



City of Fair Oaks Ranch Annual Budget FY 2025-26





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INTRODUCTION

City of Fair Oaks Ranch



Annual Budget Fiscal Year October 1, 2025 - September 30, 2026

This budget will raise more revenue from property taxes than last year's budget by an amount of \$488,083, which is a 6.5% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$156,902.

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	Absent
Keith Rhoden	Aye
Ruben Olvera	Aye
Dale Pearson	Aye
Scott Parker	Aye
Jonathan Swarek	Aye

The governing body voted on the proposed budget on September 18, 2025.

	Fiscal Year 2025-26	Fiscal Year 2024-25
Property Tax Rate	0.28530	0.28530
No-New-Revenue Rate	0.27524	0.28531
No-New Revenue M&O Rate	0.24337	0.26438
Voter Approval Rate	0.32619	0.34547
Debt Rate	0.02856	0.03416

Municipal Debt Obligations as of October 1, 2025 — \$24,676,268

The above information is presented on the cover page of the City's FY 2025-26 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, 2024

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, 2024. 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	Mayor Pro-Tem, Place 2
Ruben Olvera	Council Member, Place 3
Dale Pearson	Council Member, Place 4
Scott Parker	Council Member, Place 5
Jonathan Swarek	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	Chief of Police Todd Smith
Director of Finance Summer Fleming, CGFO	Director of Human Resources Joanna Merrill, PSHRA-SCP	Director of Public Works & Engineering Services Grant Watanabe, P.E., CFM
	City Secretary Christina Piciocccio, TRMC	



City of Fair Oaks Ranch Leadership



Gregory C. Maxton
Mayor



Emily Stroup
Council Member, Place 1



Keith Rhoden, Mayor Pro-Tem
Council Member, Place 2



Ruben Olvera
Council Member, Place 3



Dale Pearson
Council Member, Place 4



Scott Parker
Council Member, Place 5



Jonathan Swarek
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.



Message from the City Manager

Scott M. Huizenga, ICMA-CM

September 18, 2025

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 adopted budget for the fiscal year beginning October 1, 2025, and ending September 30, 2026. This City Manager's Budget presents in summary form the revenues and expenditures for each of the funds.

This budget incorporates no change in the City's overall property tax rate and encompasses all the service delivery and capital investment initiatives established by the City Council. The budget was developed through continued utilization of a Strategic Planning process that ties citizen-driven service expectations with available resources. The FY 2025-26 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 expenditures for the fiscal year and the 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

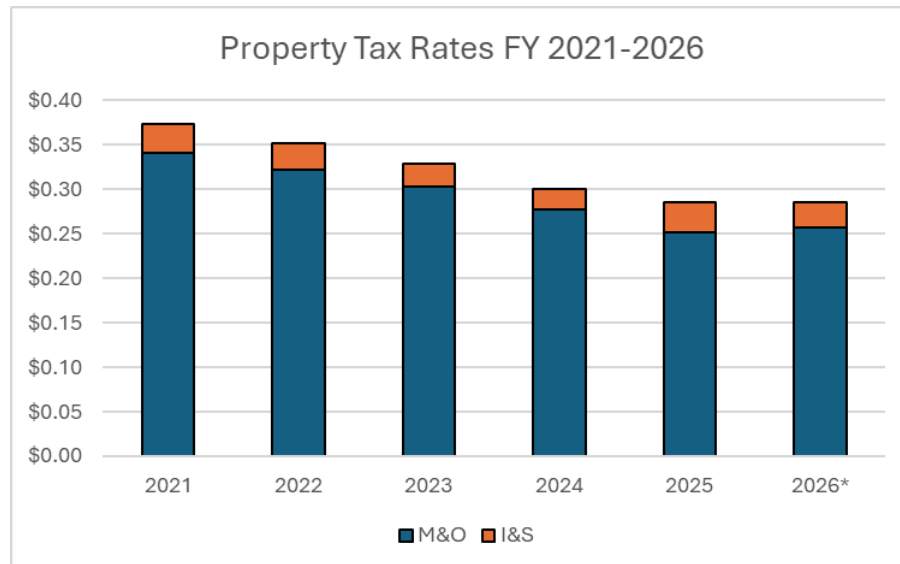
Certified values for 2025 increased by about 5.5%, or about \$148 million, compared to the 2024 certified values. The growth represents an increase in certified valuations from \$2.70 billion to \$2.84 billion. New properties added to the tax roll in 2025 equates to about \$55 million.

In FY 2022-23, the City increased property tax exemptions for Residents Over 65 from \$20,000 to \$50,000. This amounts to \$78.3 million in value that has been exempted from taxation for 2025. The City Council also approved property tax freezes for qualified disabled homesteads in FY 2022-23.

Property Tax Rate

The City's adopted property tax rate for the Fiscal Year 2025-26 is \$0.2853 per \$100 valuation, which is the same as last year's property tax rate. The debt service portion of the tax rate is \$0.02856, and the maintenance and operations portion of the tax rate is \$0.25674 to support the total tax rate of \$0.2853 per \$100 property valuation.

The FY 2025-26 Budget will have a total average impact of \$87 to the average Fair Oaks Ranch household. This is inclusive of GO Bond debt issued in FY 2024. This budget increases the amount of taxes collected for maintenance and operations (M&O) by about \$583,834 over the previous year's budget. The interest and sinking fund (debt) portion of the levy will decrease by \$100,000 as the debt service payments level out.



*Adopted

Financial Goals

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

- Ensure continuous, high-quality public safety response
- 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 2025-26 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 moderate 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 2.2% over the previous year's budget. In the initial years following the pandemic, sales tax increased dramatically, but in the past two years the rate of increase has leveled off. Franchise fees, paid by utilities who serve our residents and businesses, have increased by 54% in the last 10 years, reflecting the growth of our city. Permit revenue is expected to decline, driven by elevated interest rates and a limited supply of available residential lots, which have collectively slowed new construction activity compared to previous years. Despite inflationary pressures and growing service demands in our maturing city, this budget maintains a balanced approach to governmental operations and fiscal responsibility.

The FY 2025-26 Budget for all funds includes approximately \$16.8 million for continued operations and \$10.4 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, increases by \$722,345, or 16.7%, to \$5,043,194. The City's agreement with Bexar County Emergency Services District No. 4 increases by \$571,000 to \$1.0 million. Similarly, the City's agreement with the City of Boerne for emergency dispatch services increases by just over \$85,000. The budget also includes \$43,045 of new capital equipment including rifle accessories, cell phones, breaching tools, and portable radios, as well as a \$94,000 investment in replacement vehicles. The budget also includes wage and benefit adjustments that will incorporate the results of the recent compensation study.

The Municipal Court budget increases by \$4,185, or 1.6%, and includes \$16,500 for court restricted fund expenditures. These funds will be used for investments in technology, equipment and youth programming. The training budget increases \$2,600 to include a new certification program, and the personnel budget 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 the growth of the City within state law. The General Fund budget for Public Works decreases by \$90,952, or 2.9%, in the FY 2025-26 Budget of \$3,028,325. This decrease reflects the City's commitment to strengthening in-house capabilities, enabling a reduction in external consultant fees. This focus on expanding internal capacity is further demonstrated by the addition of a new position to the Maintenance Department, a maintenance lead. This position is part of an initiative to restructure the maintenance department into three specialized divisions: Facilities, Roadways, and Drainage. The reorganization is designed to strengthen operational focus and technical expertise, expand the capacity for in-house project delivery, and implement more proactive infrastructure maintenance practices. The FY 2025-26 budget also dedicates over \$800,000 to Street Maintenance. This level of investment ensures an Overall Condition Index (OCI) of at least 85, preserving high-quality roadway conditions for residents. In addition, \$113,103 is allocated for equipment purchases including an asphalt patching machine, six radar feedback signs, a replacement truck for code compliance and garage door openers for the maintenance shop.

Financial Resilience and Operational Excellence

Collectively, Administration, City Secretary, Finance, Human Resources, Communications, Information Technology (IT), and the Mayor and Council comprise \$2.2 million, or 20%, of the General Fund Budget. Key changes include \$5,000 for investment management fees in the Finance Department, and \$10,000 in the Communications budget for community outreach software. The budget also includes \$12,000 in recodification fees in the City Secretary Department and \$14,500 in service fees added to the Information Technology budget for the Public Safety cell phones. The City is also elevating its communications function by separating it from Human Resources, paving the way for more focused and responsive engagement with residents.

The Strategic Projects Fund is budgeting \$659,480 in expenditure which will be used for several projects in FY 2025-26, including investments in long-range planning for the City, targeted improvements to one of the City's fire stations, and the completion of two drainage projects.

Utility Funds

The Utility Funds total \$7.5 million and support the City's water and wastewater services. Utility revenues will increase by an estimated \$230,000 in FY 2025-26. This modest increase can be attributed to an anticipated increase in the number of customer connections. In the coming year, water debt service fees will increase slightly, while wastewater debt service fees will decrease slightly to cover the issuance of Certificates of Obligation. Water customers will see an increase of \$0.04 on their monthly bill, and wastewater customers a \$0.12 decrease. These fees will help fund a budget of \$8.9 million in crucial infrastructure investments for the utility system.

Changes to the expenses in the Utility Funds include an increase of \$208,355, or 13%, in the City's water service agreement with the Guadalupe Blanco River Authority (GBRA). GBRA provides over half of the City's potable water and is crucial to the vitality of the

City. The budget provides \$227,000 for the second year of the water tank maintenance program, a \$30,000 increase in the maintenance of plant and lines budget, and \$100,000 for a TCEQ required manhole rehabilitation program. Similar to the current year, the utilities budget includes a \$328,240 investment in operational capital including new water flow meters and replacement firewalls for the SCADA system, and a \$67,698 budget for new equipment including a mini-excavator and garage door openers.

Capital Improvements Plan

The Capital Improvements Plan (CIP) for FY 2025–26 funds about \$9.6 million in capital projects. The budget allocates \$325,000 to the completion of two drainage projects, both located along Rolling Acres Trail. The budget also supports \$423,000 in design and engineering of the Ammann Road and Rolling Acres Trail reconstructions. Additionally, the water utility capital budget for FY 2025–26 adds \$4.3 million for the construction of an elevated storage tank, \$350,000 to complete a backup water connection with the San Antonio Water System (SAWS) and another \$1.5 million investment in a new waterline on the east end of Dietz Elkhorn. The water budget also includes a \$750,000 capital contribution for a GBRA waterline. On the wastewater side, \$1.8 million is budgeted to begin construction on the wastewater treatment plant expansion and for necessary sewer line improvements.

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 with the necessary tools and equipment to do their jobs efficiently and effectively, and, it advances a 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, led 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 the 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



Demographics

Population Overview



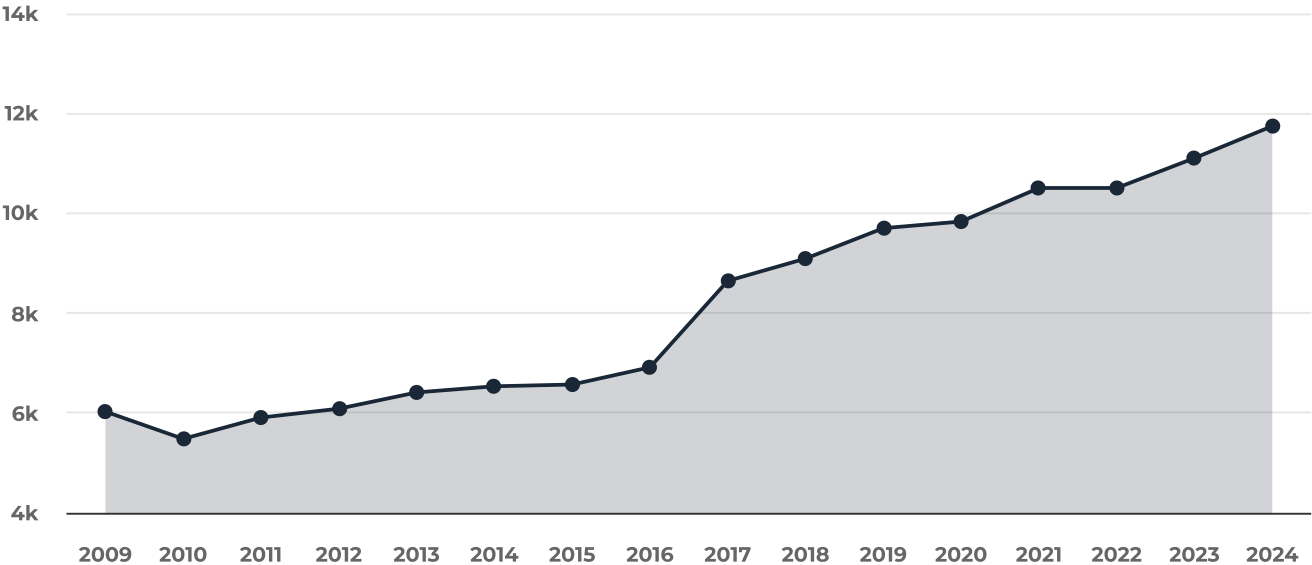
TOTAL POPULATION

11,744

5.76%
vs. 2023

GROWTH RANK

7 out of 1222 Municipalities in Texas



* Data Source: Client entered data for year 2024



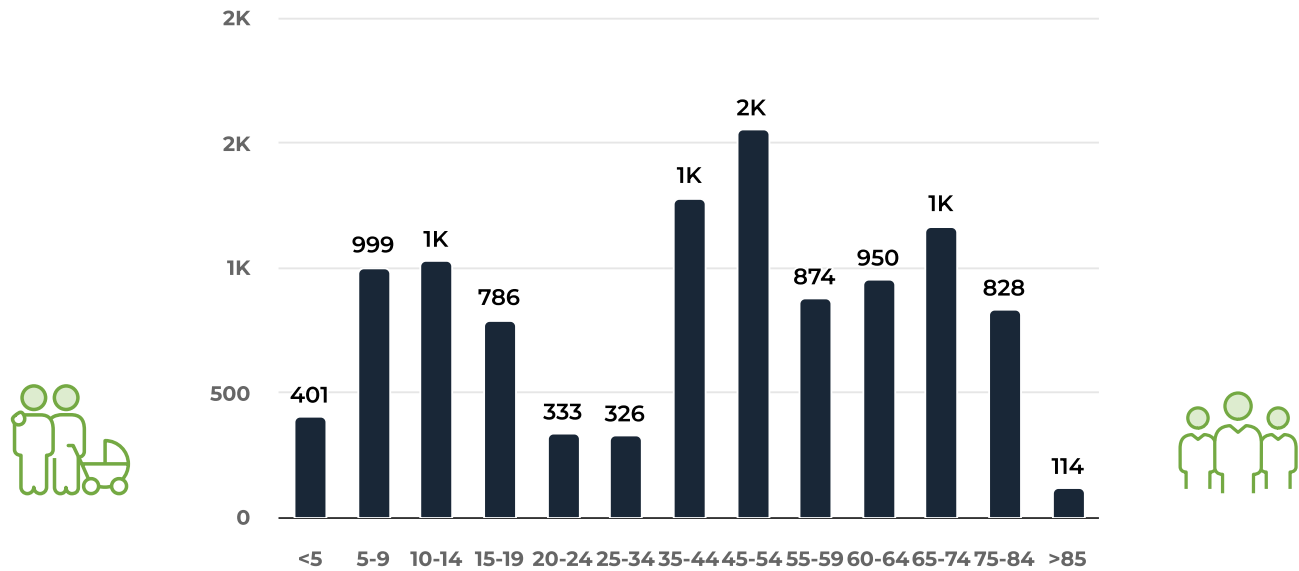
DAYTIME POPULATION

8,705

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.

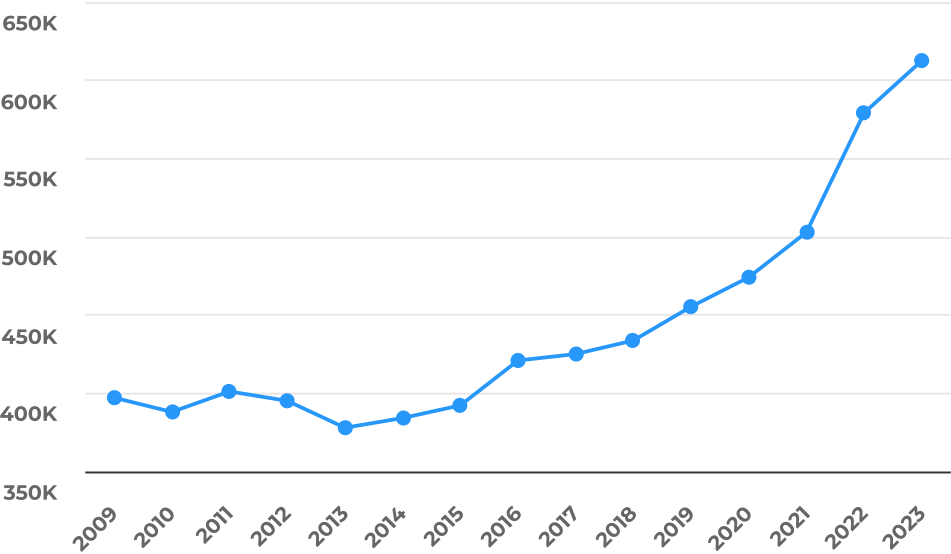
** Data Source: American Community Survey 5-year estimates*

Housing Overview



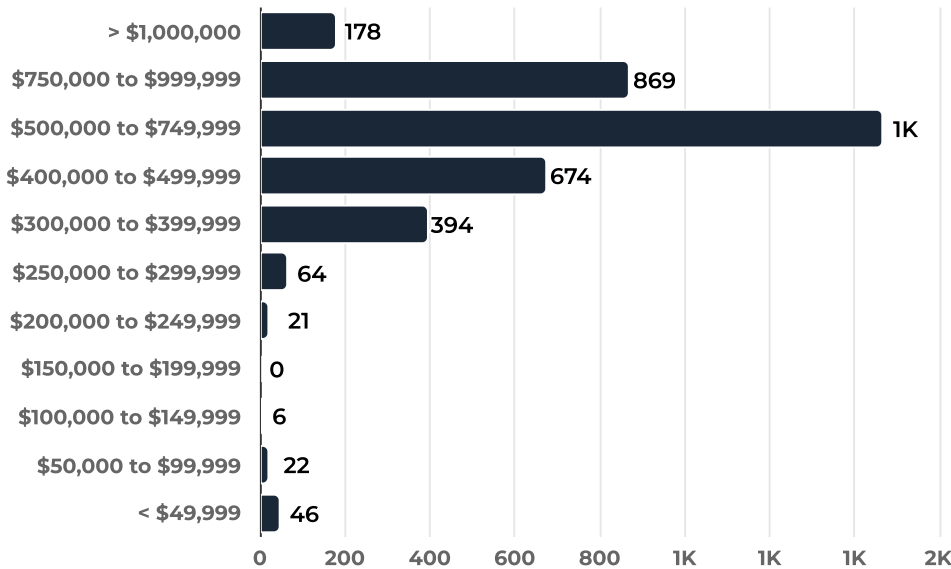
2023 MEDIAN HOME VALUE

\$612,700



* Data Source: 2023 [US Census Bureau](#), American Community Survey. Home value data includes all types of owner-occupied housing.

HOME VALUE DISTRIBUTION



* Data Source: 2023 [US Census Bureau](#), American Community Survey. Home value data includes all types of owner-occupied housing.

HOME OWNERS VS RENTERS

Fair Oaks Ranch

State Avg.

2%
Rent

37%
Rent

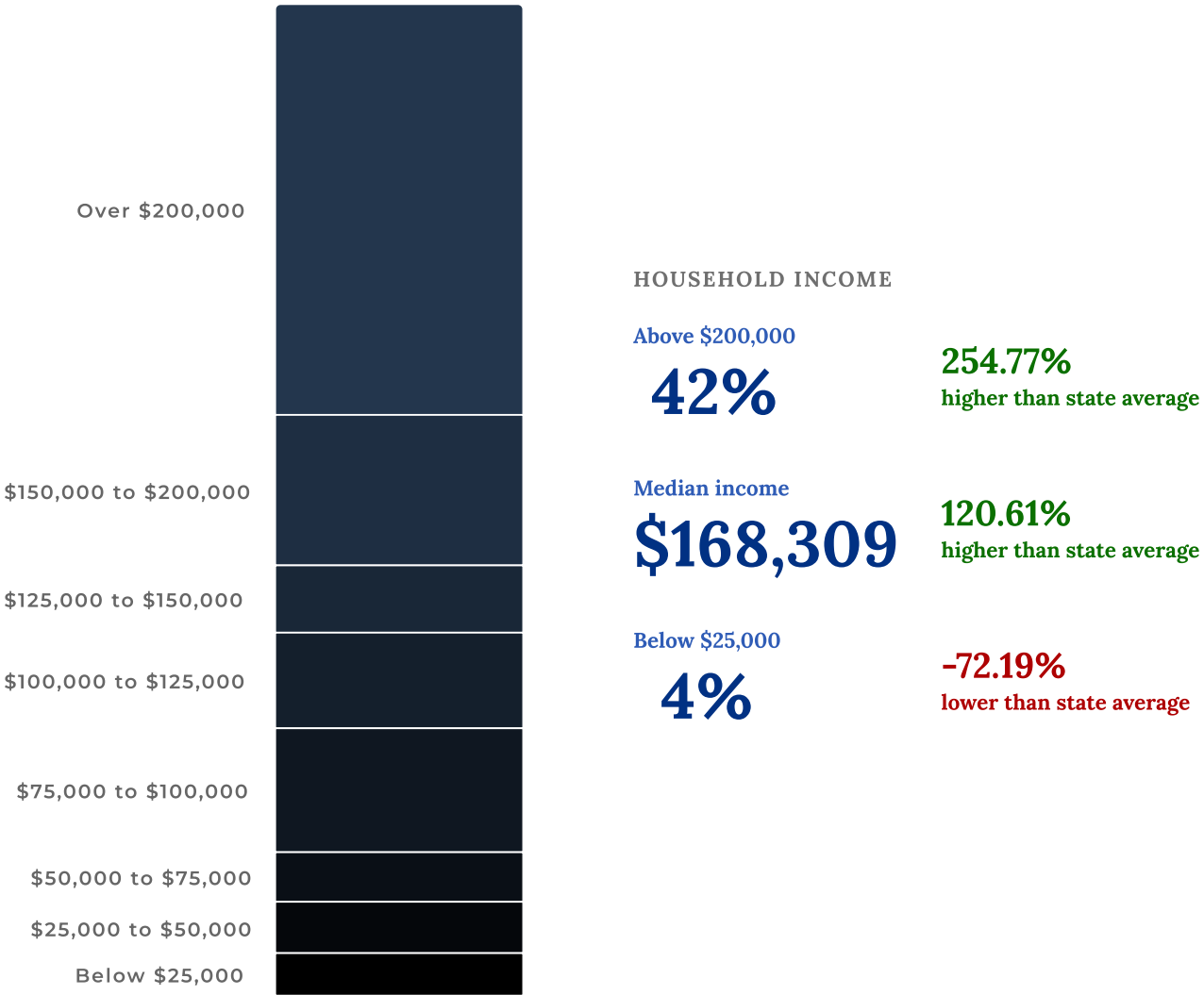
99%
Own

63%
Own

* Data Source: 2023 [US Census Bureau](#), American Community Survey. Home value data includes all types of owner-occupied housing.

Economic Analysis

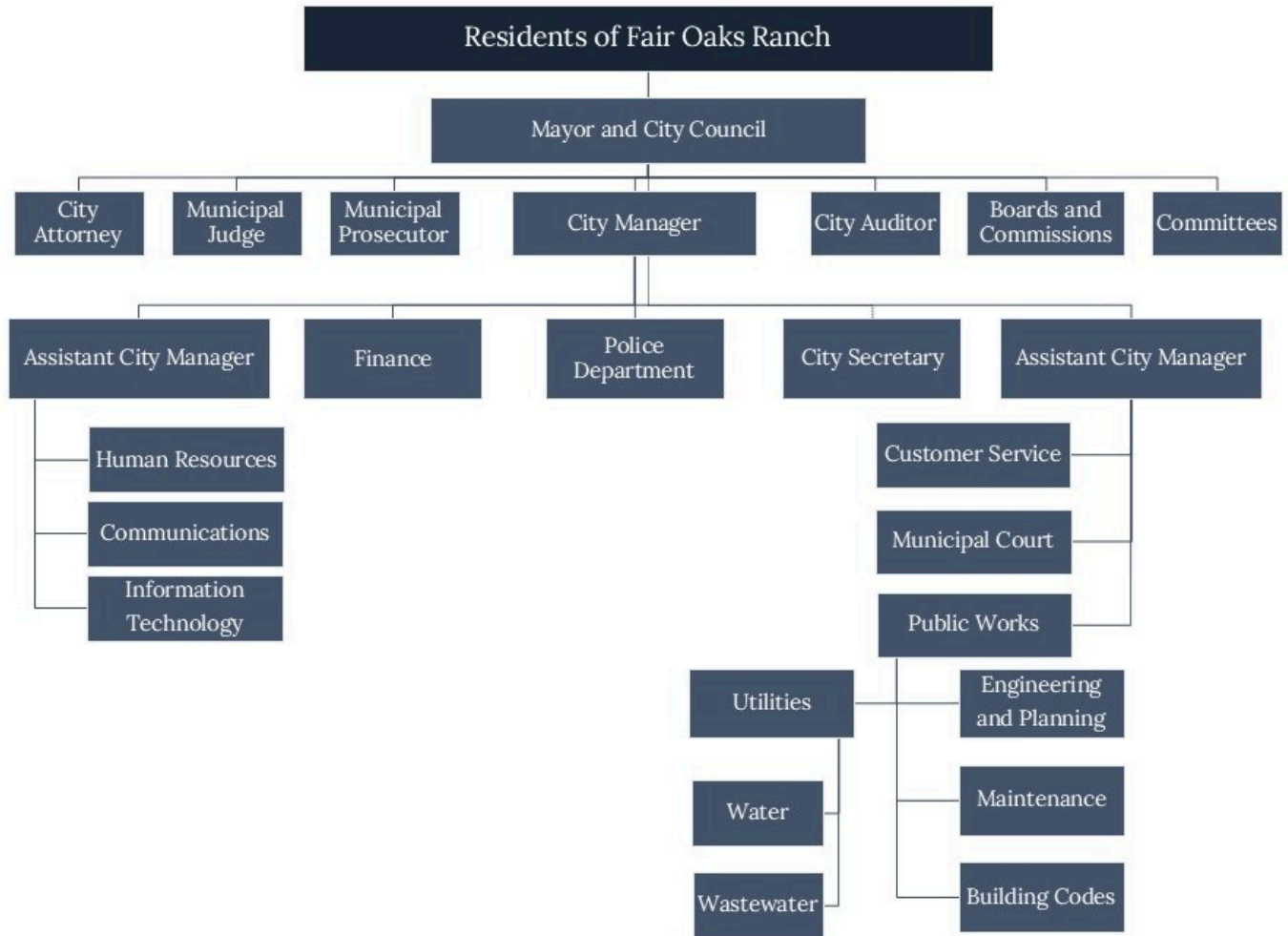
Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.



* 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 on 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.

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

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 the 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	Steven 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.

John Wall	Kyle Grothues	Jerry Arends
Eric Beilstein, Alternate		

Zoning Board of Adjustment. 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.

Roderick Terrell	Dean Gaubatz	Edward Gillespie
Jonathan Lisenby, Vice Chairperson	J.C. Taylor	
Al McDavid, Alternate	Lorraine Castillo, Alternate	

Capital Improvements Advisory Committee. The Capital Improvements Advisory Committee (CIAC) was established to comply with Section 395.058 of the 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 impact fees.

Joe DeCola	Kyle Grothues	Gary Miller
Dana Green	John Arevalos	Marcus Garcia
Ben Koerner	Jamin Kazarian	Christopher Weigand, Vice Chairperson
Council Liaison: Emily Stroup		City Liaison: Grant Watanabe

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

Keith Rhoden	Greg Maxton	Dale Pearson
Liaison: Summer Fleming		

Transportation Safety 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, reviews transportation safety issues submitted by citizens or by city staff, and provides recommendations to the City Council.

Chris Doepke, Vice Chairperson	Frank Trapasso	Al Schmidt, Chairperson
Denise Fortenberry	John Wall	Sharon Brimhall
Josh Cooke		

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. The General Fund, both Capital Projects Funds, and Vehicle/Equipment Replacement Fund are reported as major funds in the financial statement.

- **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 Vehicle/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 occurring annually, 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 occurring annually, 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 they become measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due. Encumbrances are recognized in the year of commitment since they represent a commitment of funding for goods and services. The amount of available financial resources is referred to as fund balance.

Enterprise Funds

Enterprise funds are accounted for using the full 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 exception is expenses associated with long-term obligations such as debt service payments, compensated absences, OPEB, and pension. For these items, the City budgets for the payments that are expected to be made during the fiscal year. Encumbrances are recognized in the year of commitment since it represents a commitment of funding for goods and services. The amount of available financial resources is referred to as net position.

The City's basis of budgeting is consistent with accounting principles generally accepted in the United States of America and with the City's financial statements as presented in the Annual Comprehensive Financial Report (ACFR).

Exceptions are as follows:

- Capital expenses within the enterprise funds are shown as expenses in the budget, but as assets on an accounting basis
- Depreciation of capital assets and amortization are recorded on an accounting basis only. These are not reflected in the budget document
- Principal payments on long-term debt within the enterprise funds are applied to the outstanding liability on an accounting basis, but are shown as expenses in the budget
- Compensated absences and employee pension benefits are recorded on an accounting basis only, and are not reflected in the budget
- Only revenues expected to be received during the year or soon thereafter are included in the budgeted revenue estimates
- Only amounts that will be spent or encumbered by the end of the fiscal year are recorded as expenditures in the budget
- Transfers are classified as revenues and expenditures on a budgetary basis

Budget Timeline

Apr 17	Budget Timeline Presentation
May	Staff Budget Workshops
June 5	City Council Budget Workshop
June 19	City Council Budget Workshop
July 3	City Council Budget Workshop
July 17	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 7	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 home page of 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. (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 18	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 26	Finance Director publishes <i>Notice of Public Hearing on Proposed Tax Rate</i> in the Sunday, August 31st edition of Boerne Star and posts on the City's website (Tax Code Sec. 26.06(c)) Finance Director publishes <i>Notice of Public Hearing on the Proposed Budget</i> in the Sunday, August 31st 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 15	Public Hearing for Proposed Budget and Proposed Tax Rate. Council Meeting for the First Reading of Budget and Tax Rate Ordinances is held.
September 18	Second Reading and adoption of the Budget and Tax Rate ordinances

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 (FTE).

- **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 the 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 2025-26 Annual Budget and Tax Rate (September)**
- **FY 2025-26 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.

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](#) and [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://bexar.countytaxrates.com/tax>

Budget Overview

The proposed overall budget maintains the same overall property tax rate as the prior year while focusing on:

- Improving public safety by funding crucial equipment upgrades and managing contract increases
- Continuing to invest in IT cybersecurity initiatives
- Investing in employees by implementing the findings of a compensation study to ensure that the City of Fair Oaks Ranch remains competitive
- Continuing funding for capital infrastructure projects through the issuance of Certificates of Obligation for crucial utility upgrades and construction
- Managing continued economic 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 2025-26 maintains the same total property tax rate as the prior year at \$0.2853 per \$100 of valuation. The City has managed to keep this rate stable for the upcoming year despite increasing costs of services to the City. The proposed M&O rate is \$0.25674, which is a \$0.0055 increase from the prior year. The proposed I&S rate is \$0.02856, a \$0.0055 reduction due to the leveling off of the debt service. A major focus during the budget process this year was to keep M&O expenditures as low as possible while maintaining the same service levels for residents.

Sales Tax Revenue

Sales tax revenue rose sharply in the years immediately following the pandemic, but recently the growth has stabilized. The budget includes a modest 2.2% increase over this year's budget. While sales tax revenues are not anticipated to return to pre-pandemic levels, the period of significant growth seems to have passed.

Utility Rates

In August 2025, the City Council authorized the issuance of Certificates of Obligation (CO) for the funding of critical water and wastewater infrastructure. The \$7.93 million will fund new water lines, a sewer line upgrade, and the start of construction on both an elevated water storage tank and the wastewater treatment plant expansion. In the prior year, utility debt fees were increased to cover the debt payments over the next several years. For FY 2025-26, water customers will see an increase of \$0.04 in the debt fees on their monthly bill, and wastewater customers will see a \$0.12 decrease.

Public Safety Investments

The budget for FY 2025-26 highlights the City's commitment to citizen safety and welfare through investments in new public safety equipment purchases and the replacement of two vehicles. It also addresses rising costs in essential public safety contracts and implements adjustments to the benefits and wages of the officers based on the results of the recent compensation study. These investments will help to increase retention while improving the safety and welfare of both the officers and the community they serve. Also included in the budget are targeted improvements to the city-owned fire station on FM3351, making it more habitable for first responders stationed there.

Communications Investment

In FY 2025-26, the Communications function will be removed from Human Resources and elevated to its own division reporting to Administration. This change will promote a more focused, effective and responsive engagement with residents. This budget includes funds for new software that will allow staff to practice more proactive communications by staying informed of public sentiment.

Supporting our Employees

For FY 2025-26, 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 incorporates the recommendations of the recent compensation study, positioning the City to be more competitive in the market. The budget also includes generous benefits, employee assistance programs, and dedicated training funds to provide continuing education and advancement opportunities.

Capital Improvements

Capital improvement projects represent \$9.8 million of the FY 2025-26 budget. Included are projects for roadway reconstruction, water and wastewater utility infrastructure, and storm water drainage. 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.

Economic Pressures

This budget includes increases in expenditure lines that have been most impacted by inflation and uncertainty involving tariffs; fuel, utility system components, and utility chemicals. Contract costs have also increased as third-party providers feel the effects of the economy.

On the revenue side, high 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 2025-26 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. It also provides funding for two initiatives that will strengthen the long-term planning of the City; a strategic planning refresh and a citywide facilities plan.

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

- Intentional communication strategy to inform residents and encourage their participation
- Continued priority on health and safety with updated equipment and service contracts
- Investment in employees with a redesigned compensation and benefits plan
- New equipment requests to increase efficiency and bring more work in-house
- Continued investment in IT infrastructure upgrades
- Proactive infrastructure maintenance

Utility

- Continued repair and maintenance of aging infrastructure
- New equipment requests to improve work efficiency
- Investment in employees with a redesigned compensation and benefits plan
- Continued investment in IT infrastructure upgrades

Strategic Priorities

Strategic priorities are non-operational costs for projects that support the City's overall vision and mission. The focus of the year's budget is on long-term planning initiatives.

- City Facilities Plan
- Strategic Planning Refresh

Changes from the Proposed Budget

A new position will be added to the Maintenance Department in FY 2025–26, a maintenance lead. This full-time equivalent (FTE) is part of the initiative to restructure the maintenance department into three specialized divisions: Facilities, Roadways, and Drainage. This reorganization is designed to strengthen operational focus and technical expertise, expand the capacity for in-house project delivery, and implement more proactive infrastructure maintenance practices. Collectively, these efforts will help extend the lifecycle of public assets and mitigate the need for costly major rehabilitations in the future. The budget for contractual annual street maintenance was reduced by the cost of adding the FTE, resulting in no change to the total expenditures.

