



## CITY OF FAIR OAKS RANCH CITY COUNCIL REGULAR MEETING

Thursday, March 02, 2023 at 6:30 PM

Public Safety Training Room, Police Station, 7286 Dietz Elkhorn, Fair Oaks Ranch

Live Stream: <https://www.youtube.com/channel/UCDqRvLvReqxrh1lbajwshKA/live>

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### AGENDA

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#### OPEN MEETING

1. Roll Call - Declaration of a Quorum
2. Pledge of Allegiance

#### CITIZENS and GUEST FORUM

*To address the Council, please sign the Attendance Roster located on the table at the entrance in the foyer of the Public Safety Training Room. In accordance with the Open Meetings Act, Council may not discuss or take action on any item which has not been posted on the agenda. Speakers shall limit their comments to five (5) minutes each.*

3. Citizens to be heard.

#### PRESENTATIONS

4. Presentation of a 5-Year Service Award to: Julie Lovelace, Accountant I; and William Poole, Water/Wastewater Operator II.

Joanna Merrill, IPMA-SCP, Director of Human Resources and Communications

5. Presentation of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year Ended September 30, 2021, and award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Report for the Year Ended September 30, 2021.

Rosie G. Vela, Director of Finance

#### CONSENT AGENDA

*All of the following items are considered to be routine by the City Council, there will be no separate discussion on these items and will be enacted with one motion. Items may be removed by any Council Member by making such request prior to a motion and vote.*

6. Approval of the February 16, 2023 Regular City Council meeting minutes.

Christina Picioccio, TRMC, City Secretary

7. Approval of the February 23, 2023 Special City Council meeting minutes.

Christina Picioccio, TRMC, City Secretary

8. Approval of the Front Gate Unit 6 Updated Tree Preservation Plan.

Katie Schweitzer, P.E., Manager of Engineering Services

- [9.](#) Approval of a Resolution authorizing participation in a national opioid settlement.

Dan Santee, City Attorney

- [10.](#) Approval of Council Member Bliss's absence from the February 16, 2023, April 20, 2023 and May 4, 2023 Regular City Council meetings.

Christina Picioccio, TRMC, City Secretary

- [11.](#) Approval of Council Member Koerner's absence from the February 16, 2023, Regular City Council meetings.

Christina Picioccio, TRMC, City Secretary

### CONSIDERATION/DISCUSSION ITEMS

- [12.](#) Consideration and possible action on approving a Law Enforcement & Patrol Agreement between the City of Fair Oaks Ranch and The Fountains Homeowners Association.

Tim Moring, Chief of Police

- [13.](#) Consideration and possible action approving an Emergency Ordinance amending the Fiscal Year 2022-2023 budget for emergency response costs for debris removal due to a recent ice storm.

Rosie G. Vela, Director of Finance

- [14.](#) Consideration and possible action authorizing the City Manager to negotiate and execute an agreement with Laser Spectacles, Inc for providing a Laser Show for the annual July 4th Celebration.

Clayton Hoelscher, Procurement Manager

- [15.](#) Discussion and possible action to pursue the costs and design for the construction of Gateway Features at one or more entrances to Fair Oaks Ranch.

Scott Parker, Council Member Place 5  
Laura Koerner, Council Member Place 4

- [16.](#) Consideration and possible action regarding requirements or expenditures associated with the Local Disaster.

Gregory C. Maxton, Mayor  
Tobin E. Maples, AICP, City Manager

### WORKSHOPS

- [17.](#) Five-Year Financial Plan.

Scott Huizenga, Assistant City Manager - Administrative Services

- [18.](#) Migration for City water meter reads to Sensus cloud services.

Brian LeJeune, IT Manager

- [19.](#) Microsoft Exchange server migration and Microsoft 365 cloud services.

Brian LeJeune, IT Manager

## REQUESTS AND ANNOUNCEMENTS

- 20. Announcements and reports by Mayor and Council Members.
- 21. Announcements by the City Manager.
- 22. Requests by Mayor and Council Members that items be placed on a future City Council agenda.

