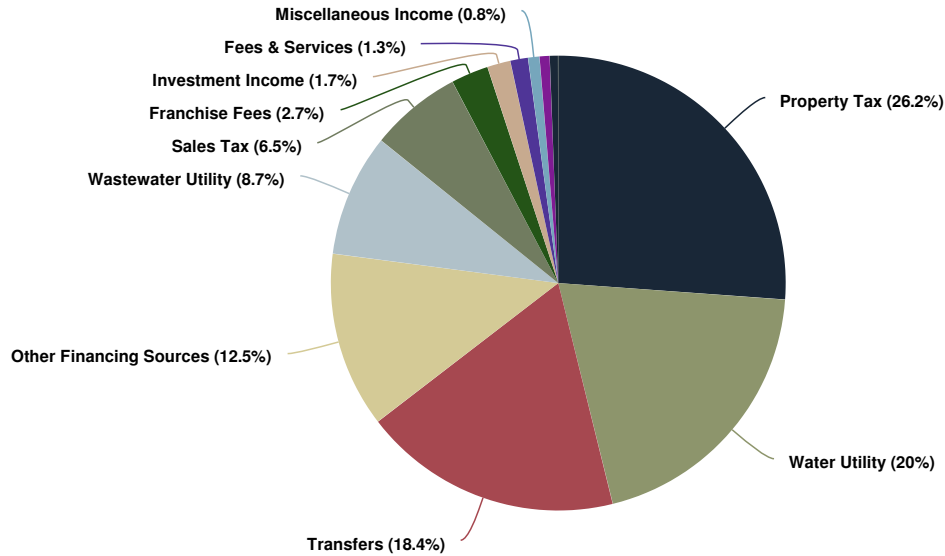
The City of Fair Oaks Ranch is projecting \$28.7M of revenue in FY 2024-25, which represents a 47.4% increase over the prior year. Budgeted expenditures are projected to increase by 31.3% or \$6.2M to \$26.1M in FY 2024-25.

Total City Revenue by Fund



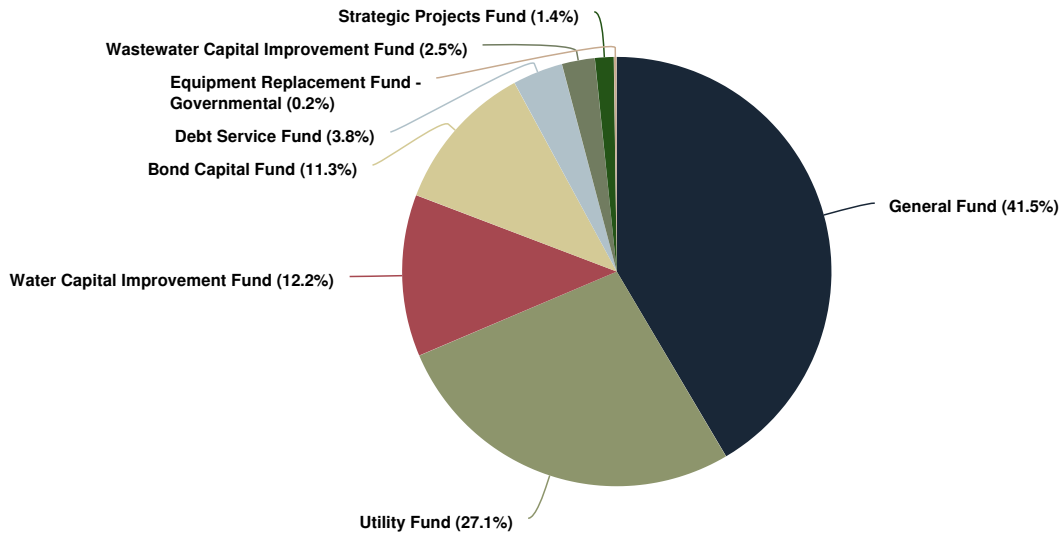
Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
General Fund	\$11,244,436	\$10,666,067	\$11,558,778	\$10,819,854
Equipment Replacement Fund - Governmental	\$354,495	\$301,945	\$301,945	\$373,138
Strategic Projects Fund	\$3,442,995	\$813,526	\$813,526	\$370,000
Debt Service Fund	\$577,848	\$549,497	\$564,576	\$904,117
Bond Capital Fund	\$0	\$0	\$0	\$3,602,000
Water Capital Improvement Fund	\$328,059	\$333,949	\$533,949	\$3,389,835
Wastewater Capital Improvement Fund	\$132,754	\$139,915	\$289,915	\$825,000
Equipment Replacement Fund - Enterprise	\$125,975	\$90,799	\$90,799	\$181,000
Utility Fund	\$6,640,686	\$6,575,696	\$7,933,630	\$8,241,368
Total:	\$22,847,248	\$19,471,394	\$22,087,118	\$28,706,312

Total City Budgeted Revenues by Source



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Revenue Source				
Property Tax	\$7,033,034	\$7,146,554	\$7,320,542	\$7,508,724
Sales Tax	\$1,684,119	\$1,700,071	\$1,882,537	\$1,870,222
Investment Income	\$581,994	\$453,500	\$670,500	\$474,500
Franchise Fees	\$748,401	\$740,685	\$746,485	\$762,350
Transfers	\$4,788,286	\$2,165,134	\$2,726,818	\$5,294,258
Permits	\$241,674	\$209,075	\$249,600	\$168,200
Animal Control	\$1,415	\$1,135	\$1,885	\$1,495
Fines & Forfeitures	\$208,035	\$176,465	\$196,715	\$207,300
Miscellaneous Income	\$711,301	\$237,526	\$282,366	\$232,480
Fees & Services	\$309,244	\$278,053	\$512,724	\$360,415
Water Utility	\$5,183,282	\$4,219,544	\$5,262,544	\$5,737,585
Wastewater Utility	\$1,356,464	\$2,143,652	\$2,234,402	\$2,503,783
Other Financing Sources	\$0		\$0	\$3,585,000
Total Revenue Source:	\$22,847,248	\$19,471,394	\$22,087,118	\$28,706,312

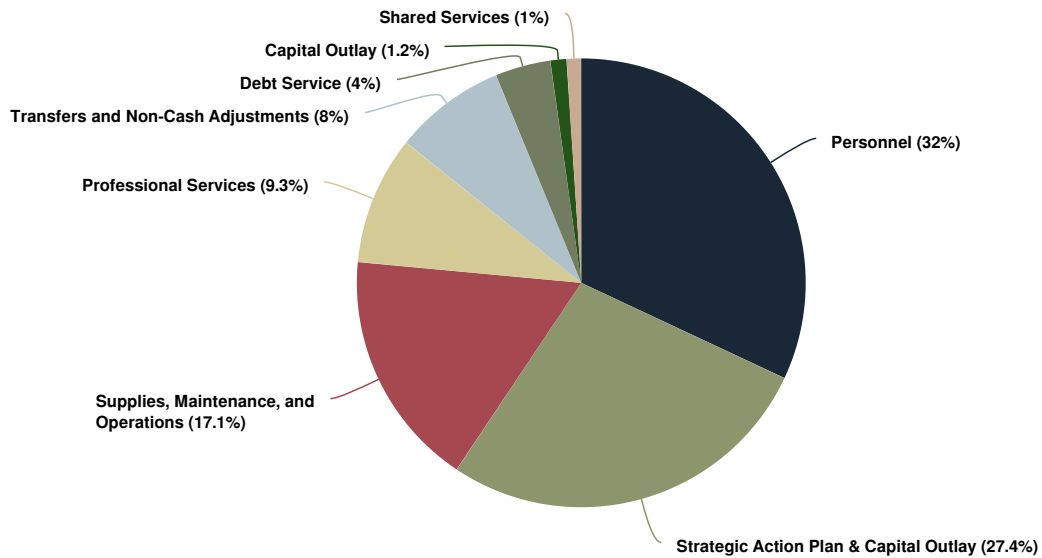
Total City Expenditures by Fund



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
General Fund	\$13,369,690	\$11,224,588	\$11,057,579	\$10,850,347
Equipment Replacement Fund - Governmental	\$303,067	\$260,000	\$258,944	\$56,700
Strategic Projects Fund	\$1,580,977	\$1,069,064	\$4,068,602	\$369,044
Debt Service Fund	\$552,530	\$553,563	\$553,563	\$991,265
Bond Capital Fund	\$0	\$0	\$0	\$2,953,621
Water Capital Improvement Fund	\$269,867	\$240,000	\$1,203,103	\$3,186,367
Wastewater Capital Improvement Fund	\$1,139,149	\$0	\$917,253	\$650,000
Equipment Replacement Fund - Enterprise	\$100,941	\$212,500	\$436,684	\$0
Utility Fund	\$8,129,134	\$6,348,343	\$5,191,627	\$7,081,452
Total:	\$25,445,355	\$19,908,059	\$23,687,355	\$26,138,796



Total City Budgeted Expenditures by Expense Type



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Transfers and Non-Cash Adjustments	\$7,048,968	\$1,901,309	\$580,698	\$2,104,031
Personnel	\$7,358,379	\$8,108,368	\$7,491,815	\$8,361,438
Supplies, Maintenance, and Operations	\$4,603,302	\$4,162,536	\$4,499,656	\$4,470,469
Professional Services	\$1,882,825	\$2,219,765	\$2,272,534	\$2,422,045
Shared Services	\$202,752	\$332,828	\$296,943	\$273,591
Capital Outlay	\$727,628	\$1,304,111	\$1,786,674	\$302,850
Debt Service	\$631,508	\$570,077	\$570,077	\$1,045,340
Strategic Action Plan & Capital Outlay	\$2,989,993	\$1,309,064	\$6,188,958	\$7,159,032
Total Expense Objects:	\$25,445,355	\$19,908,059	\$23,687,355	\$26,138,796



Governmental Funds

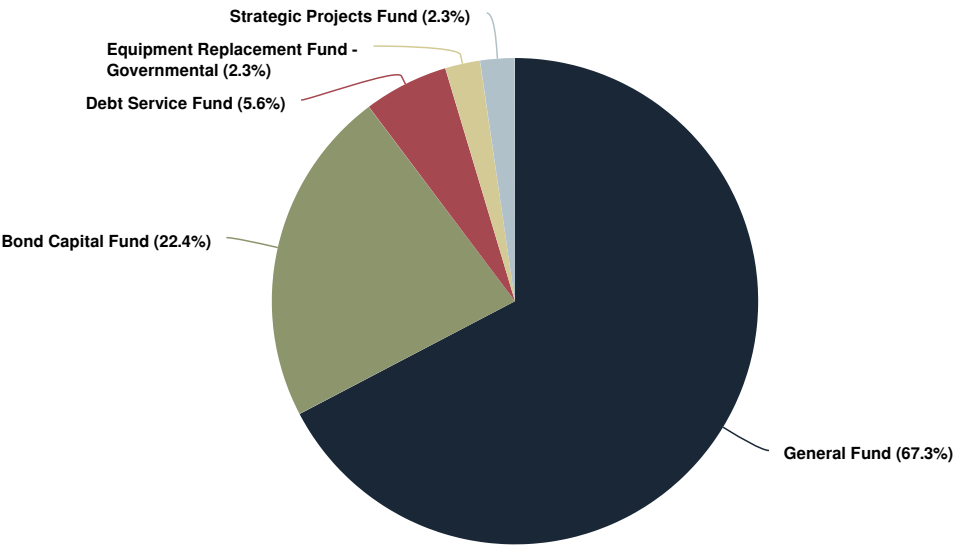
CONSOLIDATED GOVERNMENTAL FUNDS

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, a Debt Service Fund and a Bond Capital Fund.

Summary

The City of Fair Oaks Ranch is projecting \$10.8M in general fund revenue, \$3.6M in bond revenue, and \$1.6M in interfund transfers for a total of \$16M in revenue sources to the Governmental Funds. This is a 30.31% increase over the prior year. The largest revenue source is ad valorem taxes, which comprise 47% of the total Governmental Fund revenue. Budgeted expenditures are projected to be \$15.2M, including \$10.9M for operations and \$3.2M in capital outlay. This is a 16.13% increase over the prior year.

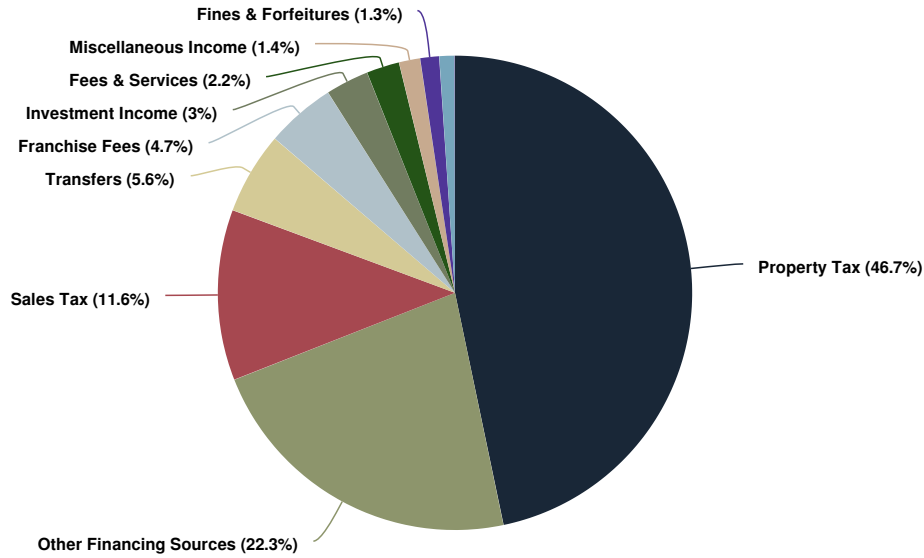
Governmental Revenue by Fund



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
General Fund	\$11,244,436	\$10,666,067	\$11,558,778	\$10,819,854
Equipment Replacement Fund - Governmental	\$354,495	\$301,945	\$301,945	\$373,138
Strategic Projects Fund	\$3,442,995	\$813,526	\$813,526	\$370,000
Debt Service Fund	\$577,848	\$549,497	\$564,576	\$904,117
Bond Capital Fund	\$0	\$0	\$0	\$3,602,000
Total:	\$15,619,774	\$12,331,035	\$13,238,825	\$16,069,109



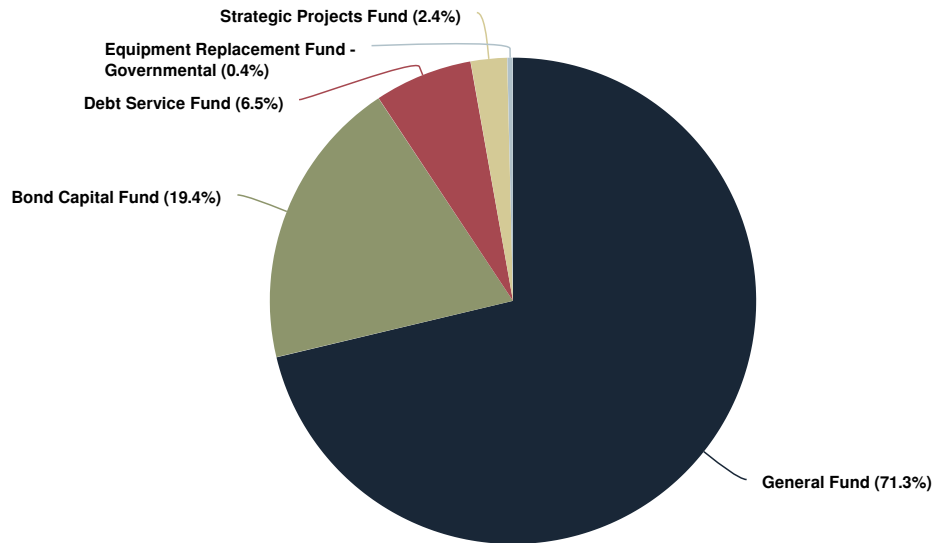
Governmental Revenue by Source



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Revenue Source				
Property Tax	\$7,033,034	\$7,146,554	\$7,320,542	\$7,508,724
Sales Tax	\$1,684,119	\$1,700,071	\$1,882,537	\$1,870,222
Investment Income	\$581,994	\$453,500	\$670,500	\$474,500
Franchise Fees	\$748,401	\$740,685	\$746,485	\$762,350
Transfers	\$4,100,557	\$1,387,971	\$1,375,471	\$898,423
Permits	\$241,674	\$209,075	\$249,600	\$168,200
Animal Control	\$1,415	\$1,135	\$1,885	\$1,495
Fines & Forfeitures	\$208,035	\$176,465	\$196,715	\$207,300
Miscellaneous Income	\$711,301	\$237,526	\$282,366	\$232,480
Fees & Services	\$309,244	\$278,053	\$512,724	\$360,415
Other Financing Sources	\$0		\$0	\$3,585,000
Total Revenue Source:	\$15,619,774	\$12,331,035	\$13,238,825	\$16,069,109

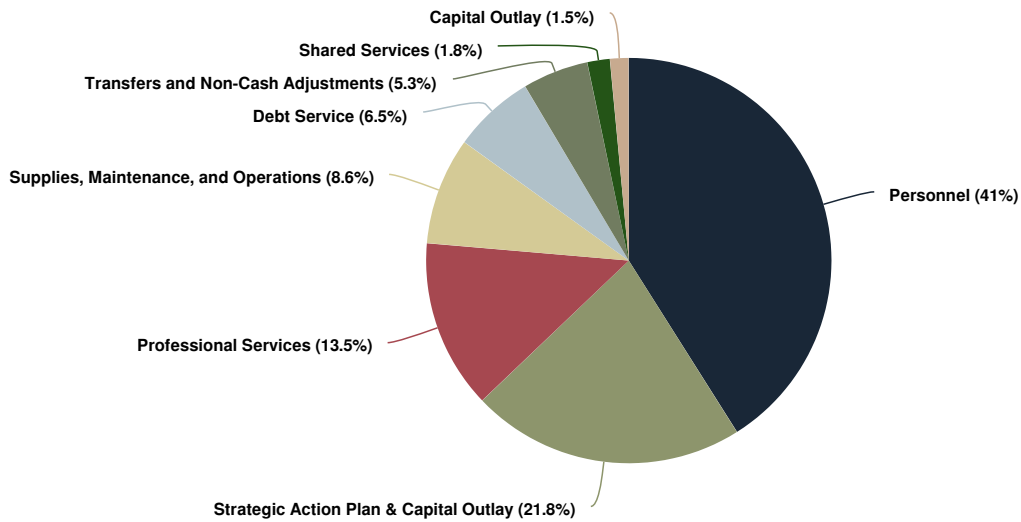


Governmental Expenditures by Fund



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
General Fund	\$13,369,690	\$11,224,588	\$11,057,579	\$10,850,347
Equipment Replacement Fund - Governmental	\$303,067	\$260,000	\$258,944	\$56,700
Strategic Projects Fund	\$1,580,977	\$1,069,064	\$4,068,602	\$369,044
Debt Service Fund	\$552,530	\$553,563	\$553,563	\$991,265
Bond Capital Fund	\$0	\$0	\$0	\$2,953,621
Total:	\$15,806,264	\$13,107,215	\$15,938,688	\$15,220,977

Governmental Expenditures by Expense Type



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Transfers and Non-Cash Adjustments	\$4,100,557	\$1,375,471	\$1,374,415	\$799,838
Personnel	\$5,502,505	\$6,046,964	\$5,523,065	\$6,247,754
Supplies, Maintenance, and Operations	\$1,631,694	\$1,159,111	\$1,304,295	\$1,305,396
Professional Services	\$1,655,667	\$2,056,103	\$2,098,872	\$2,053,493
Shared Services	\$202,752	\$332,828	\$296,943	\$273,591
Capital Outlay	\$519,820	\$514,111	\$718,933	\$226,975
Debt Service	\$612,292	\$553,563	\$553,563	\$991,265
Strategic Action Plan & Capital Outlay	\$1,580,977	\$1,069,064	\$4,068,602	\$3,322,665
Total Expense Objects:	\$15,806,264	\$13,107,215	\$15,938,688	\$15,220,977

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, 2024 is estimated to be \$8.4 million, a decrease of \$2,699,863 from the previous year's total of \$11.1 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 increased \$501,199 in unrestricted reserves from prior year surpluses. Additionally, the Strategic Projects Fund balance decreased \$3.3 million due to the continuation of projects.