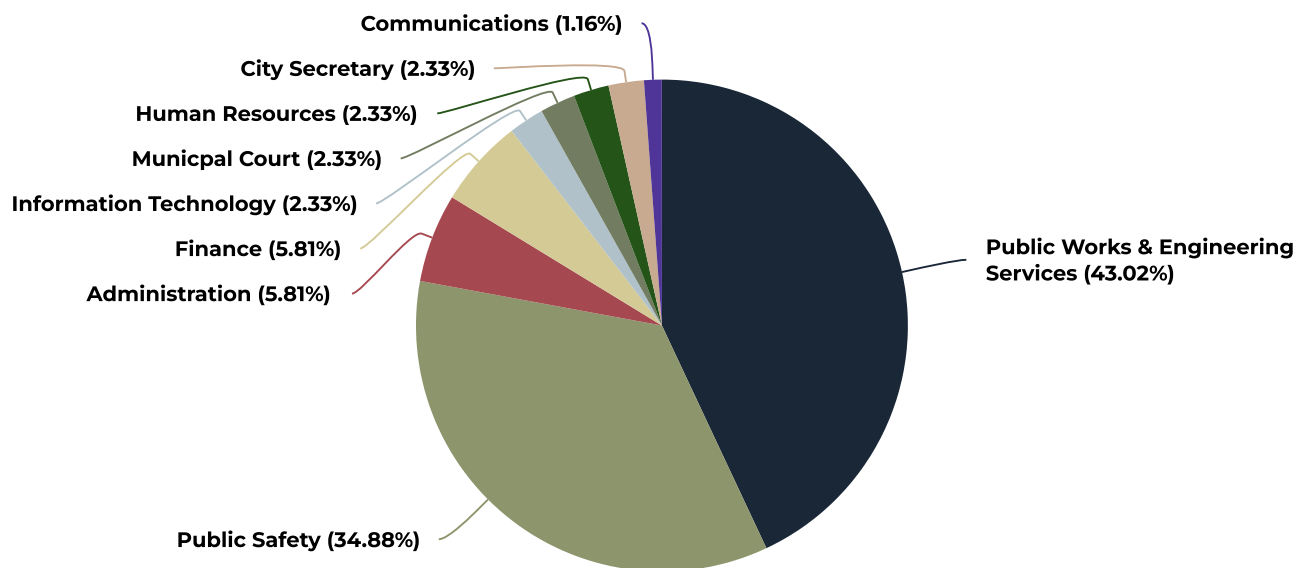
City of Fair Oaks Ranch Budgeted Staffing (FTE)

Department	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
Administration	5	5	5	5	5
Public Works & Engineering Services	31	32	34	36	37
Public Safety	28	30	30	30	30
Finance	5	5	5	5	5
Information Technology	2	2	2	2	2
Municipal Court	2	2	2	2	2
Human Resources	2	2	2	2	2
Communications	1	1	1	1	1
City Secretary	2	2	2	2	2
Total Budgeted FTE	78	81	83	85	86

For Fiscal Year 2025-26, there is one new budgeted full-time equivalent (FTE). The position of Maintenance Lead-Drainage will be added as part of a restructuring to form three dedicated service areas in the maintenance department: facilities, roadways and drainage.

There is one structural change to the organization: the Communications function has been removed from Human Resources and elevated to its own division reporting to Administration.

Full Time Equivalents (FTE) by Department

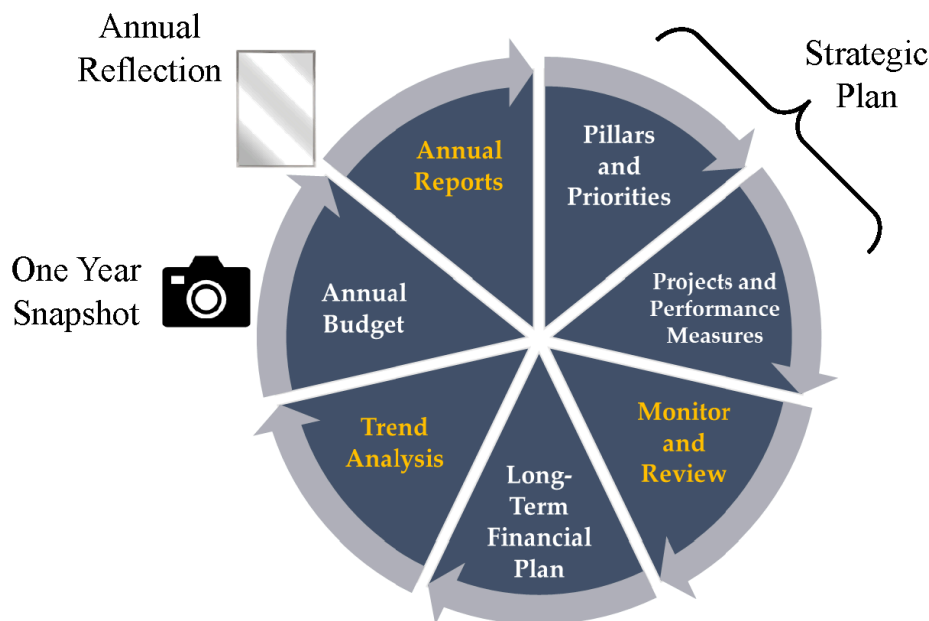


City of Fair Oaks Ranch Long-Term Planning

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. These are all living documents, meaning they will be reviewed and updated to reflect changing needs and priorities. A well-planned city is built through smart, forward-thinking investments and financial policies, providing 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."

City of Fair Oaks Ranch Circle of Life



Strategic Action Plan

A strategic plan articulates an organization's vision for the future and sets clear goals and objectives that help the organization move closer toward that vision. An effective strategic plan connects the stated priorities of the City to the annual budget, ensuring that spending reflects what matters most to the City's residents and other stakeholders. Strategic planning promotes collaboration, communication, and accountability while focusing work on a common goal.

Five (5) foundational focus areas called "Pillars" were defined, and detailed into priorities on which to focus for the next 5-7 years. The 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 Funds

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.

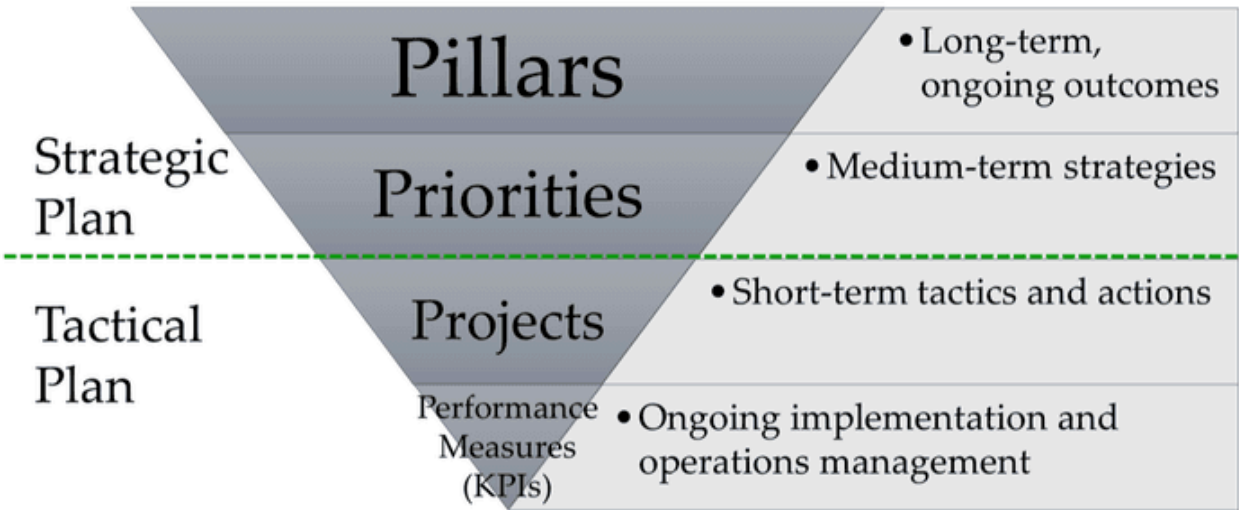
Capital and Strategic Projects coordinate directly with the Strategic Action Plan and typically qualify as non-operational, or may span over multiple budget years. Non-operational costs are typically associated with one-time projects that are not annually recurring, or meet the capitalization thresholds 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.	• 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.	• Comprehensive Plan • Infrastructure Master Plans • Mobility & Multimodal 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.	• Water Continuity • Wastewater Continuity • Drainage Continuity • Roadway Continuity • City Facility Continuity
	Public Health and Safety Ensuring the safety of the public continues to be one of the highest priorities; this means hiring and training quality first responders and working to ensure continuity of third-party-provided services.	• 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.	• 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 build-out, 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 (Council Resolution)
- 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

- 1.2.4 Develop and integrate staffing plan 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
- 1.3.5 [ADD for FY 25-26] Develop Risk Management Policy

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
- 1.4.11 Develop a long-term capital and debt financing plan

1.5 Ensure continuity and excellence of Financial Reporting Reliability

- 1.5.1 Evaluate and update fund balance and reserve policies
- 1.5.6 Review and Update Financial Management Policies

1.6 Implement Procurement Function

- 1.6.3 Implement Purchase Order Process in Incode and create Citywide SOP

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
 - Develop and implement turnkey pre-development process/development handbook (Administrative Procedures Manual)
- 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
- 2.1.12 Update Transportation Plan
- 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)
- 2.2.7 [ADD for FY 25-26] Implement Master Road Plan (CIP)

2.3 Enhance local mobility and multimodal connectivity

- 2.3.5 Institute transportation and traffic safety committees and to identify needs and opportunities

2.4 Align Strategies with alternative funding sources

- 2.4.1 Develop City Sponsored Application for Gateway Infrastructure *Contingent on MDD approval

2.5 Develop, Implement and Update Environmental Sustainability Programs

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

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

3.3 Enhance and Ensure Continuity of Reliable Drainage Improvement Initiatives

3.3.2 Design and maintain a drainage maintenance program

3.3.3 Assess the effectiveness of drainage maintenance program

3.4 Enhance and Ensure Continuity of Reliable Roadway Improvement Initiatives

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 and Space Utilization Master Plan

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

4.1.11 Establish a Police Cadet Program

4.2 Develop a Long-Term Strategy for Continuity of Fire Services

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

4.3.2 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

4.5.2 Develop and document a Continuity of Operation Plan

4.5.3 Ensure senior staff are properly certified/trained for EOC (NIMS/ICS)

4.5.5 [ADD for FY 25-26] Develop & implement Emergency Management Testing. Training & Evaluation program

4.6 Review and update Municipal Court best practices

4.6.2 Determine advantages and applicability of a court of record

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

5.2 Develop and Implement a Proactive Communication Strategy

- 5.2.7 [ADD for FY 25-26] Implement biannual community survey
- 5.2.8 [ADD for FY 25-26] Implement community polling system
- 5.2.9 [ADD for FY 25-26] Automate community sentiment & social listening
- 5.2.10 [ADD for FY 25-26] Develop Crisis Communications Plan Annex for EOP

5.3 Evaluate and Update Service Delivery Expectations and Best Practices

- 5.3.3 Develop and implement digitization program for City Records
- 5.3.3b 3rd Party scanning of City Records

5.5 Evaluate and Update IT Infrastructure, Software, and Security

- 5.5.1 Define, develop and implement core components of the IT Master Plan
- 5.5.2 Conduct IT risk analysis and vulnerability assessment
- 5.5.13 [ADD for FY 25-26] IT Master Plan Update Servers
- 5.5.14 [ADD for FY 25-26] IT Master Plan Network Update Phase 2

Long-Term Financial Plan

A long-term financial plan is crucial for the fiscal sustainability and financial health of an organization. It identifies long-term economic patterns to help the City make informed decisions about growth, investments and priorities. A financial plan also reveals financial risks — like economic downturns or unexpected expenses — and facilitates proactive planning to reduce their impact. Long-term financial planning promotes resilience, transparency and accountability in how funds are managed.

FY 2026-30 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 connects long-term policies and goals to the annual budget process by projecting revenues, expenditures and other key financial factors based on defined assumptions. It serves as a strategic tool to help staff align financial resources with the City Council's priorities, support informed decision-making, and demonstrate the City's commitment to fiscal responsibility and transparency. By anticipating trends and identifying potential challenges, the plan equips the City with the tools needed to achieve its goals while protecting fiscal health.



FIVE-YEAR FINANCIAL PLAN SCENARIOS

The model is flexible and can generate alternative scenarios by incorporating debt or policy changes, adding new programs, adjusting property tax rates and user fees, and more. During the preparation of the plan, the City Council reviewed six scenarios that included varying tax rates, capital project funding methods, operating reserve targets, and uses of fund balance. The plan was developed with Council direction from these discussions and focuses on the General Fund and Utility Fund.

GENERAL FUND - ASSUMPTIONS AND METHODOLOGY

1. General Assumptions

- a. Balance Budget - The City will pursue a balanced budget by ensuring that recurring revenues meet or exceed recurring expenditures, and when necessary, may utilize unassigned fund balance for operating support to help stabilize the tax rate.
- b. Taxable valuations increase 5% annually, estimated new properties based on prior years.

2. Operating Expenditures

- a. Personnel services - 4.5% annual increase, no new employees throughout the plan period.
- b. Service contracts and software subscriptions - increase 5% per year.
- c. Fire and EMS services - incremental increases to ensure continued service levels.
- d. Other expenditures - increase by an inflationary rate of 2%.

3. Capital Expenditures

- a. All projects identified in the City's Five-Year Capital Improvement Plan are included in the Financial Plan.
- b. Includes a standard amount of new capital equipment for Public Works and Public Safety in addition to replacing vehicles and equipment funded through the Equipment Replacement Fund.
- c. Certificates of Obligations - Achieve user-benefit equity by financing drainage capital improvement projects to spread the cost over the life of the improvement instead of placing an undue burden on present taxpayers to finance a need from which they may not fully benefit.
- d. Includes scheduled General Obligation Bond issuance for approved roadway projects.

4. **Targeted Fund Levels** - Maintain an operating reserve equal to six months of operating expenditures and transfer funds annually to the Equipment Replacement Fund for the programmatic replacement of the City's fleet.

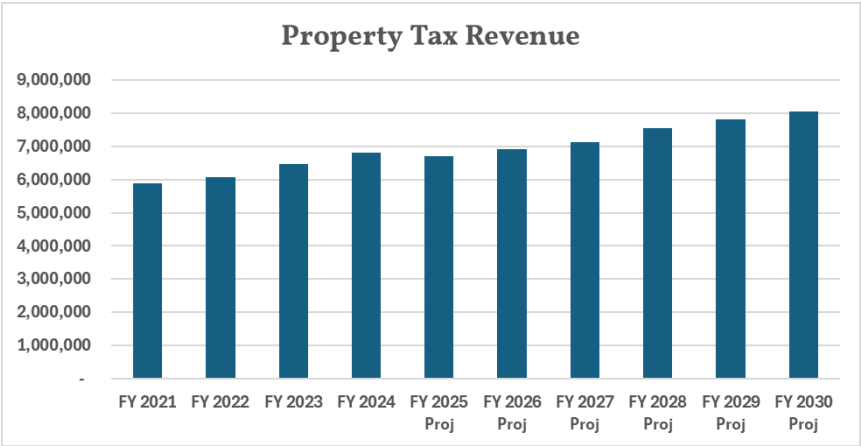
GENERAL FUND FIVE-YEAR FINANCIAL PLAN

The Five-Year Financial Plan for the General Fund consists of the following major spending areas: General Government (City Council, City Administration, City Secretary, Finance, Human Resources, Communications, Information Technology, Municipal Court), Public Safety (Police, Animal Control, Fire), Public Works (Maintenance, Building Codes, Engineering & Planning), and Shared Services.

Revenue Assumptions:

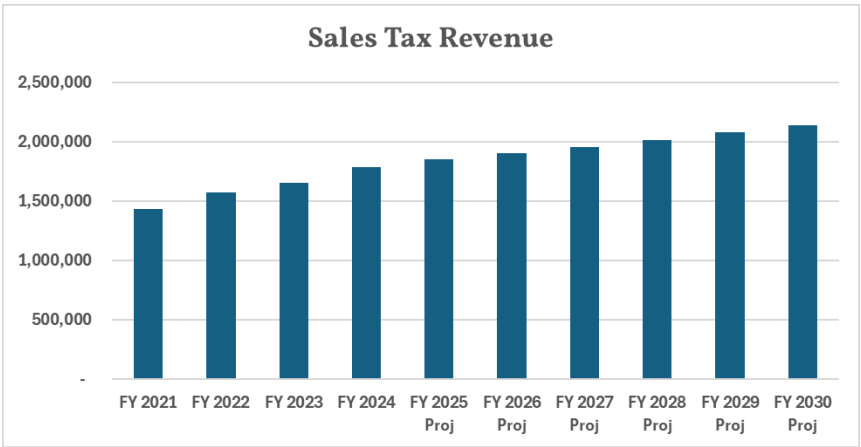
1. Property Tax

Property tax revenues account for approximately 65% of total General Fund revenue. The forecast projects annual growth of about 3.5%, with a projected increase of 6.2% in FY 2028 to help meet rising service delivery costs.



2. Sales Tax

Sales tax receipts are the second-largest revenue source in the General Fund, representing just over 17%. The plan projects sales tax receipts to increase approximately 3.0% annually over the next five years.



3. Other fees and miscellaneous revenues are conservatively projected to increase 1.5% annually.

Below is a summary of General Fund projected revenues and expenditures by program.

	2025	2025	2026	2027	2028	2029	2030
	Budgeted	Projected	Projected	Projected	Projected	Projected	Projected
Revenue							
Property Tax	6,612,107	6,697,782	6,920,610	7,125,673	7,556,131	7,803,058	8,054,451
Sales Tax	1,845,222	1,850,168	1,900,579	1,957,596	2,016,324	2,076,814	2,139,118
Other Revenues	1,757,240	1,809,071	1,764,892	1,788,651	1,812,760	1,836,310	1,861,133
Interest Earnings	450,000	500,000	405,000	344,250	309,825	278,843	250,958
Total Operating Revenue	10,664,569	10,857,021	10,991,081	11,216,170	11,695,039	11,995,024	12,305,660
Expenditures by Program							
General Government	2,362,392	2,486,174	2,596,239	2,615,108	2,728,745	2,847,584	2,971,865
Public Safety	4,255,849	4,012,139	4,553,548	4,857,752	5,302,749	5,836,257	6,180,833
Public Works	2,984,302	2,873,243	3,155,993	3,237,537	3,330,338	3,427,282	3,528,557
Shared Services	277,691	308,724	286,309	295,253	354,537	364,177	374,187
Total Operating Expenditures	9,880,234	9,680,280	10,592,088	11,005,650	11,716,370	12,475,299	13,055,442

UTILITY FUND - ASSUMPTIONS AND METHODOLOGY

The 5-Year Financial Plan for the Utility Fund consists of the following major spending areas: Water Treatment, Water Distribution, Wastewater Collections, and Wastewater Treatment.

Revenue Assumptions:

1. Water Sales
 - a. A 2% annual increase in the number of water connections.
 - b. Increase in water availability fee and volumetric rates in FY 2027 to support increasing costs of providing service.
 - c. Decrease in drought surcharges over the forecast period.
2. Sewer Sales revenue is forecasted to increase 2% relative to the similar projected increase in population.
3. Debt service related to Certificates of Obligation for prior year projects will be paid by the debt service fee calculated annually based on the debt service payment amount.
4. Capital Funding – Certificates of Obligation are scheduled to be issued in FY 2026 and FY 2027 to fund projects approved in the Utility Capital Improvement Plan. Impact fees will be utilized when applicable for projects.

Expenditure Assumptions:

1. Personnel services – 4.5% annual increase, no new employees throughout the plan period.
2. Service contracts and software subscriptions – increase 5% per year.
3. GBRA water purchase – 5% increase in costs per year.
4. Other expenditures – increase by an inflationary rate of 2% per year.
5. Capital Asset expenditures
 - a. Includes amount for new capital equipment in addition to replacing vehicles and equipment funded through the Equipment Replacement Fund.
 - b. Includes amount for replacement pumps in water wells.

Targeted Fund Levels – Operating reserve goal equal to twelve months of operating expenditures and debt reserve equal to the annual debt service payment.

Below is a summary of Utility Fund projected revenues and expenditures by utility.

	<i>2025 Budgeted</i>	<i>2025 Projected</i>	<i>2026 Projected</i>	<i>2027 Projected</i>	<i>2028 Projected</i>	<i>2029 Projected</i>	<i>2030 Projected</i>
Water Revenue							
Water Service	4,245,496	4,579,448	4,560,691	4,687,789	4,880,616	5,119,712	5,304,314
Other Revenues	51,200	59,000	60,540	61,393	62,258	63,136	64,028
Wastewater Revenue							
Sewer Service	1,712,803	1,793,704	1,808,256	1,843,498	1,879,440	1,916,101	1,953,491
Other Revenues	350	509	350	350	350	350	350
Total Operating Revenue	6,009,849	6,432,661	6,429,837	6,593,029	6,822,665	7,099,299	7,322,183
Expenditures by Utility							
Water Utility	3,914,066	3,978,688	4,060,761	4,230,522	4,407,992	4,593,537	4,787,539
Wastewater Utility	1,733,243	1,726,357	1,757,854	1,823,970	1,892,841	1,964,588	2,039,337
Total Operating Expenditures	5,647,309	5,705,045	5,818,615	6,054,492	6,300,834	6,558,125	6,826,876
Operating Income Before Depreciation	362,540	727,616	611,222	538,537	521,831	541,174	495,307

[Download the full document here](#)

Capital Improvement Plans

A capital improvement plan (CIP) is a roadmap for maintaining and improving essential infrastructure and outlining future capital needs. A CIP identifies projects along with their timelines, cost estimates, funding sources and prioritization. Approved CIPs are crucial pieces of long-term planning and work in conjunction with the strategic and long-term financial plans to ensure responsible budgeting and thoughtful growth. Capital improvement plans align major projects with the City's priorities and vision, provide transparency and accountability, promote effective resource management and aid in debt planning.

The City's current Capital Improvement Plans (CIP) were approved in 2021 and 2022. They identify and prioritize infrastructure projects that require the use of public funds over and above routine annual operating expenses, through fiscal year 2027. These plans also outline the corresponding timelines and budgets of these projects. 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. The City will be reviewing and updating these plans in the coming years to reflect the progress that has been made and to address new areas of concern.

In 2024, the City received citizen approval for a (not to exceed) \$16 million General Obligation Bond to finance four major roadway projects. Construction has been completed on the Battle Intense Roadway project, while engineering is working on the design for the remaining projects. The construction schedule for the Dietz Elkhorn project has been delayed to synchronize the timing with a water line project along the same section of the roadway. Several critical drainage projects are also budgeted for the coming years, two of which are already in progress and will continue in FY 2025-26.

On the utility side, Certificates of Obligation were issued to fund \$7.93 million of utility projects including water line rehabilitations, a crucial water plant expansion, an elevated storage tank, and wastewater treatment plan expansion. Several of these projects are currently in the design and engineering phases, and will begin construction in FY 2025-26.

The City's full CIP documents can be found here: <https://www.fairoaksranchtx.org/742/Long-Term-Planning>

Capital projects for roads and drainage can have definite impacts on the operating budget of the City, both immediate and long-term.

Key effects can include:

1. Increased operating costs for utilities and maintenance for additional maintenance requirements of new construction or major upgrades.
2. Potential cost savings from projects that focus on asset preservation or include energy-efficient upgrades.
3. Life cycle cost considerations such as the ongoing expenses for operating and maintaining new or upgraded assets throughout their lifespan.

Major capital projects budgeted in FY 2025-26 are for street reconstruction and drainage improvements. Careful planning and budgeting for these projects ensure both immediate goals and long-term financial sustainability are achieved. While the project costs for the roadways will be funded through bonds, ongoing costs resulting from these projects will impact the operating budget for several departments.

The street reconstruction projects, once complete, will bring those roadways' overall condition index up to an acceptable standard and the ongoing maintenance of the roadways will be incorporated into the annual street maintenance program in the operating budget.

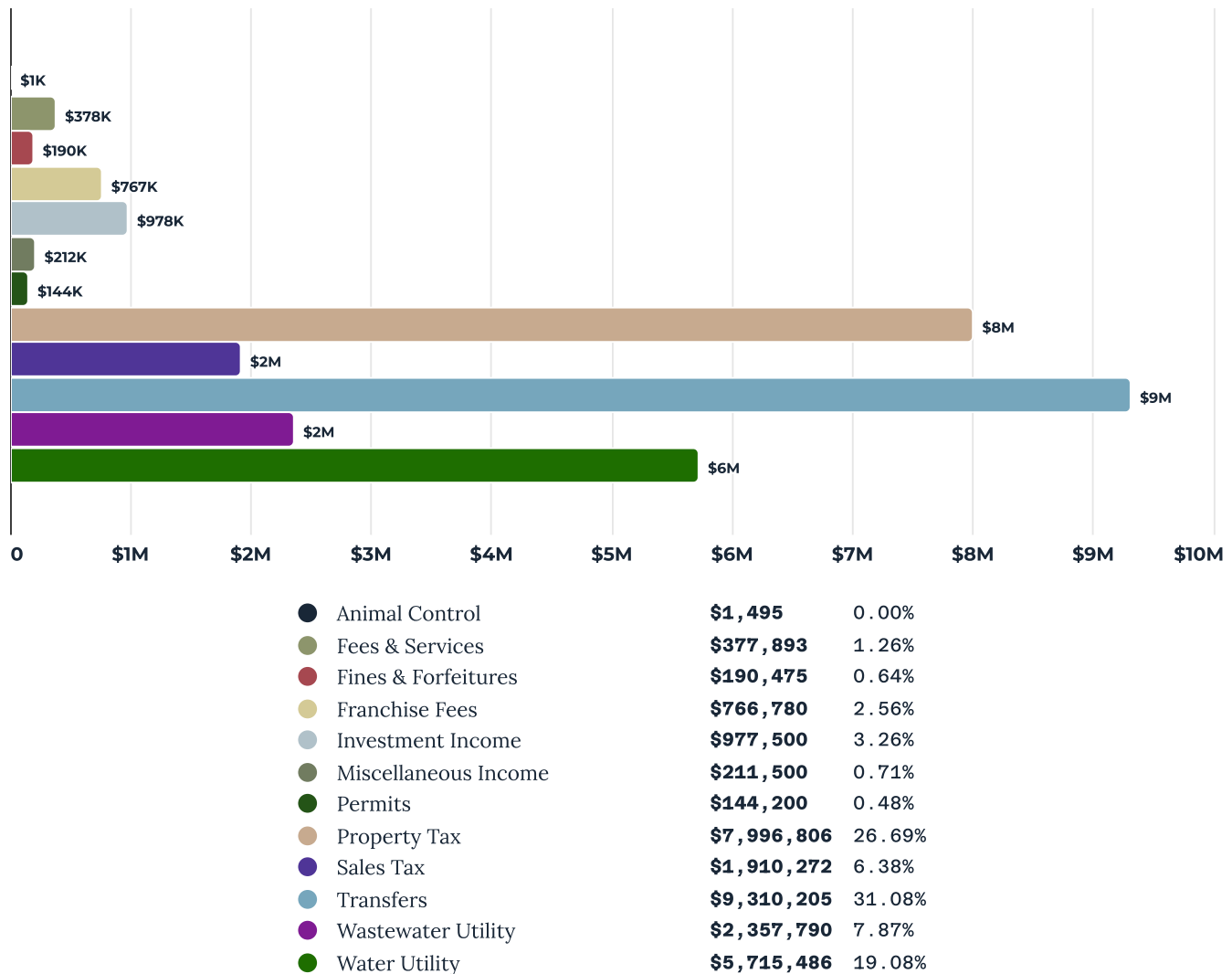
Similarly, capital projects for storm water and drainage aim to enhance the systems to prevent flooding and environmental damage, which minimizes costly emergency repairs and community safety risks. Once these projects are complete, the ongoing maintenance will be funded through the operating budget as needed.

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 — 26.7% of Total City Revenue, 63.2% of General Fund Revenue:

The largest revenue source for the General Fund is ad valorem taxes, also known as property taxes. The citizens have overwhelmingly dictated that Fair Oaks Ranch should remain a bedroom community with limited 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) 2025-26, the total property tax rate will remain the same at \$0.2853 per \$100 valuation. 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 2025 certified values increased by about 5.5% or almost \$148 million in total, compared to the 2024 certified values. The growth represents an increase in certified valuations from \$2.70 billion to \$2.84 billion. New properties added to the tax roll in 2025 total approximately \$55 million in value.

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 \$78 million for tax year 2025.

The City is estimated to receive \$7.9 million in property tax revenue for FY 2025-26, \$7.2M for M&O and \$794K for I&S. The M&O portion of the property tax revenue is increasing by 8.9% over the prior year's budget, while the I&S portion of property tax revenue is decreasing 10.8% over the prior year due to the leveling off of the debt service.

Sales and Use Tax — 6.4% of Total City Revenue, 16.8% of General Fund Revenue:

Another large revenue source for the General Fund is Sales and Use Tax. In the initial years following the pandemic, sales tax revenue increased dramatically, but in the past two years the rate of increase has leveled off. The City is projecting sales tax to increase by a modest 2.2% over last year's budgeted amount. The City is estimated to receive \$1.9 million in sales tax revenue for FY 2025-26.

Fee, Permit and Miscellaneous Revenue

Utility Revenue — 26.9% 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.

Transfers — 31.1% 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 — 2.6% 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 2025-26, the City is estimated to receive \$766,780 in franchise fees.

Permits — 0.5% 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 \$144,200 for FY 2025-26, which is a 14.3% 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 continued high interest rates.

Fees and Service Revenue — 1.3% 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 \$377,893 for fees and services in the upcoming fiscal year.

Municipal Court Fines and Fees — 0.6% of Total City Revenues:

The projection for fines and fees revenue is based on historical trends. The City estimates to collect \$190,475 in fines and fees in FY 2025-26. This projection is a decrease of 8.1% over the prior year's budget, and a 16.8% increase over FY 2024-25 projected revenues.

Interest Revenue — 3.3% of Total City Revenues:

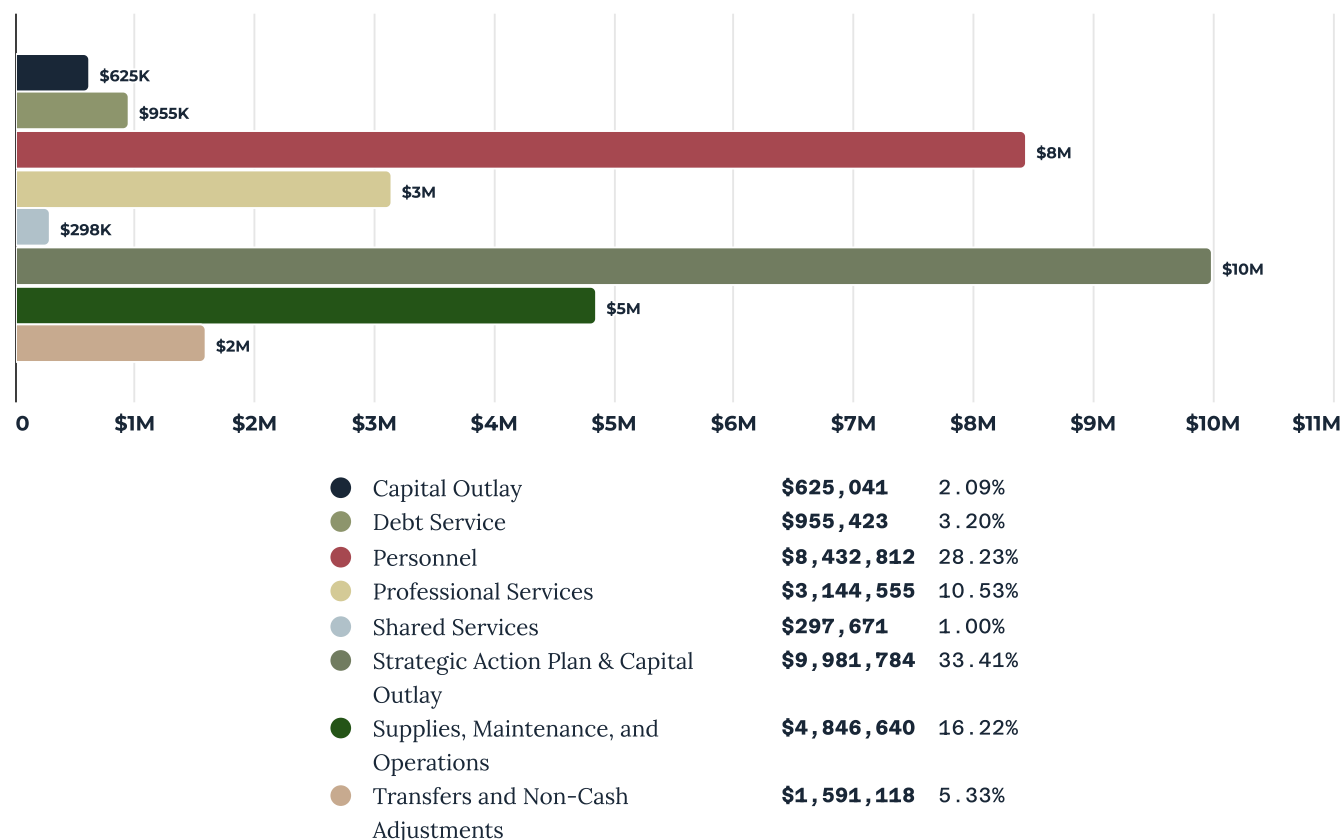
Interest revenue is a fractional part of the total revenue for FY 2025-26 and is contingent on the total available cash balance of the City throughout the year. Interest rates remain high, so the City is budgeting another year of elevated investment interest. The City estimates to receive \$977,500 in interest for the upcoming fiscal year.

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. Several professional services contracts have had greater than anticipated increases, but the City remains committed to only raising revenue enough to balance those increases.

Total City Expenditures by Category



Personnel Expenditures – 28.2% of Total City Expenditures:

Personnel expenditures include salaries, insurance, taxes, retirement, and workers' compensation for all departments. Personnel expenditures are increasing by \$71,374 from the prior year's budget. This increase is mainly due to the addition of a new FTE: Maintenance Lead-Drainage. Other changes to personnel include reduced unemployment tax rates, the reclassing of public safety uniforms from personnel to supplies, and the addition of a contra expenditure for project management costs.

Supplies, Maintenance & Operations Expenditures – 16.2% 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 by \$376,171 over the prior year. The steadily increasing costs of supplies, fuel and equipment is a contributing factor to this change, as well as the reclassing of public safety uniforms to this category from personnel. The \$100,000 manhole rehabilitation project and the \$208,355 increase in GBRA fees also fall into this expense category.

Strategic Projects & Capital Outlay – 35.5% of Total City Expenditures:

Capital outlay includes capital expenditures such as infrastructure and equipment, budgeted to be spent throughout all the funds. Strategic projects are one-time strategic initiatives that are not considered operational expenditures. This budget is seeing the largest change, increasing 42% over the prior year. This increase is attributable to new water and wastewater capital projects

scheduled for FY 2025-26. These projects total \$8.9 million; drainage, infrastructure and roadway projects total \$948,035; and new strategic initiatives total \$135,000 in this category. Vehicle and equipment purchases make up the remainder at \$625,041.

Professional Services Expenditures — 10.5% of Total City Expenditures:

Professional services expenditures include consulting expenses, legal fees, dispatch, EMS and fire services, audits, election fees, investigations, training, technology/software, and reporting costs. The budget is increasing by \$722K or 29.8% over the prior year, which includes increases in public safety dispatch and fire contracts, as well as software licenses.

Transfers and Non-Cash Adjustments — 5.3% of Total City Expenditures:

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

Debt Service Expenditures — 3.2% of Total City Expenditures:

Debt Service expenditures include the debt obligations due in FY 2025-26. The budget for debt service includes payments on the roadway GO Bond, and interest expenses for the Certificates of Obligation for the utility.