## CONVENE INTO EXECUTIVE SESSION

*Pursuant to Section 551.101 of the Open Meetings Act, Texas Gov't Code, a quorum of the governing body hereby convenes into closed session:*

**Sec. 551.071 (Consultation with Attorney)** the City Council will meet in private consultation with legal counsel to seek the advice of its attorneys about pending or contemplated litigation, a settlement offer, and/or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflicts with Chapter 551 of the Government Code; to wit:

- 23. To receive legal advice from Special Counsel and the City Attorney regarding the City's ground water rights.
- 24. Case No. 22-090-451; Vincent A. Caldarola, MD vs. City of Fair Oaks Ranch, Texas.

## **Sec. 551.072 (Deliberation regarding real property)**

- 25. The City Council will meet in closed session to deliberate the purchase, exchange, lease, or value of real property that may be considered for future location of water and wastewater system improvements.

## **Sec. 551.074 (Personnel)**

- 26. The City Council will convene in closed session pursuant to Texas Government Code Section 551.074, Personnel, to discuss the duties and performance of the City Manager.

## RECONVENE INTO OPEN SESSION

*Discussion and possible action on items discussed in Executive Session.*

## ADJOURNMENT

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**Signature of Agenda Approval:** s/Gregory C. Maxton

Gregory C. Maxton, Mayor

I, Christina Picioccio, TRMC, City Secretary, certify that the above Notice of Meeting was posted on the outside bulletin board at the Fair Oaks Ranch City Hall, 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas, and on the City's website [www.fairoaksranchtx.org](http://www.fairoaksranchtx.org), both places being convenient and readily accessible to the general public at all times.

As per Texas Government Code 551.045, said Notice was posted by 6:30 PM, February 27, 2023 and remained so posted continuously for at least 72 hours before said meeting was convened.

The Fair Oaks Ranch Police Station is wheelchair accessible at the front main entrance of the building from the parking lot. Requests for special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary's office at (210) 698-0900. Braille is not available. The City Council reserves the right to convene into Executive Session at any time regarding an issue on the agenda for which it is legally permissible; pursuant to Texas Government Code Chapter 551. Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).





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**CITY COUNCIL CONSIDERATION ITEM**  
**CITY OF FAIR OAKS RANCH, TEXAS**  
**March 2, 2023**

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**AGENDA TOPIC:** Presentation of Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year Ended September 30, 2021, and award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Report for the Year Ended September 30, 2021

**DATE:** March 2, 2023

**DEPARTMENT:** Finance

**PRESENTED BY:** Rosie G. Vela, Director of Finance

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**GFOA Awards:**

The City of Fair Oaks Ranch has earned the GFOA's Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for five years in a row beginning in 2017. The City's budget has earned the Distinguished Budget Presentation Award four years in a row, beginning in 2019. This year, for the first time, the City submitted its Popular Annual Financial Report and earned the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for its 2021 report.

The Government Finance Officers Association (GFOA) was founded in 1906 and represents public finance officials in the United States and Canada. It consists of 26,000 members consisting of federal, state, and local finance officials. The organization provides training for its members and holds annual and periodic conferences in various locations in the United States. Its mission is to achieve excellence in Public Finance.

Texas is well represented on the board of GFOA, with Laurie Brewer from Georgetown; Jennifer Brown of Sugarland; and Veronica Carrillo of San Antonio on the current Board of Directors.



Government Finance Officers Association

Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting

Presented to

**City of Fair Oaks Ranch  
Texas**

For its Annual Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Fair Oaks Ranch  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO



The Government Finance Officers Association of  
the United States and Canada

*presents this*

## AWARD OF FINANCIAL REPORTING ACHIEVEMENT

*to*

**Finance Department**  
City of Fair Oaks Ranch, Texas

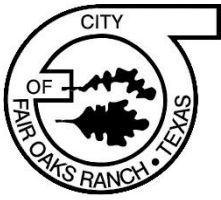


*The Award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the department or individual designated as instrumental in the government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.*

Executive Director

*Christopher P. Morill*

Date: 1/9/2023



**CITY OF FAIR OAKS RANCH**  
**CITY COUNCIL REGULAR MEETING**

Thursday, February 16, 2023, at 6:30 PM

Public Safety Training Room, Police Station, 7286 Dietz Elkhorn, Fair Oaks Ranch

Live Stream: <https://www.youtube.com/channel/UCDqRvLvReqxrh1lbajwshKA/live>

## **MINUTES**

### **OPEN MEETING**

#### **1. Roll Call - Declaration of a Quorum**

Council Present: Mayor Maxton and Council Members Stroup, Elizondo, Muenchow, and Parker.