The FY 2024-25 General Fund budget utilizes \$30,493 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 2024-25 projected balances meet City Policy.

ESTIMATED FUND BALANCES FISCAL YEAR 2023-24

	Actual Beginning Funds 10/1/2023	Estimated Revenues and Other Sources FY 2023-24	Estimated Expenditures and Other Uses FY 2023-24	Estimated Ending Funds 9/30/2024	Estimated Change in Fund Balances FY 2023-24
Governmental Funds:					
General Fund	6,628,607	11,558,777	11,057,578	7,129,806	501,199
Strategic Projects Fund	3,269,573	813,526	4,068,602	14,497	(3,255,076)
Equipment Replacement Fund	1,140,475	301,945	258,944	1,183,476	43,001
Debt Service Fund	77,976	564,576	553,563	88,989	11,013
Total	11,116,631	13,238,824	15,938,687	8,416,768	(2,699,863)

PROJECTED FUND BALANCES FISCAL YEAR 2024-25

	Estimated Beginning Funds 10/1/2024	Budgeted Revenues and Other Sources FY 2024-25	Budgeted Expenditures and Other Uses FY 2024-25	Projected Ending Funds 9/30/2025	Projected Change in Fund Balances FY 2024-25
Governmental Funds:					
General Fund	7,129,806	10,819,854	10,850,347	7,099,313	(30,493)
Strategic Projects Fund	14,497	370,000	369,044	15,453	956
Equipment Replacement Fund	1,183,476	373,138	56,700	1,499,914	316,438
Debt Service Fund	88,989	904,117	991,265	1,841	(87,148)
Bond Capital Fund	-	3,602,000	2,953,621	648,379	648,379
Total	8,416,768	16,069,109	15,220,977	9,264,900	848,132





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 \$10.8M of revenue in FY 2024-25, which represents a 1.44% increase over the prior year. Budgeted expenditures are projected to decrease by 3.33% or \$374K to \$10.85M in FY 2024-25.

General Fund Revenues by Source

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Revenue Source				
Property Tax	\$6,460,016	\$6,600,557	\$6,761,466	\$6,612,107
Sales Tax	\$1,684,119	\$1,700,071	\$1,882,537	\$1,870,222
Investment Income	\$577,165	\$450,000	\$665,000	\$450,000
Franchise Fees	\$748,401	\$740,685	\$746,485	\$762,350
Transfers	\$303,067	\$272,500	\$260,000	\$155,285
Permits	\$241,674	\$209,075	\$249,600	\$168,200
Animal Control	\$1,415	\$1,135	\$1,885	\$1,495
Fines & Forfeitures	\$208,035	\$176,465	\$196,715	\$207,300
Miscellaneous Income	\$711,301	\$237,526	\$282,366	\$232,480
Fees & Services	\$309,244	\$278,053	\$512,724	\$360,415
Total Revenue Source:	\$11,244,436	\$10,666,067	\$11,558,778	\$10,819,854

General Fund Expenditures by Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Transfers and Non-Cash Adjustments	\$3,797,490	\$1,115,471	\$1,115,471	\$743,138
Personnel	\$5,502,505	\$6,046,964	\$5,523,065	\$6,247,754
Supplies, Maintenance, and Operations	\$1,631,694	\$1,159,111	\$1,304,295	\$1,305,396
Professional Services	\$1,655,667	\$2,056,103	\$2,098,872	\$2,053,493
Shared Services	\$202,752	\$332,828	\$296,943	\$273,591
Capital Outlay	\$519,820	\$514,111	\$718,933	\$226,975
Debt Service	\$59,762	\$0	\$0	\$0
Total Expense Objects:	\$13,369,690	\$11,224,588	\$11,057,579	\$10,850,347



General Fund Expenditures by Department

Name	FY 2023 Actual	FY 2024 Budgeted	FY 2024 Projected	FY 2025 Budgeted
Departments				
Mayor & Council	\$7,643	\$30,100	\$9,500	\$30,145
City Administration	\$660,453	\$718,468	\$586,731	\$715,331
City Secretary	\$243,831	\$288,688	\$281,113	\$295,019
HR & Communication	\$218,641	\$280,232	\$281,569	\$277,823
Finance	\$329,737	\$389,773	\$352,380	\$408,207
Information Technology	\$588,797	\$507,204	\$507,095	\$450,509
Municipal Court	\$250,804	\$251,974	\$290,301	\$264,346
Public Safety	\$4,042,987	\$4,357,053	\$4,332,104	\$4,320,850
Maintenance	\$835,424	\$1,163,550	\$1,234,912	\$1,069,593
Building Codes	\$279,180	\$330,152	\$279,156	\$368,910
Engineering & Planning	\$1,522,806	\$1,514,104	\$1,545,313	\$1,680,774
Non-Departmental & Shared	\$4,389,388	\$1,393,290	\$1,357,405	\$968,842
Total Expenditures	\$13,369,690	\$11,224,588	\$11,057,579	\$10,850,347



Fund Balance

The fund balance for the General Fund is expected to decrease by \$30,493 or 0.43% in FY 2024-25.

Financial Summary	FY2022	FY2023	FY2024	FY2025
Fund Balance	—	—	—	—
Unassigned	\$4,365,224	\$1,881,701	\$2,035,554	\$1,870,986
Assigned	\$4,275,321	\$4,555,321	\$4,887,720	\$5,020,918
Committed	\$0	\$0	\$0	\$0
Restricted	\$114,302	\$114,562	\$129,511	\$130,388
Nonspendable	\$25,328	\$77,024	\$77,024	\$77,024
Total Fund Balance:	\$8,780,175	\$6,628,608	\$7,129,809	\$7,099,316





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.

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 tax revenue, or other financing methods.

Summary

The City of Fair Oaks Ranch is projecting revenue of \$370,000 in FY 2024-25, which represents a 54.52% decrease over the prior year budget. Budgeted expenditures are projected to decrease by 65.48% or \$700K to \$369K in FY 2024-25.

Revenues by Source

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Revenue Source				
Transfers	\$3,442,995	\$813,526	\$813,526	\$370,000
Total Revenue Source:	\$3,442,995	\$813,526	\$813,526	\$370,000

Expenditures by Expense Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Strategic Action Plan & Capital Outlay				
Strategic and Capital Projects				
CITY CIVIC CENTER	\$17,748	\$0	\$395,067	\$0
CITY CAMPUS RENOVATION	\$321,403	\$0	\$340,416	\$0
CHARTWELL AND DIETZ INTERSECTION	\$98,126	\$0	\$0	\$0
ROLLING ACRES TRAIL PROJECT #5	\$48,833	\$0	\$222,905	\$0
SILVER SPUR TRAIL PROJECT #17	\$28,796	\$0	\$0	\$0
TIVOLI WAY PROJECT #34	\$88,747	\$0	\$1,451,034	\$0
TURF PARADISE LANE PROJECT #37	\$93,770	\$0	\$0	\$0
ROCKINGHORSE LANE PROJECT #61	\$29,609	\$0	\$0	\$0
EBOND DEVELOPMENT PROGRAM	\$0	\$0	\$37,964	\$0
POST OAK TRAIL	\$664,506	\$0	\$210,494	\$0
DIETZ ELKHORN RECONSTRUCTION	\$100,721	\$309,235	\$509,429	\$0
DIETZ ELKHORN SIDEWALK	\$14,770	\$300,000	\$435,230	\$0
BATTLE INTENSE SIDEWALK	\$48,912	\$0	\$0	\$0
CHARTWELL LANE PROJECT #35		\$64,829	\$64,829	\$0
DELTA DAWN PROJECT #15		\$245,000	\$238	\$0
ROLLING ACRES TRAIL #2			\$0	\$67,600
ROLLING ACRES TRAIL #4			\$0	\$67,600
PIMLICO LANE #42			\$0	\$113,844
FIRE SERVICES PROGRAM REVIEW	\$0	\$0	\$73,775	\$0



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
FIRE STATION #3 UPGRADES		\$150,000	\$150,000	\$0
COMP & BENEFIT PLAN STUDY	\$0	\$0	\$0	\$60,000
EMPLOYEE HANDBOOK	\$0	\$0	\$0	\$10,000
COMMUNICATIONS & MKTG STRATEGY	\$2,068	\$0	\$40,071	\$0
CITY RECORDS DIGITIZATION	\$22,967	\$0	\$0	\$0
CITY FLEET FUEL STATION	\$0	\$0	\$97,150	\$0
3RD PARTY SCANNING	\$0	\$0	\$40,000	\$0
IT MASTER PLAN			\$0	\$50,000
Total Strategic and Capital Projects:	\$1,580,977	\$1,069,064	\$4,068,602	\$369,044
Total Strategic Action Plan & Capital Outlay:	\$1,580,977	\$1,069,064	\$4,068,602	\$369,044
Total Expense Objects:	\$1,580,977	\$1,069,064	\$4,068,602	\$369,044

Fund Balance

The fund balance is expected to increase \$956 or 6.6% in FY 2024-25. These funds are derived from an interfund transfer from the General Fund and are assigned for approved strategic and capital projects.

Financial Summary	FY2022	FY2023	FY2024	FY2025
Fund Balance	—	—	—	—
Assigned	\$1,407,555	\$3,269,573	\$14,498	\$15,454
Total Fund Balance:	\$1,407,555	\$3,269,573	\$14,498	\$15,454





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 \$373K of revenue in FY 2024-25, which represents a 23.58% increase over the prior year. Budgeted expenditures are decreasing by 78.19% or \$203K to \$56.7K in FY 2024-25.

Governmental ERF Revenues by Source

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Revenue Source				
Transfers	\$354,495	\$301,945	\$301,945	\$373,138
Total Revenue Source:	\$354,495	\$301,945	\$301,945	\$373,138

Governmental ERF Expenditures by Expense Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Transfers and Non-Cash Adjustments				
General Expense				
Transfer to Other Funds	\$303,067	\$260,000	\$258,944	\$56,700
Total General Expense:	\$303,067	\$260,000	\$258,944	\$56,700
Total Transfers and Non-Cash Adjustments:	\$303,067	\$260,000	\$258,944	\$56,700
Total Expense Objects:	\$303,067	\$260,000	\$258,944	\$56,700

Fund Balance

The fund balance is expected to increase \$316,438 or 26.7% in FY 2024-25. These funds are assigned for future equipment and vehicle replacement.

Financial Summary	FY2022	FY2023	FY2024	FY2025
Fund Balance	—	—	—	—
Assigned	\$1,089,047	\$1,140,475	\$1,183,476	\$1,499,914
Total Fund Balance:	\$1,089,047	\$1,140,475	\$1,183,476	\$1,499,914



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 2024-25 is \$.0341 per \$100 valuation, which is \$.0112 more than last year's rate of \$.0229 per \$100 valuation.

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Revenue Source				
Property Tax	\$573,018	\$545,997	\$559,076	\$896,617
Investment Income	\$4,829	\$3,500	\$5,500	\$7,500
Total Revenue Source:	\$577,848	\$549,497	\$564,576	\$904,117

Debt Service Expenditures by Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Debt Service	\$552,530	\$553,563	\$553,563	\$991,265
Total Expense Objects:	\$552,530	\$553,563	\$553,563	\$991,265

Fund Balance

The fund balance is expected to decrease \$87,148 or 97.9% in FY 2024-25. These funds are derived from the I&S portion of the ad valorem tax levy and are restricted for use in paying the principal and interest of the governmental debt. The large decrease is attributable to the use of prior years' fund balance to pay a portion of the FY2024-25 tax obligation.

Financial Summary	FY2022	FY2023	FY2024	FY2025
Fund Balance	—	—	—	—
Restricted	\$52,658	\$77,976	\$88,989	\$1,841
Total Fund Balance:	\$52,658	\$77,976	\$88,989	\$1,841



Governmental Bond Capital Fund

The Governmental Bond Capital Fund is used to account for the General Obligation bond proceeds and the outflows of capital expenditures associated with the approved roadway reconstruction projects.

Summary

The City of Fair Oaks Ranch is projecting \$3.6M of revenue in FY2025, the majority of which is proceeds from the first tranche of the General Obligation Bond approved in May 2024. Budgeted expenditures are projected to be \$2.95M.

Governmental Bond Capital Revenues by Source

Name	FY2025 Budgeted
Revenue Source	
Investment Income	
BANK/INVESTMENT INTEREST	\$17,000
Total Investment Income:	\$17,000
Other Financing Sources	
BOND PROCEEDS	\$3,585,000
Total Other Financing Sources:	\$3,585,000
Total Revenue Source:	\$3,602,000

Governmental Bond Capital Expenditures by Type

Name	FY2025 Budgeted
Expense Objects	
Strategic Action Plan & Capital Outlay	
Public Works	
Dietz Elkhorn Roadway Construction	\$2,093,922
Ammann Roadway Construction	\$439,699
Battle Intense Roadway Construction	\$420,000
Total Public Works:	\$2,953,621
Total Strategic Action Plan & Capital Outlay:	\$2,953,621
Total Expense Objects:	\$2,953,621

Fund Balance

The fund balance is expected to increase from \$0 to \$648,379 in FY 2024-25. These funds are derived from General Obligation Bond proceeds and investment interest and are restricted for the use of expenditures associated with the four approved roadway capital projects.

Financial Summary	FY2025
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Financial Summary	FY2025
Fund Balance	—
Restricted	\$648,379
Total Fund Balance:	\$648,379





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 \$8.24M of revenue in FY 2024-25, which represents a 25.33% increase over the prior year. Budgeted expenditures are projected to increase by 11.55% or \$733K to \$7.08M in FY 2024-25.