Shared Services Expenditures — 1% of Total City Expenditures:

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

FUND SUMMARIES

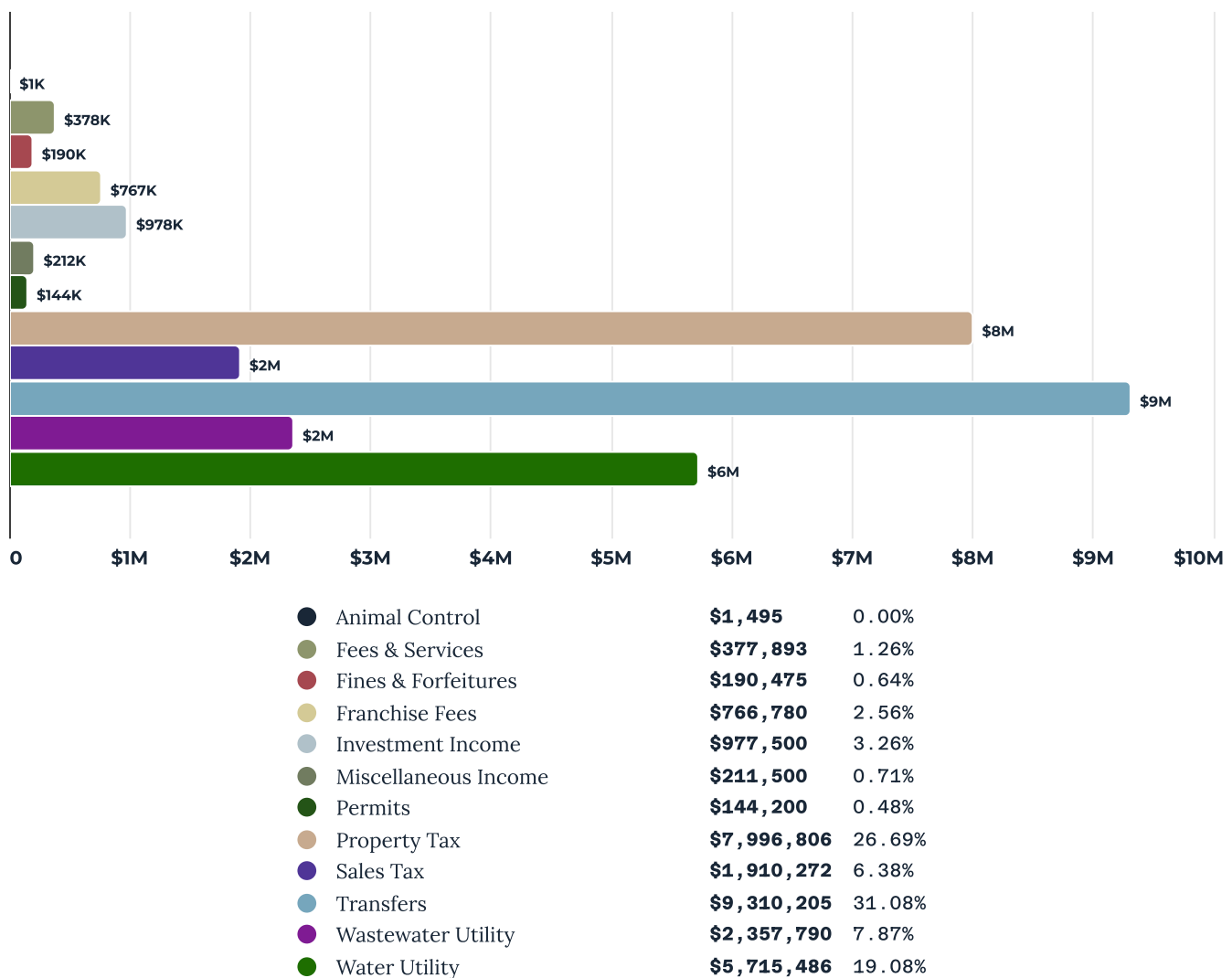


Consolidated Budget

This section includes all City funds, to provide an overall view of the finances for the City of Fair Oaks Ranch.

The City of Fair Oaks Ranch is projecting \$20.6M of revenue in FY 2025-26, which represents a 4.1% increase over the prior year. The budget also includes \$9.3M in interfund transfers, \$7.93M of which is the issuance of Certificates of Obligation in the Utility Fund. Budgeted expenditures are projected to increase by 14.3% or \$3.7M to \$29.9M in FY 2025-26.

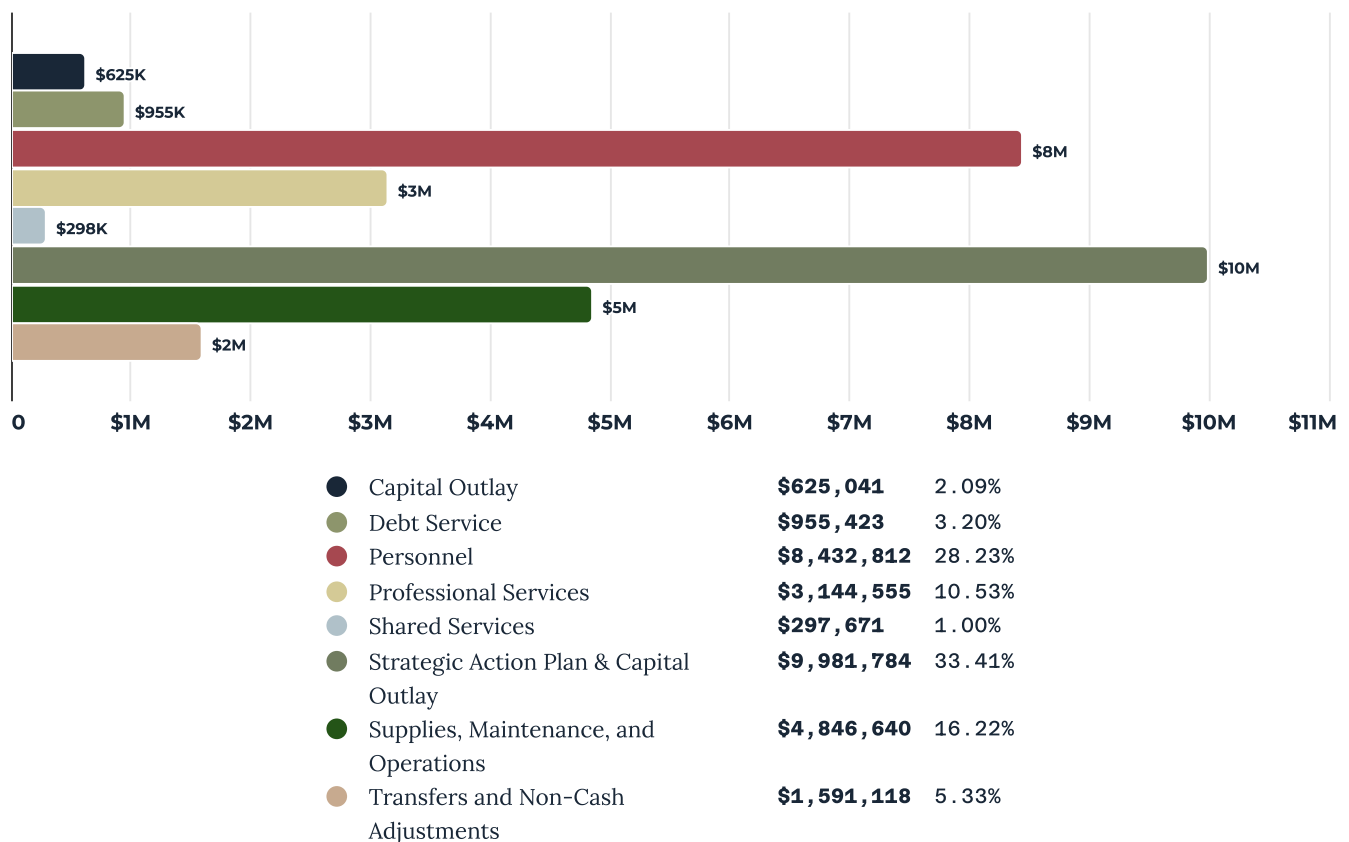
Total City Budgeted Revenues by Source



Revenues by Source

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Property Tax	\$7,376,898	\$7,508,724	\$7,616,037	\$7,996,806
Sales Tax	\$1,817,285	\$1,870,222	\$1,853,651	\$1,910,272
Investment Income	\$1,140,458	\$874,500	\$1,180,500	\$977,500
Franchise Fees	\$743,231	\$762,350	\$767,050	\$766,780
Transfers	\$2,468,685	\$5,294,258	\$5,182,943	\$9,310,205
Permits	\$232,138	\$168,200	\$179,400	\$144,200
Animal Control	\$2,384	\$1,495	\$1,895	\$1,495
Fines & Forfeitures	\$191,584	\$207,300	\$163,100	\$190,475
Miscellaneous Income	\$483,379	\$232,480	\$449,909	\$211,500
Fees & Services	\$519,220	\$360,415	\$403,610	\$377,893
Water Utility	\$5,034,819	\$5,537,585	\$5,598,728	\$5,715,486
Wastewater Utility	\$1,997,789	\$2,303,783	\$2,244,043	\$2,357,790
Other Financing Sources	\$3,731,669	\$3,585,000	\$0	\$0
Total Revenues	\$25,739,538	\$28,706,312	\$25,640,866	\$29,960,402

Total City Budgeted Expenditures by Expense Type



Expenditures by Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Personnel	\$7,449,006	\$8,361,438	\$7,769,172	\$8,432,812
Supplies, Maintenance, and Operations	\$4,206,406	\$4,470,469	\$4,512,105	\$4,846,640
Shared Services	\$197,471	\$273,591	\$261,201	\$297,671
Professional Services	\$1,975,872	\$2,422,045	\$2,470,873	\$3,144,555
Debt Service	\$818,274	\$1,045,340	\$1,135,375	\$955,423
Transfers and Non-Cash Adjustments	\$2,127,810	\$2,104,031	\$221,391	\$1,591,118
Strategic Action Plan & Capital Outlay	\$2,431,731	\$7,159,032	\$10,034,030	\$9,981,784
Capital Outlay	\$1,575,421	\$302,850	\$1,022,988	\$625,041
Total Expenditures	\$20,781,992	\$26,138,796	\$27,427,135	\$29,875,044

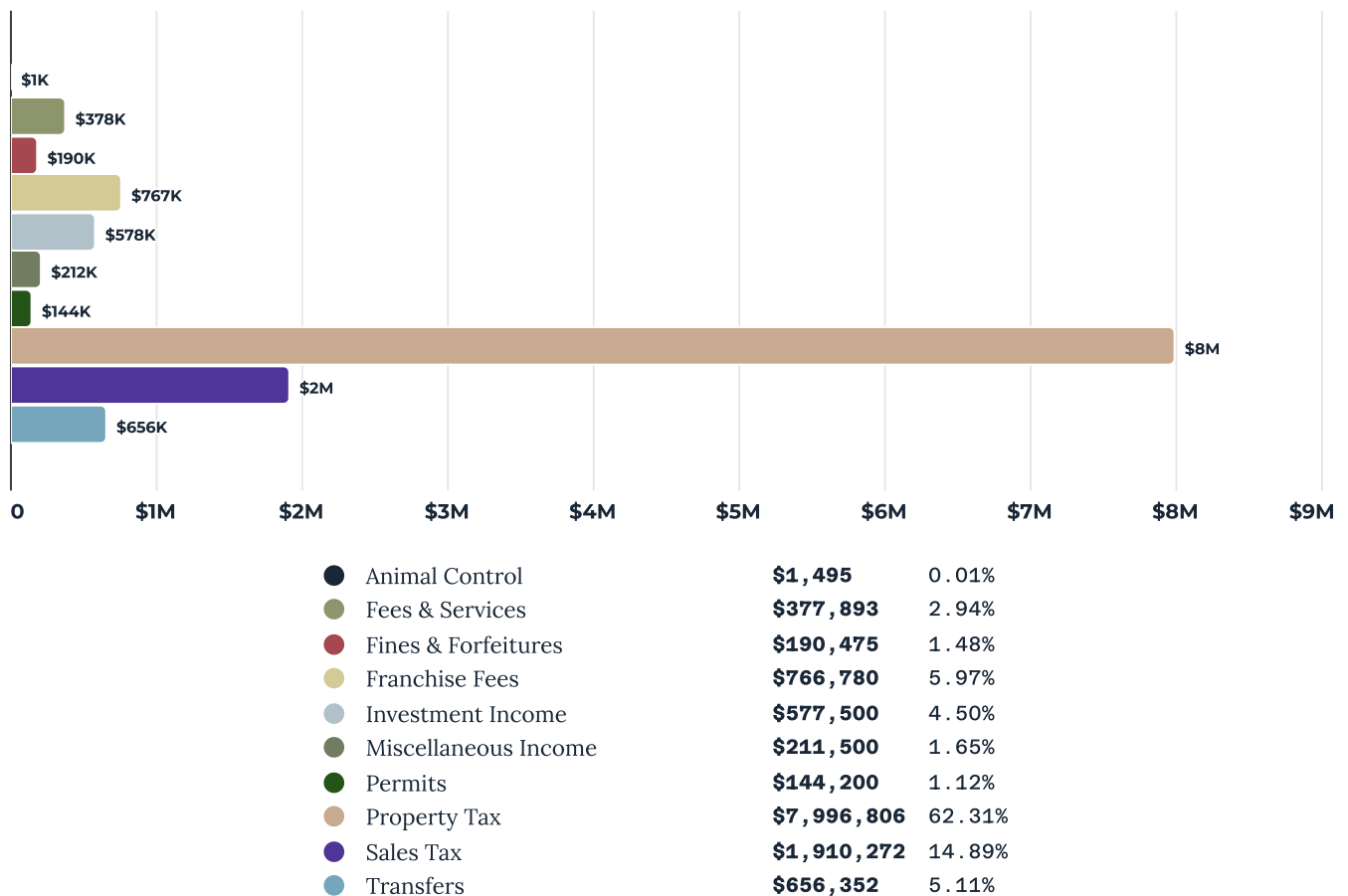


Governmental Funds

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.

The City of Fair Oaks Ranch is projecting \$11.25M in general fund revenue, \$800K in debt service revenue, \$120K in bond fund interest revenue, and \$656,352 in interfund transfers for a total of \$12.8M in revenue sources to the Governmental Funds. This is a 20.2% decrease, attributable to the bond proceeds revenue from the previous year. The largest revenue source is ad valorem taxes, which comprise 62% of the total Governmental Fund revenue. Budgeted expenditures are projected to be \$13.4M, including \$10.7M for operations and \$1.2M in capital outlay. This is a 12% decrease over the prior year, due to delayed large capital projects.

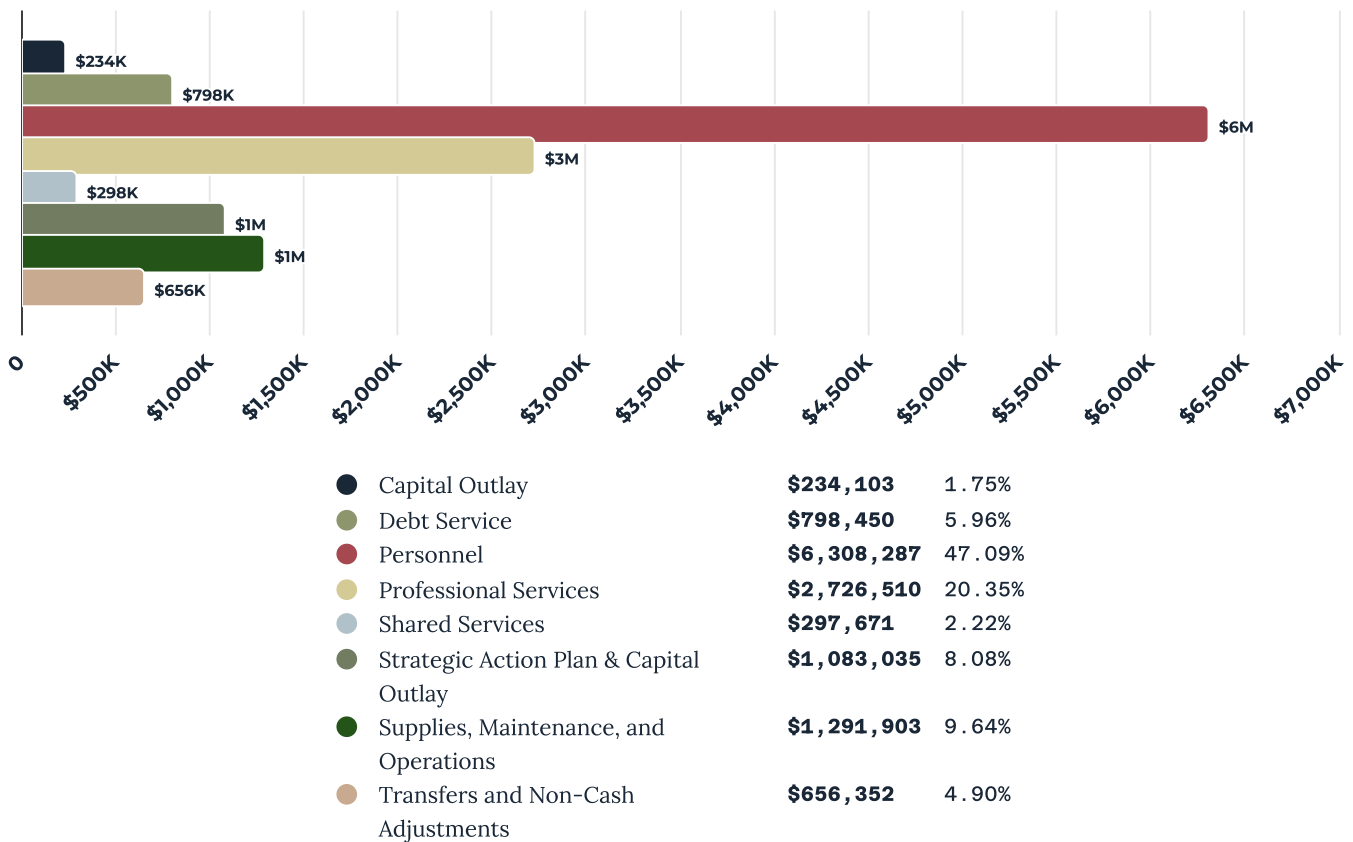
Governmental Revenue by Source



Revenues by Rev Source

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Property Tax	\$7,376,898	\$7,508,724	\$7,616,037	\$7,996,806
Sales Tax	\$1,817,285	\$1,870,222	\$1,853,651	\$1,910,272
Investment Income	\$712,804	\$474,500	\$680,500	\$577,500
Franchise Fees	\$743,231	\$762,350	\$767,050	\$766,780
Transfers	\$1,337,725	\$898,423	\$799,838	\$656,352
Permits	\$232,138	\$168,200	\$179,400	\$144,200
Animal Control	\$2,384	\$1,495	\$1,895	\$1,495
Fines & Forfeitures	\$191,584	\$207,300	\$163,100	\$190,475
Miscellaneous Income	\$519,308	\$232,480	\$449,909	\$211,500
Fees & Services	\$519,220	\$360,415	\$403,610	\$377,893
Other Financing Sources	\$3,731,669	\$3,585,000	\$0	\$0
Total Revenues	\$17,184,245	\$16,069,109	\$12,914,990	\$12,833,273

Governmental Expenditures by Expense Type



Governmental Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Personnel	\$5,509,733	\$6,247,754	\$5,743,699	\$6,308,287
Supplies, Maintenance, and Operations	\$1,162,375	\$1,305,396	\$1,356,243	\$1,291,903
Shared Services	\$862,692	\$273,591	\$261,201	\$297,671
Professional Services	\$1,793,865	\$2,053,493	\$2,122,321	\$2,726,510
Debt Service	\$672,415	\$991,265	\$991,265	\$798,450
Transfers and Non-Cash Adjustments	\$1,337,725	\$799,838	\$799,838	\$656,352
Strategic Action Plan & Capital Outlay	\$1,932,278	\$3,322,665	\$4,533,359	\$1,083,035
Capital Outlay	\$807,635	\$226,975	\$482,107	\$234,103
Total Expenditures	\$14,078,716	\$15,220,977	\$16,290,033	\$13,396,311

Changes in Governmental Fund Balance

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, 2025, is estimated to be \$11.5 million, a decrease of \$3,375,044 from the previous year's total of \$14.8 million. The decrease is attributable to the City addressing infrastructure needs as approved in the Capital Improvement Plans. The General Fund balance increased by \$400,350, \$646 of which is restricted, and \$110,000 is assigned to the operating reserve to keep the balance at 6 months of operating expenditures. The Strategic Projects Fund balance decreased by \$1.48 million due to several large drainage projects in the design and construction phases. The largest project, Tivoli Way drainage, is responsible for \$755,000 of that decrease and the combined costs for the other drainage projects total \$436,000. The Bond Capital Fund balance decreased by \$2,535,783 for construction costs on the Battle Intense and Dietz Elkhorn roadway projects and design costs for Ammann Rd. project.

The FY 2025-26 General Fund budget is balanced with revenues the same as expenditures. The Bond Capital fund will see minimal interest revenue, but \$423,555 in expenditures for roadway projects, resulting in an overall decrease in the fund balance of \$303,555. The Debt Service fund will have an increase of \$9,915 in fund balance. This is primarily due to anticipated delinquent tax and interest revenue. Revenues in the Equipment Replacement Fund will exceed expenditures, increasing the fund balance by \$226,365 in FY 2025-26. Finally, the Strategic Projects Fund will see a decrease of \$495,763 with the completion of several projects budgeted for FY 2025-26.

The Fund Balance Policy of the General Fund is to maintain at least six months of operating expenses in unrestricted reserves, and all FY 2025-26 projected balances meet City Policy.

Estimated Fund Balances Fiscal Year 2024-25

	Actual Beginning Funds 10/1/2024	Estimated Revenues and Other Sources FY 2024-25	Estimated Expenditures and Other Uses FY 2024-25	Estimated Ending Funds 9/30/2025	Estimated Change in Fund Balances FY 2024-25
Governmental Funds					
General Fund	\$7,668,789	\$11,109,059	\$10,708,709	\$8,069,139	\$400,350
Strategic Projects Fund	2,297,490	370,000	1,850,576	816,914	(1,480,576)
Equipment Replacement Fund	1,220,166	373,138	56,700	1,536,604	316,438
Debt Service Fund	104,949	915,792	991,265	29,476	(75,473)
Bond Capital Fund	3,596,650	147,000	2,682,783	1,060,867	(2,535,783)
Total	\$14,888,044	\$12,914,989	\$16,290,033	\$11,513,000	(\$3,375,044)

Projected Fund Balances Fiscal Year 2025-26

	Actual Beginning Funds 10/1/2025	Estimated Revenues and Other Sources FY 2025-26	Estimated Expenditures and Other Uses FY 2025-26	Estimated Ending Funds 9/30/2026	Estimated Change in Fund Balances FY 2025-26
Governmental Funds					
General Fund	\$8,069,139	\$11,381,691	\$11,381,961	\$8,069,139	\$-
Strategic Projects Fund	816,914	163,717	659,480	321,151	(495,763)
Equipment Replacement Fund	1,536,604	359,500	133,135	1,762,969	226,365
Debt Service Fund	29,476	808,365	798,450	39,391	9,915
Bond Capital Fund	1,060,867	120,000	423,555	757,312	(303,555)
Total	\$11,513,000	\$12,833,273	\$13,396,311	\$10,949,962	(\$563,038)



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, Information Technology, and Communications).

The City of Fair Oaks Ranch is projecting \$11.38M of revenue in FY 2025-26, which represents a 5.19% increase over the prior year. Budgeted expenditures are projected to increase by 4.9% or \$531K to \$11.38M in FY 2025-26.

General Fund Revenue by Source

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Property Tax	\$6,813,962	\$6,612,107	\$6,708,745	\$7,195,941
Sales Tax	\$1,817,285	\$1,870,222	\$1,853,651	\$1,910,272
Investment Income	\$683,555	\$450,000	\$525,000	\$450,000
Franchise Fees	\$743,231	\$762,350	\$767,050	\$766,780
Transfers	\$222,254	\$155,285	\$56,700	\$133,135
Permits	\$232,138	\$168,200	\$179,400	\$144,200
Animal Control	\$2,384	\$1,495	\$1,895	\$1,495
Fines & Forfeitures	\$191,584	\$207,300	\$163,100	\$190,475
Miscellaneous Income	\$483,379	\$232,480	\$449,909	\$211,500
Fees & Services	\$519,220	\$360,415	\$403,610	\$377,893
Total Revenues	\$11,708,991	\$10,819,854	\$11,109,060	\$11,381,691

General Fund Expenditures by Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Personnel	\$5,478,855	\$6,247,754	\$5,743,699	\$6,308,287
Supplies, Maintenance, and Operations	\$1,162,375	\$1,305,396	\$1,356,243	\$1,291,903
Shared Services	\$197,471	\$273,591	\$261,201	\$297,671
Professional Services	\$1,793,865	\$2,053,493	\$2,122,321	\$2,726,510
Debt Service	\$118,852	\$0	\$0	\$0
Transfers and Non-Cash Adjustments	\$1,115,471	\$743,138	\$743,138	\$523,217
Capital Outlay	\$807,635	\$226,975	\$482,107	\$234,103
Total Expenditures	\$10,674,524	\$10,850,347	\$10,708,709	\$11,381,691

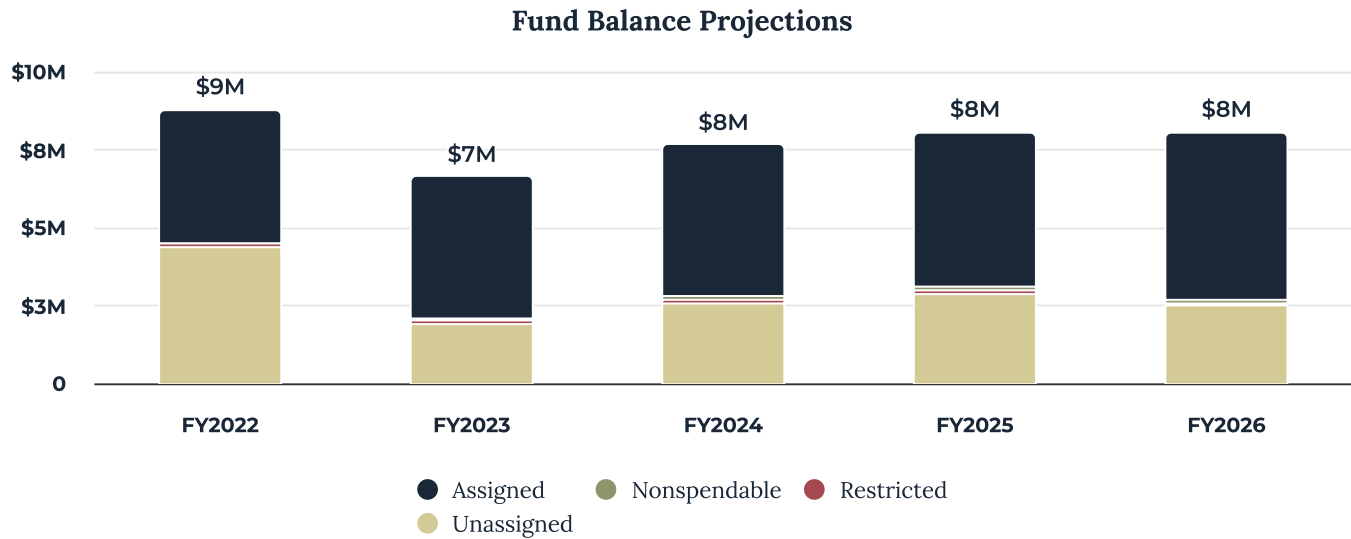
General Fund Expenditures by Department

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Mayor & Council	\$6,500	\$30,145	\$16,180	\$24,700
City Administration	\$630,873	\$715,331	\$730,021	\$744,976
Communications	\$0	\$0	\$0	\$80,157
City Secretary	\$270,071	\$295,019	\$293,099	\$323,623
Human Resources	\$255,147	\$277,823	\$242,245	\$172,317
Finance	\$338,347	\$408,207	\$411,824	\$428,980
Information Technology	\$639,353	\$450,509	\$630,321	\$462,122
Municipal Court	\$268,049	\$264,346	\$252,723	\$268,531
Public Safety & Emergency	\$4,257,037	\$4,320,850	\$4,177,561	\$5,043,194
Maintenance	\$1,094,619	\$1,069,593	\$1,129,090	\$1,126,907
Building Codes	\$267,900	\$368,910	\$359,103	\$420,558
Engineering & Planning	\$1,368,006	\$1,680,774	\$1,508,090	\$1,480,860
Non-Departmental & Shared	\$1,278,620	\$968,842	\$958,452	\$804,766
Total Expenditures	\$10,674,524	\$10,850,347	\$10,708,709	\$11,381,691

Beginning in FY 2025-26, the communications function will be removed from Human Resources and elevated to its own department. Prior to FY 2025-26, all communications expenditures were included in the Human Resources line.

Fund Balance

The fund balance for the General Fund is expected to remain the same in FY 2025-26.



Financial Summary

Fund Balance	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Unassigned	\$4,365,224	\$1,881,701	\$2,565,161	\$2,862,465	\$2,472,040
Assigned	\$4,275,321	\$4,555,321	\$4,887,720	\$4,990,119	\$5,411,269
Restricted	\$114,302	\$114,561	\$130,566	\$131,212	\$100,487
Nonspendable	\$25,328	\$77,024	\$85,344	\$85,344	\$85,344
Total Fund Balance	\$8,780,175	\$6,628,607	\$7,668,791	\$8,069,140	\$8,069,140



Governmental Strategic Projects Fund

The Strategic Projects Fund (SAP Fund) qualifies as a Capital Improvement Project Fund for the 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 drainage, master planning and general government facilities. Typically, these projects will be funded via tax revenue, or other financing methods.

The City of Fair Oaks Ranch is projecting revenue of \$163K in FY 2025-26, which represents a 55.75% decrease over the prior year's budget. Budgeted expenditures are projected to increase by 78.7% or \$290K to \$659K in FY 2025-26. These expenditures will fund a variety of investments in the City's long-term planning, as well as targeted improvements to a fire station and the completion of two drainage projects.

Revenues by Source

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Transfers	\$813,526	\$370,000	\$370,000	\$163,717
Total Revenues	\$813,526	\$370,000	\$370,000	\$163,717

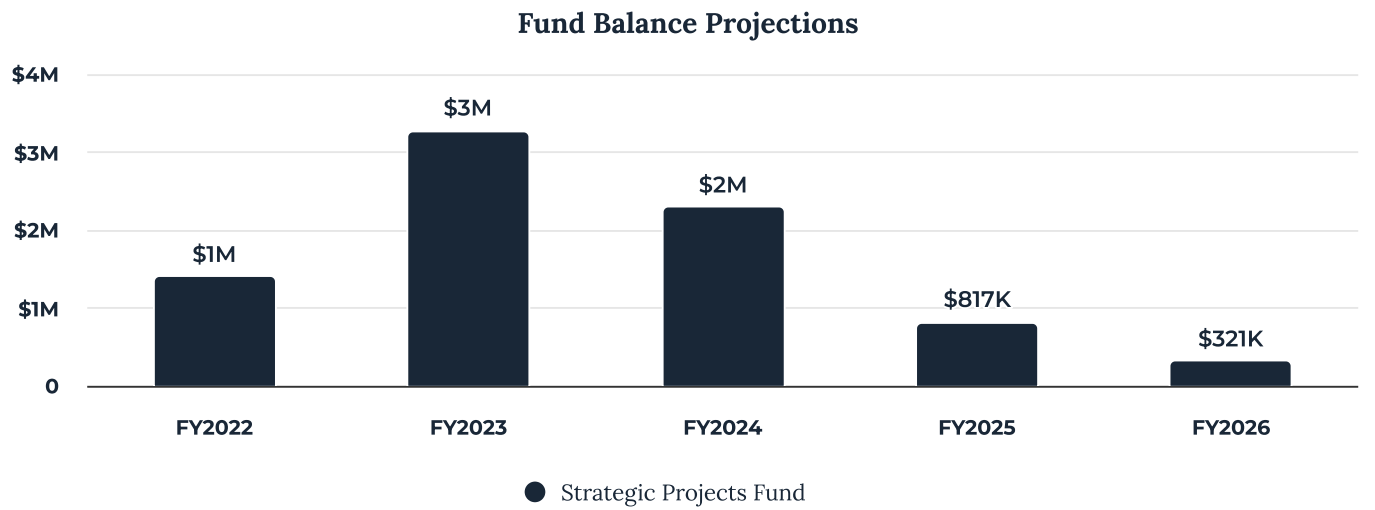
Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Strategic Action Plan & Capital Outlay				
CITY CIVIC CENTER	\$140,875	\$0	\$67,000	\$0
CITY CAMPUS OUTBUILDING RENO	\$181,581	\$0	\$58,835	\$0
CITY FACILITIES MASTER PLAN	\$0	\$0	\$0	\$100,000
ROLLING ACRES TRAIL PROJECT #5	\$0	\$0	\$222,905	\$0
TIVOLI WAY PROJECT #34	\$760,186	\$0	\$754,911	\$0
BOND DEVELOPMENT PROGRAM	\$25,874	\$0	\$0	\$0
POST OAK TRAIL	\$27,701	\$0	\$0	\$0
DIETZ ELKHORN RECONSTRUCTION	\$277,003	\$0	\$175,426	\$0
DIETZ ELKHORN SIDEWALK	\$46,998	\$0	\$7,369	\$0
CHARTWELL LANE PROJECT #35	\$238	\$0	\$64,592	\$0

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
DELTA DAWN PROJECT #15	\$238	\$0	\$0	\$0
Rolling Acres Trail #2	\$0	\$67,600	\$67,600	\$162,240
Rolling Acres Trail #4	\$0	\$67,600	\$67,600	\$162,240
Pimlico/Vestal Park #42	\$0	\$113,844	\$13,844	\$0
FIRE SERVICES PROGRAM REVIEW	\$73,775	\$0	\$0	\$0
FIRE STATION #3 UPGRADES	\$111,813	\$0	\$40,034	\$200,000
COMP & BENEFIT PLAN STUDY	\$0	\$60,000	\$30,500	\$0
EMPLOYEE HANDBOOK	\$0	\$10,000	\$5,189	\$0
COMMUNICATIONS & MKTG STRATEGY	\$42,178	\$0	\$199,840	\$0
CITY FLEET FUEL STATION	\$97,150	\$0	\$0	\$0
IT Master Plan	\$0	\$50,000	\$74,931	\$0
STRATEGIC PLANNING	\$0	\$0	\$0	\$35,000
Total Strategic Action Plan & Capital Outlay	\$1,785,609	\$369,044	\$1,850,576	\$659,480
Total Expenditures	\$1,785,609	\$369,044	\$1,850,576	\$659,480

Fund Balance

The fund balance is expected to decrease by \$495,763 or 61% in FY 2025-26. These funds are derived from an interfund transfer from the General Fund and are assigned for approved strategic and capital projects.



Financial Summary

Fund Balance	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Strategic Projects Fund	\$1,407,555	\$3,269,573	\$2,297,490	\$816,914	\$321,151
Total Fund Balance	\$1,407,555	\$3,269,573	\$2,297,490	\$816,914	\$321,151



Governmental Vehicle & 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.

The City of Fair Oaks Ranch is budgeting \$359.5K of revenue in FY 2025-26, which represents a 3.65% decrease over the prior year. Budgeted expenditures are increasing by 134.81% or \$76K to \$133K in FY 2025-26. These expenditures include the replacement of two public safety vehicles, and one truck for code compliance.

Governmental ERF Revenues by Source

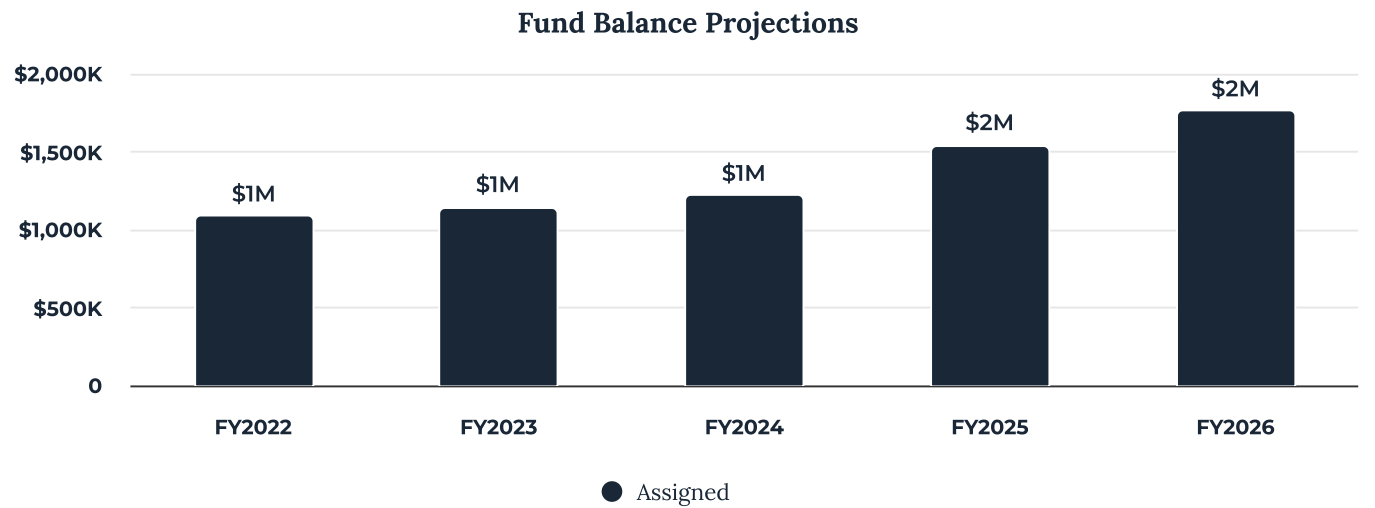
Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Transfers	\$301,945	\$373,138	\$373,138	\$359,500
Total Revenues	\$301,945	\$373,138	\$373,138	\$359,500

Governmental ERF Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Transfers and Non-Cash Adjustments				
Transfer to Other Funds	\$222,254	\$56,700	\$56,700	\$133,135
Total Transfers and Non-Cash Adjustments	\$222,254	\$56,700	\$56,700	\$133,135
Total Expenditures	\$222,254	\$56,700	\$56,700	\$133,135

Fund Balance

The fund balance is expected to increase by \$226,365 or 15% in FY 2025-26. These funds are assigned for future equipment and vehicle replacement.