Council Absent: Council Members Bliss and Koerner

With a quorum present, the meeting was called to order at 6:30 PM.

#### **2. Pledge of Allegiance** – The Pledge of Allegiance was recited in unison.

### **CITIZENS and GUEST FORUM**

#### **3. Citizens to be heard** - None

### **CONSENT AGENDA**

#### **4. Approval of the January 24, 2023, Special City Council meeting minutes.**

#### **5. Approval of the February 2, 2023, Regular City Council meeting minutes.**

#### **6. Approval of a Resolution between the City of Fair Oaks Ranch and the Officer of the Governor for the bullet-resistant shield grant program and to authorize the City Manager to execute all documents with connection therewith.**

MOTION: Made by Council Member Muenchow, seconded by Council Member Parker, to approve the Consent Agenda.

VOTE: 5-0; Motion Passed.

### **CONSIDERATION/DISCUSSION ITEMS**

#### **7. Consideration and possible action approving a one-time residential brush pick up and disposal service related to the February ice storm.**

Carole Vanzant, Assistant City Manager, Community Services led council in a discussion regarding the clean-up coordination efforts related to the February ice storm. City-wide downed brush accumulation is approximately 35,000 cubic yards and estimated to cost \$936,105.00 (per Republic Services quote). Mayor Maxton unveiled his plan to declare a local disaster on Friday, 17, 2023, as one option to qualify for federal funds to help mitigate these unanticipated costs. Staff continues to research additional options and potential cost savings. A special council meeting is required to extend the declaration of local disaster per Resolution and is scheduled for February 23, 2023, at 6:30 PM. This meeting will also include an agenda item regarding item-related updates.

**WORKSHOP****8. Wastewater Treatment Plant Study**

Grant Watanabe, P.E., Director of Public Works and Engineering Services and Greg Swoboda, P.E, Project Manager, Garver, led a workshop regarding the results of the wastewater treatment plant study, possible phasing alternatives, and related costs.

**9. Reaching a population of 10,000 Statutory Provisions.**

Dan Santee, City Attorney, led a workshop regarding the impact to city programs and services when the threshold of 10,000 population is reached.

**10. Discussion Regarding the City's 4<sup>th</sup> of July Celebration.**

Clayton Hoelscher, Procurement Manager presented to Council, various options available for the Fourth of July celebration. Council Member Stroup requested additional time to receive feedback from residents before committing on a particular path. To get the process in motion, Clayton Hoelscher will develop contracts with vendors pending final Council determination at the March 2, 2023, Council meeting.

**REPORTS FROM STAFF AND COMMITTEES****11. Presentation of Quarterly Investment Report for the Quarter Ended December 31, 2022.**

Rosie G. Vela, Director of Finance, provided to Council a presentation of the Quarterly Investment Report for Quarter Ended December 31, 2022.

**12. Presentation of Financial Update for the Quarter Ended December 31, 2022.**

Rosie G. Vela, Director of Finance, provided to Council a presentation of the Financial Update for Quarter Ended December 31, 2022.

**REQUESTS AND ANNOUNCEMENTS****13. Announcements and reports by Mayor and Council Members.**

Council Member Parker spoke regarding the "excellent" State of the City Event that was held at the Fair Oaks Ranch Golf and Country Club on February 15, 2023. He thanked staff for their contribution in coordinating the event.

Mayor Maxton announced that there were 140 – 145 people present at the State of the City Event and 237 on-line attendees.

Mayor Maxton informed the audience that City Hall would be closed on Monday, February 20, 2023, for President's Day.