Projected Utility Fund Revenues by Source

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Revenue Source				
Transfers				
TRANSFER FROM EQUIP REPL FUND	\$100,941	\$110,000	\$196,742	\$0
TRANSFER FROM EQUIP REPL FUND	\$0	\$102,500	\$239,942	\$0
Total Transfers:	\$100,941	\$212,500	\$436,684	\$0
Water Utility				
WATER REVENUE RESIDENTIAL	\$3,754,870	\$2,928,832	\$3,678,832	\$3,736,048
WATER DEBT SERVICE	\$285,467	\$282,791	\$282,791	\$936,054
WATER CAPITAL	\$258,188	\$283,949	\$283,949	\$104,835
WATER REVENUE COMMERCIAL	\$175,338	\$168,665	\$168,665	\$180,094
WATER CONTRACT COMMERCIAL	\$177,354	\$177,354	\$177,354	\$177,354
WATER REVENUE NON POTABLE	\$65,998	\$77,500	\$77,500	\$74,000
WATER SERVICE CONNECT FEES	\$18,975	\$25,000	\$32,500	\$30,000
WATER PENALTIES	\$47,840	\$34,753	\$49,753	\$48,000
WATER IMPACT FEES	\$69,871	\$50,000	\$250,000	\$200,000
WATER INTEREST INCOME	\$182,402	\$150,000	\$210,000	\$200,000
WATER - BAD DEBTS	\$1,848	-\$500	-\$7,000	-\$4,000
MISC./SPECIAL REQUESTS	\$90,640	\$500	\$500	\$500
THIRD PARTY REIMBURSEMENT	\$8,300	\$8,500	\$3,500	\$3,500
PERMITS/VARIANCES	\$475	\$1,200	\$1,200	\$1,200
CREDIT CARD SERVICE FEE	\$35,201	\$31,000	\$53,000	\$50,000
WATER SALE OF ASSETS	\$10,514	\$0	\$0	\$0
Total Water Utility:	\$5,183,282	\$4,219,544	\$5,262,544	\$5,737,585
Wastewater Utility				
SEWER REVENUE RESIDENTIAL	\$971,993	\$1,709,775	\$1,609,775	\$1,641,971
SEWER DEBT SERVICE	\$54,911	\$54,077	\$54,077	\$415,630
SEWER CAPITAL	\$98,362	\$107,915	\$107,915	\$0
SEWER REVENUE COMMERCIAL	\$4,418	\$58,345	\$37,345	\$37,832
SEWER SERVICE CONNECT FEE	\$7,700	\$23,000	\$23,000	\$25,000
SEWER PENALTIES	\$7,211	\$8,438	\$11,438	\$9,000
SEWER IMPACT FEES	\$34,392	\$32,000	\$182,000	\$175,000
SEWER INTEREST INCOME	\$176,193	\$150,000	\$210,000	\$200,000
SEWER BAD DEBT	\$492	-\$250	-\$1,500	-\$1,000
MISC./SPECIAL REQUESTS	\$83	\$352	\$352	\$350
SEWER SALE OF ASSETS	\$708	\$0	\$0	\$0



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Total Wastewater Utility:	\$1,356,464	\$2,143,652	\$2,234,402	\$2,503,783
Total Revenue Source:	\$6,640,686	\$6,575,696	\$7,933,630	\$8,241,368

Utility Fund Budgeted Expenditures by Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Transfers and Non-Cash Adjustments				
Water Utility	\$1,321,308	\$99,390	-\$496,498	\$799,531
Wastewater Utility	\$1,526,162	\$213,948	-\$733,903	\$504,663
Total Transfers and Non-Cash Adjustments:	\$2,847,471	\$313,338	-\$1,230,401	\$1,304,193
Personnel				
Water Utility	\$923,341	\$1,039,193	\$957,237	\$1,040,847
Wastewater Utility	\$932,533	\$1,022,211	\$1,011,513	\$1,072,837
Total Personnel:	\$1,855,874	\$2,061,404	\$1,968,750	\$2,113,684
Supplies, Maintenance, and Operations				
Water Utility	\$2,383,549	\$2,449,401	\$2,584,695	\$2,568,176
Wastewater Utility	\$588,059	\$554,024	\$610,666	\$596,898
Total Supplies, Maintenance, and Operations:	\$2,971,608	\$3,003,425	\$3,195,361	\$3,165,074
Professional Services				
Water Utility	\$184,751	\$106,581	\$116,581	\$305,044
Wastewater Utility	\$42,407	\$57,081	\$57,081	\$63,508
Total Professional Services:	\$227,158	\$163,662	\$173,662	\$368,552
Capital Outlay				
Water Utility	\$185,948	\$552,500	\$696,849	\$67,938
Wastewater Utility	\$21,860	\$237,500	\$370,892	\$7,938
Total Capital Outlay:	\$207,808	\$790,000	\$1,067,741	\$75,875
Debt Service				
Water Utility	\$16,141	\$13,872	\$13,872	\$37,446
Wastewater Utility	\$3,075	\$2,642	\$2,642	\$16,629
Total Debt Service:	\$19,216	\$16,514	\$16,514	\$54,075
Total Expense Objects:	\$8,129,134	\$6,348,343	\$5,191,627	\$7,081,452

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 \$1.16M or 6.84% in FY 2024-25.



Financial Summary	FY2022	FY2023	FY2024	FY2025
Fund Balance	—	—	—	—
Unassigned	\$4,306,593	\$4,673,632	\$4,402,625	\$4,915,553
Nonspendable	\$8,572,921	\$9,550,921	\$12,563,931	\$13,210,919
Total Fund Balance:	\$12,879,514	\$14,224,553	\$16,966,556	\$18,126,472





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 \$3.4M of revenue in FY 2024-25, which represents a 915.08% increase over the prior year. The large increase is attributable to the issuance of Certificates of Obligation to fund the approved water capital projects. Budgeted expenditures are projected to increase by 1,227.65% or \$2.95M to \$3.2M in FY 2024-25 as approved water CIP Projects begin construction.

Revenues by Source

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Revenue Source				
Transfers	\$328,059	\$333,949	\$533,949	\$3,389,835
Total Revenue Source:	\$328,059	\$333,949	\$533,949	\$3,389,835

Expenditures by Expense Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Strategic Action Plan & Capital Outlay				
Water Utility				
ELEVATED STORAGE TANK	\$14,480	\$0	\$161,833	\$0
PLANT 2 HYDRO TANK & VARIABLE DRIVES	\$7,065	\$0	\$0	\$0
CREEK CROSSING WEST WATERLINE	\$146,112	\$0	\$0	\$0
PLANT 5 EXPANSION	\$5,856	\$0	\$223,643	\$1,320,800
WILLOW WIND/RED BUD HILL	\$35,836	\$0	\$34,869	\$879,807
OLD FREDERICKSBURG RD WATERLIN	\$25,858	\$0	\$266,063	\$270,400
ROLLING ACRES TRAIL REHAB	\$30,011	\$0	\$36,783	\$610,941
WELL 27 UPGRADES		\$60,000	\$60,000	\$0
WELL 31 UPGRADES		\$60,000	\$60,000	\$0
WELL 25 UPGRADES		\$60,000	\$60,000	\$0
WELL 28 UPGRADES		\$60,000	\$60,000	\$0
CIBOLO CREEK WATERLINE RELOCATION			\$239,912	\$0
UPGRADE PLANT 3 ELECTRICAL			\$0	\$74,419
SAWS EMERGENCY INTERCONNECT			\$0	\$30,000
WATER RATE STUDY	\$4,649	\$0	\$0	\$0
Total Water Utility:	\$269,867	\$240,000	\$1,203,103	\$3,186,367
Total Strategic Action Plan & Capital Outlay:	\$269,867	\$240,000	\$1,203,103	\$3,186,367
Total Expense Objects:	\$269,867	\$240,000	\$1,203,103	\$3,186,367



Fund Balance

The fund balance of the Water Strategic and Capital Fund is expected to increase 27.92% in FY 2024-25. These funds are derived from Impact Fees charged on new development in the water utility system as well as Capital Projects and Debt Fees charged to water utility customers each month. These funds are assigned for capital improvements to the water utility system.

Financial Summary	FY2022	FY2023	FY2024	FY2025
Fund Balance	—	—	—	—
Assigned	\$1,339,728	\$1,397,920	\$728,766	\$932,234
Total Fund Balance:	\$1,339,728	\$1,397,920	\$728,766	\$932,234





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 \$825K of revenue in FY 2024-25, which represents a 489.64% increase over the prior year. The large increase is attributable to the issuance of Certificates of Obligation to fund the capital sewer project. Budgeted expenditures are projected to increase from \$0 to \$650K in FY 2024-25.

Revenues by Source

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Revenue Source				
Transfers	\$132,754	\$139,915	\$289,915	\$825,000
Total Revenue Source:	\$132,754	\$139,915	\$289,915	\$825,000

Expenditures by Expense Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Strategic Action Plan & Capital Outlay				
Wastewater Utility				
SOLIDS HANDLING	\$1,052,341	\$0	\$0	\$0
FUTURE WW TREATMENT PLANT	\$77,985	\$0	\$917,253	\$0
COJAK CIRCLE SEWER UPGRADE			\$0	\$650,000
WASTEWATER RATE STUDY	\$8,822	\$0	\$0	\$0
Total Wastewater Utility:	\$1,139,149	\$0	\$917,253	\$650,000
Total Strategic Action Plan & Capital Outlay:	\$1,139,149	\$0	\$917,253	\$650,000
Total Expense Objects:	\$1,139,149	\$0	\$917,253	\$650,000



Fund Balance

The fund balance is expected to increase \$175,000 or 28.08% in FY 2024-25. These funds are derived from Impact Fees charged on new development in the wastewater utility system as well as Capital Projects and Debt Fees charged to wastewater customers each month. These funds are assigned for capital improvements to the wastewater system.

Financial Summary	FY2022	FY2023	FY2024	FY2025
Fund Balance	—	—	—	—
Assigned	\$2,257,004	\$1,250,609	\$623,271	\$798,271
Total Fund Balance:	\$2,257,004	\$1,250,609	\$623,271	\$798,271





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 \$181K of revenue in FY 2024-25, which represents a 99.34% increase over the prior year. Budgeted expenditures are projected to decrease by 100% or \$212K to \$0 in FY 2024-25.

Utility ERF Revenues by Source

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Revenue Source				
Transfers	\$125,975	\$90,799	\$90,799	\$181,000
Total Revenue Source:	\$125,975	\$90,799	\$90,799	\$181,000

Utility ERF Expenditures by Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Transfers and Non-Cash Adjustments				
General Expense				
TRANSFER TO WATER DIVISIO	\$100,941	\$110,000	\$196,742	\$0
TRANSFER TO WASTEWATER DIV	\$0	\$102,500	\$239,942	\$0
Total General Expense:	\$100,941	\$212,500	\$436,684	\$0
Total Transfers and Non-Cash Adjustments:	\$100,941	\$212,500	\$436,684	\$0
Total Expense Objects:	\$100,941	\$212,500	\$436,684	\$0

Fund Balance

The fund balance is expected to increase \$181,000 or 34.1% in FY 2024-25. These funds are assigned for future equipment and vehicle replacement.

Financial Summary	FY2022	FY2023	FY2024	FY2025
Fund Balance	—	—	—	—
Assigned	\$851,091	\$876,126	\$530,241	\$711,241
Total Fund Balance:	\$851,091	\$876,126	\$530,241	\$711,241



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 whom vote on the issues brought before the 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

- Established a Traffic Safety Advisory Committee
- Hiring of Scott Huizenga as City Manager
- Hiring of Judge Dullnig as Municipal Court Judge
- Conducted quarterly Town Hall meetings
- Exceptional 4th of July Celebration
- Household Hazardous Waste collection
- Establishment of a Tree Mitigation Policy and Oak Wilt Grant program
- Initiation of "On the Ranch" monthly newsletter
- Change in solid waste contractor from Republic to Frontier
- Multiple IT upgrades
- Completed Design of Future Community Center
- Completed Design of a Future Gateway Feature for the City
- Updates to the Unified Development Code
- Updated City water agreements
- Establishment and operations of a Bond Advisory Committee
- Residents approved a \$16 million dollar road GO bond
- Received the FEMA grant reimbursement for the previous year's winter storm brush cleanup
- Adjusted wastewater bills in line with expenses on wastewater operations

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

\$30,145 \$45
(0.15% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Supplies, Maintenance, and Operations				
General Government				
UNIFORMS	\$266	\$350	\$284	\$350
COMMITTEE - COMMUNICATIONS	\$82	\$500	\$500	\$500
COMMITTEE - PLANNING & ZONING	\$0	\$500	\$100	\$500
COMMITTEE - BOARD OF ADJ	\$0	\$500	\$100	\$500
URBAN WILDLIFE	\$0	\$500	\$750	\$500
COMMITTEE - AUDIT	\$0	\$500	\$0	\$500
Total General Government:	\$348	\$2,850	\$1,734	\$2,850
Total Supplies, Maintenance, and Operations:	\$348	\$2,850	\$1,734	\$2,850
Professional Services				
General Government				
DUES/SUBSCRIPTIONS	\$3,068	\$3,200	\$2,716	\$3,245
TRAINING/SEMINARS & TRAVEL	\$0	\$7,000	\$1,000	\$7,000
MEETINGS & RELATED TRAVEL	\$3,642	\$11,800	\$3,800	\$11,800
PUBLIC RELATIONS & EVENTS	\$586	\$5,250	\$250	\$5,250
Total General Government:	\$7,295	\$27,250	\$7,766	\$27,295
Total Professional Services:	\$7,295	\$27,250	\$7,766	\$27,295
Total Expense Objects:	\$7,643	\$30,100	\$9,500	\$30,145



Administration



Scott Huizenga
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.

Assistant City Manager Carole Vanzant's portfolio includes planning and zoning, building permits, code compliance, engineering services, utilities, street maintenance and other contract services. This position oversees all of Public Works and the Municipal Court.

Assistant City Manager Jim Williams is highly responsible for developing the City's strategic action plan, and oversees the Information Technology, HR and Communications, and Finance 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	2021-22	2022-23	2023-24	2024-25
City Manager	1	1	1	1
Assistant City Manager	1	1	1	1
Assistant City Manager	1	1	1	1
Administrative Clerk	2	2	2	2
Total Funded Staffing	5	5	5	5



Scott Huizenga, City Manager



Carole Vanzant,
Assistant City Manager



Jim Williams,
Assistant City Manager

Expenditures Summary

\$715,331 **-\$3,138**
 (-0.44% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Personnel				
OVERTIME	\$85	\$119	\$192	\$123
SALARIES	\$414,704	\$472,019	\$311,641	\$453,486
TAXES - SOCIAL SECURITY	\$23,236	\$26,986	\$18,551	\$26,853
TAXES - MEDICARE	\$6,061	\$6,846	\$4,535	\$6,577
TAXES - FUTA/SUTA	\$35	\$306	\$282	\$398
WORKERS' COMP INSURANCE	\$1,462	\$1,424	\$1,260	\$982
RETIREMENT	\$50,596	\$58,274	\$39,150	\$57,858
HEALTH INSURANCE	\$29,177	\$33,807	\$22,546	\$33,434
CAR ALLOWANCE	\$7,200	\$7,200	\$7,200	\$7,200
ALLOWANCE FOR VACANCIES		-\$2,918	\$0	-\$6,023
Total Personnel:	\$532,557	\$604,063	\$405,357	\$580,888
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$375	\$650	\$650	\$850
MINOR EQUIPMENT & FURNITURE	\$417	\$1,600	\$1,789	\$1,250
FUEL	\$25	\$100	\$100	\$150
UNIFORMS	\$131	\$250	\$250	\$360
Total Supplies, Maintenance, and Operations:	\$948	\$2,600	\$2,789	\$2,610
Professional Services				
PROFESSIONAL SERVICES	\$116,236	\$85,040	\$160,040	\$105,000
DUES/SUBSCRIPTIONS	\$4,607	\$3,995	\$3,275	\$4,318
TRAINING/SEMINARS & TRAVEL	\$3,475	\$17,220	\$12,220	\$16,375
MEETINGS & RELATED TRAVEL	\$2,056	\$5,300	\$2,800	\$5,840
EMPLOYEE APPRECIATION	\$575	\$250	\$250	\$300
Total Professional Services:	\$126,948	\$111,805	\$178,585	\$131,833
Total Expense Objects:	\$660,453	\$718,468	\$586,731	\$715,331



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

- Held 4 elections during the year: a special election, a Joint Primary election, a City Council and bond election, and a Joint Primary Runoff election
- Implemented a new public information act (PIA) request software
- Updated departmental policies including solicitor, PIA, agenda packet production and guidelines for City Council meetings
- Created SOPs including ones for Municode entry, timestamping, after meeting actions, committee appointments and archiving

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-built and plans
- Achievement of Certified Parliamentary Accreditation for both the City Secretary and the Deputy City Secretary

Budgeted Staffing

Title	2021-22	2022-23	2023-24	2024-25
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	2020-21	2021-22	2022-23	2023-24 Projected	2024-25 Proposed
Operational Excellence	# Public Information Requests Processed	194	66	95	132	132
Operational Excellence	Average Turnaround Time for PIA Requests (Managed by the City)	4.89 days	5.6 days	6.6 days	5.54 days	5.54 days
Operational Excellence	# Solicitation Permits*	-	-	-	19	19

*New this year

Expenditures Summary

\$295,019 **\$6,331**
(2.19% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Personnel				
General Government				
SALARIES	\$152,779	\$160,347	\$160,788	\$167,674
TAXES - SOCIAL SECURITY	\$8,928	\$9,942	\$9,622	\$10,396
TAXES - MEDICARE	\$2,088	\$2,325	\$2,250	\$2,431
TAXES - FUTA/SUTA	\$18	\$180	\$234	\$234
WORKERS' COMP INSURANCE	\$478	\$484	\$428	\$363
RETIREMENT	\$18,202	\$19,791	\$19,586	\$21,387
HEALTH INSURANCE	\$19,738	\$21,360	\$16,182	\$18,315
Total General Government:	\$202,231	\$214,429	\$209,090	\$220,800
Total Personnel:	\$202,231	\$214,429	\$209,090	\$220,800
Supplies, Maintenance, and Operations				
General Government				
SUPPLIES & CONSUMABLES	\$1,162	\$1,200	\$1,200	\$950
MINOR EQUIPMENT & FURNITURE	\$267	\$400	\$1,164	\$200
UNIFORMS	\$87	\$100	\$100	\$100
Total General Government:	\$1,516	\$1,700	\$2,464	\$1,250
Total Supplies, Maintenance, and Operations:	\$1,516	\$1,700	\$2,464	\$1,250
Professional Services				
General Government				
PROFESSIONAL SERVICES	\$2,807	\$10,889	\$8,389	\$11,039
DUES/SUBSCRIPTIONS	\$708	\$960	\$960	\$1,000
TRAINING/SEMINARS & TRAVEL	\$6,052	\$6,180	\$6,180	\$6,400
MEETINGS & RELATED TRAVEL	\$432	\$1,500	\$1,000	\$1,500
ELECTIONS	\$21,306	\$32,000	\$32,000	\$32,000
EMPLOYEE APPRECIATION	\$129	\$100	\$100	\$100
RECORDING / REPORTING	\$8,651	\$10,000	\$10,000	\$10,000
TECH/INTERNET/SOFTWARE MAINTENANCE		\$10,930	\$10,930	\$10,930
Total General Government:	\$40,085	\$72,559	\$69,559	\$72,969
Total Professional Services:	\$40,085	\$72,559	\$69,559	\$72,969