Financial Summary

Fund Balance	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Assigned	\$1 , 089 , 047	\$1 , 140 , 475	\$1 , 220 , 166	\$1 , 536 , 604	\$1 , 762 , 969
Total Fund Balance	\$1 , 089 , 047	\$1 , 140 , 475	\$1 , 220 , 166	\$1 , 536 , 604	\$1 , 762 , 969



Governmental Debt Service Fund

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

The I&S rate for FY 2025-26 is \$.02856 per \$100 valuation, which is \$.0055 less than last year's rate of \$.0341 per \$100 valuation.

Debt Service Revenues by Source

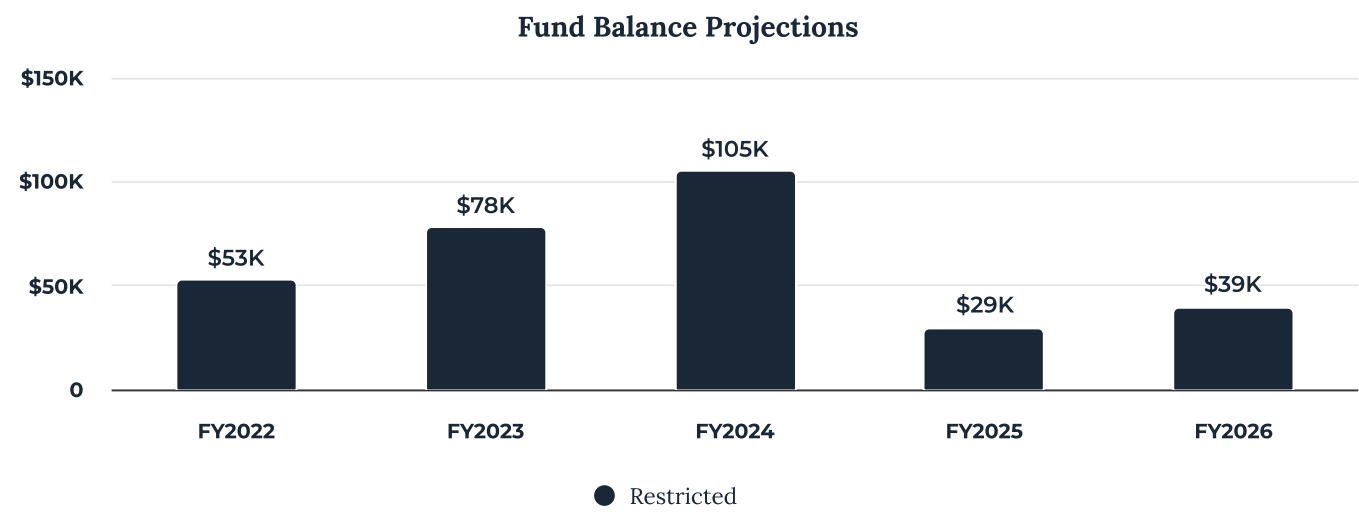
Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Property Tax	\$562,936	\$896,617	\$907,292	\$800,865
Investment Income	\$17,599	\$7,500	\$8,500	\$7,500
Total Revenues	\$580,535	\$904,117	\$915,792	\$808,365

Debt Service Expenditures by Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Debt Service	\$553,563	\$991,265	\$991,265	\$798,450
Total Expenditures	\$553,563	\$991,265	\$991,265	\$798,450

Fund Balance

The fund balance is expected to increase by \$9,915 for FY 2025-26. 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 governmental debt. The fund balance increase is mainly due to anticipated investment interest revenue.



Financial Summary

Fund Balance	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$52,658	\$77,976	\$104,949	\$29,475	\$39,390
Total Fund Balance	\$52,658	\$77,976	\$104,949	\$29,475	\$39,390



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.

The City of Fair Oaks Ranch is projecting \$120K of revenue in FY2026. There is no bond issuance in this fiscal year, so the only expected revenue will be from investment interest. Budgeted expenditures are projected to be \$423.5K for the design and engineering of two of the roadway projects.

Governmental Bond Capital Revenues by Source

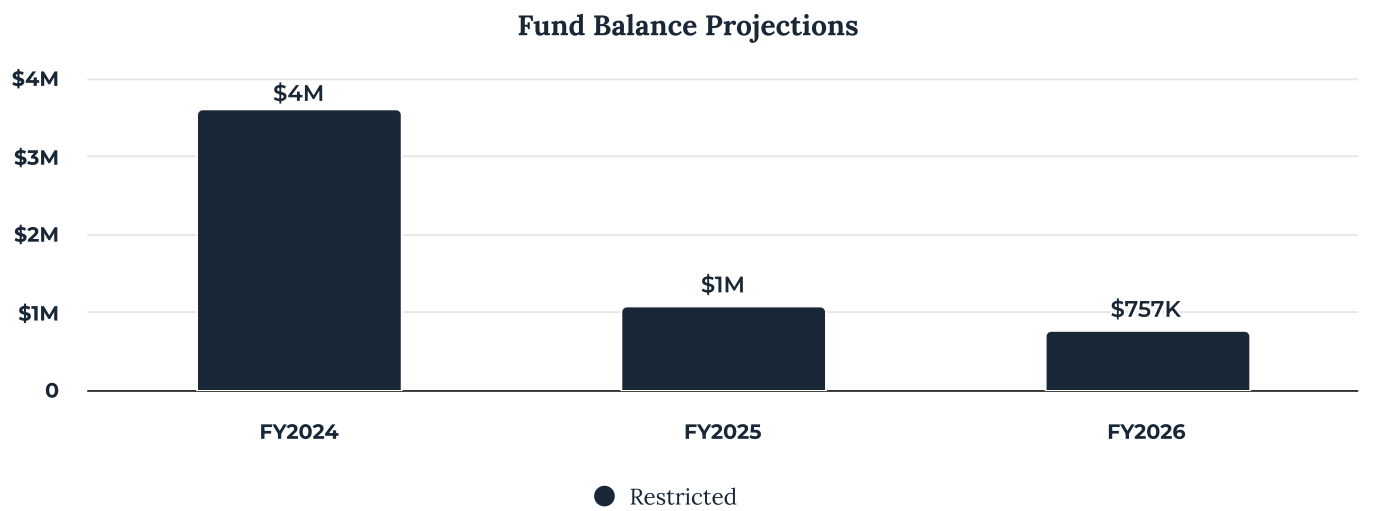
Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Investment Income				
Bank/Investment Interest	\$11,650	\$17,000	\$147,000	\$120,000
Total Investment Income	\$11,650	\$17,000	\$147,000	\$120,000
Other Financing Sources				
Bond Proceeds	\$3,550,000	\$3,585,000	-	-
Bond Premium	\$181,669	-	-	-
Total Other Financing Sources	\$3,731,669	\$3,585,000	-	-
Total Revenues	\$3,743,319	\$3,602,000	\$147,000	\$120,000

Governmental Bond Capital Expenditures by Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Strategic Action Plan & Capital Outlay				
Bond Issuance Fees	\$146,669	\$0	\$0	\$0
Dietz Elkhorn Roadway Construction	\$0	\$2,093,922	\$2,093,922	\$0
Rolling Acres Roadway Construction	\$0	\$0	\$0	\$315,000
Ammann Roadway Construction	\$0	\$439,699	\$430,000	\$108,555
Battle Intense Roadway Construction	\$0	\$420,000	\$158,861	\$0
Total Strategic Action Plan & Capital Outlay	\$146,669	\$2,953,621	\$2,682,783	\$423,555
Total Expenditures	\$146,669	\$2,953,621	\$2,682,783	\$423,555

Fund Balance

The fund balance is expected to decrease from \$1,060,867 to \$757,312, or 29% in FY 2025-26. These funds are derived from General Obligation Bond proceeds and investment interest and are restricted to the use of expenditures associated with the four approved roadway capital projects.



Financial Summary

Fund Balance	FY 2024	FY 2025	FY 2026
Restricted	\$3,596,650	\$1,060,867	\$757,312
Total Fund Balance	\$3,596,650	\$1,060,867	\$757,312



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.

The City of Fair Oaks Ranch is projecting **\$8.54M** of revenue in FY 2025-26, which represents a 3.57% increase over the prior year. Budgeted expenditures are projected to increase by 6.2% or **\$435K** to **\$7.5M** in FY 2025-26.

Projected Utility Fund Revenues by Source

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Investment Income				
WATER INTEREST INCOME	\$216,683	\$200,000	\$300,000	\$200,000
SEWER INTEREST INCOME	\$210,971	\$200,000	\$200,000	\$200,000
Total Investment Income	\$427,654	\$400,000	\$500,000	\$400,000
Transfers				
TRANSFER FROM EQUIP REP FUND	\$141,832	\$0	\$142,570	\$31,349
TRANSFER FROM EQUIP REPL FUND	\$144,833	\$0	\$0	\$31,349
Total Transfers	\$286,665	\$0	\$142,570	\$62,698
Water Utility				
WATER REVENUE RESIDENTIAL	\$3,752,222	\$3,736,048	\$3,886,048	\$3,910,769
WATER DEBT SERVICE	\$284,559	\$936,054	\$933,554	\$938,914
WATER CAPITAL	\$285,723	\$104,835	\$104,535	\$105,155
WATER REVENUE COMMERCIAL	\$147,704	\$180,094	\$150,094	\$180,094
WATER CONTRACT COMMERCIAL	\$177,354	\$177,354	\$177,354	\$177,354
WATER REVENUE NON POTABLE	\$39,986	\$74,000	\$55,000	\$74,000
WATER SERVICE CONNECT FEES	\$28,965	\$30,000	\$25,000	\$30,000
WATER PENALTIES	\$48,426	\$48,000	\$38,000	\$48,000
WATER IMPACT FEES	\$217,396	\$200,000	\$170,000	\$200,000
WATER - BAD DEBTS	-\$5,609	-\$4,000	-\$4,000	-\$4,000
MISC./SPECIAL REQUESTS	\$145	\$500	\$1,843	\$500
THIRD PARTY REIMBURSEMENT	\$963	\$3,500	\$1,000	\$3,500
PERMITS/VARIANCES	\$475	\$1,200	\$300	\$1,200
CREDIT CARD SERVICE FEE	\$56,510	\$50,000	\$60,000	\$50,000
Total Water Utility	\$5,034,819	\$5,537,585	\$5,598,728	\$5,715,486
Wastewater Utility				
SEWER REVENUE RESIDENTIAL	\$1,626,221	\$1,641,971	\$1,702,872	\$1,674,810
SEWER DEBT SERVICE	\$54,502	\$415,630	\$413,830	\$415,630
SEWER CAPITAL	\$108,764	\$0	\$0	\$0
SEWER REVENUE COMMERCIAL	\$37,120	\$37,832	\$57,832	\$59,000
SEWER SERVICE CONNECT FEE	\$18,200	\$25,000	\$10,000	\$25,000
SEWER PENALTIES	\$12,113	\$9,000	\$10,000	\$9,000
SEWER IMPACT FEES	\$141,614	\$175,000	\$50,000	\$175,000
SEWER BAD DEBT	-\$744	-\$1,000	-\$1,000	-\$1,000
MISC./SPECIAL REQUESTS	\$0	\$350	\$509	\$350
Total Wastewater Utility	\$1,997,789	\$2,303,783	\$2,244,043	\$2,357,790
Total Revenues	\$7,746,927	\$8,241,368	\$8,485,341	\$8,535,974

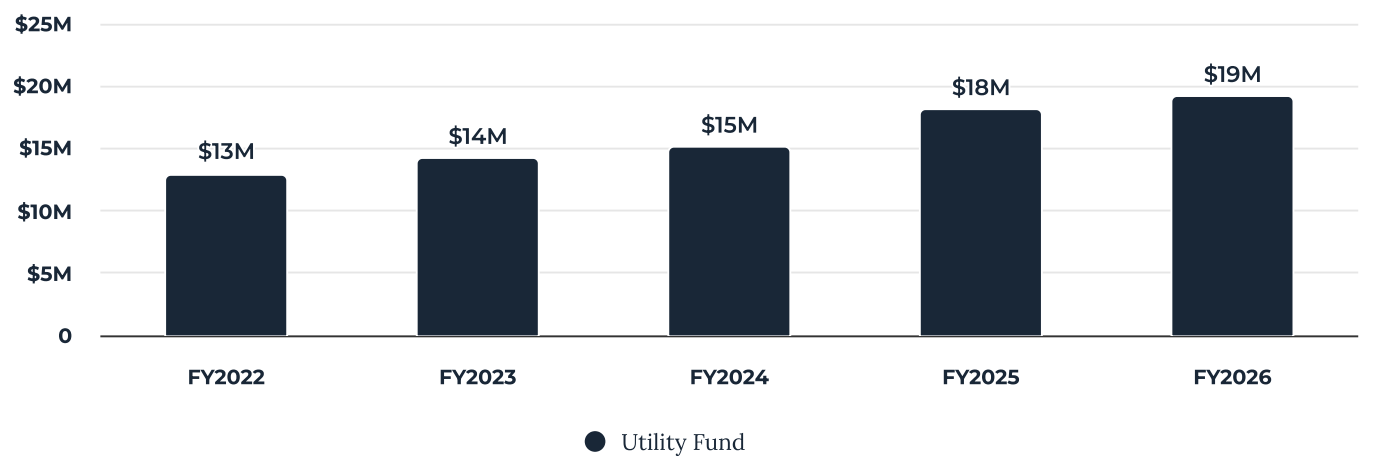
Utility Fund Budgeted Expenditures by Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Personnel	\$1,970,151	\$2,113,684	\$2,025,473	\$2,124,525
Supplies, Maintenance, and Operations	\$3,044,031	\$3,165,074	\$3,155,862	\$3,554,737
Professional Services	\$182,007	\$368,552	\$348,552	\$418,045
Debt Service	\$145,859	\$54,075	\$144,110	\$156,973
Transfers and Non-Cash Adjustments	\$503,421	\$1,304,193	-\$721,017	\$872,068
Capital Outlay	\$767,787	\$75,875	\$540,881	\$390,938
Total Expenditures	\$6,613,255	\$7,081,452	\$5,493,861	\$7,517,286

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 \$1.0M or 5.6% in FY 2025-26.

Fund Balance Projections



Financial Summary

Fund Balance	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Utility Fund	\$12,879,514	\$14,224,553	\$15,127,780	\$18,119,441	\$19,138,129
Total Fund Balance	\$12,879,514	\$14,224,553	\$15,127,780	\$18,119,441	\$19,138,129



Water Strategic and Capital Fund

The Water Strategic and Capital Project Fund is used to account for financial resources, usually through internal funding from the Utility Operations Fund and debt issuance, 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.

The City of Fair Oaks Ranch is projecting \$7.05M of revenue in FY 2025-26, which represents a 108.13% 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 121.89% or \$3.88M to \$7.07M in FY 2025-26 as the approved elevated storage tank begins construction.

Revenues by Source

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Transfers	\$503,119	\$3,389,835	\$3,359,535	\$7,055,155
Total Revenues	\$503,119	\$3,389,835	\$3,359,535	\$7,055,155

Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Strategic Action Plan & Capital Outlay				
N. ELEVATED STORAGE TOWER	\$0	\$0	\$705,462	\$4,367,901
PLANT 5 EXPANSION	\$17,214	\$1,320,800	\$1,527,229	\$0
WILLOW WIND/RED BUD HILL	\$10,702	\$879,807	\$903,974	\$0
OLD FREDERICKSBURG RD	\$4,883	\$270,400	\$599,853	\$0
ROLLING ACRES TRAIL	\$10,104	\$610,941	\$637,619	\$0
WELL 27 UPGRADES	\$30,000	\$0	\$30,000	\$0
WELL 31 UPGRADES	\$30,000	\$0	\$30,000	\$0
WELL 25 UPGRADES	\$30,000	\$0	\$30,000	\$0
WELL 28 UPGRADES	\$30,000	\$0	\$30,000	\$0
CIBOLO CREEK WATERLINE RELOCATION	\$203,537	\$0	\$36,375	\$0
Upgrade Plant 3 Electrical	\$0	\$74,419	\$74,419	\$100,000
SAWS Emergency Interconnect	\$0	\$30,000	\$59,642	\$352,340
GBRA WATERLINE	\$0	\$0	\$0	\$750,000
DIETZ ELKHORN ROAD WATERLINE	\$0	\$0	\$0	\$1,500,000
IMPACT RATE STUDY	\$0	\$0	\$35,000	\$0

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Total Strategic Action Plan & Capital Outlay	\$366,439	\$3,186,367	\$4,699,573	\$7,070,241
Total Expenditures	\$366,439	\$3,186,367	\$4,699,573	\$7,070,241

Fund Balance

The fund balance of the Water Strategic and Capital Fund is expected to decrease by 7.8% in FY 2025-26. These funds are derived from impact fees charged on new development in the water utility system as well as capital fees charged to water utility customers each month, along with debt issuance. These funds are assigned for capital improvements to the water utility system.

Fund Balance Projections



Financial Summary

Fund Balance	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Assigned	\$1,339,728	\$1,397,920	\$1,534,600	\$194,562	\$179,476
Total Fund Balance	\$1,339,728	\$1,397,920	\$1,534,600	\$194,562	\$179,476



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.

The City of Fair Oaks Ranch is projecting \$1.35M of revenue in FY 2025-26, which represents a 64.24% increase over the prior year. The large increase is attributable to the issuance of Certificates of Obligation to fund the capital wastewater treatment plant expansion project. Budgeted expenditures are projected to increase from \$650K to \$1.8M in FY 2025-26.

Revenues by Source

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Transfers	\$250,377	\$825,000	\$700,000	\$1,355,000
Total Revenues	\$250,377	\$825,000	\$700,000	\$1,355,000

Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Strategic Action Plan & Capital Outlay				
SOLIDS HANDLING & DIGESTER	-\$18,141	\$0	\$0	\$0
FUTURE WW TREATMENT PLANT	\$151,155	\$0	\$766,098	\$1,714,987
Cojak Circle Sewer Upgrade	\$0	\$650,000	\$0	\$0
DECOMMISSION FALLS LIFT STATION	\$0	\$0	\$0	\$113,521
IMPACT RATE STUDY	\$0	\$0	\$35,000	\$0
Total Strategic Action Plan & Capital Outlay	\$133,015	\$650,000	\$801,098	\$1,828,508
Total Expenditures	\$133,015	\$650,000	\$801,098	\$1,828,508

Fund Balance

The fund balance is expected to decrease by \$473,508 or 37.4% in FY 2025-26. These funds are derived from impact fees charged on new development in the wastewater utility system as well as debt issuance. These funds are assigned for capital improvements to the wastewater system.

Fund Balance Projections



Financial Summary

Fund Balance	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Assigned	\$2,257,004	\$1,250,609	\$1,367,972	\$1,266,874	\$793,366
Total Fund Balance	\$2,257,004	\$1,250,609	\$1,367,972	\$1,266,874	\$793,366



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.

The City of Fair Oaks Ranch is projecting \$181K of revenue in FY 2025-26 same as the prior year. Budgeted expenditures are projected to increase by 100% to \$62.7K in FY 2025-26, for the purchase of a replacement mini-excavator.

Utility ERF Revenues by Source

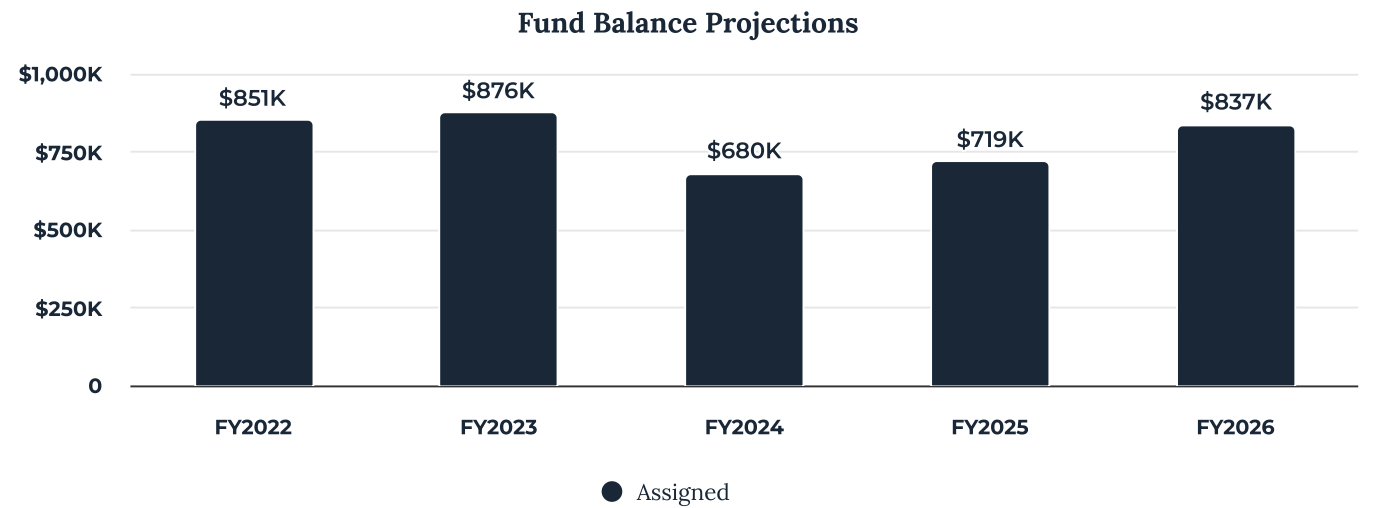
Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Transfers	\$90,799	\$181,000	\$181,000	\$181,000
Total Revenues	\$90,799	\$181,000	\$181,000	\$181,000

Utility ERF Expenditures by Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Transfers and Non-Cash Adjustments				
Transfer to Water Division	\$141,832	\$0	\$37,500	\$31,349
Transfer to Wastewater Division	\$144,833	\$0	\$105,070	\$31,349
Total Transfers and Non-Cash Adjustments	\$286,665	\$0	\$142,570	\$62,698
Total Expenditures	\$286,665	\$0	\$142,570	\$62,698

Fund Balance

The fund balance is expected to increase by \$118,302 or 16.5% in FY 2025-26. These funds are assigned for future equipment and vehicle replacement.



Financial Summary

Fund Balance	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Assigned	\$851,091	\$876,126	\$680,260	\$718,690	\$836,992
Total Fund Balance	\$851,091	\$876,126	\$680,260	\$718,690	\$836,992

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

- Named the 16th Safest City in Texas
- Retired K-9, Buddy, and welcomed K-9, Vox
- Installed Flock Camera System
- Completed the reconstruction of Battle Intense
- Installed a HALT System on Rolling Acres
- Implemented Maintenance Program for all Water Tanks
- Completed the Tivoli Way Drainage Project
- Completed the documentation for City well ownership
- Updated water agreements
- Purchase of land for elevated storage tank
- Approved Post Oak development
- Restructured Oak Bend Estates development
- Completed the agreement for the Corely Tract development
- Stood up a Traffic Safety Advisory Committee
- Constructed the City gateway feature
- Updated the Drought Contingency Plan
- Completed the UDC update
- Updated the design and content of the City website

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

Budgeted Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Supplies, Maintenance, and Operations				
UNIFORMS	\$284	\$350	\$350	\$350
COMMITTEE - COMMUNICATIONS	\$0	\$500	\$0	\$500
COMMITTEE - PLANNING & ZONING	\$248	\$500	\$0	\$500
COMMITTEE - BOARD OF ADJ	\$0	\$500	\$0	\$500
URBAN WILDLIFE	\$720	\$500	\$500	\$500
COMMITTEE - AUDIT	\$0	\$500	\$0	\$500
COMMITTEE-TRANSPORTATION SAFETY ADVISORY	\$0	\$0	\$500	\$500
Total Supplies, Maintenance, and Operations	\$1,252	\$2,850	\$1,350	\$3,350
Professional Services				
DUES/SUBSCRIPTIONS	\$2,716	\$3,245	\$3,280	\$3,300
TRAINING/SEMINARS & TRAVEL	\$0	\$7,000	\$3,500	\$7,000
MEETINGS & RELATED TRAVEL	\$2,298	\$11,800	\$5,800	\$5,800
PUBLIC RELATIONS & EVENTS	\$235	\$5,250	\$2,250	\$5,250
Total Professional Services	\$5,249	\$27,295	\$14,830	\$21,350
Total Expenditures	\$6,500	\$30,145	\$16,180	\$24,700

Administration



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, the Municipal Court, and customer service.

Assistant City Manager Jim Williams is responsible for developing the City's strategic action plan, and oversees the Information Technology, Human Resources, and Communications 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	2022-23	2023-24	2024-25	2025-26
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, ICMA-CM, City Manager



Carole Vanzant, CPM, TRMC, MMC Assistant City Manager



Jim Williams, MBA, ICMA-CM, Assistant City Manager

Operational Performance Measures

Strategic Pillar	Performance Measure	2023-24	2024-25 Projected	2025-26 Proposed
Operational Excellence	# Communications (In-Person, Calls, Emails)	30,851	27,740	28,000
Operational Excellence	# Notary Service	100	95	95

Expenditures Summary

Budgeted Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Personnel				
OVERTIME	\$142	\$123	\$123	\$124
SALARIES	\$309,218	\$453,486	\$436,522	\$470,708
TAXES - SOCIAL SECURITY	\$18,155	\$26,853	\$25,410	\$27,752
TAXES - MEDICARE	\$4,451	\$6,577	\$6,214	\$6,827
TAXES - FUTA/SUTA	\$399	\$398	\$398	\$214
WORKERS' COMP INSURANCE	\$1,260	\$982	\$853	\$942
RETIREMENT	\$38,637	\$57,858	\$56,136	\$59,866
HEALTH INSURANCE	\$22,969	\$33,434	\$37,222	\$42,007
CAR ALLOWANCE	\$7,200	\$7,200	\$7,200	\$7,200
Allowance for Vacancies	\$0	-\$6,023	\$0	-\$6,000
Total Personnel	\$402,431	\$580,888	\$570,078	\$609,640
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$513	\$850	\$850	\$650
MINOR EQUIPMENT & FURNITURE	\$1,236	\$1,250	\$1,250	\$1,200
FUEL	\$61	\$150	\$150	\$150
UNIFORMS	\$133	\$360	\$360	\$260
Total Supplies, Maintenance, and Operations	\$1,944	\$2,610	\$2,610	\$2,260
Professional Services				
PROFESSIONAL SERVICES	\$213,112	\$105,000	\$135,000	\$105,000
DUES/SUBSCRIPTIONS	\$3,330	\$4,318	\$4,318	\$5,337
TRAINING/SEMINARS & TRAVEL	\$8,181	\$16,375	\$13,875	\$16,050
MEETINGS & RELATED TRAVEL	\$1,875	\$5,840	\$3,840	\$5,615
EMPLOYEE APPRECIATION	\$0	\$300	\$300	\$300
TECH/INTERNET/SOFTWARE MAINTENANCE	\$0	\$0	\$0	\$774
Total Professional Services	\$226,499	\$131,833	\$157,333	\$133,076
Total Expenditures	\$630,873	\$715,331	\$730,021	\$744,976

City Secretary



Mission Statement/Objectives

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

Scope of Services Summary

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

Recent Accomplishments

- Received the Municipal Clerks Office Achievement of Excellence Award
- Amanda Valdez named to the General Code's 2025 Municipal Clerks Honor Roll
- Maintained a strong commitment to professional development through ongoing participation in training, workshops, and educational sessions related to municipal governance

Departmental Goals

- Continue to advance improvements to the Records Management Plan by evaluating and reorganizing electronic records, reclassifying files, managing off-site storage, eliminating duplicates, and implementing an electronic records destruction schedule
- Continue ongoing in-house and third-party digitization (OCR) of vital, historical and other necessary paper records inclusive of deteriorating as-built and plans
- Implementation of new agenda software program
- Achievement of Certified Parliamentary Accreditation for both the City Secretary and the Deputy City Secretary
- Deputy City Secretary's completion of the Texas Certified Public Manager Program

Budgeted Staffing

Title	2022-23	2023-24	2024-25	2025-26
City Secretary	1	1	1	1
Deputy City Secretary	1	1	1	1
Total Funded Staffing	2	2	2	2



From left to right: Amanda Valdez, TRMC, Deputy City Secretary, and Christina Picioccio, TRMC, City Secretary

Operational Performance Measures

Strategic Pillar	Performance Measure	2021-22	2022-23	2023-24	2024-25 Projected	2025-26 Proposed
Operational Excellence	# of Public Information Requests Processed	66	95	110	110	110
Operational Excellence	# Average Turnaround Time for PIA Requests (managed by the City)	5.6 days	6.6 days	5.54 days	6.8	5.5
Operational Excellence	# Solicitation Permits	-	-	19	50	40

Expenditures Summary

Budgeted Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Personnel				
SALARIES	\$161,133	\$167,674	\$168,722	\$175,879
TAXES - SOCIAL SECURITY	\$9,622	\$10,396	\$10,034	\$10,904
TAXES - MEDICARE	\$2,250	\$2,431	\$2,346	\$2,550
TAXES - FUTA/SUTA	\$234	\$234	\$234	\$126
WORKERS' COMP INSURANCE	\$428	\$363	\$315	\$352
RETIREMENT	\$19,807	\$21,387	\$21,449	\$22,363
HEALTH INSURANCE	\$14,928	\$18,315	\$17,630	\$22,268
Total Personnel	\$208,402	\$220,800	\$220,730	\$234,442
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$953	\$950	\$950	\$850
MINOR EQUIPMENT & FURNITURE	\$1,175	\$200	\$200	\$200
UNIFORMS	\$100	\$100	\$100	\$100
Total Supplies, Maintenance, and Operations	\$2,229	\$1,250	\$1,250	\$1,150
Professional Services				
PROFESSIONAL SERVICES	\$4,038	\$11,039	\$8,539	\$21,538
DUES/SUBSCRIPTIONS	\$803	\$1,000	\$1,000	\$1,060
TRAINING/SEMINARS & TRAVEL	\$5,421	\$6,400	\$6,400	\$8,485
MEETINGS & RELATED TRAVEL	\$325	\$1,500	\$800	\$1,548
ELECTIONS	\$32,687	\$32,000	\$32,000	\$32,000
EMPLOYEE APPRECIATION	\$0	\$100	\$100	\$100
RECORDING / REPORTING	\$12,037	\$10,000	\$10,000	\$10,000
TECH/INTERNET/SOFTWARE MAINTENANCE	\$4,128	\$10,930	\$12,280	\$13,300
Total Professional Services	\$59,440	\$72,969	\$71,119	\$88,031
Total Expenditures	\$270,071	\$295,019	\$293,099	\$323,623

Human Resources



Mission Statement/Objectives

The Human Resources Department is dedicated to attracting, developing, and retaining a high-performing, diverse workforce committed to delivering exceptional services to the citizens of Fair Oaks Ranch. We strive to foster a supportive work environment that promotes professional growth, operational excellence, and organizational integrity.

Scope of Services Summary

The Human Resources Department provides comprehensive support throughout the full employee lifecycle, from recruitment and onboarding to performance management and separation. Key responsibilities include:

- Collaborating with departments on strategic workforce planning, staffing, and organizational development
- Administering compensation, classification, and benefits programs
- Leading policy development and ensuring compliance with federal, state, and local employment laws
- Supporting employee relations, training and development, and performance evaluation initiatives
- Managing personnel records and overseeing employee recognition programs
- Serving as a strategic liaison between management and staff to promote effective communication and workplace alignment

Risk Management:

Human Resources also coordinates the City's workers' compensation program in partnership with the Texas Municipal Intergovernmental Risk Pool (TMLIRP). Core responsibilities include:

- Promoting safe work practices and coordinating citywide safety training
- Supporting departments in developing and maintaining safety protocols and procedures
- Managing workers' compensation claims from initial report through resolution
- Ensuring timely and accurate documentation, reporting, and file maintenance related to all claims

Recent Accomplishments

- Conducted a citywide Compensation & Benefits Study, resulting in City Council's adoption of a new pay structure aligned with the strategic goals of the City.
- Transitioned employee health coverage to Cigna, improving plan options, reducing costs, and expanding wellness resources.
- Developed and implemented the City's first ever Police Cadet program, increasing recruitment and filling critical vacancies.
- Launched a new online benefits enrollment platform, streamlining Open Enrollment and improving real-time tracking and employee self-service.
- Maintained an annualized vacancy rate of under 9%, supporting strategic recruitment for key roles across the organization.
- Implemented a modern Applicant Tracking System (ATS) to streamline hiring workflows and enhance the candidate experience.
- Expanded employee retirement benefits by introducing a Roth 457(b) option and loan provision to enhance flexibility and support long-term financial planning.
- Coordinated the annual performance evaluation cycle, with updated templates, supervisor training, and improved calibration.
- Achieved over 80% participation in the annual Employee Engagement Survey, using results to inform ongoing workplace strategies.

- Expanded internal use of SharePoint to centralize employee wellness tools, resources, leadership training webinars, and recognition programs.
- Updated and issued revised Employee Handbook policies to reflect current laws, best practices, and internal standards.
- Texas Municipal Human Resources Association (TMHRA) Lone or Almost Lone Ranger of the Year award recipient Joanna Merrill, PSHRA-SCP.
- Introduced a monthly staff newsletter to improve communication, resource awareness, and organizational transparency.
- Enhanced leadership development by launching targeted training programs for supervisors and managers through the Texas Municipal League (TML) to strengthen core leadership skills, compliance knowledge, and team effectiveness.

Budgeted Staffing

Title	2022-23	2023-24	2024-25	2025-26
Director of Human Resources	1	1	1	1
HR Generalist	1	1	1	1
Multimedia Communications Officer	1	1	1	*0
Total Funded Staffing	3	3	3	2

*Communications is a standalone department beginning FY 2025-26



From left to right: Joanna Merrill, PSHRA-SCP, Director of Human Resources and Jennifer Hudson, MA, PSHRA-CP, Human Resources Generalist

Department Goals

- **Develop and launch a formal onboarding program** to ensure consistent orientation, improve new hire engagement, and accelerate integration into the City's culture, values, and operational expectations.
- **Enhance personnel records management** by implementing standardized digital filing protocols and audit-ready documentation practices to improve accessibility, compliance, and operational efficiency.
- **Develop a long-term staffing plan** in collaboration with department leaders to anticipate future workforce needs, address succession planning, and align staffing strategies with projected service demands and City growth.