Mayor Maxton also reminded all present that the filing period for a place on the ballot ends February 17, 2023, at 5:00 PM and that the Kendall County Elections Office is looking for interested citizens to work the elections.

**14. Announcements by the City Manager.**

None.

**15. Requests by Mayor and Council Members that items be placed on a future City Council agenda.**

None

**CONVENE INTO EXECUTIVE SESSION**

*City Council did not convene into Executive Session regarding:*

**Sec. 551.071 (Consultation with Attorney**

**16.** To receive legal advice from Special Counsel and the City Attorney regarding the City's ground water rights.

**17.** Case No. 22-090-451; Vincent A. Caldarola, MD vs. City of Fair Oaks Ranch, Texas.

**Sec. 551.072 (Deliberation regarding real property)**

**18.** The City Council did not convene in closed session pursuant to Texas Government Code Section 551.074, personnel, to deliberate the duties and performance of the City Manager, Tobin Maples. City Manager Maples may request the deliberation be conducted in open session.

**Sec 551.074 (Personnel)**

**19.** The City Council did not convene in closed session pursuant to Texas Government Code Section 551.074, Personnel, to deliberate the duties and performance of the City Manager, Tobin Maples. City Manager Maples may request the deliberation be conducted in open session.

**RECONVENE INTO OPEN SESSION**

N/A.

**ADJOURNMENT**

Mayor Maxton adjourned the meeting at 9:13 PM.

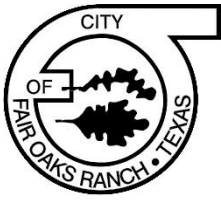
ATTEST:

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Gregory C. Maxton, Mayor

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Christina Picioccio, TRMC, City Secretary



**CITY OF FAIR OAKS RANCH**  
**CITY COUNCIL SPECIAL MEETING**

Thursday, February 23, 2023, at 6:30 PM

Public Safety Training Room, Police Station, 7286 Dietz Elkhorn, Fair Oaks Ranch

Live Stream: <https://www.youtube.com/channel/UCDqRvLvReqxrh1lbajwshKA/live>

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## MINUTES

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### OPEN MEETING

#### 1. Roll Call - Declaration of a Quorum

Council Present: Mayor Maxton and Council Members Stroup, Elizondo, Koerner, Muenchow, and Parker.

Council Absent: Council Member Bliss

With a quorum present, the meeting was called to order at 6:30 PM.

#### 2. Pledge of Allegiance – The Pledge of Allegiance was recited in unison.

### CITIZENS and GUEST FORUM

3. **Citizens to be heard** – Jesse Hoss, Hoss Land Services, informed the Council that he noticed that the first three companies, listed on the bid sheet regarding the February 2023 Ice Storm Damage emergency brush removal, did not show the cost for disposal.

### CONSIDERATION/DISCUSSION ITEMS

#### 4. Consideration and possible action on approving a Resolution continuing the Mayor of Fair Oaks Ranch February 17, 2023, Local Disaster Declaration.

**MOTION:** Made by Council Member Elizondo, seconded by Council Member Koerner to approve a Resolution continuing the Mayor of Fair Oaks Ranch February 17, 2023, Local Disaster Declaration.

**VOTE:** 6-0; Motion Passed

#### 5. Discussion and possible action regarding requirements or expenditures associated with the Local Disaster.

Mayor Maxton introduced the following persons from the Texas Division of Emergency Management: Tony Gross, District Coordinator within our Region and David Williams, Region 6 Grant Coordinator. Mr. Williams provided a brief presentation and answered questions of Council. Procurement Manager for the City of Fair Oaks Ranch, Clayton Hoelscher, provided to Council a presentation on the bids received for brush removal and answered questions along with City Manager Tobin Maples. City Manager Maples stated that this will be a standing item as the City works through this process to allow for updates and other decisions as necessary.



**MOTION:** Made by Council Member Muenchow, seconded by Council Member Stroup to authorize the City Manager to sign a contract not to exceed \$300,000.00 on the removal of debris from the unallocated general fund with a vendor chosen by staff.