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Total Expense Objects:	\$243,831	\$288,688	\$281,113	\$295,019



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

- Developed 3 new health and wellness initiative programs to encourage a healthy lifestyle
- Reinvigorated the accident review board process to promote risk management and safety protocols
- Implemented and completed Phase 1 of a new performance evaluation process
- Consolidated 457(b) plans for enhanced investment options, reduction in costs, streamlined administration, and strengthened participant services
- Secured a bilingual testing vendor for the legal requirements of a certified Court Interpreter Licensure
- Successfully implemented the creation and addition of 4 new Corporal positions within the Police Department
- Created and implemented a Night Shift differential policy due to the addition of a new certification to the compensation plan
- Conducted a comprehensive analysis of current health benefits that resulted in a reduction in overall costs with the enhancement and addition of new benefits

Recent Accomplishments - Communications

- Completed a full website re-design along with a sitemap re-organization for an enhanced user experience
- Implemented software to monitor and enhance accessibility and compliance within the City's website
- Successfully handled communications and developed materials and videos for the 2023 G.O. Bond Election
- Completed phase 1 of developing a Gateway Feature
- Developed and disseminated a City Style Guide
- Managed and promoted 4 successful Town Hall meetings including creation of materials
- Managed and promoted the 2022-23 State of the City annual event including creation of materials
- Established new avenues for gathering feedback through community polling
- Created and disseminated a monthly newsletter for residents



Budgeted Staffing

Title	2021-22	2022-23	2023-24	2024-25
Director of HR & Communications	1	1	1	1
HR Generalist	1	1	1	1
Multimedia Communications Officer	1	1	1	1
Total Funded Staffing	3	3	3	3



Joanna Merrill, Director of Human Resources and Communications



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		2020-21	2021-22	2022-23	2023-24 Projected	2024-25 Proposed
Operational Excellence	# of Separations / Hires	16/17	11/16	15/15	21/19	10/14
Operational Excellence	Average Annual Retention Rate	88.3%	87.6%	91.05%	90%	90%
Operational Excellence	# of Followers	2,723	9,142	10,222	11,430	11,450
Operational Excellence	# Social Media / Website Posts*	600	920	1,545	1,927	1,930
Operational Excellence	Average # of People Reached per Post**	4,663	368	460	364	365
Operational Excellence	Annualized Turnover Rate***	-	-	-	28.26%	28%

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

**FY2023-24 is lower than expected due to Twitter/X metrics no longer providing data on reach per post for the platform.

*** New this year

Expenditures Summary

\$277,823
-\$2,409
 (-0.86% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Personnel				
SALARIES	\$117,752	\$129,503	\$133,060	\$136,408
TAXES - SOCIAL SECURITY	\$6,996	\$8,029	\$7,895	\$8,457
TAXES - MEDICARE	\$1,636	\$1,878	\$1,846	\$1,978
TAXES - FUTA/SUTA	\$14	\$135	\$176	\$176
WORKERS' COMP INSURANCE	\$384	\$391	\$346	\$295
RETIREMENT	\$14,022	\$15,984	\$16,201	\$17,399
HEALTH INSURANCE	\$10,083	\$10,927	\$10,602	\$10,998
Total Personnel:	\$150,887	\$166,847	\$170,126	\$175,711
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$1,330	\$1,600	\$1,600	\$1,700
MINOR EQUIPMENT & FURNITURE	\$1,414	\$1,600	\$1,600	\$1,600
UNIFORMS	\$143	\$150	\$118	\$150
Total Supplies, Maintenance, and Operations:	\$2,887	\$3,350	\$3,318	\$3,450
Professional Services				
PROFESSIONAL SERVICES	\$520	\$550	\$540	\$1,625
DUES/SUBSCRIPTIONS	\$2,269	\$2,280	\$4,880	\$2,175
TRAINING/SEMINARS & TRAVEL	\$3,874	\$8,875	\$8,875	\$10,775
MEETINGS & RELATED TRAVEL	\$826	\$950	\$450	\$1,000
PUBLIC RELATIONS & EVENTS	\$43,667	\$50,750	\$46,750	\$51,250
EMPLOYEE APPRECIATION	\$10,822	\$12,040	\$12,040	\$11,260
EMPLOYMENT COSTS	\$2,738	\$2,675	\$2,675	\$2,675
TECH/INTERNET/SOFTWARE MAINTEN	\$150	\$31,915	\$31,915	\$17,902
Total Professional Services:	\$64,867	\$110,035	\$108,125	\$98,662
Total Expense Objects:	\$218,641	\$280,232	\$281,569	\$277,823



Finance



Summer Fleming
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 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 FY2022 Annual Comprehensive Financial Report and the GFOA Distinguished Budget Presentation Award for the City's FY2024 Budget
- Received the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for the FY2022 Popular Annual Financial Report
- Named a GFOA Triple Crown winner for FY 2021 and 2022
- Developed a long-term financial plan for the General Fund and Utility Fund
- Updated the investment policy for the City
- Redesigned the quarterly financial and investment reports

Budgeted Staffing

Title	2021-22	2022-23	2023-24	2024-25
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, Director of Finance



Clayton Hoelscher, Procurement Manager



Julie Lovelace, 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	2020-21	2021-22	2022-23	2023-24 Projected	2024-25 Proposed
Financial Resilience and Responsibility	# of Invoices Processed	2,227	2,090	2,599	2,581	2,580
Financial Resilience and Responsibility	# Months in GF Operating Reserve	7.0	6.4	6.3	5.9	6.0
Financial Resilience and Responsibility	# Purchases w/Competitive Requirements	36	46	77	67	67
Financial Resilience and Responsibility	Invoices paid with a method other than check/total invoices*	-	-	-	689/1438	750/1500
Financial Resilience and Responsibility	Clean Audit Finding	Yes	Yes	Yes	Yes	Yes
Financial Resilience and Responsibility	Receive GFOA ACFR Award	Yes	Yes	Yes	Yes	Yes
Financial Resilience and Responsibility	Receive GFOA Distinguished Budget Award	Yes	Yes	Yes	Yes	Yes
Financial Resilience and Responsibility	Receive GFOA PAFR Award	-	Yes*	Yes	Yes	Yes

*New this year

Expenditures Summary

\$408,207
\$18,434
 (4.73% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Personnel				
General Government				
OVERTIME	\$184	\$157	\$102	\$163
SALARIES	\$185,120	\$217,514	\$187,584	\$217,318
TAXES - SOCIAL SECURITY	\$10,797	\$13,496	\$10,758	\$13,484
TAXES - MEDICARE	\$2,525	\$3,156	\$2,516	\$3,153
TAXES - FUTA/SUTA	\$26	\$225	\$234	\$293
WORKERS' COMP INSURANCE	\$699	\$656	\$580	\$470
RETIREMENT	\$22,183	\$26,866	\$22,754	\$27,740
HEALTH INSURANCE	\$30,166	\$37,043	\$29,567	\$35,063
ALLOWANCE FOR VACANCIES		-\$4,025	\$0	\$0
Total General Government:	\$251,701	\$295,088	\$254,095	\$297,684
Total Personnel:	\$251,701	\$295,088	\$254,095	\$297,684
Supplies, Maintenance, and Operations				
General Government				
SUPPLIES & CONSUMABLES	\$714	\$1,300	\$1,300	\$1,300
MINOR EQUIPMENT & FURNITURE	\$661	\$500	\$500	\$500
UNIFORMS	\$96	\$250	\$250	\$250
Total General Government:	\$1,471	\$2,050	\$2,050	\$2,050
Total Supplies, Maintenance, and Operations:	\$1,471	\$2,050	\$2,050	\$2,050
Professional Services				
General Government				
PROFESSIONAL SERVICES	\$71,584	\$75,735	\$79,335	\$90,785
DUES/SUBSCRIPTIONS	\$673	\$410	\$410	\$605
TRAINING/SEMINARS & TRAVEL	\$4,096	\$6,100	\$6,600	\$6,350
MEETINGS & RELATED TRAVEL	\$12	\$400	\$200	\$400
EMPLOYEE APPRECIATION	\$200	\$250	\$250	\$250
TECH/INTERNET/SOFTWARE MAINTENANCE		\$9,740	\$9,440	\$10,083
Total General Government:	\$76,565	\$92,635	\$96,235	\$108,473
Total Professional Services:	\$76,565	\$92,635	\$96,235	\$108,473



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Total Expense Objects:	\$329,737	\$389,773	\$352,380	\$408,207



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 a 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 users' training and education.
- Maintain a continuous education and training schedule to stay current with the ever-changing and evolving field.

Recent Accomplishments

- Coordinated the cutover and migration of our water meter data to our cloud provider
- Migrated to new remote desktop servers to continue receiving security updates
- Migrated to new phone server to continue receiving security updates
- Installed network bandwidth and hardware monitoring software
- Assisted with the configuration and deployment of PD body cams with storage to our cloud provider
- Executed the organization of our file server data structure to prepare for the upcoming SharePoint migration
- Implementation of a PD storage device

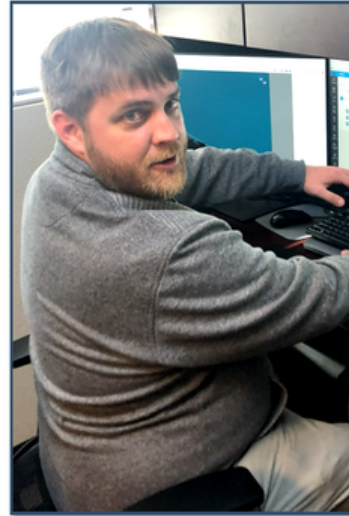
Budgeted Staffing

Title	2021-22	2022-23	2023-24	2024-25
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	2020-21	2021-22	2022-23	2023-24 Projected	2024-25 Proposed
Operational Excellence	# of Workstations Installed	20	21	10	5	10
Operational Excellence	# IT Tickets Resolved	707	750	756	820	820

Expenditures Summary

\$450,509
-\$56,695
(-11.18% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Personnel				
General Government				
SALARIES	\$86,779	\$91,101	\$91,354	\$95,350
TAXES - SOCIAL SECURITY	\$5,039	\$5,648	\$5,250	\$5,912
TAXES - MEDICARE	\$1,179	\$1,321	\$1,228	\$1,383
TAXES - FUTA/SUTA	\$9	\$90	\$117	\$117
WORKERS' COMP INSURANCE	\$274	\$275	\$243	\$206
RETIREMENT	\$10,339	\$11,244	\$11,128	\$12,162
HEALTH INSURANCE	\$12,725	\$13,187	\$14,637	\$15,083
Total General Government:	\$116,344	\$122,866	\$123,957	\$130,213
Total Personnel:	\$116,344	\$122,866	\$123,957	\$130,213
Supplies, Maintenance, and Operations				
General Government				
SUPPLIES & CONSUMABLES	\$87	\$200	\$200	\$200
MINOR EQUIPMENT & FURNITURE	\$247	\$200	\$578	\$200
UNIFORMS	\$92	\$100	\$100	\$100
Total General Government:	\$426	\$500	\$878	\$500
Total Supplies, Maintenance, and Operations:	\$426	\$500	\$878	\$500
Professional Services				
General Government				
PROFESSIONAL SERVICES	\$909	\$114,000	\$114,000	\$2,000
DUES/SUBSCRIPTIONS	\$88	\$175	\$175	\$388
TRAINING/SEMINARS & TRAVEL	\$1,364	\$4,750	\$4,000	\$6,250
MEETINGS & RELATED TRAVEL	\$180	\$350	\$100	\$350
EMPLOYEE APPRECIATION	\$109	\$100	\$100	\$100
TECH/INTERNET/SOFTWARE MAINTEN	\$150,321	\$184,728	\$184,728	\$231,721
Total General Government:	\$152,970	\$304,103	\$303,103	\$240,809
Total Professional Services:	\$152,970	\$304,103	\$303,103	\$240,809
Shared Services				



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
General Government				
FACILITY CONTRACTS & SERVICES	\$18,397	\$17,461	\$17,461	\$18,991
PHONE/CABLE/ALARMS	\$33,334	\$41,648	\$41,648	\$32,996
Total General Government:	\$51,731	\$59,109	\$59,109	\$51,987
Total Shared Services:	\$51,731	\$59,109	\$59,109	\$51,987
Capital Outlay				
General Government				
FURNITURE, FIXTURES & EQUIP	\$207,564	\$20,626	\$20,048	\$27,000
Total General Government:	\$207,564	\$20,626	\$20,048	\$27,000
Total Capital Outlay:	\$207,564	\$20,626	\$20,048	\$27,000
Debt Service				
General Government				
SBITA PRINCIPAL	\$59,762		\$0	\$0
Total General Government:	\$59,762		\$0	\$0
Total Debt Service:	\$59,762		\$0	\$0
Total Expense Objects:	\$588,797	\$507,204	\$507,095	\$450,509



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

- Completed Installation of Panic Buttons (SAP 4.6.1)
- Completed Installation of Ballistic Glass & Paneling in Court Office (SAP 4.6.1)
- Completed Installation of Signature Pads (SAP 4.6.4)

Budgeted Staffing

Title	2021-22	2022-23	2023-24	2024-25
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

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	2020-21	2021-22	2022-23	2023-24 Projected	2024-25 Proposed
Operational Excellence	# of Cases Filed	975	1,483	2,044	1,657	2,045
Operational Excellence	# of Cases Sent to Collection	643	686	883	493	703
Operational Excellence	# of Cases Closed*	-	-	-	1,082	1,082
Operational Excellence	# of Defendants Appearing Before the Judge	77	144	295	289	290

*New This Year

Expenditures Summary

\$264,346 **\$12,372**
(4.91% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Personnel				
OVERTIME	\$0	\$344	\$0	\$360
SALARIES	\$102,498	\$107,605	\$107,893	\$112,693
TAXES - SOCIAL SECURITY	\$5,615	\$6,693	\$5,922	\$7,009
TAXES - MEDICARE	\$1,314	\$1,565	\$1,385	\$1,639
TAXES - FUTA/SUTA	\$18	\$180	\$234	\$234
WORKERS' COMP INSURANCE	\$319	\$325	\$288	\$244
RETIREMENT	\$12,212	\$13,324	\$13,143	\$14,420
HEALTH INSURANCE	\$27,723	\$29,433	\$28,280	\$29,484
Total Personnel:	\$149,698	\$159,469	\$157,145	\$166,083
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$1,516	\$1,700	\$1,700	\$1,700
MINOR EQUIPMENT & FURNITURE	\$2,546	\$1,400	\$1,778	\$200
UNIFORMS	\$32	\$150	\$150	\$150
COURT TECHNOLOGY	\$0	\$2,823	\$0	\$10,823
COURT SECURITY BUILDING	\$0	\$6,000	\$51,338	\$4,500
Total Supplies, Maintenance, and Operations:	\$4,094	\$12,073	\$54,966	\$17,373
Professional Services				
PROFESSIONAL SERVICES	\$94,197	\$74,590	\$74,590	\$73,040
DUES/SUBSCRIPTIONS	\$155	\$800	\$400	\$800
TRAINING/SEMINARS & TRAVEL	\$2,513	\$3,550	\$2,800	\$6,650
MEETINGS & RELATED TRAVEL	\$96	\$300	\$300	\$300
EMPLOYEE APPRECIATION	\$50	\$100	\$100	\$100
TECH/INTERNET/SOFTWARE		\$1,092	\$0	\$0
Total Professional Services:	\$97,012	\$80,432	\$78,190	\$80,890
Total Expense Objects:	\$250,804	\$251,974	\$290,301	\$264,346



Public Safety



Todd Smith
Interim 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

- Officer David Magness received a Life Saving Award
- Sergeant Alex Willis received a Life Saving Award
- The Holiday Toy Drive was the largest in the history of the event
- Safety precautions and traffic management for annular and solar eclipse
- Developed Emergency Operations Plan
- Completed a Fire and EMS study for the City
- Created and filled Corporal positions
- Continued support to BISD with SROs at elementary schools
- Exceptional Police and SRO response to school lockdown due to potential incident at the high school

Budgeted Staffing

Title	2021-22	2022-23	2023-24	2024-25
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	4
Patrol Officer & SROs	16	18	14	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	31	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. Claus, 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 2023, the Police Department visited 13 separate neighborhood gatherings and enjoyed visiting with community members.