Operational Performance Measures

Strategic Pillar	Performance Measure	2021-22	2022-23	2023-24	2024-25 Projected	2025-26 Proposed
Operational Excellence	# of Separations/Hires	11/16	15/15	22/20	19/8	5/5
Operational Excellence	Average Annual Retention Rate	87.6%	91.05%	90%	91.42%	90%
Operational Excellence	Annualized Turnover Rate	-	-	29.6%	10.45%	10%

Expenditures Summary

Budgeted Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Personnel				
SALARIES	\$133,344	\$136,408	\$136,941	\$104,615
TAXES - SOCIAL SECURITY	\$7,895	\$8,457	\$8,190	\$6,486
TAXES - MEDICARE	\$1,847	\$1,978	\$1,916	\$1,517
TAXES - FUTA/SUTA	\$176	\$176	\$176	\$63
WORKERS' COMP INSURANCE	\$346	\$295	\$256	\$209
RETIREMENT	\$16,380	\$17,399	\$17,410	\$13,302
HEALTH INSURANCE	\$9,236	\$10,998	\$10,321	\$6,636
Total Personnel	\$169,222	\$175,711	\$175,210	\$132,828
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$1,774	\$1,700	\$1,700	\$1,550
MINOR EQUIPMENT & FURNITURE	\$1,755	\$1,600	\$1,600	\$1,200
UNIFORMS	\$118	\$150	\$150	\$100
Total Supplies, Maintenance, and Operations	\$3,647	\$3,450	\$3,450	\$2,850
Professional Services				
PROFESSIONAL SERVICES	\$540	\$1,625	\$1,858	\$7,675
DUES/SUBSCRIPTIONS	\$4,755	\$2,175	\$2,175	\$1,454
TRAINING/SEMINARS & TRAVEL	\$11,343	\$10,775	\$9,275	\$7,300
MEETINGS & RELATED TRAVEL	\$296	\$1,000	\$1,000	\$1,050
PUBLIC RELATIONS & EVENTS	\$43,551	\$51,250	\$8,550	\$0
EMPLOYEE APPRECIATION	\$11,839	\$11,260	\$11,260	\$11,855
EMPLOYMENT COSTS	\$2,795	\$2,675	\$9,675	\$2,675
TECH/INTERNET/SOFTWARE MAINTENANCE	\$7,160	\$17,902	\$19,792	\$4,630
Total Professional Services	\$82,279	\$98,662	\$63,585	\$36,639
Total Expenditures	\$255,147	\$277,823	\$242,245	\$172,317

Beginning in FY 2025-26, the communications function will be removed from Human Resources and elevated to its own department. All communications expenditures for FY 2025-26 will be in a separate Communications Department.

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 the Strategic Action Plan, and the Five-Year Financial 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 the Government Finance Officers Association (GFOA) Award for Excellence in Financial Reporting for the FY2023 Annual Comprehensive Financial Report and the GFOA Distinguished Budget Presentation Award for the City's FY2025 Budget
- Received the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for the FY2023 Popular Annual Financial Report
- Named a GFOA Triple Crown winner for FY 2021, 2022 and 2023
- Received the GTOT Certificate of Distinction for the City's updated investment policy
- Received an unmodified (clean) opinion from independent auditing firm BrooksWatson & Co. for the FY 2023-24 financial statements. This highest level of assurance reflects the Finance Department's accuracy, transparency, and adherence to generally accepted accounting principles (GAAP), reinforcing public confidence in the City's financial stewardship
- Received a AA+ credit rating with a stable outlook for the City's 2025 Certificates of Obligation, recognizing the City's strong fiscal management, sound financial policies, and commitment to long-term sustainability
- Launched a new internal audit program to enhance transparency, strengthen internal controls, and ensure compliance with financial policies and procedures
- Added a long-term planning page to the City website to highlight the strategic plan, five-year financial plan and capital improvement plans
- Developed a comprehensive utility rate analysis tool that supports Council decision-making by identifying when future rate adjustments may be necessary
- Successfully applied for and secured grant funds for the third consecutive year through the Local Governments Disproportionately Affected by Property Tax Relief for Disabled Veterans program. These funds help offset the revenue impact of property tax exemptions, providing continued financial support without reducing services to the community

Budgeted Staffing

Title	2022-23	2023-24	2024-25	2025-26
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, CGFO, Director of Finance



From left to right: Andrea Cervantes, Payroll and A/P Specialist, Keeley Burnett, Accountant 1, and Julie Lovelace, CGFO, Accounting Manager



Clayton Hoelscher, Procurement Manager

Department 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
- Expand investment strategies to increase returns while mitigating risk

Operational Performance Measures

Strategic Pillar	Performance Measure	2021-22	2022-23	2023-24	2024-25 Projected	2025-26 Proposed
Financial Resilience and Responsibility	# of Invoices Processed	2,090	2,599	2,598	2,392	2,400
Financial Resilience and Responsibility	# Months in GF Operating Reserve	6.4	6.3	5.9	6.0	6.0
Financial Resilience and Responsibility	# Purchases w/Competitive Requirements	46	77	67	60	60
Financial Resilience and Responsibility	Payments by a method other than check/total disbursements*	-	-	689/1438	769/1408	800/1400
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	Yes

Expenditures Summary

Budgeted Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Personnel				
OVERTIME	\$22	\$163	\$163	\$166
SALARIES	\$187,971	\$217,318	\$218,078	\$227,162
TAXES - SOCIAL SECURITY	\$10,794	\$13,484	\$12,752	\$14,094
TAXES - MEDICARE	\$2,524	\$3,153	\$2,983	\$3,296
TAXES - FUTA/SUTA	\$293	\$293	\$293	\$158
WORKERS' COMP INSURANCE	\$580	\$470	\$408	\$455
RETIREMENT	\$23,024	\$27,740	\$27,762	\$28,905
HEALTH INSURANCE	\$26,552	\$35,063	\$32,769	\$32,471
Total Personnel	\$251,761	\$297,684	\$295,208	\$306,707
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$1,206	\$1,300	\$1,300	\$1,300
MINOR EQUIPMENT & FURNITURE	\$286	\$500	\$500	\$500
UNIFORMS	\$106	\$250	\$250	\$250
Total Supplies, Maintenance, and Operations	\$1,598	\$2,050	\$2,050	\$2,050
Professional Services				
PROFESSIONAL SERVICES	\$79,202	\$90,785	\$96,785	\$102,210
DUES/SUBSCRIPTIONS	\$573	\$605	\$605	\$615
TRAINING/SEMINARS & TRAVEL	\$4,558	\$6,350	\$5,350	\$5,100
MEETINGS & RELATED TRAVEL	\$32	\$400	\$400	\$400
EMPLOYEE APPRECIATION	\$324	\$250	\$250	\$250
TECH/INTERNET/SOFTWARE MAINTENANCE	\$299	\$10,083	\$11,176	\$11,648
Total Professional Services	\$84,988	\$108,473	\$114,566	\$120,223
Total Expenditures	\$338,347	\$408,207	\$411,824	\$428,980

Information Technology



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

- Contracted with a 3rd party to create an IT Master Plan
- Awarded a cybersecurity grant from the Texas Public Safety Office

Budgeted Staffing

Title	2022-23	2023-24	2024-25	2025-26
IT Manager	1	1	1	1
IT Technician	1	1	1	1
Total Funded Staffing	2	2	2	2



From left to right: Jason MacDonald, IT Network Specialist, and Brian LeJeune, IT Manager

Department 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	2021-22	2022-23	2023-24	2024-25 Projected	2025-26 Proposed
Operational Excellence	# of Workstations Installed	21	10	5	15	20
Operational Excellence	# IT Tickets Resolved	750	756	820	635	650

Expenditures Summary

Budgeted Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Personnel				
SALARIES	\$91,519	\$95,350	\$94,525	\$98,506
TAXES - SOCIAL SECURITY	\$5,250	\$5,912	\$5,492	\$6,107
TAXES - MEDICARE	\$1,228	\$1,383	\$1,284	\$1,428
TAXES - FUTA/SUTA	\$117	\$117	\$117	\$63
WORKERS' COMP INSURANCE	\$243	\$206	\$179	\$197
RETIREMENT	\$11,254	\$12,162	\$12,017	\$12,525

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
HEALTH INSURANCE	\$12,840	\$15,083	\$11,098	\$10,584
Total Personnel	\$122,451	\$130,213	\$124,712	\$129,410
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$142	\$200	\$200	\$200
MINOR EQUIPMENT & FURNITURE	\$1,927	\$200	\$200	\$200
UNIFORMS	\$0	\$100	\$100	\$100
Total Supplies, Maintenance, and Operations	\$2,070	\$500	\$500	\$500
Shared Services				
FACILITY CONTRACTS & SERVICES	\$3,147	\$18,991	\$18,991	\$18,991
PHONE/CABLE/ALARMS	\$35,985	\$32,996	\$32,996	\$46,531
Total Shared Services	\$39,132	\$51,987	\$51,987	\$65,522
Professional Services				
PROFESSIONAL SERVICES	\$440	\$2,000	\$100,500	\$2,000
DUES/SUBSCRIPTIONS	\$175	\$388	\$388	\$430
TRAINING/SEMINARS & TRAVEL	\$1,606	\$6,250	\$5,000	\$6,250
MEETINGS & RELATED TRAVEL	\$0	\$350	\$350	\$350
EMPLOYEE APPRECIATION	\$95	\$100	\$100	\$100
TECH/INTERNET/SOFTWARE MAINTENANCE	\$132,186	\$231,721	\$240,155	\$230,560
Total Professional Services	\$134,502	\$240,809	\$346,493	\$239,690
Debt Service				
LEASE PRINCIPAL	\$13,707	\$0	\$0	\$0
LEASE INTEREST	\$2,226	\$0	\$0	\$0
SBITA PRINCIPAL	\$95,160	\$0	\$0	\$0
SBITA INTEREST	\$7,292	\$0	\$0	\$0
Total Debt Service	\$118,384	\$0	\$0	\$0
Capital Outlay				
FURNITURE, FIXTURES & EQUIP	\$222,815	\$27,000	\$106,629	\$27,000
Total Capital Outlay	\$222,815	\$27,000	\$106,629	\$27,000
Total Expenditures	\$639,353	\$450,509	\$630,321	\$462,122

Communications



Mission Statement/Objectives

The Communications department is committed to informing, educating, and engaging the citizenry through active City communications.

Scope of Services Summary

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

- Completed a total redesign of the City's website
- Developed the E-Newsletter "On the Ranch"
- Awarded the 2025 TAMI Award of Excellence for the E-Newsletter "On the Ranch"

Budgeted Staffing

Title	2022-23	2023-24	2024-25	2025-26
Multimedia Communications Officer	-	-	-	1
Total Funded Staffing	-	-	-	1

Prior to FY2026, Communications was part of the Human Resources department.



Casey Parker, Multimedia Communications Officer

Departmental Goals

- 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 the City website to be in-line with our branding/style guidelines and to enhance ease of use for both internal and external users

Operational Performance Measures

Strategic Pillar	Performance Measure	2021-22	2022-23	2023-24	2024-25 Projected	2025-26 Proposed
Operational Excellence	# of Followers	9,142	10,222	11,180	12,829	13,500
Operational Excellence	# Social Media / Website Posts*	920	1,545	1,714	1,218	1,250
Operational Excellence	Average # of People Reached per Post **	368	460	584	731	1,000

*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.

Expenditures Summary

Budgeted Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Personnel				
SALARIES	\$0	\$0	\$0	\$38,011
TAXES - SOCIAL SECURITY	\$0	\$0	\$0	\$2,357
TAXES - MEDICARE	\$0	\$0	\$0	\$551
TAXES - FUTA/SUTA	\$0	\$0	\$0	\$32
WORKERS' COMP INSURANCE	\$0	\$0	\$0	\$76
RETIREMENT	\$0	\$0	\$0	\$4,833
HEALTH INSURANCE	\$0	\$0	\$0	\$4,314
Total Personnel	\$0	\$0	\$0	\$50,174
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$0	\$0	\$0	\$200
MINOR EQUIPMENT & FURNITURE	\$0	\$0	\$0	\$300
UNIFORMS	\$0	\$0	\$0	\$50
Total Supplies, Maintenance, and Operations	\$0	\$0	\$0	\$550
Professional Services				
DUES/SUBSCRIPTIONS	\$0	\$0	\$0	\$5,135
TRAINING/SEMINARS & TRAVEL	\$0	\$0	\$0	\$4,150
PUBLIC RELATIONS & EVENTS	\$0	\$0	\$0	\$1,300
EMPLOYEE APPRECIATION	\$0	\$0	\$0	\$50
TECH/INTERNET/SOFTWARE	\$0	\$0	\$0	\$18,798
Total Professional Services	\$0	\$0	\$0	\$29,433
Total Expenditures	\$0	\$0	\$0	\$80,157

Beginning in FY 2025-26, the communications function will be removed from Human Resources and elevated to its own department. Prior to FY 2025-26, all communications expenditures were included in the Human Resources Department.

Municipal Court



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 a walk-through metal detector
- Implemented Youth Diversion Plan
- Collaborated with the Public Safety administration team on cross-training

Budgeted Staffing

Title	2022-23	2023-24	2024-25	2025-26
Court Administrator	1	1	1	1
Court Clerk	1	1	1	1
Total Funded Staffing	2	2	2	2



From left to right: Ricardo Bautista, Court Administrator and Maria Pinedo, Deputy Court Clerk

Department 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	2021-22	2022-23	2023-24	2024-25 Projected	2025-26 Proposed
Operational Excellence	# of Cases Filed	1,483	2,044	1,689	1,096	1,200
Operational Excellence	# of Cases Sent to Collection	686	883	481	413	400
Operational Excellence	# of Cases Closed*	-	-	1,296	1,001	1,095
Operational Excellence	# of Defendants Appearing Before the Judge	144	295	284	188	160

Expenditures Summary

Budgeted Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Personnel				
OVERTIME	\$181	\$360	\$179	\$368
SALARIES	\$108,130	\$112,693	\$113,694	\$118,960
TAXES - SOCIAL SECURITY	\$5,931	\$7,009	\$6,287	\$7,398
TAXES - MEDICARE	\$1,387	\$1,639	\$1,470	\$1,730
TAXES - FUTA/SUTA	\$234	\$234	\$234	\$126
WORKERS' COMP INSURANCE	\$288	\$244	\$212	\$238
RETIREMENT	\$13,308	\$14,420	\$14,479	\$15,173
HEALTH INSURANCE	\$24,749	\$29,484	\$28,063	\$29,198
Total Personnel	\$154,207	\$166,083	\$164,618	\$173,191
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$1,659	\$1,700	\$1,700	\$1,700
MINOR EQUIPMENT & FURNITURE	\$1,905	\$200	\$4,442	\$200
UNIFORMS	\$129	\$150	\$150	\$150
COURT TECHNOLOGY	\$1,529	\$10,823	\$10,823	\$5,500
COURT SECURITY BUILDING	\$43,658	\$4,500	\$4,500	\$7,000
COURT TRUANCY PREVENTION	\$0	\$0	\$0	\$4,000
Total Supplies, Maintenance, and Operations	\$48,880	\$17,373	\$21,615	\$18,550
Professional Services				
PROFESSIONAL SERVICES	\$63,068	\$73,040	\$58,640	\$66,740
DUES/SUBSCRIPTIONS	\$131	\$800	\$800	\$400
TRAINING/SEMINARS & TRAVEL	\$1,458	\$6,650	\$6,650	\$9,250
MEETINGS & RELATED TRAVEL	\$206	\$300	\$300	\$300
EMPLOYEE APPRECIATION	\$100	\$100	\$100	\$100
Total Professional Services	\$64,962	\$80,890	\$66,490	\$76,790
Total Expenditures	\$268,049	\$264,346	\$252,723	\$268,531

Public Safety



Mission

To keep you, your family, and our community safe through innovative strategies and proactive community engagement.

Vision

To serve people one-by-one so together, we can create a safe and secure environment where people can thrive.

Philosophy

The City of Fair Oaks Ranch Police Department upholds a unique philosophy known as One-by-One Policing, a core principle embraced by every officer. This approach is not just a method, but a way of life, centered on compassion and a commitment to serving each individual in the most effective manner possible.

Purpose

To Protect the Vulnerable from Harm.

Scope of Services Summary

The Fair Oaks Ranch Police Department is currently authorized 25 commissioned Police Officers, 5 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 consists of the Chief of Police, the Lieutenant, the department's administrative assistant and an administrative clerk. Administrative staff are 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 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. As a result of changing needs in the community, the K9 program was redirected in 2025 to include community engagement and training of our newly acquired dog in Search and Rescue.

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 on the Ranch 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 Paz received a Life Saving Award
- Corporal Hanley received a Life Saving Award
- Retired K9 "Buddy" after seven years of service at the age of ten
- Implemented new Mission, Vision and Values
- Created the motto "We Go First"
- Implemented a Cadet program
- Converted two police officer positions into civilian investigator positions

Title	2022-23	2023-24	2024-25	2025-26
Chief of Police	1	1	1	1
Lieutenant	1	1	1	1
Sergeant	5	5	5	5
Police Investigator	2	2	1	1
Civilian Investigator	-	-	2	2
Corporals*	-	4	4	4
Patrol Officer & SROs	18	14	13	13
Animal Services Officer	1	1	1	1
PD Admin Assistant	1	1	1	1
PD Admin Clerk	1	1	1	1
K-9 Unit (Vox)	1	1	1	1
Total Funded Staffing	31	31	31	31



Todd Smith, Chief of Police

Community Service

National Night Out: National Night Out is an opportunity for citizens and public safety members to work together, build trust, and demonstrate their commitment to a safer, stronger community. This year Bexar County Emergency Services District No. 4 joined us in visiting twelve neighborhoods. Officers enjoyed the food, drinks, and festivities that the community provided. These lighthearted moments help break down barriers and give everyone an opportunity to connect in a fun, informal way.

Trunk or Treat: This event provides a fun and safe alternative to Halloween trick-or-treating and offers an opportunity for families to meet and get to know officers in a relaxed setting. Officers hand out educational materials, reflect on safety tips, and showcase some of their equipment, creating a chance for community members to learn about public safety in a welcoming environment. The police vehicles are adorned with themed decorations, while officers wear costumes or uniforms. Games, music, and contests are some of the fun attractions that make the event memorable and engaging for all ages. This year we added a variety of food trucks to enhance the experience.

Junior Police Academy: The Junior Police Academy is a youth development program aimed at educating young people about public safety careers. It is designed to offer participants, typically ages 9-12, a hands-on, immersive experience in police work while promoting positive relationships between police officers and the community. The Junior Police Academy serves as a tool for inspiring future leaders and motivates them to become engaged, responsible members of their communities.

Annual Toy Drive: For many years, the Police Department has participated in the annual Toy Drive during the Christmas holiday. Our police department partners with local businesses, community organizations, and residents to gather new, unwrapped toys, which are then distributed to families who may be experiencing financial hardship or other challenges. This toy drive is meant to brighten the holidays for children who might not otherwise receive gifts. This year we collected hundreds of gifts.

Christmas on The Ranch: This new Christmas event was hosted by the Fair Oaks Ranch Homeowners Association (FORHA) and the police department. A festive and community-oriented gathering, it brought residents together to celebrate the holiday season in a warm and welcoming atmosphere. The community enjoyed photo ops with the Grinch, elves, and Mr. and Mrs. Claus. The children took part in decorating Christmas stockings, drinking hot chocolate, and eating food truck goodies.

Doggy Fun Run 5k: The Fair Oaks Ranch Police Department held the first-ever Doggy Fun Run on March 9. This fun-filled event welcomed participants of all ages (and their furry friends) to run, walk, or wag their way through the course. There were treats, food trucks, and even adoptable pups looking for their forever homes.

Department 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	2020	2021	2022	2023	2024
Public Health and Safety	# of Call for Service	3,482	3,955	4,031	4,177	4,217
Public Health and Safety	# of Arrests Made	157	199	289	294	158
Public Health and Safety	# of Traffic Stops	2,924	4,026	4,708	6,327	5,459
Public Health and Safety	# of Calls for Alarms	326	407	436	440	393

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

Budgeted Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Personnel				
OVERTIME	\$81,177	\$36,239	\$42,620	\$36,532
SALARIES	\$2,022,937	\$2,332,085	\$2,046,649	\$2,389,067
TAXES - SOCIAL SECURITY	\$128,790	\$146,836	\$128,453	\$150,387
TAXES - MEDICARE	\$30,121	\$34,341	\$30,041	\$35,171
TAXES - FUTA/SUTA	\$3,529	\$3,510	\$3,510	\$1,890
WORKERS' COMP INSURANCE	\$80,098	\$55,697	\$48,392	\$52,911
RETIREMENT	\$259,222	\$302,045	\$258,053	\$308,431
HEALTH INSURANCE	\$225,771	\$320,028	\$224,499	\$266,886
UNIFORM ALLOWANCE	\$20,500	\$28,000	\$21,000	\$0
RELOCATION ALLOWANCE	\$7,281	\$0	\$14,839	\$0
Allowance for Vacancies	\$0	-\$205,105	\$0	-\$194,190
Total Personnel	\$2,859,426	\$3,053,676	\$2,818,056	\$3,047,085
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$5,253	\$4,500	\$5,000	\$3,500
MINOR EQUIPMENT & FURNITURE	\$37,777	\$40,150	\$43,150	\$38,445
FUEL	\$45,170	\$43,000	\$40,000	\$43,000
UNIFORMS	\$14,773	\$18,750	\$27,477	\$43,500
VEHICLE MAINTENANCE/REPAIRS	\$15,069	\$20,880	\$20,880	\$20,880
Total Supplies, Maintenance, and Operations	\$118,042	\$127,280	\$136,507	\$149,325
Professional Services				
PROFESSIONAL SERVICES	\$860,088	\$945,811	\$966,810	\$1,608,755
DUES/SUBSCRIPTIONS	\$3,387	\$4,025	\$4,025	\$4,325
TRAINING/SEMINARS & TRAVEL	\$24,000	\$27,300	\$27,300	\$23,300
MEETINGS & RELATED TRAVEL	\$95	\$500	\$500	\$500
INVESTIGATIONS	\$6,823	\$6,000	\$6,000	\$7,500
LEOSE TRAINING	\$0	\$3,000	\$3,000	\$10,000
FELONY FORFEITURE EXPENDITURES	\$0	\$0	\$0	\$21,600
PUBLIC RELATIONS & EVENTS	\$8,380	\$12,600	\$12,600	\$8,200
EMPLOYEE APPRECIATION	\$1,813	\$1,500	\$1,500	\$2,000
TECH/INTERNET/SOFTWARE MAINTENANCE	\$10,202	\$74,158	\$74,158	\$66,604
Total Professional Services	\$914,789	\$1,074,894	\$1,095,893	\$1,752,784
Capital Outlay				
FURNITURE, FIXTURES & EQUIP	\$364,781	\$65,000	\$127,105	\$94,000
Total Capital Outlay	\$364,781	\$65,000	\$127,105	\$94,000
Total Expenditures	\$4,257,037	\$4,320,850	\$4,177,561	\$5,043,194

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.



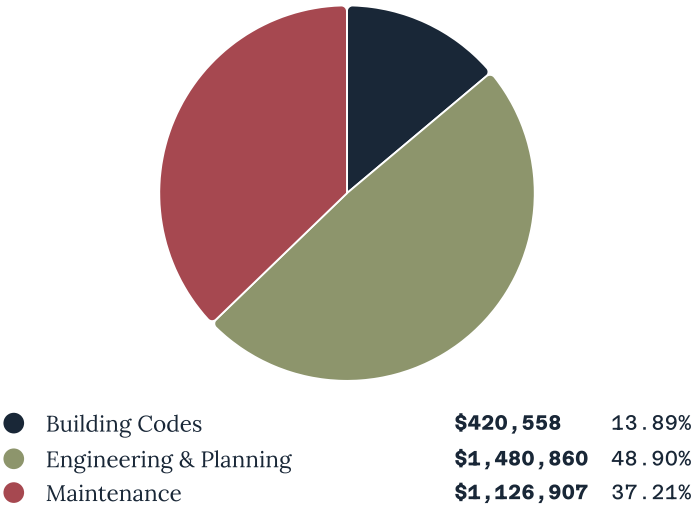
Grant Watanabe, P.E., CFM, Director of Public Works & Engineering Services



Steven Fried, Assistant Director of Public Works

Expenditures by Function

FY26 Budgeted Expenditures by Function

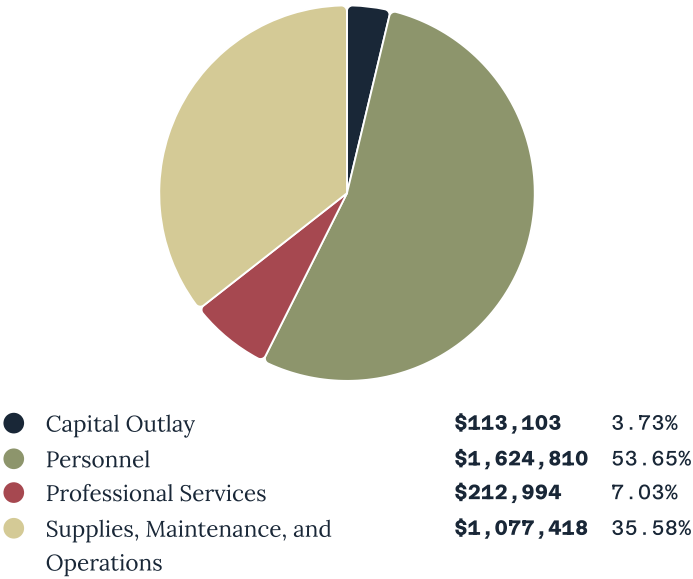


Budgeted Expenditures by Function

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Maintenance	\$1,094,619	\$1,069,593	\$1,129,090	\$1,126,907
Building Codes	\$267,900	\$368,910	\$359,103	\$420,558
Engineering & Planning	\$1,368,006	\$1,680,774	\$1,508,090	\$1,480,860
Total Expenditures	\$2,730,525	\$3,119,277	\$2,996,283	\$3,028,325

Expenditures by Expense Type

FY26 Budgeted Expenditures by Expense Type



Budgeted Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Personnel	\$1,310,955	\$1,622,699	\$1,375,087	\$1,624,810
Supplies, Maintenance, and Operations	\$978,373	\$1,143,933	\$1,180,811	\$1,077,418
Professional Services	\$221,159	\$217,670	\$192,012	\$212,994
Capital Outlay	\$220,039	\$134,975	\$248,373	\$113,103
Total Expenditures	\$2,730,525	\$3,119,277	\$2,996,283	\$3,028,325

Maintenance



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, the 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

- Mark Kosta named Employee of the Quarter
- Gathered months of speed data on several roadways, for the Transportation Safety Advisory Committee and City Council
- Completed in house fog sealing on seven roads, over 25,000 square yards
- Crack sealed three miles of city roadways
- Repaired asphalt on six city streets and saved over \$15,000 by completing in-house
- Conducted a replacement roadway sign inventory
- Completed in-house drainage improvements at several locations

Budgeted Staffing

Title	2022-23	2023-24	2024-25	2025-26
Assistant Director of Public Works	1	1	1	1
Maintenance Supervisor	1	1	1	1
Maintenance Lead	1	1	1	2
Maintenance Worker	4	5	5	5
Drainage Worker	2	2	2	2
Custodian	1	1	1	1
Mechanic	1	1	1	1
Total Funded Staffing	11	12	12	13

One new FTE was added to the budgeted positions in FY 2025-26, a Maintenance Lead specific for drainage projects. The existing Maintenance Lead position will be assigned to roadway projects.



Department Goals

- Continue executing the in-house drainage maintenance plan, and complete improvements at several locations
- Continue executing the in-house road maintenance plan, and complete fog-seal treatment at several locations
- 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	2021-22	2022-23	2023-24	2024-25 Projected	2025-26 Proposed
Reliable and Sustainable Infrastructure	# Pothole/Pavement Patches	-	-	6	6	6
Reliable and Sustainable Infrastructure	Street Overall Condition Index (OCI)	83.2	83.3	82.63	83.4	83.0
Reliable and Sustainable Infrastructure	# Street Signs Replaced	102	87	63	60	60
Reliable and Sustainable Infrastructure	# Miles Street Sweeping	490	320	321	300	300

Expenditures Summary

Budgeted Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Personnel				
OVERTIME	\$14,092	\$6,311	\$7,412	\$6,541
SALARIES	\$463,062	\$536,594	\$467,272	\$604,537
TAXES - SOCIAL SECURITY	\$28,686	\$33,660	\$28,713	\$37,887
TAXES - MEDICARE	\$6,709	\$7,872	\$6,715	\$8,861
TAXES - FUTA/SUTA	\$1,427	\$1,287	\$1,287	\$756
WORKERS' COMP INSURANCE	\$21,015	\$18,352	\$15,945	\$17,484
RETIREMENT	\$58,794	\$69,248	\$60,249	\$77,699
HEALTH INSURANCE	\$79,291	\$105,678	\$80,656	\$97,800
Allowance for Vacancies	\$0	-\$49,500	\$0	-\$49,500
Total Personnel	\$673,076	\$729,502	\$668,249	\$802,065
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$9,174	\$8,050	\$8,050	\$8,250
MINOR EQUIPMENT & FURNITURE	\$13,645	\$18,300	\$20,460	\$13,950
FUEL	\$21,397	\$15,000	\$16,500	\$15,500
UNIFORMS	\$7,638	\$8,225	\$8,225	\$8,350
VEHICLE MAINTENANCE/REPAIRS	\$18,963	\$15,000	\$15,000	\$18,000
EQUIPMENT MAINTENANCE/REPAIRS	\$15,170	\$15,500	\$18,000	\$17,500
BUILDING MAINTENANCE/REPAIRS	\$59,324	\$28,063	\$30,563	\$28,062
LANDSCAPING & GREENSPACE MAINT	\$3,539	\$5,500	\$17,461	\$5,500
STREET MAINTENANCE	\$22,464	\$30,000	\$30,000	\$45,000
DRAINAGE WORK	\$5,919	\$20,000	\$15,000	\$20,000
Total Supplies, Maintenance, and Operations	\$177,235	\$163,638	\$179,259	\$180,112
Professional Services				
PROFESSIONAL SERVICES	\$10,733	\$200	\$584	\$28,644
DUES/SUBSCRIPTIONS	\$164	\$932	\$932	\$932
TRAINING/SEMINARS & TRAVEL	\$8,318	\$14,575	\$13,753	\$15,125
MEETINGS & RELATED TRAVEL	\$347	\$400	\$400	\$400
EMPLOYEE APPRECIATION	\$393	\$550	\$550	\$600
TECH/INTERNET/SOFTWARE MAINTENANCE	\$11,331	\$24,821	\$16,990	\$25,061
Total Professional Services	\$31,285	\$41,478	\$33,209	\$70,762
Capital Outlay				
FURNITURE, FIXTURES & EQUIP	\$213,023	\$134,975	\$248,373	\$73,968
Total Capital Outlay	\$213,023	\$134,975	\$248,373	\$73,968
Total Expenditures	\$1,094,619	\$1,069,593	\$1,129,090	\$1,126,907

Building Codes



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, assisted by the Building Inspector and Administrative Assistant, oversees the issuance of permits and conducts inspections for all new construction, additions, remodels, pools, irrigation systems, fences, signs, building renovations, and demolitions. Prior to permit issuance, plan reviews are conducted for all proposed construction projects to ensure compliance with adopted codes, ordinances, and FEMA requirements.

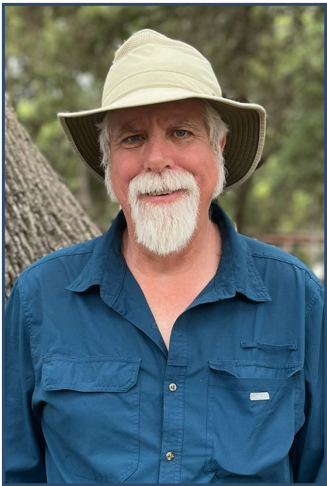
Recent Accomplishments

- Updated the fee schedule which complies with Chapter 3, Sec 3.01.005 (h) (2) of the Code of Ordinances to structure permit fees to cover the actual costs of service, thus supporting the financial stability of the permitting and inspection system and reducing reliance on taxpayer dollars
- Adopted the latest 2024 ICC codes. The Department is enabled to enforce new regulations in keeping with ever-evolving building standards, thus contributing to the overall health, safety and welfare of the citizenry of Fair Oaks Ranch

Budgeted Staffing

Title	2022-23	2023-24	2024-25	2025-26
Building Official	1	1	1	1
Building Codes Inspector	1	1	1	1
Code Compliance Officer*	-	-	1	1
Admin Assistant	1	1	1	1
Total Funded Staffing	3	3	4	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 Brown, Building Codes Admin.
Assistant

Department 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	2021-22	2022-23	2023-24	2024-25 Projected	2025-26 Proposed
Responsible Growth Management	# Building Plans Reviewed	843	704	739	563	565
Responsible Growth Management	# Total Building Permits Issued (Total)	728	666	690	520	520
Responsible Growth Management	# Permits Issued (New Single Family Homes)	135	86	94	51	51
Responsible Growth Management	# Inspections Conducted	2,764	1,850	1,896	1,623	1,625

Expenditures Summary

Budgeted Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Personnel				
OVERTIME	\$153	\$451	\$0	\$469
SALARIES	\$169,509	\$240,824	\$239,958	\$249,773
TAXES - SOCIAL SECURITY	\$10,030	\$14,959	\$14,504	\$15,515
TAXES - MEDICARE	\$2,346	\$3,498	\$3,392	\$3,629
TAXES - FUTA/SUTA	\$405	\$468	\$468	\$252
WORKERS' COMP INSURANCE	\$928	\$984	\$855	\$942
RETIREMENT	\$20,691	\$30,775	\$30,506	\$31,818
HEALTH INSURANCE	\$26,224	\$38,861	\$36,322	\$38,415
Total Personnel	\$230,283	\$330,820	\$326,005	\$340,813
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$599	\$675	\$675	\$675
MINOR EQUIPMENT & FURNITURE	\$1,877	\$2,300	\$2,300	\$700
FUEL	\$1,867	\$5,175	\$5,175	\$5,175
UNIFORMS	\$458	\$770	\$770	\$770
Total Supplies, Maintenance, and Operations	\$4,801	\$8,920	\$8,920	\$7,320
Professional Services				
PROFESSIONAL SERVICES	\$26,685	\$22,000	\$17,009	\$26,120
DUES/SUBSCRIPTIONS	\$394	\$515	\$515	\$515
TRAINING/SEMINARS & TRAVEL	\$5,513	\$6,200	\$6,200	\$6,200
MEETINGS & RELATED TRAVEL	\$15	\$100	\$100	\$100
EMPLOYEE APPRECIATION	\$65	\$200	\$200	\$200
TECH/INTERNET/SOFTWARE MAINTENANCE	\$144	\$155	\$154	\$155
Total Professional Services	\$32,816	\$29,170	\$24,178	\$33,290
Capital Outlay				
FURNITURE, FIXTURES & EQUIP	\$0	\$0	\$0	\$39,135
Total Capital Outlay	\$0	\$0	\$0	\$39,135
Total Expenditures	\$267,900	\$368,910	\$359,103	\$420,558

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.

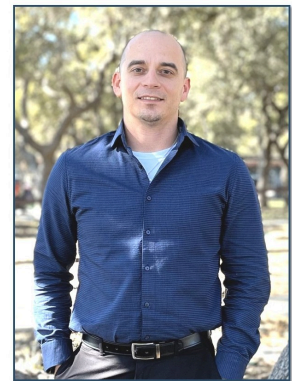
Recent Accomplishments

- Promoted Kelsey Delgado as the City Project Manager and hired Jessica Relucio as the new City Planner
- Completed various roadway, drainage and facility improvement projects, including the Tivoli Way Drainage Project, Rolling Acres Trail Low Water Crossing Halt System, Vestal Park Culvert Erosion Repair, Gateway Feature, City's Fuel Station and FM 3551 water line relocation
- Initiated the design phase of multiple projects, which are Dietz Elkhorn Reconstruction, Ammann Road Construction, Chartwell Drainage Project, and Rolling Acres Trail Drainage Improvements
- Projects that are currently under construction are Willow Wind/ Red Bud Hill Water Line Replacement Construction and Old Fredericksberg Rd. construction
- Managed Major Utility Coordination Projects with SAWS and GVTC
- Planned for major developments such as Post Oak Development, Oakbend Subdivision, and Corely Tract Subdivision
- Achieved "Tree City USA" recognition by the Arbor Day Foundation for the second consecutive year and continued implementation of the Oak Wilt Grant Program
- Updated the City's Unified Development Code to incorporate policy amendments

Budgeted Staffing

Title	2022-23	2023-24	2024-25	2025-26
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	1
Project Manager	-	-	1	1
Code Compliance Officer*	1	1	-	-
Administrative Support Specialist	1	1	1	1
Total Funded Staffing	7	7	8	8

*Code Compliance Officer was moved to the Building Codes Department.



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



From left to right: Tom Heath (Infrastructure Inspector), Aithne Loeblich (Environmental Program Manager), Kelsey Delgado (Project Manager), Lee Muñoz (Manager of Engineering Services), Ernesto Martinez (GIS Technician), Amanda Wade (Administration Support Specialist), Jessica Relucio (City Planner)

Department Goals

- Complete design and construction of all roadway, drainage, utility and facility capital improvement projects in the budget
- Facilitate the planning of major developments within the City
- 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
- Enforce processes needed for construction within the right-of-way, construction of driveway culverts, and construction inspections

Operational Performance Measures

Strategic Pillar	Performance Measure	2021-22	2022-23	2023-24	2024-25 Projected	2025-26 Proposed
Responsible Growth Management	# New Residential Lots Platted/Approved	116	55	0	122	125
Responsible Growth Management	# Maps/Exhibits Created	63	193	176	192	195
Reliable and Sustainable Infrastructure	# Infrastructure Inspection (Street, Water/WW, Other)	637	956	1,138	1,546	1,550

Additional metrics being developed for Engineering & Planning and Environmental Compliance

Expenditures Summary

Budgeted Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Personnel				
OVERTIME	\$360	\$100	\$584	\$1,302
SALARIES	\$313,430	\$425,179	\$368,711	\$445,790
TAXES - SOCIAL SECURITY	\$18,779	\$26,367	\$21,891	\$27,720
TAXES - MEDICARE	\$4,392	\$6,167	\$5,120	\$6,483
TAXES - FUTA/SUTA	\$495	\$608	\$608	\$328
WORKERS' COMP INSURANCE	\$1,114	\$1,005	\$873	\$974
RETIREMENT	\$38,638	\$54,244	\$46,538	\$56,848
HEALTH INSURANCE	\$30,389	\$48,707	\$38,148	\$52,487
PROJECT ALLOCATIONS	\$0	\$0	-\$101,640	-\$110,000
Total Personnel	\$407,596	\$562,377	\$380,833	\$481,932
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$9,891	\$9,750	\$9,750	\$9,500
MINOR EQUIPMENT & FURNITURE	\$1,547	\$7,150	\$7,150	\$1,350
FUEL	\$4,388	\$3,175	\$3,175	\$3,175
UNIFORMS	\$830	\$1,700	\$1,700	\$1,600
STREET MAINTENANCE	\$769,680	\$900,000	\$921,257	\$831,511
Oak Wilt Program	\$10,000	\$15,000	\$15,000	\$25,000
Tree and Landscape Protection	\$0	\$29,750	\$29,750	\$13,000
City Approved Events	\$0	\$4,850	\$4,850	\$4,850
Total Supplies, Maintenance, and Operations	\$796,336	\$971,375	\$992,632	\$889,986
Professional Services				
PROFESSIONAL SERVICES	\$140,407	\$120,000	\$103,050	\$70,000
DUES/SUBSCRIPTIONS	\$626	\$1,464	\$1,950	\$2,665
TRAINING/SEMINARS & TRAVEL	\$8,642	\$13,240	\$13,240	\$22,100
MEETINGS & RELATED TRAVEL	\$477	\$400	\$400	\$600
EMPLOYEE APPRECIATION	\$172	\$400	\$567	\$400
TECH/INTERNET/SOFTWARE MAINTENANCE	\$6,736	\$11,518	\$15,418	\$13,177
Total Professional Services	\$157,058	\$147,022	\$134,625	\$108,942
Capital Outlay				
FURNITURE, FIXTURES & EQUIP	\$7,016	\$0	\$0	\$0
Total Capital Outlay	\$7,016	\$0	\$0	\$0
Total Expenditures	\$1,368,006	\$1,680,774	\$1,508,090	\$1,480,860

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 42 groundwater 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 the treatment of all wastewater produced by its customers to meet all health and safety standards required by TCEQ for the 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

- Will Poole named Employee of the Quarter
- Completed the land acquisition and final design for elevated storage tank
- Completed the upgrade of five well pumps to variable frequency drives
- Completed the replacement of well meters on all 42 City wells
- Conducted vacuum testing of the manholes in the Edwards Aquifer Recharge Zone
- Conducted the first year of the tank maintenance program
- Repaired several water line breaks quickly, minimizing impact on residents



Utilities Crew

Water Utility

Budgeted Staffing for Water Utility

Title	2022-23	2023-24	2024-25	2025-26
Water Distribution and Quality Supervisor	1	1	1	1
Water Operator III	-	1	1	1
Water Operator II	1	-	1	1
Water Operator I	1	1	1	1
Water Utility Tech	3	3	2	2
Utility Billing Clerk	1	1	1	1
Total Funded Staffing	7	7	7	7

Department 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

Operational Performance Measures

Strategic Pillar	Performance Measure	2021-22	2022-23	2023-24	2024-25 Projected	2025-26 Proposed
Reliable and Sustainable Infrastructure	# of Line Breaks	-	-	48	52	52
Reliable and Sustainable Infrastructure	# of Water Connections	3,212	3,248	3,285	3,308	3,310
Reliable and Sustainable Infrastructure	Water Production (gallons)	336,577,000	619,944,000	552,559,000	510,778,000	510,778,000
Reliable and Sustainable Infrastructure	# Fire Hydrants Inspected/Repaired	255	314	276	260	260

Wastewater Utility

Budgeted Staffing for Wastewater Utility

Title	2022-23	2023-24	2024-25	2025-26
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	2	2	2
Total Funded Staffing	4	5	5	5

Department Goals — Wastewater

- Start construction 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

Operational Performance Measures

Strategic Pillar	Performance Measure	2021-22	2022-23	2023-24	2024-25 Projected	2025-26 Proposed
Reliable and Sustainable Infrastructure	# of Wastewater Connections	1,979	2,004	2,028	2,041	2,043
Reliable and Sustainable Infrastructure	Solid Waste Hauled (gallons)	1,784,700	1,767,000	1,595,865	2,052,400	2,052,400
Reliable and Sustainable Infrastructure	Effluent Treated (gallons)	90,000,000	107,752,908	118,095,164	104,111,000	104,111,000
Reliable and Sustainable Infrastructure	# Manholes Inspected/Maintained	-	-	193	189	190

Expenditures Summary

Budgeted Expenditures by Function

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Water Utility	\$4,464,110	\$4,818,980	\$3,414,776	\$5,736,299
Wastewater Utility	\$2,149,146	\$2,262,472	\$2,079,085	\$1,780,987
Total Expenditures	\$6,613,255	\$7,081,452	\$5,493,861	\$7,517,286

Budgeted Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Personnel				
WATER SERVICE OVERTIME	\$11,397	\$8,026	\$10,665	\$7,734
WATER SERVICE SALARIES	\$238,706	\$292,771	\$265,115	\$285,070
WATER SERVICE TAXES FICA	\$15,310	\$18,649	\$16,068	\$18,154
WATER SERVICE MEDICARE TAX	\$3,581	\$4,362	\$3,758	\$4,246
WATER SVC WORKERS COMP INSURAN	\$9,215	\$7,167	\$6,227	\$6,410
WATER SER TAXES - FUTA/SUTA	\$660	\$644	\$644	\$347
WATER SERVICE RETIREMENT	\$34,321	\$38,367	\$33,968	\$37,230
WATER SERVICE INSURANCE	\$43,032	\$51,184	\$45,553	\$52,341
WATER SERVICE ALLOW FOR VACANCIES	\$0	-\$20,000	\$0	-\$20,000
WATER ADMIN OVERTIME	\$262	\$62	\$0	\$62
WATER ADMINISTRATIVE SALARIES	\$456,889	\$117,283	\$109,783	\$122,177
WATER ADMIN. TAXES FICA	\$26,377	\$7,205	\$6,517	\$7,499
ADMIN. TAXES MCARE	\$6,181	\$1,702	\$1,539	\$1,772
W ADMIN. WORKERS COMP INSURANC	\$1,278	\$254	\$221	\$244
WATER ADMIN TAXES - FUTA/SUTA	\$657	\$181	\$181	\$98
WATER ADMIN. RETIREMENT	\$55,075	\$14,967	\$13,791	\$15,543
WATER ADMIN. INSURANCE	\$47,217	\$15,755	\$14,119	\$15,620
HUMAN RESOURCES SALARIES	\$0	\$68,204	\$68,471	\$52,308
HUMAN RESOURCES TAXES-FICA	\$0	\$4,229	\$4,095	\$3,243
HUMAN RESOURCES TAXES-MEDICARE	\$0	\$989	\$958	\$758
HUMAN RESOURCES WORKERS COMP	\$0	\$148	\$129	\$105
HUMAN RESOURCES TAXES FUTA/SUTA	\$0	\$88	\$88	\$32
HUMAN RESOURCES RETIREMENT	\$0	\$8,699	\$8,542	\$6,651
HUMAN RESOURCES INSURANCE	\$0	\$5,499	\$5,018	\$3,318
FINANCE OVERTIME	\$0	\$81	\$0	\$83
FINANCE SALARIES	\$0	\$108,659	\$109,039	\$113,581
FINANCE TAXES-FICA	\$0	\$6,742	\$6,371	\$7,047
FINANCE TAXES-MEDICARE	\$0	\$1,577	\$1,490	\$1,648

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
FINANCE WORKERS COMP	\$0	\$235	\$204	\$227
FINANCE TAXES FUTA/SUTA	\$0	\$146	\$146	\$79
FINANCE RETIREMENT	\$0	\$13,870	\$13,610	\$14,452
FINANCE INSURANCE	\$0	\$17,531	\$16,147	\$16,235
INFORMATION TECH SALARIES	\$0	\$47,675	\$47,262	\$49,253
INFORMATION TECH TAXES-FICA	\$0	\$2,956	\$2,746	\$3,054
INFORMATION TECH TAXES-MEDICARE	\$0	\$691	\$642	\$714
INFORMATION TECH WORKERS COMP	\$0	\$103	\$89	\$99
INFORMATION TECH TAXES FUTA/SUTA	\$0	\$59	\$59	\$32
INFORMATION TECH RETIREMENT	\$0	\$6,081	\$5,895	\$6,263
INFORMATION TECH INSURANCE	\$0	\$7,542	\$5,453	\$5,292
ENGINEERING OVERTIME	\$0	\$50	\$472	\$651
ENGINEERING SALARIES	\$0	\$136,763	\$128,538	\$139,891
ENGINEERING TAXES-FICA	\$0	\$8,482	\$8,311	\$8,714
ENGINEERING TAXES-MEDICARE	\$0	\$1,984	\$1,944	\$2,038
ENGINEERING WORKERS COMP	\$0	\$338	\$294	\$321
ENGINEERING TAXES FUTA/SUTA	\$0	\$181	\$181	\$98
ENGINEERING RETIREMENT	\$0	\$17,451	\$17,353	\$17,870
ENGINEERING INSURANCE	\$0	\$15,215	\$13,804	\$14,939
COMMUNICATIONS SALARIES	\$0	\$0	\$0	\$19,006
COMMUNICATIONS TAXES-FICA	\$0	\$0	\$0	\$1,178
COMMUNICATIONS TAXES-MEDICARE	\$0	\$0	\$0	\$276
COMMUNICATIONS WORKERS COMP	\$0	\$0	\$0	\$38
COMMUNICATIONS TAXES FUTA/SUTA	\$0	\$0	\$0	\$16
COMMUNICATIONS RETIREMENT	\$0	\$0	\$0	\$2,417
COMMUNICATIONS INSURANCE	\$0	\$0	\$0	\$2,157
WASTEWATER OVERTIME	\$12,872	\$9,231	\$9,044	\$8,800
SEWER SERVICE SALARIES	\$312,795	\$334,540	\$303,170	\$322,765
SEWER SERVICE TAXES FICA	\$19,461	\$21,314	\$18,939	\$20,557
SEWER SERVICE TAXES MCARE	\$4,551	\$4,985	\$4,429	\$4,808
SEWER SVC WORKERS COMP INSURAN	\$9,543	\$8,159	\$7,089	\$7,238
WW SERVICE TAXES - FUTA/SUTA	\$718	\$702	\$702	\$378
SEWER SERVICE RETIREMENT	\$44,078	\$43,848	\$39,520	\$42,158
SEWER SERVICE INSURANCE	\$45,446	\$56,259	\$52,375	\$57,169
SEWER SERVICE ALLOW FOR VACANCIES	\$0	-\$20,000	\$0	-\$20,000
WASTEWATER ADMIN OVERTIME	\$262	\$62	\$0	\$62
SEWER ADMINISTRATIVE SALARIES	\$438,125	\$117,283	\$109,783	\$122,177
SEWER ADMIN. TAXES FICA	\$25,233	\$7,205	\$6,516	\$7,499
SEWER ADMIN TAXES MCARE	\$5,910	\$1,702	\$1,538	\$1,772

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
WW ADMIN WORKERS COMP INSURANC	\$1,230	\$254	\$221	\$244
WW ADMIN TAXES - FUTA/SUTA	\$622	\$181	\$181	\$98
SEWER ADMIN. RETIREMENT	\$52,799	\$14,967	\$13,522	\$15,543
SEWER ADMIN INSURANCE	\$46,345	\$15,755	\$12,633	\$15,620
HUMAN RESOURCES SALARIES	\$0	\$68,204	\$68,471	\$52,308
HUMAN RESOURCES TAXES-FICA	\$0	\$4,229	\$4,094	\$3,243
HUMAN RESOURCES TAXES-MEDICARE	\$0	\$989	\$957	\$758
HUMAN RESOURCES WORKERS COMP	\$0	\$148	\$129	\$105
HUMAN RESOURCES TAXES FUTA/SUTA	\$0	\$88	\$88	\$32
HUMAN RESOURCES RETIREMENT	\$0	\$8,699	\$8,541	\$6,651
HUMAN RESOURCES INSURANCE	\$0	\$5,499	\$5,580	\$3,318
FINANCE OVERTIME	\$0	\$81	\$0	\$83
FINANCE SALARIES	\$0	\$108,659	\$109,039	\$113,581
FINANCE TAXES-FICA	\$0	\$6,742	\$6,371	\$7,047
FINANCE TAXES-MEDICARE	\$0	\$1,577	\$1,489	\$1,648
FINANCE WORKERS COMP	\$0	\$235	\$204	\$227
FINANCE TAXES FUTA/SUTA	\$0	\$146	\$146	\$79
FINANCE RETIREMENT	\$0	\$13,870	\$13,610	\$14,452
FINANCE INSURANCE	\$0	\$17,531	\$16,146	\$16,235
INFORMATION TECH SALARIES	\$0	\$47,675	\$47,262	\$49,253
INFORMATION TECH SALARIES	\$0	\$2,956	\$2,746	\$3,054
INFORMATION TECH TAXES-MEDICARE	\$0	\$691	\$642	\$714
INFORMATION TECH WORKERS COMP	\$0	\$103	\$89	\$99
INFORMATION TECH TAXES FUTA/SUTA	\$0	\$59	\$59	\$32
INFORMATION TECH RETIREMENT	\$0	\$6,081	\$5,895	\$6,263
INFORMATION TECH INSURANCE	\$0	\$7,542	\$5,453	\$5,292
ENGINEERING OVERTIME	\$0	\$50	\$472	\$651
ENGINEERING SALARIES	\$0	\$117,484	\$117,675	\$121,221
ENGINEERING TAXES-FICA	\$0	\$7,287	\$7,007	\$7,556
ENGINEERING TAXES-MEDICARE	\$0	\$1,704	\$1,638	\$1,767
ENGINEERING WORKERS COMP	\$0	\$297	\$258	\$283
ENGINEERING TAXES FUTA/SUTA	\$0	\$146	\$146	\$79
ENGINEERING RETIREMENT	\$0	\$14,991	\$14,715	\$15,496
ENGINEERING INSURANCE	\$0	\$12,627	\$11,389	\$12,391
COMMUNICATIONS SALARIES	\$0	\$0	\$0	\$19,006
COMMUNICATIONS TAXES-FICA	\$0	\$0	\$0	\$1,178
COMMUNICATIONS TAXES-MEDICARE	\$0	\$0	\$0	\$276
COMMUNICATIONS WORKERS COMP	\$0	\$0	\$0	\$38

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
COMMUNICATIONS TAXES FUTA/SUTA	\$0	\$0	\$0	\$16
COMMUNICATIONS RETIREMENT	\$0	\$0	\$0	\$2,417
COMMUNICATIONS INSURANCE	\$0	\$0	\$0	\$2,157
Total Personnel	\$1,970,151	\$2,113,684	\$2,025,473	\$2,124,525
Supplies, Maintenance, and Operations				
WATER SERVICE UNIFORMS	\$6,386	\$6,718	\$6,718	\$6,718
WATER POWER	\$126,817	\$150,000	\$142,000	\$150,000
MAINTENANCE OF PLANT/LINES	\$197,145	\$120,000	\$120,000	\$150,000
WATER ANALYSIS FEES	\$10,601	\$12,000	\$12,000	\$12,300
WATER CHEMICALS	\$5,932	\$6,500	\$6,500	\$6,500
WATER CITY MANAGEMENT FEE	\$205,872	\$208,375	\$213,425	\$217,111
WATER EQUIPMENT MAINTENANCE	\$7,768	\$17,100	\$17,100	\$16,400
WATER EQUIPMENT GAS & OIL	\$15,451	\$15,000	\$15,000	\$15,000
GBRA WATER FEES	\$1,522,466	\$1,591,970	\$1,554,970	\$1,800,325
WATER EQUIPMENT LEASE	\$0	\$300	\$0	\$300
WATER TOOLS & MINOR EQUIP	\$12,085	\$12,125	\$12,125	\$12,950
WATER SERVICE TRAINING	\$14,908	\$25,563	\$25,563	\$25,500
WATER UTILITIES & RADIO	\$24,728	\$30,600	\$30,600	\$36,750
WATER SIGNAL & TELEMETRY	\$0	\$0	\$0	\$585
WATER BUILDING MAINTENANCE	\$4,686	\$11,380	\$8,880	\$9,900
SUPPLIES & CONSUMABLES	\$5,012	\$3,700	\$3,700	\$3,700
VEHICLE MAINTENANCE/REPAIR	\$4,944	\$6,500	\$6,500	\$7,000
WTR ADM UTILITIES/ TELEPHONE	\$8,757	\$9,189	\$9,189	\$8,565
WATER DUES & PUBLICATIONS	\$886	\$2,786	\$2,786	\$2,998
WATER PERMITS & LICENSES	\$8,437	\$8,936	\$8,737	\$8,936
WATER GEN. LIABILITY INSURANCE	\$35,029	\$45,000	\$44,121	\$54,115
WATER OFFICE SUPPLIES	\$2,339	\$3,244	\$3,244	\$4,084
WATER TRAVEL & MEETINGS	\$2,911	\$1,250	\$1,250	\$1,200
WATER SOFTWARE & COMPUTER	\$156,830	\$223,251	\$235,751	\$214,950
RECORDING/REPORTING EXPENSES	\$0	\$500	\$500	\$500
WATER POSTAGE	\$441	\$689	\$689	\$689
WATER ADM BLDG/EQUIP MAINT	\$0	\$150	\$0	\$150
CONSERVATION EDUCATION	\$698	\$1,370	\$0	\$1,370
BILLING STATEMENT CHARGE	\$4,020	\$3,700	\$4,200	\$4,200
BILLING POSTAGE	\$10,758	\$10,000	\$11,000	\$11,000
Copier Lease	\$193	\$1,789	\$1,789	\$1,789
PUBLIC RELATIONS & EVENTS	\$4,206	\$4,250	\$4,250	\$2,250
EMPLOYMENT COSTS	\$284	\$1,337	\$1,337	\$1,338
EMPLOYEE APPRECIATION	\$4,196	\$5,155	\$5,155	\$5,615
WATER MISCELLANEOUS	\$0	\$250	\$0	\$250
CREDIT CARD SERVICE FEE	\$58,636	\$27,500	\$60,000	\$50,000
SEWER SERVICE UNIFORMS	\$6,755	\$4,955	\$4,955	\$4,955

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
SEWER POWER	\$40,350	\$40,000	\$40,000	\$40,000
MAINTENANCE OF PLANT/LINES	\$163,350	\$60,000	\$68,418	\$160,000
SLUDGE DISPOSAL	\$0	\$25,000	\$5,000	\$10,000
SEWER ANALYSIS FEES	\$31,838	\$27,000	\$27,000	\$27,000
SEWER CHEMICALS	\$31,112	\$33,600	\$33,600	\$33,600
SEWER CITY MANAGEMENT FEE	\$83,167	\$83,990	\$88,035	\$85,632
SEWER EQUIPMENT MAINTENANCE	\$8,295	\$9,790	\$9,790	\$16,790
SEWER EQUIPMENT GAS & OIL	\$14,092	\$11,875	\$11,875	\$11,875
SEWER SVC EQUIPMENT LEASE	\$1,454	\$300	\$0	\$300
SEWER TOOLS & MINOR EQUIPMENT	\$9,606	\$7,125	\$7,125	\$7,950
SEWER SERVICE TRAINING	\$9,731	\$24,450	\$24,450	\$24,450
SEWER SVC UTILITIES & RADIO	\$24,862	\$28,900	\$28,900	\$36,750
SIGNAL & TELEMETRY	\$0	\$0	\$0	\$2,385
SEWER BUILDING MAINTENANCE	\$6,213	\$10,900	\$8,400	\$10,900
SUPPLIES & CONSUMABLES	\$5,392	\$5,200	\$5,200	\$5,200
VEHICLE MAINTENANCE/REPAIR	\$7,805	\$5,000	\$5,000	\$5,000
SWR ADM UTILITIES/TELEPHONE	\$7,567	\$8,130	\$8,130	\$7,330
SEWER DUES & PUBLICATIONS	\$886	\$2,821	\$2,821	\$3,219
SEWER PERMITS & LICENSES	\$1,762	\$3,443	\$3,443	\$3,443
SEWER GEN. LIABILITY INSURANCE	\$35,029	\$45,000	\$44,121	\$34,925
SEWER OFFICE SUPPLIES	\$4,023	\$2,244	\$2,244	\$3,084
SEWER TRAVEL & MEETINGS	\$920	\$1,250	\$1,250	\$1,200
SEWER SOFTWARE & COMPUTER	\$62,386	\$128,308	\$128,308	\$146,135
RECORDING/REPORTING EXPENSE	\$0	\$350	\$350	\$350
SEWER POSTAGE	\$532	\$686	\$686	\$686
SWR ADM BLD/EQUIP MAINTENANCE	\$0	\$150	\$0	\$150
BILLING STATEMENT CHARGES	\$4,020	\$3,700	\$4,200	\$4,200
BILLING POSTAGE	\$10,758	\$10,000	\$11,000	\$11,000
Copier Lease	\$193	\$1,789	\$1,789	\$1,789
PUBLIC RELATIONS & EVENTS	\$4,200	\$4,250	\$4,250	\$2,250
EMPLOYMENT COSTS	\$284	\$1,337	\$1,338	\$1,338
EMPLOYEE APPRECIATION	\$4,028	\$5,105	\$5,105	\$5,565
SEWER MISCELLANEOUS	\$0	\$250	\$0	\$250
Total Supplies, Maintenance, and Operations	\$3,044,031	\$3,165,074	\$3,155,862	\$3,554,737
Professional Services				
WATER PROFESSIONAL FEES	\$141,837	\$305,044	\$295,044	\$339,791
SEWER PROFESSIONAL FEES	\$40,170	\$63,508	\$53,508	\$78,255
Total Professional Services	\$182,007	\$368,552	\$348,552	\$418,045
Debt Service				
WATER BOND ISSUANCE FEES	\$97,200	\$0	\$0	\$0
OB BOND INTEREST COST	\$22,224	\$37,446	\$96,191	\$103,927

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
TAX EXEMPT LEASE INTEREST	\$232	\$0	\$0	\$0
SEWER BOND ISSUANCE FEES	\$18,676	\$0	\$0	\$0
OB BOND INTEREST COST	\$7,295	\$16,629	\$47,919	\$53,046
TAX EXEMPT LEASE INTEREST	\$232	\$0	\$0	\$0
Total Debt Service	\$145,859	\$54,075	\$144,110	\$156,973
Transfers and Non-Cash Adjustments				
WATER SERVICE DEPRECIATION	\$592,159	\$550,000	\$650,000	\$550,000
WATER ASSETS TRANSFER	-\$842,670	-\$3,254,305	-\$5,080,198	-\$6,640,830
Transfer to Water Cap Improvem	\$503,119	\$3,389,835	\$3,359,535	\$7,055,155
Transfer to Gen Veh/Equip Repl	\$49,866	\$114,000	\$114,000	\$114,000
SEWER SERVICE DEPRECIATION	\$315,658	\$270,600	\$360,000	\$270,600
WASTEWATER ASSETS TRANSFER	-\$406,022	-\$657,938	-\$891,354	-\$1,898,857
Transfer to WW Capital Improve	\$250,377	\$825,000	\$700,000	\$1,355,000
Transfer to Gen Veh/Equip Repl	\$40,933	\$67,000	\$67,000	\$67,000
Total Transfers and Non-Cash Adjustments	\$503,421	\$1,304,193	-\$721,017	\$872,068
Capital Outlay				
WATER OPERATIONAL CAPITAL	\$289,454	\$60,000	\$255,379	\$289,240
WATER EQUIPMENT PURCHASES	\$197,106	\$7,938	\$160,246	\$31,349
WASTEWATER OPERATIONAL CAPITAL	\$26,713	\$0	\$2,440	\$39,000
WASTEWATER EQUIPMENT PURCHASES	\$254,513	\$7,938	\$122,816	\$31,349
Total Capital Outlay	\$767,787	\$75,875	\$540,881	\$390,938
Total Expenditures	\$6,613,255	\$7,081,452	\$5,493,861	\$7,517,286

Non-Departmental and Shared



Expenditures Summary

Budgeted Expenditures by Expense Type

Category	FY 2024 Actual	FY 2025 Budgeted	FY 2025 Projected	FY 2026 Budgeted
Supplies, Maintenance, and Operations				
SUPPLIES & CONSUMABLES	\$4,342	\$3,600	\$5,600	\$7,400
FACILITIES	\$0	\$0	\$0	\$26,000
MAINTENANCE/REPAIRS	\$0	\$500	\$500	\$500
EMERGENCY RESPONSE	\$0	\$500	\$500	\$500
Total Supplies, Maintenance, and Operations	\$4,342	\$4,100	\$6,100	\$33,900
Shared Services				
FACILITY CONTRACTS & SERVICES	\$27,563	\$83,479	\$72,089	\$83,939
POSTAGE	\$3,445	\$4,125	\$4,125	\$4,125
GENERAL LIABILITY INSURANCE	\$88,746	\$90,000	\$90,000	\$100,085
ELECTRICITY	\$38,585	\$44,000	\$43,000	\$44,000
Total Shared Services	\$158,339	\$221,604	\$209,214	\$232,149
Professional Services				
PUBLIC RELATIONS & EVENTS	\$0	\$0	\$0	\$15,500
Total Professional Services	\$0	\$0	\$0	\$15,500
Debt Service				
LEASE PRINCIPAL	\$428	\$0	\$0	\$0
LEASE INTEREST	\$40	\$0	\$0	\$0
Total Debt Service	\$468	\$0	\$0	\$0
Transfers and Non-Cash Adjustments				
TRANSFER TO CAP IMP FUND 02	\$813,526	\$370,000	\$370,000	\$163,717
TRANSFER TO VEH/EQUIP FUND 31	\$301,945	\$373,138	\$373,138	\$359,500
Total Transfers and Non-Cash Adjustments	\$1,115,471	\$743,138	\$743,138	\$523,217
Total Expenditures	\$1,278,620	\$968,842	\$958,452	\$804,766

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 2026

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	\$2,809,485,168
Debt Limit (\$2.50 per \$100 assessed valuation)	70,237,129
Debt applicable to limit:	
General bonded debt outstanding	24,676,268
Less: Amount set aside for repayment of general bonded debt	30,000
Total debt applicable to limit	24,646,268
Annual legal debt margin	\$45,590,861

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 August 2025, the City issued COs in the amount of \$7.93 million to fund water and wastewater utility system improvements. The debt service of the COs will be supported by revenues from the water and wastewater utilities.

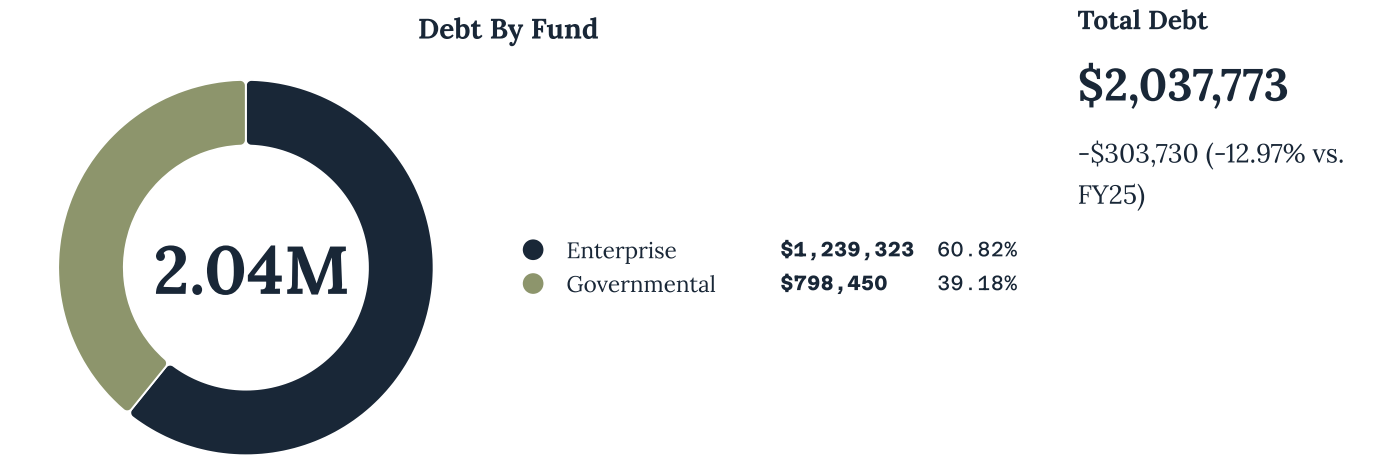
FY 2025-26 Total Debt Payments

The total debt service requirement for the City of Fair Oaks Ranch in fiscal year 2025-26 is \$2,037,773. The chart below shows the bond principal and interest requirements by fund.

	Debt Service Fund	Utility Fund	Total
Principal	\$600,000	\$1,082,595	\$1,682,595
Interest	\$198,450	\$156,728	\$355,178
Total Debt Service	\$798,450	\$1,239,323	\$2,037,773

Outstanding Debt Obligations

Bonded Debt - FY 2026						
Purpose	2015	2020	2024	2024	2025	Totals
	General Obligation	Cert of Obligation	General Obligation	Cert of Obligation	Cert of Obligation	
	Streets	Utility System	Streets	Utility System	Utility System	
Amount Issued	\$ 7,000,000	\$ 2,660,000	\$ 3,550,000	\$ 3,705,000	\$ 7,930,000	\$ 24,845,000
Outstanding Principal	\$ 2,575,000	\$ 1,150,000	\$ 3,245,000	\$ 2,825,000	\$ 7,930,000	\$ 17,725,000
Repayment Schedule of Principal and Interest by Issue						
2026	550,950	334,974	247,500	303,125	601,225	2,037,774
2027	548,575	336,666	246,875	298,750	599,750	2,030,616
2028	550,887	338,308	246,000	157,625	602,713	1,895,533
2029	552,825	160,808	244,875	154,875	600,112	1,713,495
2030	548,100	-	248,375	210,625	601,950	1,609,050
2031	-	-	246,500	209,750	603,112	1,059,362
2032	-	-	244,375	208,625	603,600	1,056,600
2033	-	-	246,875	207,250	598,525	1,052,650
2034	-	-	244,800	206,300	602,775	1,053,875
2035	-	-	248,200	205,800	601,238	1,055,238
2036	-	-	246,300	205,100	599,025	1,050,425
2037	-	-	249,100	209,100	601,025	1,059,225
2038	-	-	246,600	207,800	602,125	1,056,525
2039	-	-	248,800	211,200	602,325	1,062,325
2040	-	-	245,700	209,300	601,625	1,056,625
2041	-	-	247,300	207,200	600,025	1,054,525
2042	-	-	248,500	204,900	602,412	1,055,812
2043	-	-	249,300	212,200	598,788	1,060,288
2044	-	-	244,800	209,100	599,150	1,053,050
2045	-	-	-	-	603,275	603,275
Total P&I Payments	2,751,337	1,170,756	4,690,775	4,038,625	12,024,775	24,676,268



Total Debt

\$2,037,773

-\$303,730 (-12.97% vs. FY25)

Fund Name	FY2023 Actual	FY2024 Actual	FY2025 Projected	FY2026 Proposed
Governmental	\$552,130	\$553,563	\$992,392	\$798,450
Enterprise	\$339,746	\$333,282	\$1,349,110	\$1,239,323
Total Debt	\$891,876	\$886,845	\$2,341,502	\$2,037,773

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+

Fund Name	FY2023 Actual	FY2024 Actual	FY2025 Projected	FY2026 Proposed
Debt Service Fund	\$552,130	\$553,563	\$992,392	\$798,450
Total Debt	\$552,130	\$553,563	\$992,392	\$798,450

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:

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

In 2025, 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 5, 2025, 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:

- Ordinance passed and approved on August 7, 2025
- \$7,930,000 Certificate of Obligation issued

Fund Name	FY2023 Actual	FY2024 Actual	FY2025 Projected	FY2026 Proposed
Utility Fund	\$339,746	\$333,282	\$1,349,110	\$1,239,323
Total Debt	\$339,746	\$333,282	\$1,349,110	\$1,239,323

CAPITAL IMPROVEMENT PLAN

Capital Improvements: One-Year Plan

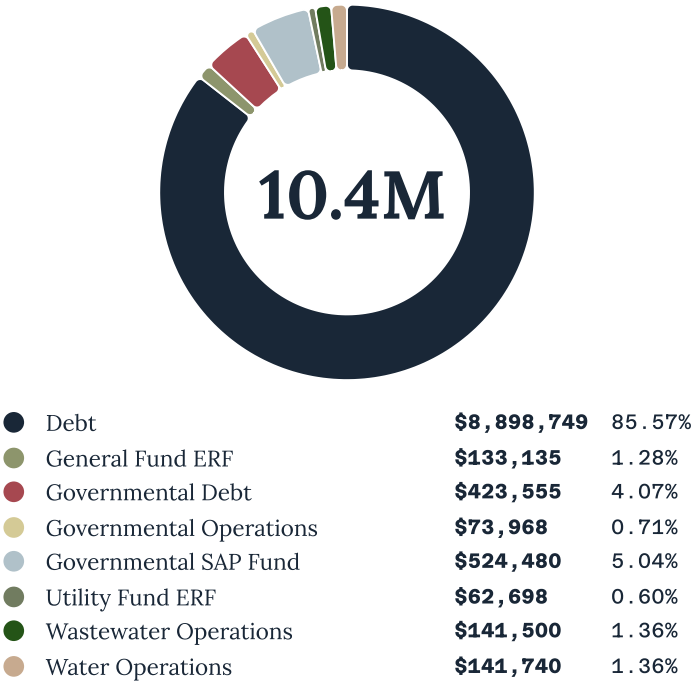
FY26 Total Capital Requested

\$10,399,825

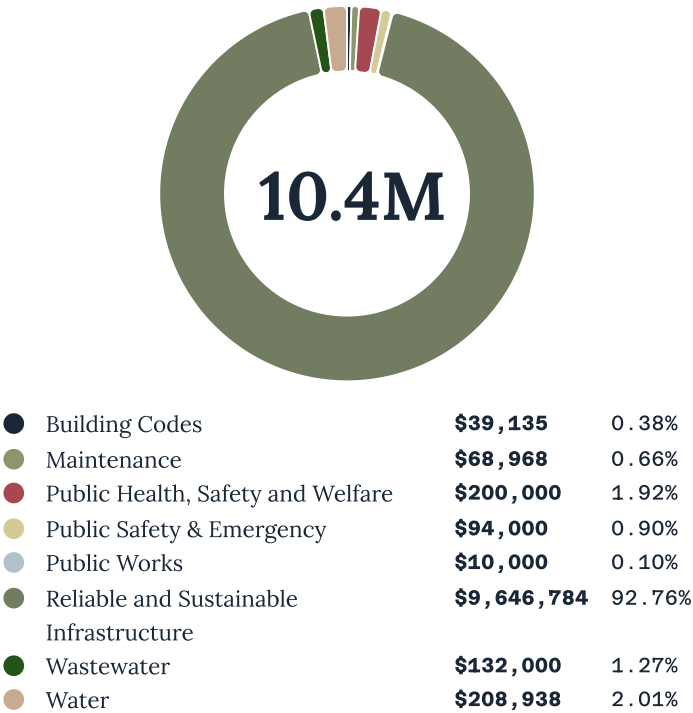
FY26 Total Funding Requested

\$10,399,825

FY26 Total Funding Requested by Source



FY26 Total Funding Requested by Department



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 2025-26 is \$133,135 for three vehicles, two pick-up trucks in Public Safety, and one truck for the Building Codes department.