Trunk or Treat: In October 2023, 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 2023, 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 2024 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 2023, the toy drive became the largest in our history with over 1,500 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	2023
Public Health and Safety	# of Call for Service	3,913	3,482	3,955	4,031	4,177
Public Health and Safety	# of Arrests Made	207	157	199	289	294
Public Health and Safety	# of Traffic Stops	4,893	2,924	4,026	4,708	6,327
Public Health and Safety	# of Calls for Animal Control	835	702	1,097	643	740
Public Health and Safety	# of Home Watches	23,033	8,195	5,038	10,916	19,224

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

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

Expenditures Summary

\$4,320,850 **-\$36,203**
 (-0.83% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Personnel				
OVERTIME	\$84,341	\$36,430	\$79,240	\$36,239
SALARIES	\$2,015,402	\$2,231,540	\$2,015,858	\$2,332,085
TAXES - SOCIAL SECURITY	\$128,063	\$140,614	\$126,874	\$146,836
TAXES - MEDICARE	\$29,950	\$32,886	\$29,673	\$34,341
TAXES - FUTA/SUTA	\$281	\$2,700	\$3,031	\$3,510
WORKERS' COMP INSURANCE	\$80,113	\$82,732	\$80,098	\$55,697
RETIREMENT	\$252,956	\$279,794	\$256,514	\$302,045
HEALTH INSURANCE	\$286,570	\$329,966	\$263,035	\$320,028
UNIFORM ALLOWANCE	\$23,500	\$27,000	\$22,000	\$28,000
ALLOWANCE FOR VACANCIES		-\$103,920	\$0	-\$205,105
Total Personnel:	\$2,901,175	\$3,059,742	\$2,876,323	\$3,053,676
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$3,267	\$5,000	\$5,000	\$4,500
MINOR EQUIPMENT & FURNITURE	\$14,684	\$26,550	\$36,983	\$40,150
FUEL	\$51,124	\$43,000	\$43,000	\$43,000
UNIFORMS	\$20,383	\$11,550	\$16,550	\$18,750
VEHICLE MAINTENANCE/REPAIRS	\$20,114	\$20,880	\$20,880	\$20,880
Total Supplies, Maintenance, and Operations:	\$109,572	\$106,980	\$122,413	\$127,280
Professional Services				
PROFESSIONAL SERVICES	\$715,345	\$850,171	\$859,771	\$945,811
DUES/SUBSCRIPTIONS	\$3,059	\$4,275	\$4,275	\$4,025
TRAINING/SEMINARS & TRAVEL	\$21,098	\$24,250	\$24,250	\$27,300
MEETINGS & RELATED TRAVEL	\$0	\$500	\$100	\$500
INVESTIGATIONS	\$4,677	\$7,000	\$7,000	\$6,000
LEOSE TRAINING	\$0	\$3,000	\$0	\$3,000
FELONY FORFEITURE EXPENDITURES	\$22,954	\$0	\$0	\$0
PUBLIC RELATIONS & EVENTS	\$6,674	\$8,100	\$8,380	\$12,600
EMPLOYEE APPRECIATION	\$1,507	\$1,500	\$1,500	\$1,500
TECH/INTERNET/SOFTWARE MAINTENANCE		\$43,550	\$43,550	\$74,158



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Total Professional Services:	\$775,314	\$942,346	\$948,826	\$1,074,894
Capital Outlay				
FURNITURE, FIXTURES & EQUIP	\$256,926	\$247,985	\$384,542	\$65,000
Total Capital Outlay:	\$256,926	\$247,985	\$384,542	\$65,000
Total Expense Objects:	\$4,042,987	\$4,357,053	\$4,332,104	\$4,320,850



Public Works

Grant Watanabe, P.E.
Director of Public Works

Mission Statement/Objectives

The Public Works leadership seeks to maintain and enhance the quality of life factors the citizens of the City of Fair Oaks Ranch enjoy through the management, safety, operation and maintenance of the City's streets and drainage areas, as well as the water and wastewater systems.

Scope of Services Summary

Public Works is the combination of physical assets, management practices, policies, and personnel necessary for a government to provide and sustain structures and services essential to the welfare and acceptable quality of life for its citizens. In the City of Fair Oaks Ranch, Public Works encompasses Engineering Services, Planning, Building Codes, Environmental Compliance, Maintenance (generally streets and drainage), as well as Water and Wastewater Utilities.

Public Works strives for innovative, yet sustainable, solutions in all matters, and represents the City in dealing with governmental agencies, private consultants and the citizenry. It provides executive support for the maintenance and operations of all City buildings, streets, drainage, and rights-of-way, as well as all capital projects and water and wastewater utilities. The Public Works leadership is committed to excellence and providing our residents with the best quality, responsive, and dependable service on a daily basis.



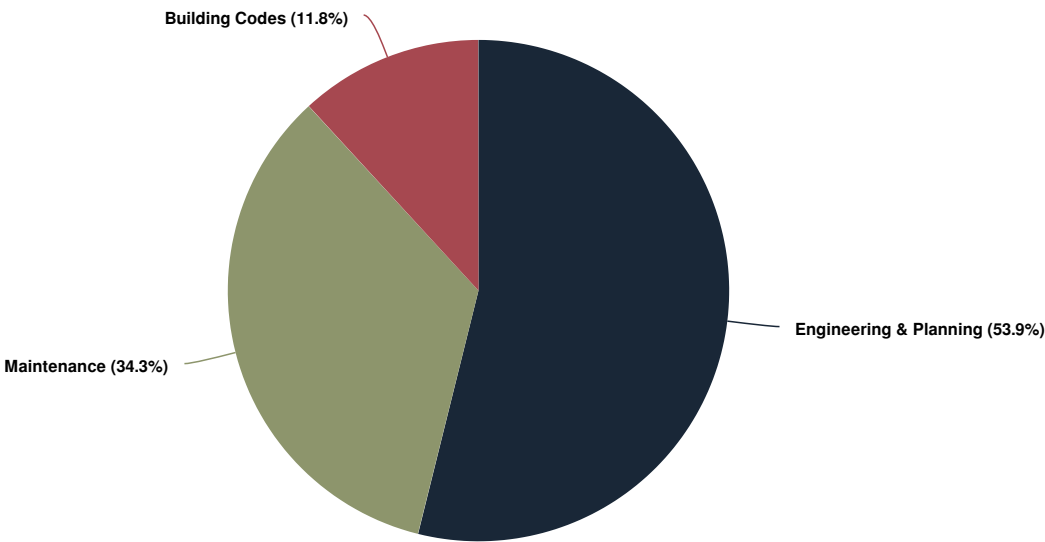
Grant Watanabe, Director of Public Works



Steven Fried, Assistant Director of Public Works

Expenditures by Function

Budgeted Expenditures by Function

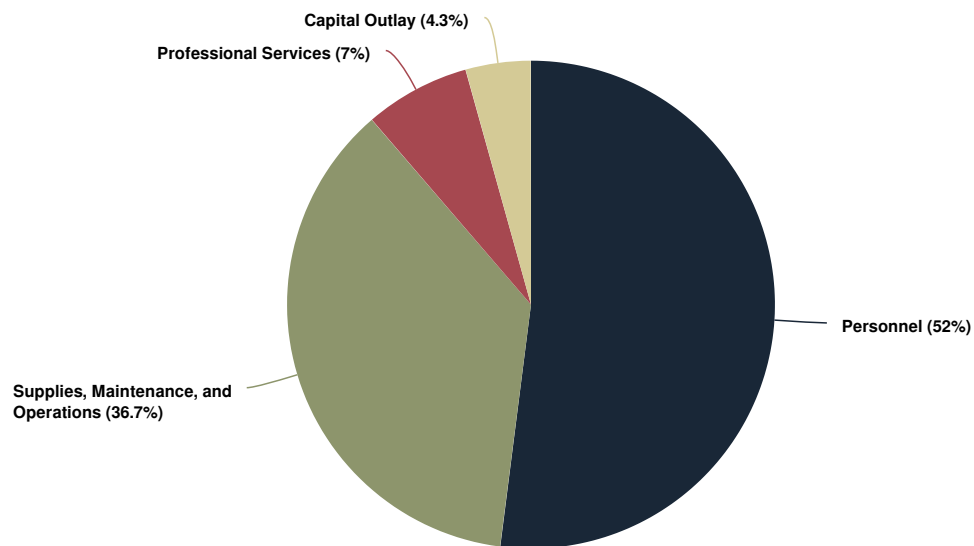


Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expenditures				
General Government				
Maintenance	\$835,424	\$1,163,550	\$1,234,912	\$1,069,593
Building Codes	\$279,180	\$330,152	\$279,156	\$368,910
Engineering & Planning	\$1,522,806	\$1,514,104	\$1,545,313	\$1,680,774
Total General Government:	\$2,637,410	\$3,007,806	\$3,059,381	\$3,119,277
Total Expenditures:	\$2,637,410	\$3,007,806	\$3,059,381	\$3,119,277



Expenditures by Expense Type

Budgeted Expenditures by Expense Type



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Personnel	\$1,197,912	\$1,424,460	\$1,326,972	\$1,622,699
Supplies, Maintenance, and Operations	\$1,069,557	\$1,022,908	\$1,109,583	\$1,143,933
Professional Services	\$314,611	\$314,938	\$308,483	\$217,670
Capital Outlay	\$55,330	\$245,500	\$314,343	\$134,975
Total Expense Objects:	\$2,637,410	\$3,007,806	\$3,059,381	\$3,119,277

Maintenance



Steven Fried
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.

Recent Accomplishments

- Completed generator installation at Fire Station #3
- 4 post vehicle lift installed
- Completed annual street maintenance
- Completed in-house drainage projects



Budgeted Staffing

Title	2021-22	2022-23	2023-24	2024-25
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	5	5
Drainage Worker	2	2	2	2
Custodian	1	1	1	1
Mechanic	-	1	1	1
Total Funded Staffing	10	11	12	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	2020-21	2021-22	2022-23	2023-24 Projected	2024-25 Proposed
Reliable and Sustainable Infrastructure	# Pothole/Pavement Patches*	-	-	-	6	6
Reliable and Sustainable Infrastructure	Street Overall Condition Index (OCI)	84.3	83.2	83.3	82.63	82.63
Reliable and Sustainable Infrastructure	# Street Signs Replaced	105	102	87	59	60
Reliable and Sustainable Infrastructure	# Miles Street Sweeping	300	490	320	300	300

*New this year



Maintenance Crew

Expenditures Summary

\$1,069,593 **-\$93,957**
(-8.08% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Personnel				
OVERTIME	\$14,745	\$6,004	\$12,587	\$6,311
SALARIES	\$390,621	\$517,301	\$468,337	\$536,594
TAXES - SOCIAL SECURITY	\$23,847	\$32,445	\$28,652	\$33,660
TAXES - MEDICARE	\$5,577	\$7,588	\$6,701	\$7,872
TAXES - FUTA/SUTA	\$90	\$990	\$1,236	\$1,287
WORKERS' COMP INSURANCE	\$22,176	\$25,552	\$21,015	\$18,352
RETIREMENT	\$48,287	\$64,589	\$58,510	\$69,248
HEALTH INSURANCE	\$90,832	\$114,337	\$87,577	\$105,678
ALLOWANCE FOR VACANCIES		-\$34,749	\$0	-\$49,500
Total Personnel:	\$596,174	\$734,057	\$684,615	\$729,502
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$6,985	\$6,000	\$8,000	\$8,050
MINOR EQUIPMENT & FURNITURE	\$14,613	\$12,250	\$13,194	\$18,300
FUEL	\$17,451	\$15,000	\$19,000	\$15,000
UNIFORMS	\$8,082	\$7,900	\$7,900	\$8,225
VEHICLE MAINTENANCE/REPAIRS	\$7,713	\$15,000	\$15,000	\$15,000
EQUIPMENT MAINTENANCE/REPAIRS	\$17,632	\$15,500	\$15,500	\$15,500
BUILDING MAINTENANCE/REPAIRS	\$76,344	\$23,063	\$52,063	\$28,063
LANDSCAPING & GREENSPACE MAINT	\$1,712	\$15,500	\$15,500	\$5,500
STREET MAINTENANCE	\$26,527	\$30,000	\$30,000	\$30,000
DRAINAGE WORK	\$4,940	\$20,000	\$20,000	\$20,000
Total Supplies, Maintenance, and Operations:	\$181,999	\$160,213	\$196,157	\$163,638
Professional Services				
PROFESSIONAL SERVICES	\$543	\$200	\$10,733	\$200
DUES/SUBSCRIPTIONS	\$189	\$932	\$932	\$932
TRAINING/SEMINARS & TRAVEL	\$6,463	\$12,700	\$12,700	\$14,575
MEETINGS & RELATED TRAVEL	\$249	\$400	\$400	\$400
EMPLOYEE APPRECIATION	\$506	\$500	\$500	\$550
TECH/INTERNET/SOFTWARE MAINTENANCE		\$21,548	\$21,548	\$24,821



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Total Professional Services:	\$7,951	\$36,280	\$46,813	\$41,478
Capital Outlay				
INFRASTRUCTURE	\$0	\$0	\$11,188	\$0
FURNITURE, FIXTURES & EQUIP	\$49,300	\$233,000	\$296,139	\$134,975
Total Capital Outlay:	\$49,300	\$233,000	\$307,327	\$134,975
Total Expense Objects:	\$835,424	\$1,163,550	\$1,234,912	\$1,069,593



Building Codes



Scott Davis
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.

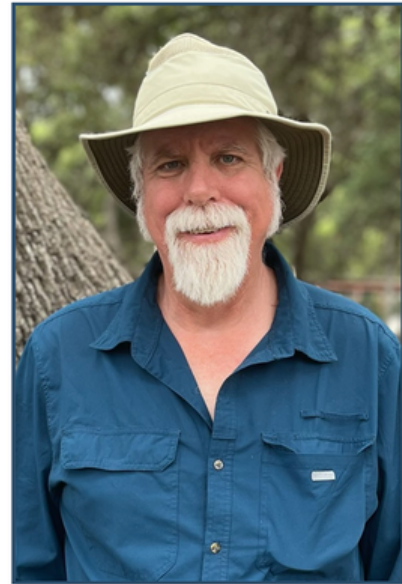
Recent Accomplishments

- Successfully on-boarded a new Building Official
- Building Inspector received his Texas State Plumbing Inspectors License

Budgeted Staffing

Title	2020-21	2021-22	2022-23	2023-24
Building Official	1	1	1	1
Building Codes Inspector	1	1	1	1
Code Compliance Officer*	-	-	-	1
Admin Assistant	1	1	1	1
Total Funded Staffing	3	3	3	4

*Code Compliance Officer was previously in the Engineering Services Department



Scott Davis, Building Official



Hunter Hickman
Building Codes Inspector



Robert Ortiz
Code Compliance Officer



Rachel, Building Codes
Admin. Assistant

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	2020-21	2021-22	2022-23	2023-24 Projected	2024-25 Proposed
Responsible Growth Management	# Building Plans Reviewed	1,043	843	704	716	625
Responsible Growth Management	# Total Building Permits Issued (Total)	939	728	666	667	600
Responsible Growth Management	# Permits Issued (New Single Family Homes)	247	135	86	97	45
Responsible Growth Management	# Inspections Conducted	2,751	2,764	1,850	1,904	1,600

Expenditures Summary

\$368,910 **\$38,758**
(11.74% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Personnel				
OVERTIME	\$0	\$278	\$153	\$451
SALARIES	\$157,700	\$188,147	\$167,845	\$240,824
TAXES - SOCIAL SECURITY	\$9,417	\$11,682	\$9,923	\$14,959
TAXES - MEDICARE	\$2,202	\$2,732	\$2,321	\$3,498
TAXES - FUTA/SUTA	\$36	\$270	\$360	\$468
WORKERS' COMP INSURANCE	\$1,228	\$1,042	\$928	\$984
RETIREMENT	\$18,844	\$23,256	\$20,450	\$30,775
HEALTH INSURANCE	\$27,385	\$38,906	\$32,104	\$38,861
Total Personnel:	\$216,812	\$266,313	\$234,084	\$330,820
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$476	\$575	\$575	\$675
MINOR EQUIPMENT & FURNITURE	\$328	\$750	\$1,883	\$2,300
FUEL	\$1,182	\$3,900	\$2,000	\$5,175
UNIFORMS	\$213	\$530	\$530	\$770
Total Supplies, Maintenance, and Operations:	\$2,200	\$5,755	\$4,988	\$8,920
Professional Services				
PROFESSIONAL SERVICES	\$56,687	\$46,000	\$28,000	\$22,000
DUES/SUBSCRIPTIONS	\$1,053	\$590	\$590	\$515
TRAINING/SEMINARS & TRAVEL	\$2,317	\$11,100	\$11,100	\$6,200
MEETINGS & RELATED TRAVEL	\$0	\$100	\$100	\$100
EMPLOYEE APPRECIATION	\$111	\$150	\$150	\$200
TECH/INTERNET/SOFTWARE MAINTENANCE		\$144	\$144	\$155
Total Professional Services:	\$60,168	\$58,084	\$40,084	\$29,170
Total Expense Objects:	\$279,180	\$330,152	\$279,156	\$368,910



Engineering Services



Lee Muñiz, P.E., CFM
Manager of Engineering Services

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 Manager of Engineering Services, Environmental Program Manager, the GIS Technician, the Infrastructure Inspector, and the Public Works Administrative Support Specialist. 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, regulatory agencies and residents to ensure applicable regulations are followed during infrastructure and dwelling construction. Furthermore, this department ensures compliance with the City's Unified Development Code and zoning regulations and updates them as needed. This department provides vital support to preserve and protect City assets.

Recent Accomplishments

- Completed various roadway, drainage and facility improvement projects including Post Oak Trail Widening, Fire Station #3 Upgrades and City Fleet Fuel Station. Projects in construction include Tivoli Way Drainage Improvements and the Rolling Acres Trail Low Water Crossing HALT System
- Awarded design contracts for Dietz Elkhorn (East) Reconstruction, City Community Center, and Dietz Elkhorn Sidewalk Improvements
- Achieved "Tree City USA" recognition by the Arbor Day Foundation and successfully implemented an Oak Wilt Grant Program
- Updated the City's Unified Development Code to incorporate recent state legislative changes and statutory requirements
- Supported successful May 2024 Bond Election by providing project scope, cost estimates and justification to the Bond Advisory Committee and informed residents through various public outreach efforts

Budgeted Staffing

Title	2021-22	2022-23	2023-24	2024-25
Director of Public Works	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
City Planner	-	-	-	1
Project Manager	-	-	-	1
Code Compliance Officer*	1	1	1	0
Administrative Support Specialist	1	1	1	1
Total Funded Staffing	7	7	7	8

*Code Compliance Officer was moved to Building Codes Department.