General Fund Operations

The General Fund Operations budget includes \$73,968 in new capital equipment for the Maintenance department. These funds will purchase an asphalt patching machine for in-house road repair work, six radar feedback signs, and a garage door opener for the shop. 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)

Governmental SAP capital projects funded for FY 2025-26 total \$524,480. These projects include two drainage projects and targeted improvements to the fire station at FM3351.

Governmental Bond Capital Fund

The Bond Capital Fund holds the proceeds of the voter-approved General Obligation Bond from 2024. From this fund, engineering and construction costs will be paid out for the three remaining roadway projects. For FY 2025-26, two roadway projects have budgeted expenditures totaling \$423,555.

Utility Fund Operations

The Utility Fund Operations budget includes \$183,240 in new capital equipment which will be added to the strategic asset management program moving forward; four new water plant flow meters, new firewalls for the SCADA system, and a garage door opener for the utility shop. The utility budget also includes \$100,000 for a major manhole rehabilitation project.

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 issuance
- Impact fees
- Grants

The total of all categories of funding for the utility capital projects is \$8.9 million, \$7.1 million of which is for water projects and \$1.8 million for wastewater projects.

Utility Fund ERF (Utility Equipment Replacement Fund)

The Utility Vehicle/Equipment Replacement Fund (ERF) is dedicated for the replacement of Utility Fund capital items such as fleet vehicles and heavy equipment. The purpose of the fund is to ensure that adequate funds are available to purchase vehicles and equipment, to stabilize budgeting for major purchases, and to provide a systematic approach to procurement and disposition of the fleet. The total funded for FY 2025-26 is \$62,698 for a replacement mini-excavator which will be used by both the water and wastewater departments.

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://fairoaksranchtx.cleargov.com/projects>

Drainage CIP

	<i>Prior</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</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	313,873	324,480	523,061	272,331	493,853	-	1,927,598

Roadway CIP

	<i>Prior</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</i>	<i>Total</i>
RDWY: Ammann Road Reconstruction	700,838	108,555	2,769,375	2,769,375	-	-	6,348,143
RDWY: Dietz Elkhorn Roadway Reconstruction	2,704,072		2,206,078	-	-	-	4,910,150
RDWY: Rolling Acres Reconstruction	-	315,000	315,000	1,260,000	1,260,000	-	3,150,000
Reconstruct Battle Intense near Trailside	158,861	-	-	-	-	-	158,861
Total Roadway	3,563,771	423,555	5,290,453	4,029,375	1,260,000	-	14,567,154

Water

	<i>Prior</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</i>	<i>Total</i>
Willow Wind Drive/Red Bud Hill Water Line (29R)	1,331,944	-	-	-	-	-	1,331,944
Elevated Storage Tank (2W)	496,950	4,367,901	3,914,527	-	-	-	8,779,378
Rolling Acres Trail Water Line Rehabilitation (28R)	677,735	-	-	-	-	-	677,735
Old Fredericksburg Waterline (21W)	562,320	-	-	-	-	-	562,320
Expand Plant No. 5 (impact fee) (5W)	1,550,299	-	-	-	-	-	1,550,299
Upgrade Electrical at Plant No. 3 Pump Station (5R)	74,419	100,000	-	-	-	-	174,419
SAWS Emergency Interconnect	61,015	352,340	-	-	-	-	413,355
Plant 4 Ground Storage Tank	-	-	400,000	-	-	-	400,000
GBRA Waterline	-	750,000	-	-	-	-	750,000
Dietz Elkhorn Road Waterline	-	1,500,000	-	-	-	-	1,500,000
Well 26 Electrical (New) Add Variable Frequency	60,000	-	-	-	-	-	60,000
Total Water	4,814,682	7,070,241	4,314,527	-	-	-	16,199,450

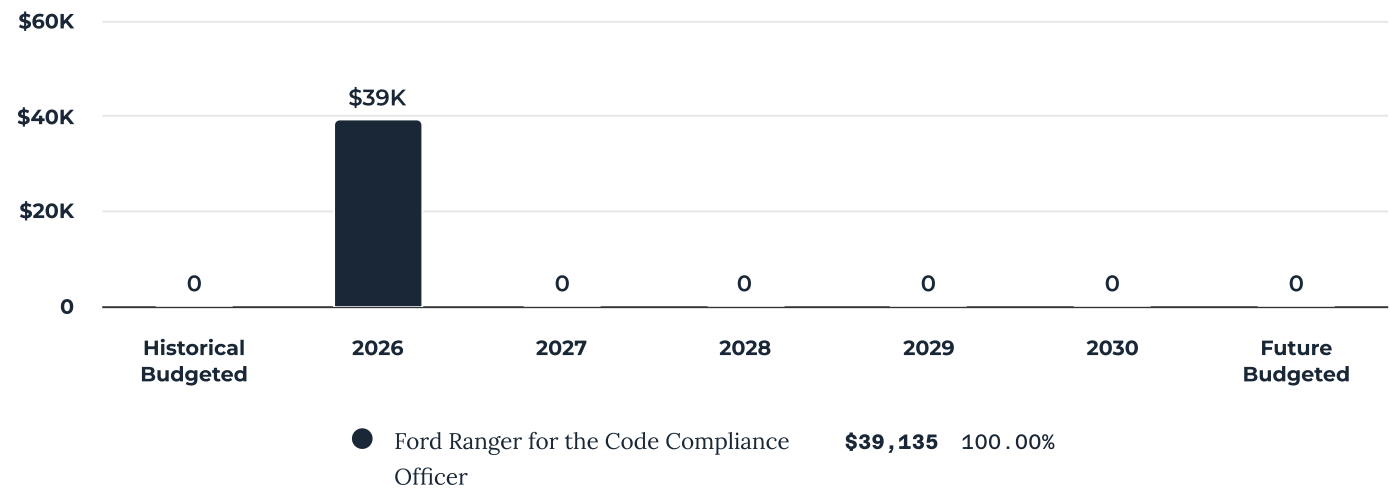
Wastewater

	<i>Prior</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</i>	<i>Total</i>
Wastewater Treatment Plant Expansion (2S)	1,211,249	1,714,987	2,387,530	-	-	-	5,313,766
Install Sewer Line and Decommission Falls Lift Station (1S)	-	113,521	811,763	-	-	-	925,284
Total Wastewater	1,211,249	1,828,508	3,199,293	-	-	-	6,239,050

CAPITAL PURCHASES AND PROJECTS

Building Codes

FY26 - FY30 Building Codes Projects (including Historical Budgeted, Future Budgeted)



Summary of Requests

Category	Historical Budgeted	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
Ford Ranger for the Code Compliance Officer	\$0	\$39,135	\$0	\$0	\$0	\$0	\$0	\$39,135
Total Summary of Requests	\$0	\$39,135	\$0	\$0	\$0	\$0	\$0	\$39,135

Ford Ranger for the Code Compliance Officer

Overview

Department

Building Codes

Request Description

The Code Compliance Officer has been using truck 127, a truck previously used by utilities. It has been in the shop quite frequently. He needs a small truck to haul items that are placed in the right-of-way and violate the City's ordinances as well as to patrol the City. It is past its replacement time period. The City has spent around \$2,000 to \$2,400 on repairs on the truck this year. It has a 5.4 engine, which is known for having expensive parts when it comes to tune-ups.

Images



Code Compliance Truck
Ford Ranger



Code Compliance Truck 127
Pictures



Views of Code Compliance
Truck to be replaced



Views of Code Compliance
Truck to be replaced



MILEAGE

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Vehicle Cost	\$0	\$39,135	\$0	\$39,135
Total	\$0	\$39,135	\$0	\$39,135

Funding Sources

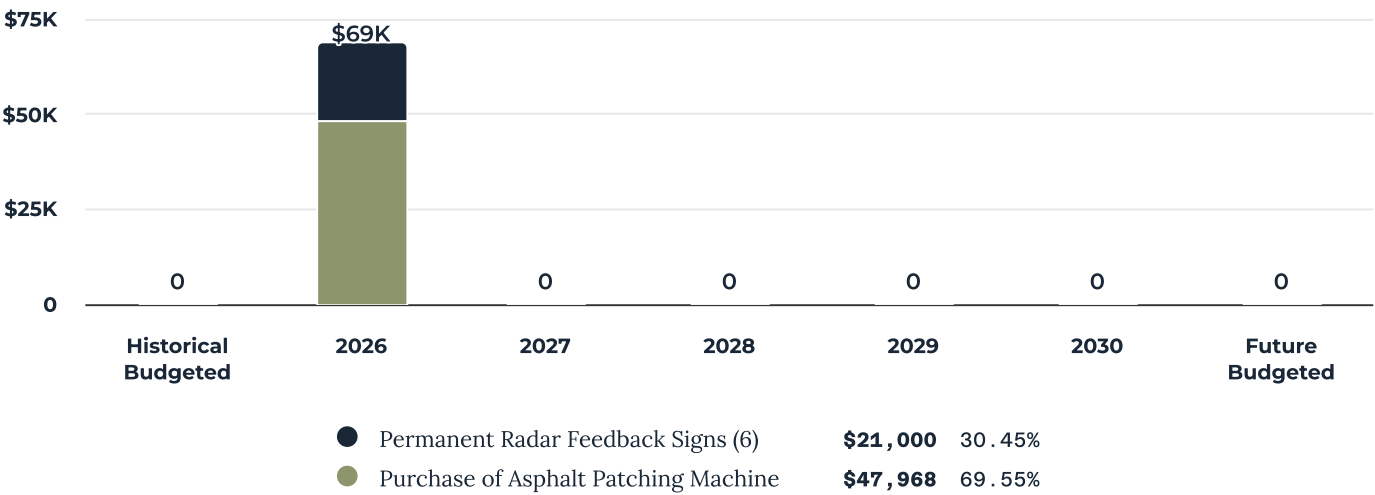
Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
General Fund ERF	\$0	\$39,135	\$0	\$39,135
Total	\$0	\$39,135	\$0	\$39,135



Maintenance

FY26 - FY30 Maintenance Projects (including Historical Budgeted, Future Budgeted)



Summary of Requests

Category	Historical Budgeted	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
Permanent Radar Feedback Signs (6)	\$0	\$21,000	\$0	\$0	\$0	\$0	\$0	\$21,000
Purchase of Asphalt Patching Machine	\$0	\$47,968	\$0	\$0	\$0	\$0	\$0	\$47,968
Total Summary of Requests	\$0	\$68,968	\$0	\$0	\$0	\$0	\$0	\$68,968

Permanent Radar Feedback Signs (6)

Overview

Department

Maintenance

Request Description

This request is for the purchase of 6 solar-powered radar feedback signs. These signs will be placed in locations determined by the City Council, where speeding and road safety are a concern.

Capital Cost

Detailed Breakdown				
Category	Historical Budgeted	FY2026	Future Budgeted	Total
Equipment Cost	\$0	\$21,000	\$0	\$21,000
Total	\$0	\$21,000	\$0	\$21,000

Funding Sources

Detailed Breakdown				
Category	Historical Budgeted	FY2026	Future Budgeted	Total
Governmental Operations	\$0	\$21,000	\$0	\$21,000
Total	\$0	\$21,000	\$0	\$21,000

Purchase of Asphalt Patching Machine

Overview

Department Maintenance

Request Description

Budget Request – 4 Ton KM Asphalt Hot Box

1. Purpose

To secure funding for the purchase of a Falcon Ton Asphalt Hot Box to support in-house street and utility cut repairs. This equipment will significantly reduce outsourcing costs, improve repair quality, enhance crew safety, minimize traffic disruptions, and enable on-site recycling of millings.

2. Background

- **Current Practice:**

- Utility cut resurfacing is subcontracted at an average of \$3,000 per repair.
- Pothole repairs use 50 lb bags of asphalt patch at \$20 per bag (~\$800/ton).
- Bag patch is labor-intensive, yields shorter-lived repairs, and requires traffic closures while curing.

- **Recent Rental Experience:**

- Four utility repairs performed in-house with a rented hot box yielded \$12,000 in savings.
- Crews were able to plan and coordinate directly with utilities, reducing idle time and contractor scheduling conflicts.

3. Proposed Equipment

KM 4 Ton Asphalt Hot Box

- **Purchase Price: \$47,968**

- **Rental Price: \$3,100.00 per month**

- **Capabilities:**

- Heats and maintains hot mix, cold mix, or recycled asphalt at optimal temperature.
- Ergonomically designed loading/unloading reduces lifting injuries.
- Allows immediate compaction and reopening to traffic.

4. Additional Benefits

- **Quality & Longevity:** Hot mix repairs last significantly longer than cold patch, reducing repeat calls and follow-up repairs.
- **Traffic Flow:** Repairs can be reopened immediately, minimizing lane closures and public inconvenience.
- **Safety & Ergonomics:** Mechanized loading/unloading eliminates repetitive lifting of 50-lb bags, reducing workers' comp exposures.
- **Operational Flexibility:** In-house capability allows rapid response to emergency cuts or storm damage without contractor lead times.

5. Asphalt Recycling Capability

The Falcon Hot Box can also recycle millings and reclaimed asphalt pavement (RAP) at no material cost to the City:

- **Material Source:** Millings produced during street resurfacing are available on site. We can offer a short-haul route to contractors, reducing their haul costs and incentivizing recycling.
- **Process:**
 1. **Add rejuvenator** to the hardened asphalt millings.
 2. **Load millings** into the Hot Box hopper.
 3. **Heat overnight** at the lowest effective temperature via indirect, radiant heaters.
 4. **Deploy** recycled mix immediately for repairs.
- **Benefits:**
 - Eliminates material purchase costs.
 - Diverts waste from landfill.
 - Further reduces project costs and environmental footprint.

Images



4 ton hot box.jpg



IMG_0522.jpg



IMG_0526.jpg

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Equipment Cost	\$0	\$47,968	\$0	\$47,968
Total	\$0	\$47,968	\$0	\$47,968

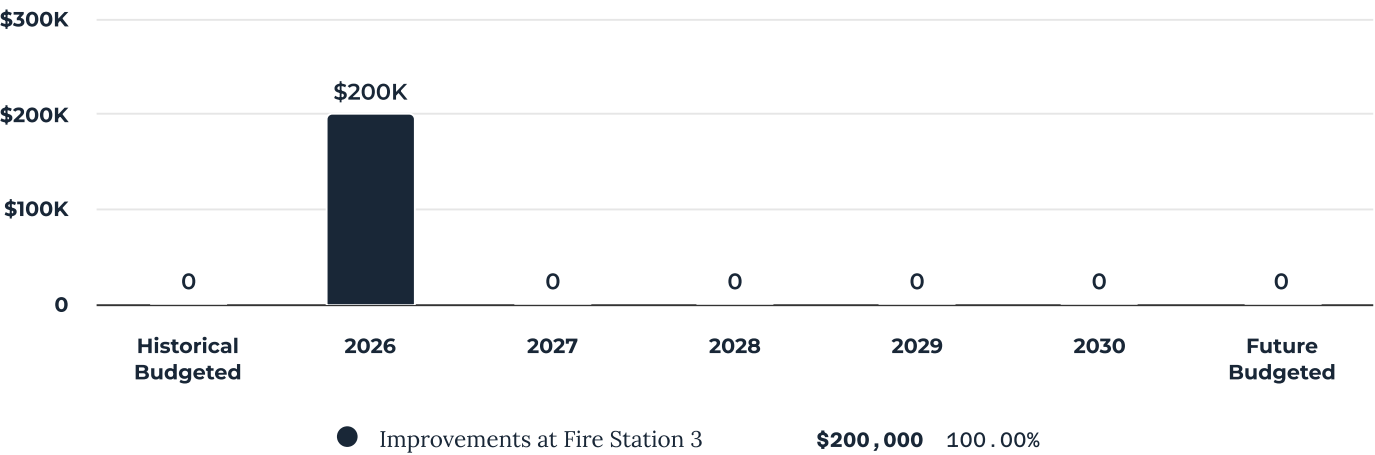
Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Governmental Operations	\$0	\$47,968	\$0	\$47,968
Total	\$0	\$47,968	\$0	\$47,968

Public Health, Safety and Welfare

FY26 - FY30 Public Health, Safety and Welfare Projects (including Historical Budgeted, Future Budgeted)



Summary of Requests

Category	Historical Budgeted	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
Improvements at Fire Station 3	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0	\$200,000
Total Summary of Requests	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0	\$200,000

Improvements at Fire Station 3

Overview

Department

Public Health, Safety and Welfare

Project Location



Request Description

Fencing around Fire Station 3

Project Overview

We propose installing perimeter fencing around approximately 40,000 sq ft of open yard at Fire Station 3, located at 30955 Meadow Creek Trail. This area is currently unfenced, limiting secure storage and safe maneuvering of large trucks, trailers, and equipment.

Purpose

- Increase secure storage: Protect city-owned vehicles, materials, and equipment from unauthorized access or theft.
- Improve operational safety: Define clear boundaries for large vehicle movements, reducing collision risk with scattered trees and other obstacles.
- Minimize liability and downtime: Prevent accidents that could sideline employees for 3–5 days due to investigations, preserving workforce availability and avoiding overtime or rental cost

Cost Estimate \$36,000

Bunk Room and Restroom Improvements at Fire Station 3

-Begin architectural and engineering work on several key upgrades for Fire Station 3 including:

- Isolating the first floor shower area from the men's restroom
- Build out of the upstairs area with bunk rooms
- Add utilities to upstairs area
- Funds budgeted \$164,000

Images



Screenshot 2025-04-14
163028.png



Screenshot 2025-04-14
161319.png



Tree and Material
bunker.jpg

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Construction	\$0	\$148,000	\$0	\$148,000
Engineering	\$0	\$52,000	\$0	\$52,000
Total	\$0	\$200,000	\$0	\$200,000

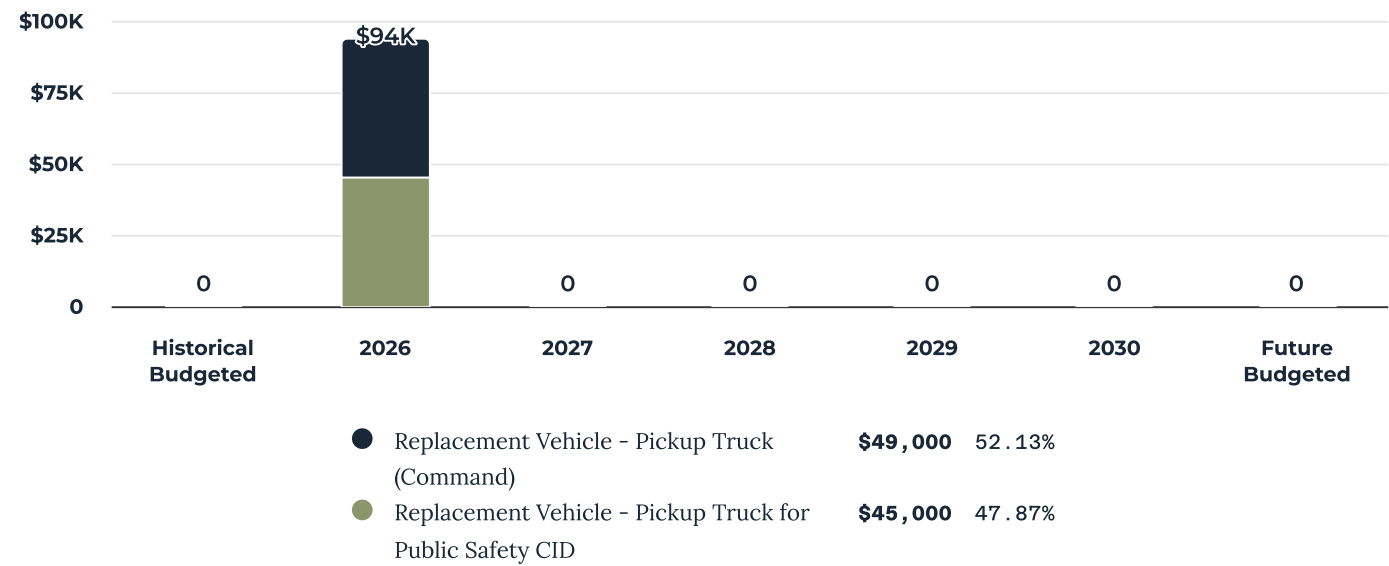
Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Governmental SAP Fund	\$0	\$200,000	\$0	\$200,000
Total	\$0	\$200,000	\$0	\$200,000

Public Safety & Emergency

FY26 - FY30 Public Safety & Emergency Projects (including Historical Budgeted, Future Budgeted)



Summary of Requests

Category	Historical Budgeted	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
Replacement Vehicle - Pickup Truck (Command)	\$0	\$49,000	\$0	\$0	\$0	\$0	\$0	\$49,000
Replacement Vehicle - Pickup Truck for Public Safety CID	\$0	\$45,000	\$0	\$0	\$0	\$0	\$0	\$45,000
Total Summary of Requests	\$0	\$94,000	\$0	\$0	\$0	\$0	\$0	\$94,000

Replacement Vehicle - Pickup Truck (Command)

Overview

Department Public Safety & Emergency

Request Description

This request is for a replacement vehicle for command. The vehicle will be a non-pursuit-rated pickup truck.

Details

Fleet Status: Replacement of an existing vehicle

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Vehicle Cost	\$0	\$49,000	\$0	\$49,000
Total	\$0	\$49,000	\$0	\$49,000

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
General Fund ERF	\$0	\$49,000	\$0	\$49,000
Total	\$0	\$49,000	\$0	\$49,000

Replacement Vehicle - Pickup Truck for Public Safety CID

Overview

Department Public Safety & Emergency

Request Description

This request is for a replacement vehicle for CID. The vehicle will be a non-pursuit-rated pickup truck.

Details

Fleet Status: Replacement of an existing vehicle

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Vehicle Cost	\$0	\$45,000	\$0	\$45,000
Total	\$0	\$45,000	\$0	\$45,000

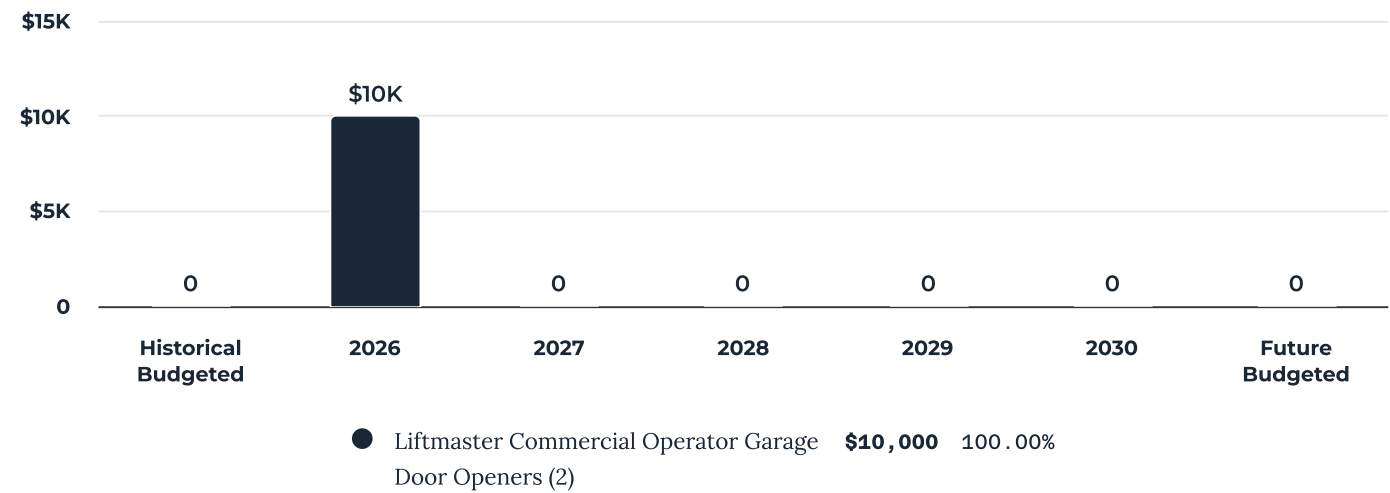
Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
General Fund ERF	\$0	\$45,000	\$0	\$45,000
Total	\$0	\$45,000	\$0	\$45,000

Public Works

FY26 - FY30 Public Works Projects (including Historical Budgeted, Future Budgeted)



Summary of Requests

Category	Historical Budgeted	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
Liftmaster Commercial Operator Garage Door Openers (2)	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$10,000
Total Summary of Requests	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0	\$10,000

Liftmaster Commercial Operator Garage Door Openers (2)

Overview

Department Public Works

Request Description

This request is for the purchase and installation of two Liftmaster brand commercial garage door openers with built-in chain hoists. The openers will be installed on tow of the door to the maintenance/utility barn.

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Equipment Cost	\$0	\$10,000	\$0	\$10,000
Total	\$0	\$10,000	\$0	\$10,000

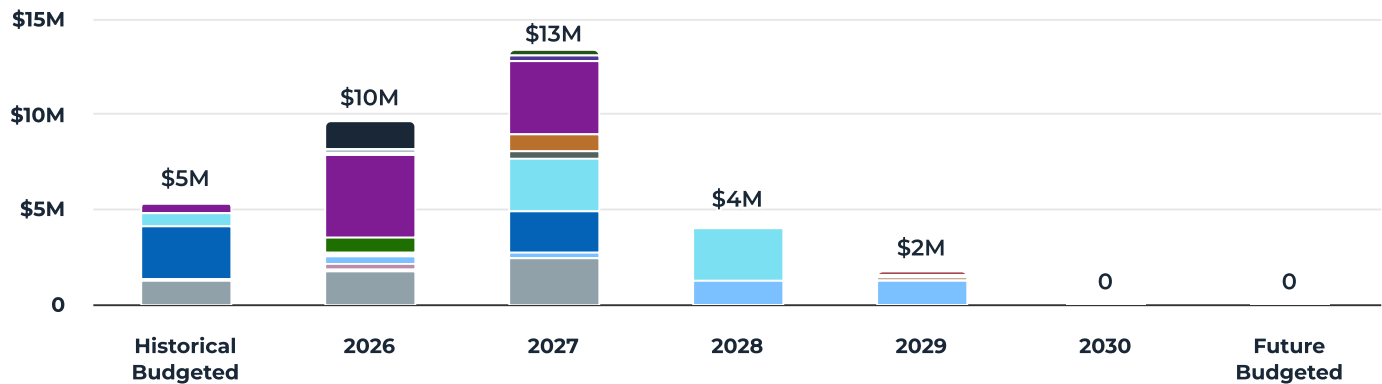
Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Governmental Operations	\$0	\$5,000	\$0	\$5,000
Wastewater Operations	\$0	\$2,500	\$0	\$2,500
Water Operations	\$0	\$2,500	\$0	\$2,500
Total	\$0	\$10,000	\$0	\$10,000

Reliable and Sustainable Infrastructure

FY26 - FY30 Reliable and Sustainable Infrastructure Projects (including Historical Budgeted, Future Budgeted)



● Dietz Elkhorn Road Waterline	\$1,500,000	4.36%
● Drainage 31988 Scarteen (#44)	\$100,000	0.29%
● Drainage 32030 Scarteen (#53)	\$266,184	0.77%
● Drainage 7644 Pimlico Lane (#46)	\$100,000	0.29%
● Drainage 8040 Rolling Acres Trail (#4)	\$229,840	0.67%
● Drainage 8045 Flagstone Hill (#63)	\$100,000	0.29%
● Drainage 8312 Triple Crown (#43)	\$269,967	0.78%
● Drainage 8402 Battle Intense LWC (#23)	\$200,000	0.58%
● Drainage 8426 Triple Crown (#41)	\$253,094	0.74%
● Drainage 8472 Rolling Acres Trail (#2)	\$229,840	0.67%
● Elevated Storage Tank and water line (SAP 3.1.6)	\$8,779,378	25.51%
● GBRA Water Main Extension	\$750,000	2.18%
● Install Sewer Line and Decommission Falls Lift Station (1S)	\$925,284	2.69%
● Plant 4 Ground Storage Tank (GST)	\$400,000	1.16%
● RDWY: Ammann Road Reconstruction	\$6,348,143	18.45%
● RDWY: Dietz Elkhorn Roadway Reconstruction	\$4,910,150	14.27%
● RDWY: Rolling Acres Reconstruction	\$3,150,000	9.15%
● SAWS Emergency Interconnect	\$413,355	1.20%
● Upgrade Electrical at Plant No. 3 Pump Station (5R)	\$174,419	0.51%
● Wastewater Treatment Plant Phase 1 Expansion (2S)	\$5,313,766	15.44%

Summary of Requests

Category	Historical Budgeted	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
Dietz Elkhorn Road Waterline	\$0	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$1,500,000
Drainage 31988 Scarteen (#44)	\$0	\$0	\$0	\$100,000	\$0	\$0	\$0	\$100,000

Category	Historical Budgeted	FY2026	FY2027	FY2028	FY2029FY2030	Future Budgeted	Total
Drainage 32030 Scarteen (#53)	\$0	\$0	\$0	\$72,331	\$193,853	\$0	\$266,184
Drainage 7644 Pimlico Lane (#46)	\$0	\$0	\$0	\$100,000	\$0	\$0	\$100,000
Drainage 8040 Rolling Acres Trail (#4)	\$67,600	\$162,240	\$0	\$0	\$0	\$0	\$229,840
Drainage 8045 Flagstone Hill (#63)	\$0	\$0	\$0	\$0	\$100,000	\$0	\$100,000
Drainage 8312 Triple Crown (#43)	\$0	\$0	\$269,967	\$0	\$0	\$0	\$269,967
Drainage 8402 Battle Intense LWC (#23)	\$0	\$0	\$0	\$0	\$200,000	\$0	\$200,000
Drainage 8426 Triple Crown (#41)	\$0	\$0	\$253,094	\$0	\$0	\$0	\$253,094
Drainage 8472 Rolling Acres Trail (#2)	\$67,600	\$162,240	\$0	\$0	\$0	\$0	\$229,840
Elevated Storage Tank and water line (SAP 3.1.6)	\$496,950	\$4,367,901	\$3,914,527	\$0	\$0	\$0	\$8,779,378
GBRA Water Main Extension	\$0	\$750,000	\$0	\$0	\$0	\$0	\$750,000
Install Sewer Line and Decommission Falls Lift Station (1S)	\$0	\$113,521	\$811,763	\$0	\$0	\$0	\$925,284
Plant 4 Ground Storage Tank (GST)	\$0	\$0	\$400,000	\$0	\$0	\$0	\$400,000
RDWY: Ammann Road Reconstruction	\$700,838	\$108,555	\$2,769,375	\$2,769,375	\$0	\$0	\$6,348,143
RDWY: Dietz Elkhorn Roadway Reconstruction	\$2,704,072	\$0	\$2,206,078	\$0	\$0	\$0	\$4,910,150
RDWY: Rolling Acres Reconstruction	\$0	\$315,000	\$315,000	\$1,260,000	\$1,260,000	\$0	\$3,150,000
SAWS Emergency Interconnect	\$61,015	\$352,340	\$0	\$0	\$0	\$0	\$413,355
Upgrade Electrical at Plant No. 3 Pump Station (5R)	\$74,419	\$100,000	\$0	\$0	\$0	\$0	\$174,419
Wastewater Treatment Plant Phase 1 Expansion (2S)	\$1,211,249	\$1,714,987	\$2,387,530	\$0	\$0	\$0	\$5,313,766
Total Summary of Requests	\$5,383,743	\$9,646,784	\$13,327,334	\$4,301,706	\$1,753,853	\$0	\$34,413,420

Dietz Elkhorn Road Waterline

Overview

Department

Reliable and Sustainable
Infrastructure

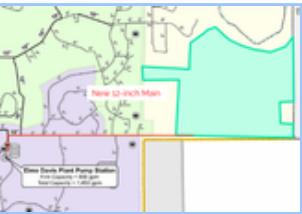
Request Description

The City and the developer cost-share construction of a new 12-inch water main from the Elmo Davis water plant to the eastern side of the City (75% City and 25% Developer)

The developer to complete design within 90 days of Utility Service Agreement execution.

The City to joint-bid waterline with Dietz Elkhorn (East) Reconstruction project to avoid trenching through new road

Images



Picture1.png

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Construction	\$0	\$1,500,000	\$0	\$1,500,000
Total	\$0	\$1,500,000	\$0	\$1,500,000

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Debt	\$0	\$1,500,000	\$0	\$1,500,000
Total	\$0	\$1,500,000	\$0	\$1,500,000

Drainage 31988 Scarteen (#44)

Overview

Department

Reliable and Sustainable
Infrastructure

Request Description

Runoff from Sky Blue Ridge runs down road and heads in direction of home. Channel improvements and regrading needed. This project is considered a "Should Do" project as water overtops a roadway and impacts private property.

Images



download (2).png

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2028	Future Budgeted	Total
Construction	\$0	\$100,000	\$0	\$100,000
Total	\$0	\$100,000	\$0	\$100,000

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2028	Future Budgeted	Total
Governmental Debt	\$0	\$100,000	\$0	\$100,000
Total	\$0	\$100,000	\$0	\$100,000

Drainage 32030 Scarteen (#53)

Overview

Department

Reliable and Sustainable
Infrastructure

Request Description

Undersized driveway culverts and silted-in bar ditches cause stormwater to back up and flow over driveways and across adjacent property towards the resident's home. Bar ditches need to be restored to original profile and erosion mat installed to stabilize the channel. The existing driveway culvert will need to be replaced with a larger culvert to increase conveyance.

Images



download (3).png

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2028	FY2029	Future Budgeted	Total
Construction	\$0	\$54,783	\$193,853	\$0	\$248,636
Design	\$0	\$17,548	\$0	\$0	\$17,548
Total	\$0	\$72,331	\$193,853	\$0	\$266,184

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2028	FY2029	Future Budgeted	Total
Governmental Debt	\$0	\$72,331	\$193,853	\$0	\$266,184
Total	\$0	\$72,331	\$193,853	\$0	\$266,184

Drainage 7644 Pimlico Lane (#46)

Overview

Department

Reliable and Sustainable
Infrastructure

Request Description

Large amount of runoff flows over the road and through private property towards Salado Creek. This project is considered a "Should Do" project as water overtops a roadway and impacts private property. The property owner has constructed a berm to direct runoff away from his house.

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2028	Future Budgeted	Total
Construction	\$0	\$100,000	\$0	\$100,000
Total	\$0	\$100,000	\$0	\$100,000

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2028	Future Budgeted	Total
Governmental Debt	\$0	\$100,000	\$0	\$100,000
Total	\$0	\$100,000	\$0	\$100,000



Drainage 8040 Rolling Acres Trail (#4)

Overview

Department Reliable and Sustainable Infrastructure

Request Description

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 significant earthwork to ensure adequate slope to convey stormwater.

Images



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Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Construction	\$0	\$162,240	\$0	\$162,240
Design	\$67,600	\$0	\$0	\$67,600
Total	\$67,600	\$162,240	\$0	\$229,840

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Governmental SAP Fund	\$67,600	\$162,240	\$0	\$229,840
Total	\$67,600	\$162,240	\$0	\$229,840

Drainage 8045 Flagstone Hill (#63)

Overview

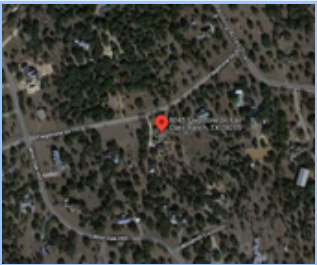
Department

Reliable and Sustainable
Infrastructure

Request Description

Water does not have a clear flow path along the street and makes it way through nearby yard. Regrading and culvert installation needed. This project is considered a "Should Do" project as water overtops a roadway and impacts private property.

Images



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Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2029	Future Budgeted	Total
Construction	\$0	\$100,000	\$0	\$100,000
Total	\$0	\$100,000	\$0	\$100,000

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2029	Future Budgeted	Total
Governmental Debt	\$0	\$100,000	\$0	\$100,000
Total	\$0	\$100,000	\$0	\$100,000

Drainage 8312 Triple Crown (#43)

Overview

Department

Reliable and Sustainable
Infrastructure

Request Description

Large amount of runoff moves down Rocking Horse Lane towards the south of the city. The Drainage Master Plan proposes to construct a culvert and channel along the south side of Triple Crown and the west side of Rocking Horse Lane in the right of way to catch stormwater running down the street before it enters and causes flooding on private property.

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2027	Future Budgeted	Total
Construction	\$0	\$191,227	\$0	\$191,227
Design	\$0	\$78,740	\$0	\$78,740
Total	\$0	\$269,967	\$0	\$269,967

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2027	Future Budgeted	Total
Governmental Debt	\$0	\$269,967	\$0	\$269,967
Total	\$0	\$269,967	\$0	\$269,967



Drainage 8402 Battle Intense LWC (#23)

Overview

Department

Reliable and Sustainable
Infrastructure

Request Description

Battle Intense is often overtopped and shut down during large rain events. Debris collects and blocks the culverts which contributes to flooding. An elevated bridge structure is necessary to raise the road elevation and convey stormwater under the road. This project is considered a "Must Do" as it impacts emergency response.

Images



download.png

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2029	Future Budgeted	Total
Construction	\$0	\$200,000	\$0	\$200,000
Total	\$0	\$200,000	\$0	\$200,000

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2029	Future Budgeted	Total
Governmental Debt	\$0	\$200,000	\$0	\$200,000
Total	\$0	\$200,000	\$0	\$200,000

Drainage 8426 Triple Crown (#41)

Overview

Department

Reliable and Sustainable
Infrastructure

Request Description

A large amount of runoff flows down the right-of-way and through a platted easement. Culvert is undersized and becomes obstructed and eventually backs up. The Drainage Master Plan proposes to replace the existing undersized culvert with a box culvert (2.417 feet x 3.75 feet) in order to increase the capacity. Increased maintenance is also needed to ensure clogging of the culvert does not become an issue. The box culvert would be capable of conveying the 10-year storm under the roadway.

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2027	Future Budgeted	Total
Construction	\$0	\$188,094	\$0	\$188,094
Design	\$0	\$65,000	\$0	\$65,000
Total	\$0	\$253,094	\$0	\$253,094

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2027	Future Budgeted	Total
Governmental Debt	\$0	\$253,094	\$0	\$253,094
Total	\$0	\$253,094	\$0	\$253,094

Drainage 8472 Rolling Acres Trail (#2)

Overview

Department

Reliable and Sustainable
Infrastructure

Request Description

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 silted-in bar ditches cause stormwater to back up and flow over driveways and across adjacent property towards Cibolo Creek. Bar ditches need to be restored to original profile and erosion mat installed to stabilize the channel. Existing single culverts will likely need to be replaced with multiple culverts due to large amounts of runoff in this area.

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Construction	\$0	\$162,240	\$0	\$162,240
Design	\$67,600	\$0	\$0	\$67,600
Total	\$67,600	\$162,240	\$0	\$229,840

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Governmental SAP Fund	\$67,600	\$162,240	\$0	\$229,840
Total	\$67,600	\$162,240	\$0	\$229,840

Elevated Storage Tank and water line (SAP 3.1.6)

Overview

Department Reliable and Sustainable
Infrastructure

Request Description

The project will provide elevated storage in Zone A, increasing storage capacity and provide the City operational flexibility and emergency storage (domestic and fire flow). The water main will serve the new elevated storage tank, and the pressure reducing valves will provide the City the ability to provide adequate fire flow demand in Zone A while providing support fire flow capacity to Zone B. The 4,000 linear feet of 12-inch waterline along W Ammann Road in conjunction with the elevated storage tank will improve fire flow and meet peak flow requirements within the area. The pressure reducing valves (PRV) being installed in conjunction with the elevated tank and waterline will provide an increase operational efficiency in Zone B. If this project is not constructed, the strain on Water Plant #5 will continue and Project 5W will become more critical. Based on recent information, Water Plant #5 has struggled to keep up with demands at times and the storage tanks are being emptied frequently. If the PRVs are not installed, the City would not have the ability to interconnect Zones A and B. This would exacerbate the need for improvements at facilities for both pressure zones and limit the operational flexibility to address system outages.

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	FY2027	Future Budgeted	Total
Construction	\$0	\$3,731,520	\$3,880,781	\$0	\$7,612,301
Other	\$0	\$620,000	\$0	\$0	\$620,000
Design	\$496,950	\$0	\$0	\$0	\$496,950
Misc. Consulting	\$0	\$16,381	\$33,746	\$0	\$50,127
Total	\$496,950	\$4,367,901	\$3,914,527	\$0	\$8,779,378

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	FY2027	Future Budgeted	Total
Debt	\$0	\$4,367,901	\$3,914,527	\$0	\$8,282,428
Water SAP Fund	\$496,950	\$0	\$0	\$0	\$496,950
Total	\$496,950	\$4,367,901	\$3,914,527	\$0	\$8,779,378

GBRA Water Main Extension

Overview

Department Reliable and Sustainable
 Infrastructure

Request Description

This project extends the GBRA water main to the Boerne Pump Station and Fair Oaks Ranch Elevated Storage Tank site

The line will enable future receipt and distribution of purchased water directly to the northeast portion of the City

GBRA is currently obtaining utility and temporary construction easements

An ILA or cost-sharing agreement between Boerne and Fair Oaks Ranch is anticipated

Images



Picture3.png

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Construction	\$0	\$750,000	\$0	\$750,000
Total	\$0	\$750,000	\$0	\$750,000

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Debt	\$0	\$750,000	\$0	\$750,000
Total	\$0	\$750,000	\$0	\$750,000

Install Sewer Line and Decommission Falls Lift Station (1S)

Overview

Department Reliable and Sustainable Infrastructure

Request Description

This project removes the Falls Lift Station from service due to recent increases in operation and maintenance costs. Currently, the City is being called out to this lift station frequently for a variety of issues. Staff mentioned that they have had issues with the lift station pumps sealing, possibly due to failing grout on the floor. Crews have added washers and spacers to the bolts to allow the pump to sit as it should and seal, but this is a temporary fix. This lift station also has issues with the water level rising up to a point where it can enter the electrical panel causing problems. This project will extend a new 8-inch wastewater main approximately 1,730 linear feet to the existing 10-inch wastewater main along Battle Intense as part of the decommissioning of the lift station.

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	FY2027	Future Budgeted	Total
Construction	\$0	\$0	\$802,764	\$0	\$802,764
Design	\$0	\$111,358	\$0	\$0	\$111,358
Misc. Consulting	\$0	\$2,163	\$8,999	\$0	\$11,162
Total	\$0	\$113,521	\$811,763	\$0	\$925,284

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	FY2027	Future Budgeted	Total
Debt	\$0	\$113,521	\$811,763	\$0	\$925,284
Total	\$0	\$113,521	\$811,763	\$0	\$925,284

Plant 4 Ground Storage Tank (GST)

Overview

Department

Reliable and Sustainable
Infrastructure

Request Description

The existing 22,550 gallon fiberglass tank at Water Plant 4 was installed in 1985 (nearly 40 years old). The tank is in poor condition and in need of replacement with a larger 50-60,000 gallon tank. Plant 4 feeds Plant 2 which serves Zone C (approximately 1100 connections). By installing a larger tank, the City will be able to take advantage of some of its best producing wells located to the south of the City. Due to the small tank size, the wells shut off when the tank is near full and both the pump station and wells frequently cycle on/off.

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2027	Future Budgeted	Total
Construction	\$0	\$300,000	\$0	\$300,000
Design	\$0	\$60,000	\$0	\$60,000
Misc. Consulting	\$0	\$40,000	\$0	\$40,000
Total	\$0	\$400,000	\$0	\$400,000

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2027	Future Budgeted	Total
Debt	\$0	\$400,000	\$0	\$400,000
Total	\$0	\$400,000	\$0	\$400,000

RDWY: Ammann Road Reconstruction

Overview

Department

Reliable and Sustainable
Infrastructure

Request Description

This project is needed to keep the corridor from additional deterioration. The corridor currently has an average Overall Condition Index (OCI) below 40, categorizing the roadway to be in very poor condition. Pavement reconstruction of Ammann Road will increase the lifespan of the facility and minimize maintenance needs due to increased traffic flow within the area. Improvements on Ammann Road include full-depth reconstruction, drainage improvements at an existing low-water crossing and utility adjustments.

Images



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Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	FY2027	FY2028	Future Budgeted	Total
Construction	\$0	\$0	\$2,637,500	\$2,637,500	\$0	\$5,275,000
Design	\$700,838	\$0	\$0	\$0	\$0	\$700,838
Misc. Consulting	\$0	\$20,000	\$131,875	\$131,875	\$0	\$283,750
Engineering	\$0	\$88,555	\$0	\$0	\$0	\$88,555
Total	\$700,838	\$108,555	\$2,769,375	\$2,769,375	\$0	\$6,348,143

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	FY2027	FY2028	Future Budgeted	Total
Governmental Debt	\$700,838	\$108,555	\$2,769,375	\$2,769,375	\$0	\$6,348,143
Total	\$700,838	\$108,555	\$2,769,375	\$2,769,375	\$0	\$6,348,143



RDWY: Dietz Elkhorn Roadway Reconstruction

Overview

Department

Reliable and Sustainable Infrastructure

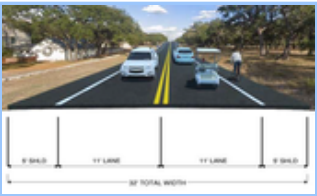
Project Location



Request Description

Dietz Elkhorn Road has an Overall Condition Index (OCI) score below 40 in many segments between Fair Oaks Parkway and FM 3351. In less than 3 years, the average OCI for this segment of roadway will be below 20. Reconstruction of this segment of roadway will require close attention to traffic flow as this is one of the major routes for the City. Project stakeholders have voiced concerns about speeding issues, heavy truck traffic, "cut through" traffic between I-10 and FM 3351, and overall corridor safety for the citizens of Fair Oaks Ranch. There is an elementary school located at the eastern end of the project where safety is a concern for children crossing Dietz Elkhorn Road. Finally, there is a traffic signal at the End Project Limits that is maintained by TxDOT.

Images



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Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2027	Future Budgeted	Total
Construction	\$2,704,072	\$2,206,078	\$0	\$4,910,150
Total	\$2,704,072	\$2,206,078	\$0	\$4,910,150

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2027	Future Budgeted	Total
Governmental Debt	\$2,093,922	\$2,206,078	\$0	\$4,300,000
Governmental SAP Fund	\$610,150	\$0	\$0	\$610,150
Total	\$2,704,072	\$2,206,078	\$0	\$4,910,150



RDWY: Rolling Acres Reconstruction

Overview

Department

Reliable and Sustainable
Infrastructure

Request Description

This project is needed to keep the corridor from additional deterioration. In 3 years the roadway will decrease to an Overall Condition Index (OCI) of 33, categorizing the roadway to be in poor condition. Pavement reconstruction of Rolling Acres Trail will increase the lifespan of the facility and minimize maintenance needs due to increased traffic within the area. There is a Drainage CIP project within the project limits that will need to be incorporated accordingly.

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	FY2027	FY2028	FY2029	Future Budgeted	Total
Construction	\$0	\$0	\$0	\$1,200,000	\$1,200,000	\$0	\$2,400,000
Design	\$0	\$300,000	\$300,000	\$0	\$0	\$0	\$600,000
Misc. Consulting	\$0	\$15,000	\$15,000	\$60,000	\$60,000	\$0	\$150,000
Total	\$0	\$315,000	\$315,000	\$1,260,000	\$1,260,000	\$0	\$3,150,000

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	FY2027	FY2028	FY2029	Future Budgeted	Total
Governmental Debt	\$0	\$315,000	\$315,000	\$1,260,000	\$1,260,000	\$0	\$3,150,000
Total	\$0	\$315,000	\$315,000	\$1,260,000	\$1,260,000	\$0	\$3,150,000

SAWS Emergency Interconnect

Overview

Department	Reliable and Sustainable Infrastructure
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Request Description

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 location is the intersection of Fair Oaks Parkway and IH-10 Access Road since the distance between the SAWS and FORU water mains is less than 100 feet. A meter and reduced pressure backflow preventer is required to ensure water only flows in one direction (SAWS to FORU). This emergency interconnect would have been beneficial during the February 2023 ice storm where an extended power outage halted the City's well production and GBRA's delivery capability resulting in a utility-wide emergency conservation notice. During that event, the City came within 14 hours of running out of water and issuing a boil water notice. This is one of several needed projects to improve system resiliency and mitigate impacts from future emergencies. The recurring service availability fee for an 8 inch meter is \$613 per month.

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Construction	\$0	\$332,340	\$0	\$332,340
Design	\$61,015	\$0	\$0	\$61,015
Misc. Consulting	\$0	\$20,000	\$0	\$20,000
Total	\$61,015	\$352,340	\$0	\$413,355

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Debt	\$61,015	\$352,340	\$0	\$413,355
Total	\$61,015	\$352,340	\$0	\$413,355

Upgrade Electrical at Plant No. 3 Pump Station (5R)

Overview

Department Reliable and Sustainable
Infrastructure

Request Description

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 is beyond its expected service life. The facility has recently upgraded the incoming electrical service equipment and automatic transfer switch, so bringing the rest of the electrical equipment up to new standards will improve the maintenance of the facility for years to come.

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Construction	\$0	\$89,430	\$0	\$89,430
Design	\$74,419	\$0	\$0	\$74,419
Misc. Consulting	\$0	\$10,570	\$0	\$10,570
Total	\$74,419	\$100,000	\$0	\$174,419

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Debt	\$74,419	\$100,000	\$0	\$174,419
Total	\$74,419	\$100,000	\$0	\$174,419

Wastewater Treatment Plant Phase 1 Expansion (2S)

Overview

Department Reliable and Sustainable Infrastructure

Request Description

Phase 1 expansion improvements include Effluent Pump Station upgrades, pipeline conveyance improvements to the golf course, Bottom of the Hill Lift Station upgrades and headworks odor mitigation. These improvements were recommended as part of the WWTP Site Feasibility Study to meet the immediate needs of the WWTP. The current effluent pump station does not have the capacity to pump all the way from the WWTP to the discharge point at the golf course ponds. The City must utilize a secondary pumping station (i.e. irrigation pump station) on the WWTP which has limited storage capacity, challenging the City's ability to move treated effluent out of the plant. In addition, the secondary pump station is in the floodplain of Cibolo Creek and subject to flooding. This project would improve the pumping capacity and upsize the conveyance pipelines to allow effluent to be sent all the way to the golf course ponds. The capability to pump effluent to both Black Jack and Live Oak during high flow events is also necessary. Bottom of the Hill Lift Station needs variable frequency drives and larger pumps, replacement and reconfiguration of discharge piping, and rag removal capability to prevent pumps from faulting. Lastly, headworks odor mitigation is needed to prevent complaints from neighbors adjacent to the WWTP.

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	FY2027	Future Budgeted	Total
Construction	\$0	\$1,694,987	\$2,360,490	\$0	\$4,055,477
Design	\$1,211,249	\$0	\$0	\$0	\$1,211,249
Misc. Consulting	\$0	\$20,000	\$27,040	\$0	\$47,040
Total	\$1,211,249	\$1,714,987	\$2,387,530	\$0	\$5,313,766

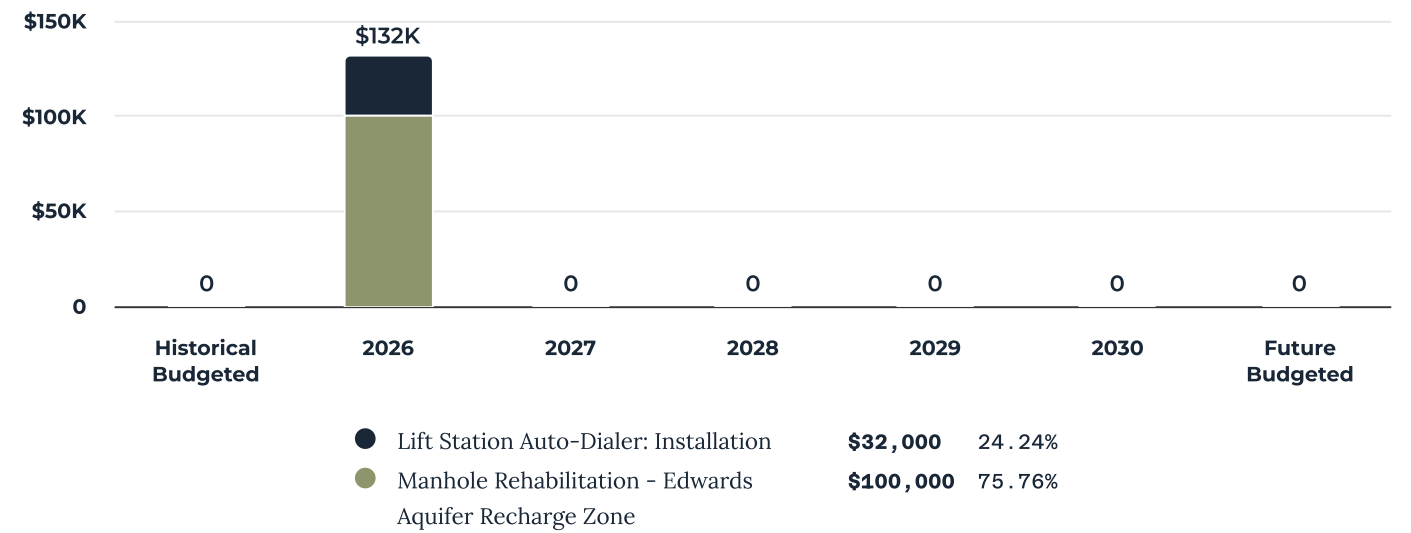
Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	FY2027	Future Budgeted	Total
Debt	\$0	\$1,714,987	\$2,387,530	\$0	\$4,102,517
Wastewater SAP Fund	\$1,211,249	\$0	\$0	\$0	\$1,211,249
Total	\$1,211,249	\$1,714,987	\$2,387,530	\$0	\$5,313,766

Wastewater

FY26 - FY30 Wastewater Projects (including Historical Budgeted, Future Budgeted)



Summary of Requests

Category	Historical Budgeted	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
Lift Station Auto-Dialer: Installation	\$0	\$32,000	\$0	\$0	\$0	\$0	\$0	\$32,000
Manhole Rehabilitation - Edwards Aquifer Recharge Zone	\$0	\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000
Total Summary of Requests	\$0	\$132,000	\$0	\$0	\$0	\$0	\$0	\$132,000

Lift Station Auto-Dialer: Installation

Overview

Department Wastewater

Request Description

We purchased 5 Auto Dialers last year that we would like to integrate with our sewer lift stations associated with the SCADA system. The Auto Dialers will place calls when a particular lift station has lost power or is at a high alarm level. Currently, when there is a loss of power, we get a "Communication Loss" from SCADA, with no further information on the status. The addition of this equipment will give staff a real-time status, allowing them to properly prioritize and mobilize during a power loss event. The scope of this project is as follows:

ENGINEERING DEVELOPMENT

Provide offsite engineering development services

Electrical/CAD design (AutoCAD format)

Offsite Auto Dialer configuration

MATERIALS/EQUIPMENT

Provide required electrical controls hardware:

Interposing Relays

Wire, misc installation materials

ONSITE SUPPORT

Provide up to 2 days (single shift) for:

Installation supervision

Debug

Commissioning

If more than any of the above allotted time is required/requested and Patti Engineering is not directly responsible for the need for the additional time, an extension PO will be required to continue onsite support

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Other	\$0	\$32,000	\$0	\$32,000
Total	\$0	\$32,000	\$0	\$32,000

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Wastewater Operations	\$0	\$32,000	\$0	\$32,000
Total	\$0	\$32,000	\$0	\$32,000

Manhole Rehabilitation - Edwards Aquifer Recharge Zone

Overview

Department Wastewater

Request Description

Every 5 years we are required by the EPA to camera inspect all sewer mains and manholes within the boundaries of the Edwards Aquifer Recharge Zone (EARZ). The inspection we conducted this year found that 31 of the 189 manholes failed the vacuum test, all in varying degrees. Some failed miserably, and others barely failed. We also had 2 areas of the sewer main that will need repair as soon as possible. I am entering a placeholder of \$100,000 for this project. However, I am awaiting a more accurate quote from Cleanview LLC for this work to be done in the coming year.

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Construction	\$0	\$100,000	\$0	\$100,000
Total	\$0	\$100,000	\$0	\$100,000

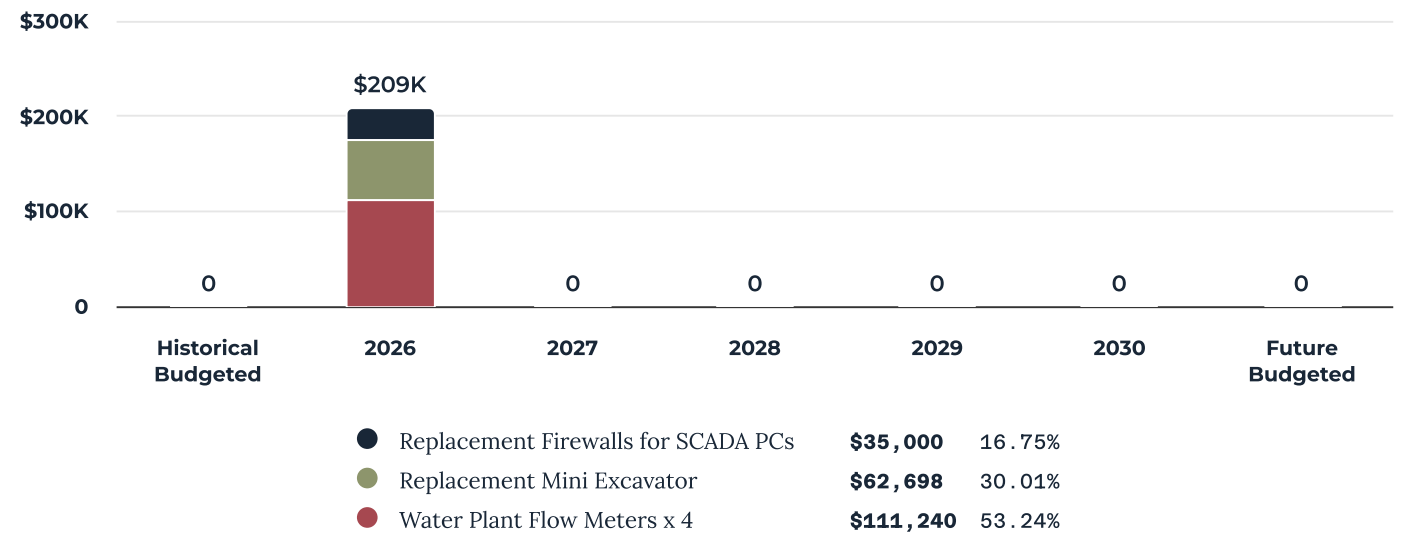
Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Wastewater Operations	\$0	\$100,000	\$0	\$100,000
Total	\$0	\$100,000	\$0	\$100,000

Water

FY26 - FY30 Water Projects (including Historical Budgeted, Future Budgeted)



Summary of Requests

Category	Historical Budgeted	FY2026	FY2027	FY2028	FY2029	FY2030	Future Budgeted	Total
Replacement Firewalls for SCADA PCs	\$0	\$35,000	\$0	\$0	\$0	\$0	\$0	\$35,000
Replacement Mini Excavator	\$0	\$62,698	\$0	\$0	\$0	\$0	\$0	\$62,698
Water Plant Flow Meters x 4	\$0	\$111,240	\$0	\$0	\$0	\$0	\$0	\$111,240
Total Summary of Requests	\$0	\$208,938	\$0	\$0	\$0	\$0	\$0	\$208,938

Replacement Firewalls for SCADA PCs

Overview

Department Water

Request Description

Justification for Firewall Replacement – Water/Wastewater Facilities

This request is for the replacement of five firewalls that serve critical water and wastewater infrastructure locations. The existing devices have reached the end of their service life and are no longer supported by the manufacturer, leaving them increasingly vulnerable to security risks and system failures, and they do not meet the necessary encryption standards. Replacing these firewalls and the switches would provide us more visibility within the network as they were traditionally managed by Patti Engineering. Patti Engineering does not make many changes to the firewalls, which is optimal for IT to manage them moving forward under a unified view. Replacing the network switches as well would simplify network management and include additional capabilities in future cybersecurity initiatives. These firewalls are cellular based firewalls that will also be able to handle any future connections with a higher bandwidth medium, like fiber or ethernet, for an Internet connection.

These firewalls are a vital component of the utility's cybersecurity framework, protecting operational technology (OT) systems, control networks, and sensitive data from unauthorized access, cyberattacks, and other digital threats. Reliable network security is essential to ensure uninterrupted water and wastewater services to the community, maintain regulatory compliance, and safeguard public health and environmental safety.

Replacing these outdated firewalls will significantly reduce network vulnerabilities, enhance system integrity, and ensure continued protection of critical infrastructure. This investment supports the utility's commitment to secure, reliable, and resilient service delivery.

A rollout would include working with Patti Engineering one plant at a time to ensure minimal downtime. A test would be conducted with Patti ahead of any plant work beginning.

Details

Capital Cost Details

These items are to be funded by water and wastewater (80% - 20%)

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Equipment Cost	\$0	\$35 , 000	\$0	\$35 , 000
Total	\$0	\$35 , 000	\$0	\$35 , 000

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Water Operations	\$0	\$28,000	\$0	\$28,000
Wastewater Operations	\$0	\$7,000	\$0	\$7,000
Total	\$0	\$35,000	\$0	\$35,000

Replacement Mini Excavator

Overview

Department Water

Request Description

Justification for Replacement Utility Excavator – Water/Wastewater Department

The replacement of the existing utility excavator is essential to maintaining operational reliability and minimizing costly downtime. This machine serves as the department's primary equipment for water and sewer main and service repairs, new installations, and a variety of ongoing maintenance projects. The current unit is 14 years old and is approaching the end of its effective service life for our operations. It was originally scheduled for replacement in the previous fiscal year.

Proactively replacing this equipment is critical to avoiding unexpected breakdowns and the costly, time-consuming repairs associated with aging machinery. Having reliable, fully functional equipment is key to ensuring the department can meet daily operational demands without disruption.

The new excavator will serve both the water and wastewater divisions, enabling crews to respond more quickly and efficiently to service interruptions, emergency repairs, and routine maintenance tasks.

Investing in this replacement now will help mitigate escalating maintenance costs, reduce operational downtime, and ensure the continued delivery of reliable utility services to the community.

Images



cat-303_50-excavator.jpeg

Details

Capital Cost Details

A 10% cost adjustment has been applied to this year's quote to account for inflation and the addition of a quick-connect attachment, which will improve operational efficiency and flexibility in the field.

Cost is to be split between water and wastewater 50/50

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Equipment Cost	\$0	\$62,698	\$0	\$62,698
Total	\$0	\$62,698	\$0	\$62,698

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Utility Fund ERF	\$0	\$62,698	\$0	\$62,698
Total	\$0	\$62,698	\$0	\$62,698

Water Plant Flow Meters x 4

Overview

Department Water

Request Description

Justification for Replacement Flow Meters – Water Treatment Facilities

This request is for the replacement of four aging and outdated flow meters—two located at Water Plant 5 and two at the Elmo Davis Water Treatment Plant. The current equipment is no longer supported by the manufacturer, increasingly inaccurate, and does not meet modern standards for data tracking and operational efficiency.

Upgrading to new, accurate flow meters will enhance the utility’s ability to monitor and report water flow to both treatment plants. Improved flow data will directly support efforts to reduce unaccounted-for water loss, a key performance and compliance metric in utility reporting. Reliable flow measurement is also essential for process optimization, regulatory reporting, and long-term asset planning.

Investing in these replacements will improve operational accuracy, strengthen regulatory compliance, and support the utility’s broader goal of responsible and efficient water system management.

Images



Flow Meter Example

Capital Cost

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Equipment Cost	\$0	\$111,240	\$0	\$111,240
Total	\$0	\$111,240	\$0	\$111,240

Funding Sources

Detailed Breakdown

Category	Historical Budgeted	FY2026	Future Budgeted	Total
Water Operations	\$0	\$111,240	\$0	\$111,240
Total	\$0	\$111,240	\$0	\$111,240

DOCUMENTS

2025 Tax Rate Calculation Worksheet

Taxing Units Other Than School Districts or Water Districts

Form 50-856

Fair Oaks Ranch, City of

Taxing Unit Name

210-698-0900

Phone (area code and number)

7286 Dietz Elkhorn

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

www.fairoaksranchtx.org

Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 25.04(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	\$ 2,609,825,743
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	\$ 11,123,866
3.	Preliminary prior year adjusted taxable value. Subtract Line 2 from Line 1.	\$ 2,658,701,857
4.	Prior year total adopted tax rate.	\$ 0.285300 /\$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:	\$ 1,595,600
	B. Prior year values resulting from final court decisions:	- \$ 1,550,000
	C. Prior year value loss. Subtract B from A. ³	\$ 45,600
6.	Prior year taxable value subject to an appeal under Chapter 42, as of July 25.	
	A. Prior year ARB certified value:	\$ 1,280,000
	B. Prior year disputed value:	- \$ 1,280,000
	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.	\$ 45,600

¹ Tex. Tax Code §26.012(14)² Tex. Tax Code §26.012(14)³ Tex. Tax Code §26.012(13)⁴ Tex. Tax Code §26.012(13)

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

For additional copies, visit: comptroller.texas.gov/taxes/property-tax
50-856 • 6-25/13

All India examination: Integrated Engineering Entrance Exam		Exam Date
Engineering Entrance Exam		2018-19
10	For the 10th class (10th year) students	10/05/19
11	For the 11th class (11th year) students	10/05/19
12	For the 12th class (12th year) students	10/05/19
13	For the 13th class (13th year) students	10/05/19
14	For the 14th class (14th year) students	10/05/19
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91	For the 91st class (91st year) students	10/05/19

Question	Answer	Score
1. Which of the following is a characteristic of a good research question?	It is clear, concise, and focused.	1.0000 / 1.0000
2. Which of the following is a characteristic of a good research question?	It is measurable and testable.	1.0000 / 1.0000
3. Which of the following is a characteristic of a good research question?	It is significant and relevant.	1.0000 / 1.0000
4. Which of the following is a characteristic of a good research question?	It is original and novel.	1.0000 / 1.0000
5. Which of the following is a characteristic of a good research question?	It is feasible and achievable.	1.0000 / 1.0000
6. Which of the following is a characteristic of a good research question?	It is ethical and responsible.	1.0000 / 1.0000
7. Which of the following is a characteristic of a good research question?	It is timely and current.	1.0000 / 1.0000
8. Which of the following is a characteristic of a good research question?	It is specific and detailed.	1.0000 / 1.0000
9. Which of the following is a characteristic of a good research question?	It is broad and general.	1.0000 / 1.0000
10. Which of the following is a characteristic of a good research question?	It is narrow and focused.	1.0000 / 1.0000
11. Which of the following is a characteristic of a good research question?	It is open-ended and exploratory.	1.0000 / 1.0000
12. Which of the following is a characteristic of a good research question?	It is closed-ended and confirmatory.	1.0000 / 1.0000
13. Which of the following is a characteristic of a good research question?	It is qualitative and descriptive.	1.0000 / 1.0000
14. Which of the following is a characteristic of a good research question?	It is quantitative and inferential.	1.0000 / 1.0000
15. Which of the following is a characteristic of a good research question?	It is mixed-method and integrative.	1.0000 / 1.0000
16. Which of the following is a characteristic of a good research question?	It is interdisciplinary and collaborative.	1.0000 / 1.0000
17. Which of the following is a characteristic of a good research question?	It is transdisciplinary and transformative.	1.0000 / 1.0000
18. Which of the following is a characteristic of a good research question?	It is multidisciplinary and synergistic.	1.0000 / 1.0000
19. Which of the following is a characteristic of a good research question?	It is interdisciplinary and collaborative.	1.0000 / 1.0000
20. Which of the following is a characteristic of a good research question?	It is transdisciplinary and transformative.	1.0000 / 1.0000

[illegible]

ORDINANCE 2025-19**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, 2025, AND ENDING SEPTEMBER 30, 2026; 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 7, 2025, the City Council set September 15, 2025, 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 2025-26 budget year.

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

- Section 1.**
- a. The City hereby approves and adopts the FY 2025-26 Municipal Budget, attached as Exhibit A, in all respects as the City's annual budget for the fiscal year beginning October 1, 2025, and ending September 30, 2026.
 - b. The City Manager may reallocate budget amounts within and between departmental accounts, but reallocation of amounts between funds must be approved by the City Council by Ordinance. For purposes of this section, the term "fund" refers to the governmental accounting definition of a fund.
 - c. In accordance with LGC §102.008(a), the adopted budget shall be filed with the City Secretary, and a copy of the adopted budget including the cover page shall be posted on the City's website.

Section 2. 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 15th day of September 2025, and recorded as follows:

	FOR	AGAINST	ABSTAIN
Mayor Greg Maxton	✓		
Council Member Stroup	✓		
Mayor Pro Tem Rhoden	✓		
Council Member Olvera	✓		
Council Member Pearson	✓		
Council Member Parker	✓		
Council Member Swarek	✓		

PASSED, APPROVED, and ADOPTED on second and final reading by the City Council of the City of Fair Oaks Ranch, Texas, on reading this 18th day of September 2025, and recorded as follows:

	FOR	AGAINST	ABSTAIN
Mayor Greg Maxton	✓		
Council Member Stroup	Absent		
Mayor Pro Tem Rhoden	✓		
Council Member Olvera	✓		
Council Member Pearson	✓		
Council Member Parker	✓		
Council Member Swarek	✓		



Gregory C. Maxton, Mayor

ATTEST:



Christina Picioccio, TRMC
City Secretary

APPROVED AS TO FORM:



Denton Navarro Rodriguez Bernal Santee & Zech
P.C., City Attorney

ORDINANCE 2025-20

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, 2025, AND ENDING SEPTEMBER 30, 2026; PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, on August 7, 2025, the City Council established a maximum ad valorem tax rate to support the proposed FY 2025-26 budget, and set September 15, 2025, as the date for the meeting to vote on the tax rate and caused notice of such meeting to be posted; and

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

WHEREAS, by ordinance the Council will approve the municipal budget for the fiscal year beginning October 1, 2025, and ending September 30, 2026; 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. 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 **\$0.2853** on each \$100 taxable valuation of property, and shall be apportioned and distributed as follows:

a. For the maintenance and operations of the City (General Fund), a tax rate of **\$0.25674** on each \$100 taxable valuation of property.

b. For the debt service principal and interest of the Debt Service Fund of the municipal government for FY 2025-26, a tax rate of **\$0.02856** on each \$100 taxable valuation of property.

c. THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 5.49% AND WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$13.37.

Section 2. a. Unless the due date has been extended, taxes levied under this ordinance shall be due on October 1, 2025, and if not paid on or before January 31, 2026, shall immediately become delinquent.

b. Taxes shall become a lien upon the property against which assessed, and the Bexar County Tax Assessor-Collector 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 15th day of September 2025, and recorded as follows:

	FOR	AGAINST	ABSTAIN
Mayor Greg Maxton	✓		
Council Member Stroup	✓		
Mayor Pro Tem Rhoden	✓		
Council Member Olvera	✓		
Council Member Pearson	✓		
Council Member Parker	✓		
Council Member Swarek	✓		

PASSED, APPROVED, and ADOPTED on second and final reading by the City Council of the City of Fair Oaks Ranch, Texas, on reading this 18th day of September 2025, and recorded as follows:

	FOR	AGAINST	ABSTAIN
Mayor Greg Maxton	✓		
Council Member Stroup	Absent		
Mayor Pro Tem Rhoden	✓		
Council Member Olvera	✓		
Council Member Pearson	✓		
Council Member Parker	✓		
Council Member Swarek	✓		



Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:



Christina Picioccio, TRMC
City Secretary



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.

Certificate of Obligation (C.O.) – Legal debt instruments used to finance capital improvement projects. Certificates of obligation are backed by the full faith and credit of the government entity and are fully payable from a property tax levy. Certificates of obligation differ from general obligation debt in that they are approved by the City Council and are not voter approved.

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.

FTE: Full-time equivalent

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 (GO 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 policy making 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.