Department Goals



From left to right: Ernesto Martinez (GIS Technician), Kelsey Delgado (Environmental Program Manager), Amanda Wade (Administrative Support Specialist), Tom Heath (Infrastructure Inspector), and Lee Muñoz (Manager of Engineering Services)

Departmental Goals

- Complete design and construction of all roadway, drainage, utility and facility capital improvement projects included in the budget
- Implementation of the Oak Wilt Program, prepare for the annual Arbor Day celebration, and to uphold the TCEQ sediment control standards throughout the City
- Organize and implement various maps, GIS, and digital metadata for support of all Fair Oaks Ranch Departments. Coordinate with local agencies regarding support file requests
- Adopt a process for construction within the right-of-way, construction of driveway culverts, and construction inspections

Operational Performance Measures

Strategic Pillar	Performance Measure	2020-21	2021-22	2022-23	2023-24 Projected	2024-25 Proposed
Responsible Growth Management	# New Residential Lots Platted/Approved	181	116	55	0	85
Responsible Growth Management	# Maps/Exhibits Created	86	63	193	176	200
Reliable and Sustainable Infrastructure	# Infrastructure Inspection(Street, Water/WW,Other)	1073	637	956	1,138	1,475

Additional metrics being developed for Engineering & Planning and Environmental Compliance

Expenditures Summary

\$1,680,774 **\$166,670**
(11.01% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Personnel				
OVERTIME	\$1,089	\$249	\$410	\$100
SALARIES	\$292,464	\$320,441	\$314,056	\$425,179
TAXES - SOCIAL SECURITY	\$17,763	\$19,883	\$18,844	\$26,367
TAXES - MEDICARE	\$4,155	\$4,650	\$4,407	\$6,167
TAXES - FUTA/SUTA	\$42	\$378	\$495	\$608
WORKERS' COMP INSURANCE	\$1,252	\$1,259	\$1,114	\$1,005
RETIREMENT	\$35,088	\$39,581	\$38,198	\$54,244
HEALTH INSURANCE	\$33,074	\$37,649	\$30,749	\$48,707
Total Personnel:	\$384,926	\$424,090	\$408,273	\$562,377
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$10,060	\$11,000	\$11,000	\$9,750
MINOR EQUIPMENT & FURNITURE	\$2,564	\$1,090	\$1,657	\$7,150
FUEL	\$4,419	\$3,450	\$3,950	\$3,175
UNIFORMS	\$488	\$1,400	\$1,400	\$1,700
STREET MAINTENANCE	\$867,826	\$840,000	\$880,431	\$900,000
OAK WILT PROGRAM			\$10,000	\$15,000
TREE AND LANDSCAPE PROTECTION			\$0	\$29,750
CITY APPROVED EVENTS			\$0	\$4,850
Total Supplies, Maintenance, and Operations:	\$885,358	\$856,940	\$908,438	\$971,375
Professional Services				
PROFESSIONAL SERVICES	\$240,020	\$200,000	\$200,000	\$120,000
DUES/SUBSCRIPTIONS	\$615	\$1,379	\$1,379	\$1,464
TRAINING/SEMINARS & TRAVEL	\$5,201	\$12,280	\$12,280	\$13,240
MEETINGS & RELATED TRAVEL	\$244	\$400	\$412	\$400
EMPLOYEE APPRECIATION	\$411	\$350	\$350	\$400
TECH/INTERNET/SOFTWARE MAINTENANCE		\$6,165	\$7,165	\$11,518
Total Professional Services:	\$246,492	\$220,574	\$221,586	\$147,022
Capital Outlay				



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
FURNITURE, FIXTURES & EQUIP	\$6,030	\$12,500	\$7,016	\$0
Total Capital Outlay:	\$6,030	\$12,500	\$7,016	\$0
Total Expense Objects:	\$1,522,806	\$1,514,104	\$1,545,313	\$1,680,774



Utilities



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, 3,248 water service connections, 2,005 wastewater service connections, five water plants, one wastewater treatment plant (WWTP), 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

- Well 26 repaired and easement secured
- Cut in valve installed at Elmo Davis Plant
- Well 12 access road secured to maintain access
- Old Fredericksberg Rd. roundabout repair completed
- CCTV sewer main camera inspections completed
- Lift station repaired at bottom of the hill
- Successful sludge press operations for 1st year without interruption eliminating sludge hauling costs
- Effluent lines were replumbed and valved to improve flow capability to Live Oak and Blackjack storage ponds

Budgeted Staffing for Water Utility

Title	2021-22	2022-23	2023-24	2024-25
Water Distribution and Quality Supervisor	1	1	1	1
Water Operator III	-	-	1	1
Water Operator II	3	1	-	1
Water Operator I	-	1	1	1
Water Utility Tech	2	3	3	2
Utility Billing Clerk	1	1	1	1
Total Funded Staffing	7	7	7	7



Utilities Crew

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

Performance Measures - Water

Strategic Pillar	Performance Measure	2020-21	2021-22	2022-23	2023-24 Projected	2024-25 Proposed
Reliable and Sustainable Infrastructure	# of Line Breaks*	-	-	-	48	50
Reliable and Sustainable Infrastructure	# of Water Connections	3,210	3,212	3,248	3,279	3,280
Reliable and Sustainable Infrastructure	Water Production/Pumpage (gallons)	204,789,982	336,577,000	619,944,000	518,946,000	518,946,000
Reliable and Sustainable Infrastructure	# Fire Hydrants Inspected/Repaired/Replaced	262	255	314	330	330

*New this year

Budgeted Staffing - Wastewater Utility

Title	2021-22	2022-23	2023-24	2024-25
Wastewater Systems Supervisor	1	1	1	1
Wastewater Operator III	1	1	1	1
Wastewater Operator II	1	1	1	1
Wastewater Operator I	-	-	-	-
Wastewater Utility Tech	1	1	2	2
Total Funded Staffing	4	4	5	5

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	2020-21	2021-22	2022-23	2023-24 Projected	2024-25 Proposed
Reliable and Sustainable Infrastructure	# of Wastewater Connections	1,970	1,979	2,004	2,027	2,030
Reliable and Sustainable Infrastructure	Solid Waste Hauled (gallons)	1,288,200	1,784,700	1,767,000	1,915,000	1,915,000
Reliable and Sustainable Infrastructure	Effluent Treated (gallons)	92,992,200	90,000,000	107,752,908	115,778,000	115,778,000
Reliable and Sustainable Infrastructure	# Manholes Inspected/Maintained*	-	-	-	193	193

*New this year



Expenditures Summary

\$7,081,452
\$733,109
(11.55% vs. prior year)

Expenditures by Expense Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Transfers and Non-Cash Adjustments				
Water Utility				
WATER SERVICE DEPRECIATION	\$547,243	\$508,075	\$508,075	\$550,000
WATER ASSETS TRANSFER	\$379,271	-\$792,500	-\$1,588,388	-\$3,254,304
Transfer to Water Cap Improvem	\$328,059	\$333,949	\$533,949	\$3,389,835
Transfer to Gen Veh/Equip Repl	\$66,735	\$49,866	\$49,866	\$114,000
Total Water Utility:	\$1,321,308	\$99,390	-\$496,498	\$799,531
Wastewater Utility				
SEWER SERVICE DEPRECIATION	\$259,967	\$270,600	\$270,600	\$270,600
WASTEWATER ASSETS TRANSFER	\$1,074,201	-\$237,500	-\$1,335,351	-\$657,937
Transfer to WW Capital Improve	\$132,754	\$139,915	\$289,915	\$825,000
Transfer to Gen Veh/Equip Repl	\$59,240	\$40,933	\$40,933	\$67,000
Total Wastewater Utility:	\$1,526,162	\$213,948	-\$733,903	\$504,663
Total Transfers and Non-Cash Adjustments:	\$2,847,471	\$313,338	-\$1,230,401	\$1,304,193
Personnel				
Water Utility				
WATER SERVICE OVERTIME	\$10,820	\$8,102	\$14,875	\$8,026
WATER SERVICE SALARIES	\$231,245	\$294,770	\$242,317	\$292,771
WATER SERVICE TAXES SOCIAL SECURITY	\$14,264	\$18,778	\$15,334	\$18,649
WATER SERVICE MEDICARE TAX	\$3,336	\$4,392	\$3,589	\$4,362
WATER SVC WORKERS COMP INSURAN	\$9,614	\$10,082	\$9,215	\$7,167
WATER SER TAXES - FUTA/SUTA	\$45	\$518	\$640	\$644
WATER SERVICE RETIREMENT	\$39,392	\$37,382	\$31,492	\$38,367
WATER SERVICE INSURANCE	\$45,719	\$60,093	\$51,388	\$51,184
WATER SERVICE OPEB	\$131	\$0	\$0	\$0
WATER SERVICE ALLOW FOR VACANCIES	\$0	-\$14,738	\$0	-\$20,000
WATER ADMIN OVERTIME	\$597	\$186	\$262	\$62
WATER ADMINISTRATIVE SALARIES	\$414,212	\$465,943	\$447,896	\$117,283
WATER ADMIN. TAXES SOCIAL SECURITY	\$24,603	\$28,783	\$26,415	\$7,205
ADMIN. TAXES MCARE	\$5,787	\$6,759	\$6,184	\$1,702



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
W ADMIN. WORKERS COMP INSURANC	\$1,527	\$1,462	\$1,278	\$254
WATER ADMIN TAXES - FUTA/SUTA	\$58	\$504	\$628	\$181
WATER ADMIN. RETIREMENT	\$68,289	\$57,532	\$54,479	\$14,967
WATER ADMIN. INSURANCE	\$53,476	\$62,703	\$51,245	\$15,755
WATER ADMIN OPEB	\$227	\$0	\$0	\$0
WATER ADMIN ALLOW FOR VACANCIES	\$0	-\$4,058	\$0	\$0
HR & COMMS SALARIES			\$0	\$68,204
HR & COMMS TAXES SOCIAL SECURITY			\$0	\$4,229
HR & COMMS TAXES MEDICARE			\$0	\$989
HR & COMMS WORKERS COMP			\$0	\$148
HR & COMMS TAXES FUTA/SUTA			\$0	\$88
HR & COMMS RETIREMENT			\$0	\$8,699
HR & COMMS INSURANCE			\$0	\$5,499
FINANCE OVERTIME			\$0	\$81
FINANCE SALARIES			\$0	\$108,659
FINANCE TAXES - FICA			\$0	\$6,742
FINANCE TAXES - MEDICARE			\$0	\$1,577
FINANCE WORKERS COMP			\$0	\$235
FINANCE TAXES - FUTA/SUTA			\$0	\$146
FINANCE RETIREMENT			\$0	\$13,870
FINANCE INSURANCE			\$0	\$17,531
INFORMATION TECH SALARIES			\$0	\$47,675
INFORMATION TECH TAXES - FICA			\$0	\$2,956
INFORMATION TECH TAXES - MEDICARE			\$0	\$691
INFORMATION TECH WORKERS COMP			\$0	\$103
INFORMATION TECH TAXES - FUTA/SUTA			\$0	\$59
INFORMATION TECH RETIREMENT			\$0	\$6,081
INFORMATION TECH INSURANCE			\$0	\$7,542
ENGINEERING OVERTIME			\$0	\$50
ENGINEERING SALARIES			\$0	\$136,763
ENGINEERING TAXES - FICA			\$0	\$8,482
ENGINEERING TAXES - MEDICARE			\$0	\$1,984
ENGINEERING WORKERS COMP			\$0	\$338
ENGINEERING TAXES FUTA/SUTA			\$0	\$181
ENGINEERING RETIREMENT			\$0	\$17,451
ENGINEERING INSURANCE			\$0	\$15,215
Total Water Utility:	\$923,341	\$1,039,193	\$957,237	\$1,040,847
Wastewater Utility				
WASTEWATER OVERTIME	\$12,031	\$8,430	\$11,057	\$9,231
SEWER SERVICE SALARIES	\$260,093	\$306,118	\$310,468	\$334,540
SEWER SERVICE TAXES SOCIAL SECURITY	\$16,082	\$19,502	\$19,361	\$21,314
SEWER SERVICE TAXES MCARE	\$3,761	\$4,561	\$4,531	\$4,985
SEWER SVC WORKERS COMP INSURAN	\$9,808	\$10,457	\$9,543	\$8,159



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
WW SERVICE TAXES - FUTA/SUTA	\$49	\$518	\$699	\$702
SEWER SERVICE RETIREMENT	\$43,367	\$38,823	\$39,136	\$43,848
SEWER SERVICE INSURANCE	\$40,267	\$51,630	\$50,696	\$56,259
SEWER SERVICE OPEB	\$144	\$0	\$0	\$0
SEWER SERVICE ALLOW FOR VACANCIES	\$0	-\$15,305	\$0	-\$20,000
WASTEWATER ADMIN OVERTIME	\$597	\$186	\$262	\$62
SEWER ADMINISTRATIVE SALARIES	\$396,754	\$447,540	\$429,444	\$117,283
SEWER ADMIN. TAXES SOCIAL SECURITY	\$23,517	\$27,642	\$25,225	\$7,205
SEWER ADMIN TAXES MCARE	\$5,531	\$6,492	\$5,915	\$1,702
WW ADMIN WORKERS COMP INSURANC	\$1,470	\$1,407	\$1,230	\$254
WW ADMIN TAXES - FUTA/SUTA	\$55	\$477	\$593	\$181
SEWER ADMIN. RETIREMENT	\$65,425	\$55,261	\$52,229	\$14,967
SEWER ADMIN INSURANCE	\$53,361	\$62,530	\$51,124	\$15,755
SEWER ADMIN OPEB	\$217	\$0	\$0	\$0
SEWER ADMIN ALLOW FOR VACANCIES	\$0	-\$4,058	\$0	\$0
HR & COMMS SALARIES			\$0	\$68,204
HR & COMMS TAXES - FICA			\$0	\$4,229
HR & COMMS TAXES - MEDICARE			\$0	\$989
HR & COMMS WORKERS COMP	\$0	\$0	\$0	\$148
HR & COMMS TAXES - FUTA/SUTA			\$0	\$88
HR & COMMS RETIREMENT			\$0	\$8,699
HR & COMMS INSURANCE			\$0	\$5,499
FINANCE OVERTIME			\$0	\$81
FINANCE SALARIES			\$0	\$108,659
FINANCE TAXES - FICA			\$0	\$6,742
FINANCE TAXES - MEDICARE			\$0	\$1,577
FINANCE WORKERS COMP			\$0	\$235
FINANCE TAXES - FUTA/SUTA			\$0	\$146
FINANCE RETIREMENT			\$0	\$13,870
FINANCE INSURANCE			\$0	\$17,531
INFORMATION TECH SALARIES			\$0	\$47,675
INFORMATION TECH TAXES - FICA			\$0	\$2,956
INFORMATION TECH TAXES - MEDICARE			\$0	\$691
INFORMATION TECH WORKERS COMP			\$0	\$103
INFORMATION TECH TAXES - FUTA/SUTA			\$0	\$59
INFORMATION TECH RETIREMENT			\$0	\$6,081
INFORMATION TECH INSURANCE			\$0	\$7,542
ENGINEERING OVERTIME			\$0	\$50
ENGINEERING SALARIES			\$0	\$117,484
ENGINEERING TAXES - FICA			\$0	\$7,287
ENGINEERING TAXES - MEDICARE			\$0	\$1,704
ENGINEERING WORKERS COMP			\$0	\$297
ENGINEERING TAXES - FUTA/SUTA			\$0	\$146
ENGINEERING RETIREMENT			\$0	\$14,991



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
ENGINEERING INSURANCE			\$0	\$12,627
Total Wastewater Utility:	\$932,533	\$1,022,211	\$1,011,513	\$1,072,837
Total Personnel:	\$1,855,874	\$2,061,404	\$1,968,750	\$2,113,684
Supplies, Maintenance, and Operations				
Water Utility				
WATER SERVICE UNIFORMS	\$6,453	\$7,110	\$7,110	\$6,718
WATER POWER	\$158,995	\$150,000	\$155,000	\$150,000
MAINTENANCE OF PLANT/LINES	\$143,895	\$120,000	\$150,000	\$120,000
WATER ANALYSIS FEES	\$10,672	\$9,000	\$11,000	\$12,000
WATER CHEMICALS	\$6,428	\$3,500	\$5,750	\$6,500
WATER CITY MANAGEMENT FEE	\$208,678	\$167,618	\$205,118	\$208,375
WATER EQUIPMENT MAINTENANCE	\$6,235	\$15,900	\$15,900	\$17,100
WATER EQUIPMENT GAS & OIL	\$15,477	\$15,000	\$15,000	\$15,000
GBRA WATER FEES	\$1,532,440	\$1,557,453	\$1,530,953	\$1,591,970
WATER EQUIPMENT LEASE	\$2,409	\$1,000	\$0	\$300
WATER TOOLS & MINOR EQUIP	\$11,997	\$11,125	\$13,125	\$12,125
WATER SERVICE TRAINING	\$10,774	\$24,638	\$20,638	\$25,563
WATER UTILITIES & RADIO	\$21,171	\$27,705	\$25,705	\$30,600
WATER SIGNAL & TELEMETRY	\$34	\$1,536	\$0	\$0
WATER BUILDING MAINTENANCE	\$6,627	\$11,380	\$11,380	\$11,380
SUPPLIES & CONSUMABLES	\$3,335	\$2,200	\$4,200	\$3,700
VEHICLE MAINTENANCE/REPAIR	\$6,165	\$6,500	\$6,500	\$6,500
WTR ADM UTILITIES/ TELEPHONE	\$9,494	\$9,189	\$9,189	\$9,189
WATER DUES & PUBLICATIONS	\$1,185	\$2,281	\$2,281	\$2,786
WATER PERMITS & LICENSES	\$8,227	\$8,883	\$8,883	\$8,936
WATER GEN. LIABILITY INSURANCE	\$28,127	\$32,500	\$34,714	\$45,000
WATER OFFICE SUPPLIES	\$2,539	\$3,244	\$3,244	\$3,244
WATER TRAVEL & MEETINGS	\$3,094	\$4,250	\$2,750	\$1,250
WATER SOFTWARE & COMPUTER	\$117,204	\$202,267	\$260,227	\$223,251
RECORDING/REPORTING EXPENSES	\$154	\$500	\$500	\$500
WATER POSTAGE	\$611	\$938	\$938	\$689
WATER ADM BLDG/EQUIP MAINT	\$0	\$150	\$0	\$150
CONSERVATION EDUCATION	\$0	\$1,370	\$1,370	\$1,370
BILLING STATEMENT CHARGE	\$3,839	\$3,400	\$4,000	\$3,700
BILLING POSTAGE	\$10,462	\$8,500	\$9,000	\$10,000
Copier Lease	\$1,673	\$1,954	\$1,954	\$1,789
PUBLIC RELATIONS	\$4,431	\$4,000	\$4,206	\$4,250
EMPLOYMENT COSTS	\$809	\$1,330	\$1,330	\$1,337
EMPLOYEE APPRECIATION	\$5,062	\$5,231	\$5,231	\$5,155
WATER MISCELLANEOUS	\$0	\$250	\$0	\$250
CREDIT CARD SERVICE FEE	\$34,853	\$27,500	\$57,500	\$27,500
Total Water Utility:	\$2,383,549	\$2,449,401	\$2,584,695	\$2,568,176



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Wastewater Utility				
SEWER SERVICE UNIFORMS	\$5,745	\$5,335	\$5,335	\$4,955
SEWER POWER	\$41,204	\$40,000	\$40,500	\$40,000
MAINTENANCE OF PLANT/LINES	\$40,587	\$50,000	\$131,448	\$60,000
SLUDGE DISPOSAL	\$187,193	\$25,000	\$0	\$25,000
SEWER ANALYSIS FEES	\$27,608	\$27,000	\$31,000	\$27,000
SEWER CHEMICALS	\$23,532	\$32,500	\$33,000	\$33,600
SEWER CITY MANAGEMENT FEE	\$48,821	\$88,406	\$82,356	\$83,990
SEWER EQUIPMENT MAINTENANCE	\$6,262	\$9,790	\$11,790	\$9,790
SEWER EQUIPMENT GAS & OIL	\$11,699	\$11,875	\$11,875	\$11,875
SEWER SVC EQUIPMENT LEASE	\$2,699	\$2,500	\$0	\$300
SEWER TOOLS & MINOR EQUIPMENT	\$12,390	\$10,250	\$10,250	\$7,125
SEWER SERVICE TRAINING	\$10,717	\$24,064	\$20,064	\$24,450
SEWER SVC UTILITIES & RADIO	\$19,654	\$26,005	\$26,005	\$28,900
SIGNAL & TELEMETRY	\$159	\$1,920	\$0	\$0
SEWER BUILDING MAINTENANCE	\$5,855	\$15,900	\$13,900	\$10,900
SUPPLIES & CONSUMABLES	\$3,735	\$2,500	\$5,500	\$5,200
VEHICLE MAINTENANCE/REPAIR	\$7,406	\$5,000	\$8,000	\$5,000
SWR ADM UTILITIES/ TELEPHONE	\$8,684	\$8,130	\$8,130	\$8,130
SEWER DUES & PUBLICATIONS	\$1,044	\$2,324	\$2,324	\$2,821
SEWER PERMITS & LICENSES	\$1,730	\$3,693	\$3,693	\$3,443
SEWER GEN. LIABILITY INSURANCE	\$28,127	\$32,500	\$34,714	\$45,000
SEWER OFFICE SUPPLIES	\$2,146	\$2,244	\$3,744	\$2,244
SEWER TRAVEL & MEETINGS	\$1,388	\$4,250	\$2,750	\$1,250
SEWER SOFTWARE & COMPUTER	\$64,332	\$97,024	\$97,024	\$128,308
RECORDING/REPORTING EXPENSE	\$0	\$350	\$350	\$350
SEWER POSTAGE	\$611	\$600	\$750	\$686
SWR ADM BLD/EQUIP MAINTENANCE	\$0	\$150	\$0	\$150
BILLING STATEMENT CHARGES	\$3,839	\$3,500	\$4,500	\$3,700
BILLING POSTAGE	\$10,462	\$8,500	\$9,500	\$10,000
Copier Lease	\$1,673	\$1,954	\$1,954	\$1,789
PUBLIC RELATIONS	\$4,429	\$4,000	\$4,200	\$4,250
EMPLOYMENT COSTS	\$821	\$1,330	\$830	\$1,337
EMPLOYEE APPRECIATION	\$3,510	\$5,181	\$5,181	\$5,105
SEWER MISCELLANEOUS	\$0	\$250	\$0	\$250
Total Wastewater Utility:	\$588,059	\$554,024	\$610,666	\$596,898
Total Supplies, Maintenance, and Operations:	\$2,971,608	\$3,003,425	\$3,195,361	\$3,165,074
Professional Services				
Water Utility				
WATER PROFESSIONAL FEES	\$184,751	\$106,581	\$116,581	\$305,044
Total Water Utility:	\$184,751	\$106,581	\$116,581	\$305,044
Wastewater Utility				



Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
SEWER PROFESSIONAL FEES	\$42,407	\$57,081	\$57,081	\$63,508
Total Wastewater Utility:	\$42,407	\$57,081	\$57,081	\$63,508
Total Professional Services:	\$227,158	\$163,662	\$173,662	\$368,552
Capital Outlay				
Water Utility				
WATER OPERATIONAL CAPITAL	\$78,788	\$257,500	\$345,934	\$60,000
WATER EQUIPMENT PURCHASES	\$107,160	\$295,000	\$350,915	\$7,938
Total Water Utility:	\$185,948	\$552,500	\$696,849	\$67,938
Wastewater Utility				
WASTEWATER EQUIPMENT PURCHASES	\$21,860	\$237,500	\$370,892	\$7,938
Total Wastewater Utility:	\$21,860	\$237,500	\$370,892	\$7,938
Total Capital Outlay:	\$207,808	\$790,000	\$1,067,741	\$75,875
Debt Service				
Water Utility				
OB BOND INTEREST COST	\$16,141	\$13,872	\$13,872	\$37,446
Total Water Utility:	\$16,141	\$13,872	\$13,872	\$37,446
Wastewater Utility				
OB BOND INTEREST COST	\$3,075	\$2,642	\$2,642	\$16,629
Total Wastewater Utility:	\$3,075	\$2,642	\$2,642	\$16,629
Total Debt Service:	\$19,216	\$16,514	\$16,514	\$54,075
Total Expense Objects:	\$8,129,134	\$6,348,343	\$5,191,627	\$7,081,452



Non-Departmental and Shared



Expenditures Summary

\$968,842 **-\$424,448**
(-30.46% vs. prior year)

Budgeted Expenditures by Expense Type

Name	FY2023 Actual	FY2024 Budgeted	FY2024 Projected	FY2025 Budgeted
Expense Objects				
Transfers and Non-Cash Adjustments				
TRANSFER TO CAP IMP FUND 02	\$3,442,995	\$813,526	\$813,526	\$370,000
TRANSFER TO VEH/EQUIP FUND 31	\$354,495	\$301,945	\$301,945	\$373,138
Total Transfers and Non-Cash Adjustments:	\$3,797,490	\$1,115,471	\$1,115,471	\$743,138
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$4,395	\$3,600	\$3,600	\$3,600
EMERGENCY RESPONSE	\$436,482	\$500	\$500	\$500
Total Supplies, Maintenance, and Operations:	\$440,877	\$4,100	\$4,100	\$4,100
Shared Services				
FACILITY CONTRACTS & SERVICES	\$49,348	\$159,094	\$101,831	\$83,479
POSTAGE	\$2,434	\$5,625	\$5,625	\$4,125
GENERAL LIABILITY INSURANCE	\$58,066	\$65,000	\$86,378	\$90,000
ELECTRICITY	\$41,173	\$44,000	\$44,000	\$44,000
Total Shared Services:	\$151,021	\$273,719	\$237,834	\$221,604
Total Expense Objects:	\$4,389,388	\$1,393,290	\$1,357,405	\$968,842

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. The City issues debt in the form of General Obligation (GO) Bonds and Certificates of Obligation (CO). GO Bonds may only be issued with a majority approval of Fair Oaks Ranch voters and are limited in use for the acquisition or improvement of real property. COs are issued for a particular limited purpose, such as utility or drainage improvements.

Debt Service Policy

For major infrastructure projects or large pieces of equipment, debt financing is sometimes required. With the incurrence of additional debt, the City is able to pay for the infrastructure needs of the community without overly burdening the constituency at any given period. As a result, the management of the City's debt portfolio is designed to minimize the impact on its constituency and not hinder the City's ability to effectively operate the utility systems, street network, or other facilities.

Legal Debt Margin For Fiscal Year 2025

There are no dollar amount limits for tax-supported debt under state law or the City's home rule charter. However, there are property tax limits that impact the amount of debt a city can issue. The Texas Constitution limits property tax for a home rule city of over 5,000 in population to not more than \$2.50 per \$100 of assessed value.

Total Assessed Value	\$2,636,680,015
Debt Limit (\$2.50 per \$100 assessed valuation)	65,917,000
Debt applicable to limit:	
General bonded debt outstanding	14,992,996
Less: Amount set aside for repayment of general bonded debt	80,000
Total debt applicable to limit	14,912,996
Annual legal debt margin	\$51,004,004

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.

Debt Changes

In May 2024, the City held a successful bond election authorizing the issuance of \$16 million in GO bonds for roadway reconstruction of four major thoroughfares within the City. The first issuance occurred on September 5, 2024, in the amount of \$3.55 million. Additional issuances are scheduled to take place in 2026, 2027, and 2028.

In conjunction with the sale of GO bonds on September 5, 2024, the City issued COs in the amount of \$3.7 million to fund water and wastewater utility system improvements. The debt service of the COs will be supported by revenues of the water and wastewater utilities.



Outstanding Debt Obligations

Bonded Debt - FY 2025					
Purpose	2015	2020	2024	2024	Totals
	General Obligation Streets	Cert of Obligation Utility System	General Obligation Streets	Cert of Obligation Utility System	
Amount Issued	\$ 7,000,000	\$ 2,660,000	\$ 3,550,000	\$ 3,705,000	\$ 16,915,000
Outstanding Principal	\$ 3,055,000	\$ 1,475,000	\$ 3,550,000	\$ 3,705,000	\$ 11,785,000
Repayment Schedule of Principal and Interest by Issue					
2025	552,475	338,256	439,917	1,010,854	2,341,502
2026	550,950	334,974	247,500	303,125	1,436,549
2027	548,575	336,666	246,875	298,750	1,430,866
2028	550,888	338,308	246,000	157,625	1,292,821
2029	552,825	160,808	244,875	154,875	1,113,383
2030	548,100	-	248,375	210,625	1,007,100
2031	-	-	246,500	209,750	456,250
2032	-	-	244,375	208,625	453,000
2033	-	-	246,875	207,250	454,125
2034	-	-	244,800	206,300	451,100
2035	-	-	248,200	205,800	454,000
2036	-	-	246,300	205,100	451,400
2037	-	-	249,100	209,100	458,200
2038	-	-	246,600	207,800	454,400
2039	-	-	248,800	211,200	460,000
2040	-	-	245,700	209,300	455,000
2041	-	-	247,300	207,200	454,500
2042	-	-	248,500	204,900	453,400
2043	-	-	249,300	212,200	461,500
2044	-	-	244,800	209,100	453,900
Total P&I Payments	3,303,813	1,509,012	5,130,692	5,049,479	14,992,996



\$2,341,502

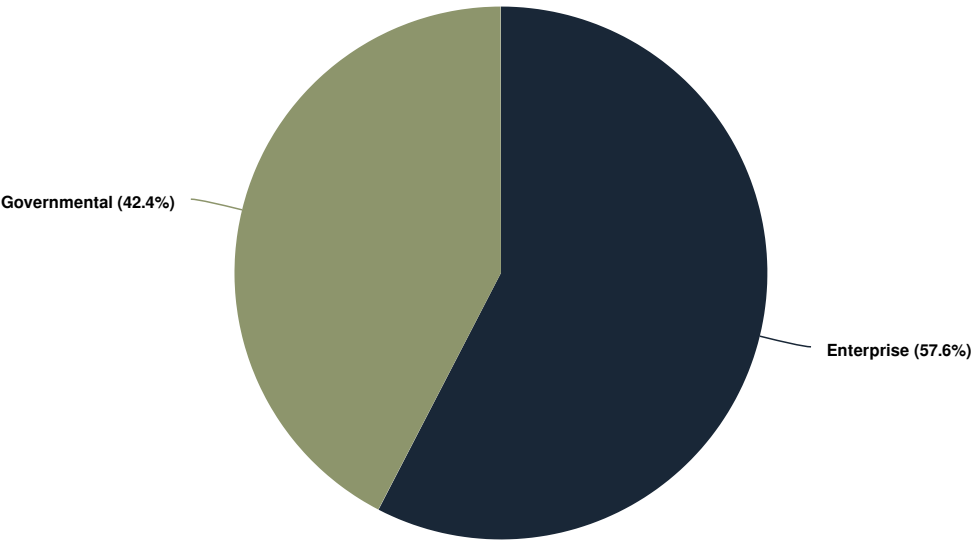
\$1,454,657 (164.03% vs. 2024 year)

FY 2024-25 Total Debt Payments

The total debt service requirement for the City of Fair Oaks Ranch in fiscal year 2024-25 is \$2,341,502. The chart below shows the bond principal and interest requirements by fund.

	Debt Service Fund	Utility Fund	Total
Principal	\$785,000	\$1,205,000	\$1,990,000
Interest	\$207,392	\$144,110	\$351,502
Total Debt Service	\$992,392	\$1,349,110	\$2,341,502

Debt by Fund



Financial Summary	FY2022	FY2023	FY2024	FY2025
All Funds	Actual	Actual	Projected	Proposed
Governmental	\$549,185	\$552,130	\$553,563	\$992,392
Enterprise	\$337,952	\$339,746	\$333,282	\$1,349,110
Total All Funds:	\$887,137	\$891,876	\$886,845	\$2,341,502



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 two general obligation bonds outstanding. One was issued in 2015 for street reconstruction, and another was issued in 2024 for street reconstruction.

2014 Street Bond Program:

- Bond election on November 4, 2014, passed
- \$7,000,000 bond issued in 2015 for roadway reconstruction
- Major thoroughfare roads were rehabilitated
- Construction project completed in 2019
- S&P bond rating: AA+

2024 Street Bond Program:

- Bond election on May 4, 2024, passed for \$16 million authorization for roadway reconstruction
- First issuance of \$3,550,000 issued in 2024
 - Dietz Elkhorn Road
 - Battle Intense
 - Ammann Road
 - Rolling Acres Trail
- S&P bond rating: AA+

Financial Summary	FY2022	FY2023	FY2024	FY2025
Governmental	Actual	Actual	Projected	Proposed
Debt Service Fund	\$549,185	\$552,130	\$553,563	\$992,392
Total Governmental:	\$549,185	\$552,130	\$553,563	\$992,392

Enterprise

In 2020, the City of Fair Oaks Ranch issued Certificates of Obligation related to the refinance of a utility 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

In 2024, the City of Fair Oaks Ranch issued Certificates of Obligation for water and wastewater utility capital improvements. The Notice of Intention to issue certificates of obligation was approved by City Council on June 20, 2024, after an extensive review of the Utility Five-Year Capital Improvement Plan by a Council-appointed Bond Advisory Committee. Advancement of the Utility Five-Year Capital Improvement Plan supports Council's priority to enhance and ensure continuity of reliable water resources and wastewater treatment.

Water and Wastewater Utility Improvements:

- Resolution passed and approved on September 5, 2024
- \$3,705,000 Certificate of Obligation issued

Financial Summary	FY2022	FY2023	FY2024	FY2025
Enterprise	Actual	Actual	Projected	Proposed
Utility Fund	\$337,952	\$339,746	\$333,282	\$1,349,110
Total Enterprise:	\$337,952	\$339,746	\$333,282	\$1,349,110



CAPITAL IMPROVEMENTS



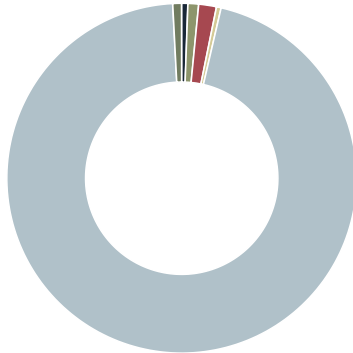
Capital Improvements: One-year Plan

Total Capital Requested

\$7,366,382

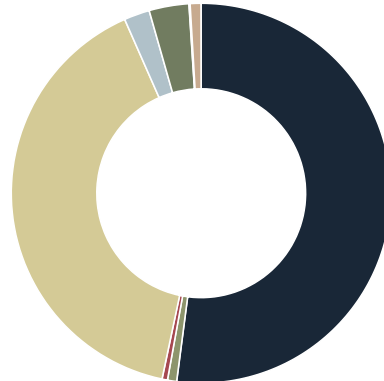
26 Capital Improvement Projects

Total Funding Requested by Department



● Engineering & Planning (1%)	\$41,600.00
● Maintenance (1%)	\$73,500.00
● Public Safety & Emergency (2%)	\$120,500.00
● Public Works (0%)	\$31,750.00
● Reliable and Sustainable Infrastructure (96%)	\$7,039,032.00
● Water Capital Projects (1%)	\$60,000.00
TOTAL	\$7,366,382.00

Total Funding Requested by Source



● Enterprise Debt (52%)	\$3,836,367.00
● General Fund ERF (1%)	\$56,700.00
● GF Operations (0%)	\$34,050.00
● Governmental Debt (40%)	\$2,953,621.00
● Governmental Operations (2%)	\$160,725.00
● Governmental SAP Fund (3%)	\$249,044.00
● Wastewater Operations (0%)	\$7,937.50
● Water Operations (1%)	\$67,937.50
TOTAL	\$7,366,382.00

General Fund ERF (Equipment Replacement Fund)

The General Fund Equipment Replacement Fund (ERF) is dedicated to 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. The total funded for FY 2024-25 includes \$50,700 in vehicles and \$6,000 in equipment for the Public Works department for a total of \$56,700.

General Fund Operations

The General Fund Operations budget includes \$226,975 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 \$369,044 of Governmental SAP projects funded for FY 2024-25, \$120,000 are strategic and \$249,044 are capital projects. These projects include: a compensation and benefits study, a review of the personnel manual, an IT Master Plan and three drainage projects.

Governmental Bond Capital Fund

The Bond Capital Fund will receive the proceeds of the voter approved General Obligation Bond. From this fund, engineering and construction costs will be paid out for the four approved roadway projects. For FY 2024-25, three projects have budgeted expenditures totaling \$2.9 million.



Utility Fund Operations

The Utility Fund Operations budget includes \$15,876 in new capital equipment which will be added to the strategic asset management program moving forward. It also includes \$60,000 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
- Debt Reserve Fees for the new Certificates of Obligation issuance
- Impact Fees
- Grants

The total of all categories of funding for the Utility capital projects is \$3.8 million, \$3.2 million of which is for 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. There are no budgeted expenses for FY 2024-25.

Public Safety & Emergency Requests

Itemized Requests for 2025

Flock Safety Program	\$34,050
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Flock Safety program is currently being utilized by 3 gated communities within the City of Fair Oaks Ranch (Deer Meadows Estates, Stone Creek Ranch, The Woods of Fair Oaks). Additionally, the City of Boerne and Boerne Police Department have...

Mass Casualty Care Kits	\$21,450
--------------------------------	-----------------

Mass casualty care kits will be utilized in each police vehicle. Kits are essential in response to a critical incident in which multiple victims are in need of immediate trauma care to minimize injury and/or prevent death. Individual...

Portable Handheld Radios - XL-95P	\$65,000
--	-----------------

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...

Total: \$120,500



Maintenance Requests

Itemized Requests for 2025

2025 Ford Explorer (Admin)	\$30,000
-----------------------------------	-----------------

We need this vehicle for administration, so they can use it to go to conferences and meetings. The current one is no longer reliable, especially for long-distance trips.

2025 PJ Tilt trailer (16')	\$11,000
-----------------------------------	-----------------

This trailer will be used for streets to haul around the new fog seal machine. We currently have to drive this machine to the job and that is a lot of wear and tear on the equipment.

Graco GrindLazer DC89	\$5,500
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We need this piece of equipment to remove thermoplastic from the streets when we get ready to do a new treatment. This will improve the smoothness on the road and save time over using the skid steer. This machine does a better job than the milling...

Permanent Radar Signs (2)	\$11,000
----------------------------------	-----------------

Two permanent radar signs for Keeneland Dr. This will help drivers slow down and keep the public safe.

Temporary Radar Signs (2)	\$6,000
----------------------------------	----------------

Post Oak Trail was completely reconstructed. Now there are complaints about people speeding. These signs will hopefully help slow the traffic down and we will be able to use them in other problem areas around the city.

Walk In Cooler	\$10,000
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A new walk-in cooler is needed. The current one requires constant maintenance to keep it running.

Total: \$73,500

Engineering & Planning Requests

Itemized Requests for 2025

Ford Ranger 4x4 for Infrastructure Inspector	\$41,600
---	-----------------

Staff members are currently investigating infrastructure construction in a repurposed Police Ford Explorer. The investigations are frequently on un-constructed streets or undeveloped sites, which could require high clearance and off-road...

Total: \$41,600



Public Works Requests

Itemized Requests for 2025

Message Board Trailer (split with Utility)**\$20,000**

This message board will be used by multiple departments (Utilities, Maintenance, PD, HR and the City Secretary) for communication purposes. Primarily, the reason for my justification is alerting the public to water service interruptions and...

Water Tanker Trailer-1025 Gallon (Split with Utility)**\$11,750**

The water tanker will be used by the wastewater, water and maintenance departments. This trailer has a pump and hose attachment that allows us to clean our sewer lift stations, and various tanks at the wastewater treatment plant. The water...

Total: \$31,750

Water Capital Projects Requests

Itemized Requests for 2025

Well 26 Electrical and VFD Upgrade

\$60,000

The City just recently re-established access to Well 26. This project consists of replacing the electrical service head, panels, conductors, replacement of rotophase converter with variable frequency drive (VFD) and other associated...

Total: \$60,000



Reliable and Sustainable Infrastructure Requests

Itemized Requests for 2025

Cojak Circle Manhole and Sewer Upgrade	\$650,000
This project upgrades the Cojak Circle manhole and approximately 1200 linear feet of 6 inch sewer gravity main which is undersized. Several other larger sewer mains (8 inch, 15 inch, force main) are located upstream of this segment and flow...	
Drainage 8040 Rolling Acres Trail (#4)	\$67,600
Drainage does not have positive flow and backs up onto private property. Channel construction and improvements within the ROW are needed to convey stormwater towards the Rolling Acres Trail low water crossing. This involves regrading and...	
Drainage 8472 Rolling Acres Trail (#2)	\$67,600
Channel and culvert improvements to convey stormwater within drainage system to reduce flow over driveways and adjacent property. Must-Do project because flow from public ROW is impacting private property. Undersized driveway culverts and...	
Drainage Vestal Park Culvert (#42)	\$113,844
Channel and culvert improvements needed to convey large amounts of stormwater under Pimlico towards Vestel Park. The existing culvert is showing signs of degradation and requires repair or replacement.	
Expand Plant 5 Zone B (5W)	\$1,320,800
The project will provide additional water distribution, pumping, and storage capacity to serve Zone B, improving operational redundancy and positively impacting Water Plant #1 (Elmo Davis) because Plant #5 feeds into Plant#1. Plant #5 has...	
Old Fredericksburg Waterline	\$270,400
This project will replace an existing water main with a main break history along Old Fredericksburg Road. This project design and construction will coincide with the Bexar County roadway project to gain efficiencies during design and construction...	
RDWY: Ammann Road Reconstruction	\$439,699
This project is needed to keep the corridor from additional deterioration. The corridor currently has an average OverallCondition Index (OCI) below 40, categorizing the roadway to be in very poor condition. Pavement reconstruction ofAmmann Road...	
RDWY: Dietz Elkhorn Roadway Reconstruction	\$2,093,922
Dietz Elkhorn Road has an Overall Condition Index (OCI) score below 40 in many segments between Fair Oaks Parkway andFM 3351. In less than 3 years, the average OCI for this segment of roadway will be below 20. Reconstruction of thissegment of...	
RDWY: Reconstruct Battle Intense near Trailside	\$420,000
Battle Intense is classified as a collector street and experiences heavy truck and school bus traffic. Extensive cracking, pothole patching and loss of base material in some locations have led to poor to very poor pavement condition. The current...	
Rolling Acres Trail Waterline Rehabilitation (28R)	\$610,941
This project will address aging water mains that are known to be in poor condition. This water main has a history of main breaks (four main breaks since 2016). Replacing these mains will reduce operation and maintenance costs to the City for...	
SAWS Emergency Interconnect	\$30,000
This project constructs an emergency interconnect with SAWS to provide a backup water source in the event of an extended power outage or other event in which FORU is unable to provide adequate flow or pressure to customers. The planned...	
Upgrade Electrical at Plant No. 3 Pump Station (5R)	\$74,419
This project will address known pump issues at Water Plant # 3. Currently, this facility uses cellular for SCADA and serves as a repeater for well sites. The electrical equipment at the facility has been identified as the original equipment and it...	



Willow Wind Drive/Red Bud Hill Water Line (29R)**\$879,807**

This project will address aging water mains that are known to be in poor condition. This water main has a history of main breaks (approximately 8-12 main breaks since 2016). Replacing these mains will reduce operation and maintenance costs to the...

Total: \$7,039,032

Capital Improvement Plans (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.

Please visit our project website to see all active and proposed capital improvement projects. Information provided includes project descriptions and maps, projected expenditures, funding breakdowns, progress updates, and a printable project sheet.

<https://fair Oaks Ranch TX.cleargov.com/projects> (<https://fair Oaks Ranch TX.cleargov.com/projects>)

Drainage CIP

	<i>Prior</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>Total</i>
Drainage 28907 Chartwell Lane (CIP #35)	64,829	-	-	-	-	-	64,829
Drainage 8472 Rolling Acres Trail (CIP# 2)	-	67,600	162,240	-	-	-	229,840
Drainage 8040 Rolling Acres Trail (CIP# 4)	-	67,600	162,240	-	-	-	229,840
Drainage Vestal Park Culvert (CIP# 42)	-	113,844	-	-	-	-	113,844
Drainage 8426 Triple Crown (CIP# 41)	-	-	-	253,094	-	-	253,094
Drainage 8312 Triple Crown (CIP #43)	-	-	-	269,967	-	-	269,967
Drainage 32030 Scarteen (CIP# 53)	-	-	-	-	72,331	193,853	266,184
Drainage 31988 Scarteen (CIP# 44)	-	-	-	-	100,000	-	100,000
Drainage 7644 Pimlico Lane (CIP# 46)	-	-	-	-	100,000	-	100,000
Drainage 8045 Flagstone Hill (CIP# 63)	-	-	-	-	-	100,000	100,000
Drainage 8402 Battle Intense LWC (CIP# 23)	-	-	-	-	-	200,000	200,000
Total Drainage	64,829	249,044	324,480	523,062	272,331	493,853	1,927,599

Roadway CIP

	<i>Prior</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>Total</i>
Dietz Elkhorn Roadway Reconstruction	610,150	2,093,922	1,581,078	-	-	-	4,285,150
Reconstruct Battle Intense near Trailside	-	420,000	-	-	-	-	420,000
Rolling Acres Roadway Reconstruction	-	-	315,000	315,000	1,260,000	1,260,000	3,150,000
Ammann Road Maintenance	-	439,699	435,512	2,769,375	2,769,375	-	6,413,961
Total Roadway	610,150	2,953,621	2,331,590	3,084,375	4,029,375	1,260,000	14,269,111



Water

	<i>Prior</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>Total</i>
Willow Wind Drive/Red Bud Hill Water Line (29R)	70,705	879,807	-	-	950,512
Elevated Storage Tank (2W)	496,950	-	4,367,901	3,914,527	8,779,378
Rolling Acres Trail Water Line Rehabilitation (28R)	66,794	610,941	-	-	677,735
Old Fredericksburg Waterline (21W)	291,920	270,400	-	-	562,320
Expand Plant No. 5 (impact fee) (5W)	229,499	1,320,800	-	-	1,550,299
Upgrade Electrical at Plant No. 3 Pump Station (5R)	-	74,419	318,519	-	392,939
SAWS Emergency Interconnect	-	30,000	170,000	-	200,000
Plant 4 Ground Storage Tank	-	-	-	400,000	400,000
Well 27 Electrical (15R) Add Variable Frequency	60,000	-	-	-	60,000
Well 31 Electrical (19R) Add Variable Frequency	60,000	-	-	-	60,000
Well 25 Electrical (New) Add Variable Frequency	60,000	-	-	-	60,000
Well 28 Electrical (New) Add Variable Frequency	60,000	-	-	-	60,000
Well K6 Electrical (11R)	-	-	60,000	-	60,000
Well CR1 Electrical (16R)	-	-	60,000	-	60,000
Well 26 Electrical (New) Add Variable Frequency	-	60,000	-	-	60,000
Total Water	1,395,868	3,246,367	4,976,420	4,314,527	13,933,182

Wastewater

	<i>Prior</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>Total</i>
Wastewater Treatment Plant Expansion (2S)	1,211,249	-	1,714,987	2,737,530	5,663,766
Cojak Circle Manhole and Sewer Upgrade	-	650,000	-	-	650,000
Install Sewer Line and Decommission Falls Lift Station (1S)	-	-	113,521	811,763	925,284
Total Wastewater	1,211,249	650,000	1,828,508	3,549,293	7,239,050



DOCUMENTS



2024 Tax Rate Calculation Worksheet

Taxing Units Other Than School Districts or Water Districts

Form 50-856

City of Fair Oaks Ranch

210-698-0900

Taxing Unit Name

Phone (area code and number)

7286 Dietz Elkhorn, Fair Oaks Ranch TX 78015

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.	Prior year total taxable value. Enter the amount of the prior year taxable value on the prior year 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	\$ 2,447,975,887
2.	Prior year tax ceilings. Counties, cities and junior college districts. Enter the prior year 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 last year or a prior year for homeowners age 65 or older or disabled, use this step. ²	\$ 9,460,377
3.	Preliminary prior year adjusted taxable value. Subtract Line 2 from Line 1.	\$ 2,438,515,510
4.	Prior year total adopted tax rate.	\$ 0.300500 /\$100
5.	Prior year taxable value lost because court appeals of ARB decisions reduced the prior year's appraised value. A. Original prior year ARB values:..... \$ 1,263,740 B. Prior year values resulting from final court decisions:..... - \$ 1,199,000 C. Prior year value loss. Subtract B from A. ³	\$ 64,740
6.	Prior year taxable value subject to an appeal under Chapter 42, as of July 25. A. Prior year ARB certified value:..... \$ 2,940,000 B. Prior year disputed value:..... - \$ 2,940,000 C. Prior year undisputed value. Subtract B from A. ⁴	\$ 0
7.	Prior year Chapter 42 related adjusted values. Add Line 5C and Line 6C.	\$ 64,740

¹ Tex. Tax Code §26.01(2)(4)

² Tex. Tax Code §26.01(2)(4)

³ Tex. Tax Code §26.01(2)(3)

⁴ Tex. Tax Code §26.01(2)(3)

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

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

50-856 • 6-24/11

For the complete 2024 Tax Rate Worksheets, please click here [↗](#)



Budget Ordinance

ORDINANCE 2024-19

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS, ADOPTING THE CITY OF FAIR OAKS RANCH ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024, AND ENDING SEPTEMBER 30, 2025; 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 15, 2024, the City Council set September 16, 2024, 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 budget, and,

WHEREAS, pursuant to LGC §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 2024-25 budget year.

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

- Section 1.** The City hereby approves and adopts the FY 2024-25 Municipal Budget, attached as **Exhibit A**, in all respects as the City's annual budget for the fiscal year beginning October 1, 2024, and ending September 30, 2025.
- Section 2.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.
- Section 3.** It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance be severable, and, if any phrase, clause, sentence, paragraph, or section of this ordinance shall be declared invalid by judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, or sections of this ordinance and the remainder of this ordinance shall be enforced as written.
- Section 4.** That it is officially found, determined, and declared that the meeting at which this ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.
- Section 5.** The provisions of this ordinance shall be cumulative of all ordinances not repealed by this ordinance and ordinances governing or regulating the same subject matter as that covered herein.



Section 6. 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 7. All ordinances, or parts thereof, which are in conflict or inconsistent with any provision of this ordinance are hereby repealed to the extent of such conflict, and the provisions of this ordinance shall be and remain controlling as to the matters ordained herein.

Section 8. This ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 9. This ordinance shall take effect immediately from and after its second reading, passage and any publication requirements as may be required by governing law.

PASSED and APPROVED on first reading by the City Council of the City of Fair Oaks Ranch, Texas, on this 16th day of September 2024, and recorded as follows:

	FOR	AGAINST	ABSTAIN
Mayor Gregory C. Maxton	✓		
Council Member Stroup	✓		
Council Member Rhoden	✓		
Council Member Olvera	✓		
Mayor Pro Tem Koerner	✓		
Council Member Parker	✓		
Council Member Muenchow		ABSENT	

PASSED, APPROVED, and ADOPTED on second and final reading by the City Council of the City of Fair Oaks Ranch, Texas, on reading this 19th day of September 2024, and recorded as follows:

	FOR	AGAINST	ABSTAIN
Mayor Gregory C. Maxton	✓		
Council Member Stroup	✓		
Council Member Rhoden	✓		
Council Member Olvera		ABSENT	
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 Rodriguez Bernal Santee & Zech
P.C., City Attorney

Tax Rate Ordinance

ORDINANCE 2024-20

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS, LEVYING AD VALOREM TAXES FOR USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024, AND ENDING SEPTEMBER 30, 2025; PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, on August 15, 2024, the City Council established a maximum ad valorem tax rate to consider for the proposed FY 2024-25 budget; and

WHEREAS, by ordinance the Council will approve the municipal budget for the fiscal year beginning October 1, 2024, and ending September 30, 2025; and,

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

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

Section 1. a. 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 **\$0.2512** 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 2024-25.

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 **\$0.0341** 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 2024-25.

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 4.96% AND WILL LOWER TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$13.10.

Section 2. a. Unless the due date has been extended, taxes levied under this ordinance shall be due on October 1, 2024, and if not paid on or before January 31, 2025, 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.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.
- Section 4.** It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance be severable, and, if any phrase, clause, sentence, paragraph, or section of this ordinance shall be declared invalid by judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, or sections of this ordinance and the remainder of this ordinance shall be enforced as written.
- Section 5.** That it is officially found, determined, and declared that the meeting at which this ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.
- Section 6.** The provisions of this ordinance shall be cumulative of all ordinances not repealed by this ordinance and ordinances governing or regulating the same subject matter as that covered herein.
- Section 7.** 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 8.** All ordinances, or parts thereof, which are in conflict or inconsistent with any provision of this ordinance are hereby repealed to the extent of such conflict, and the provisions of this ordinance shall be and remain controlling as to the matters ordained herein.
- Section 9.** This ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.
- Section 10.** This ordinance shall take effect immediately from and after its second reading, passage and any publication requirements as may be required by governing law.

PASSED and APPROVED on first reading by the City Council of the City of Fair Oaks Ranch, Texas, on this 16th day of September 2024.

PASSED, APPROVED, and ADOPTED on second and final reading by the City Council of the City of Fair Oaks Ranch, Texas, on reading this 19th day of September 2024.



Gregory C. Maxton, Mayor

ATTEST:



Christina Picioccio, TRMC
City Secretary

APPROVED AS TO FORM:



Denton Navarro Rodriguez Bernal Santee & 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 an 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.