**VOTE:** 6-0; Motion Passed

**ADJOURNMENT**

Mayor Maxton adjourned the meeting at 7:28 PM.

ATTEST:

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Gregory C. Maxton, Mayor

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Christina Picioccio, TRMC, City Secretary



**CITY COUNCIL CONSENT AGENDA ITEM**  
**CITY OF FAIR OAKS RANCH, TEXAS**  
**March 02, 2023**

AGENDA TOPIC: Approval of the Front Gate Unit 6 Updated Tree Preservation Plan  
 DATE: March 02, 2023  
 DEPARTMENT: Public Works  
 PRESENTED BY: Consent Agenda - Katie Schweitzer, P.E., Engineering Services

**INTRODUCTION/BACKGROUND:**

On December 12, 2022, an updated Tree Preservation Plan for Front Gate Unit 6 was submitted to the Public Works Department by Vickrey and Associates, Inc. This Tree Preservation Plan consists of an additional Heritage Tree to be removed due to its declined health status.

Regarding the submission of a Tree Preservation Plan, currently vested under the City's previous subdivision ordinance, Article II, Section 1 (C, 13) of said ordinance states, "The submittal shall conform to the requirements of Article III, Section 6 of this ordinance." This section contains a requirement by the Tree and Habitat Protection ordinance which states: "City Council approval is required prior to removal of any tree which is twenty-four inches (24") caliper in size or larger (heritage tree). The tree caliper is to be measured at 4-1/2 feet above the ground."

The submitted Tree Plan shows the following heritage trees:

Tree #700 – 28" Oak – To Be Saved

Tree #701 – 36" Oak – To Be Removed

Tree #727 – 32" Oak – To Be Saved

Tree #728 – 28" Oak – To Be Saved

Tree #770 – 37" Oak – To Be Saved

Tree #783 – 62" Oak – To Be Removed – *Previously To Be Saved*

Tree #832 – 30" Oak – To Be Saved

Tree #837 – 27" Oak – To Be Saved

Tree #843 – 30" Oak – To Be Saved

To mitigate, an additional three (3) trees with a caliper of at least two and one half - inches (2.5") will be planted; a grand total of six (6) trees to be planted. The applicant has been informed that the heritage trees will require City Council approval prior to removal.

During their February 9, 2023 meeting, the Planning and Zoning Commission recommended approval of the updated Front Gate Unit 6 Tree Preservation Plan. The motion passed unanimously with a vote of 7-0.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

Article III Section 6(A) of the previous subdivision ordinance states:

“It shall be unlawful for any person to remove, destroy, or cause the removal or destruction of any tree which is nine - inches (9") caliper in size or larger (protected tree) and which is located on an undeveloped tract of land within the city limits or extraterritorial jurisdiction (ETJ) without submitting a Tree Removal and Preservation Plan with the preliminary plat. City Council approval is required prior to removal of any tree which is twenty-four inches (24") caliper in size or larger (heritage tree). The tree caliper is to be measured at 4-1/2 feet above the ground.”

Furthermore, item “D” of the same section states the following:

“The Public Works Department shall review and recommend approval of the Plan if:

1. The tree(s) is located within ten feet of the perimeter of, the proposed building footprint, the area over a septic tank, areas necessary for site access, or within areas designated for the construction or installation of public facilities such as streets or utilities; or
2. The application demonstrates that the denial of the request for tree removal will affect a hardship prohibiting the development of the property in otherwise compliance with the regulations of the City of Fair Oaks Ranch; and
3. The application demonstrates that three (3) trees with a caliper of at least two and one half - inches (2.5") will be planted on the site or at another approved location for each tree removed that has a caliper of twenty-four - inches (24") or larger (heritage tree).”

**LONGTERM FINANCIAL & BUDGETARY IMPACT:**

None

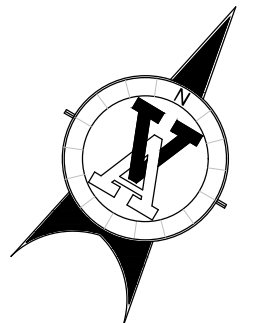
**LEGAL ANALYSIS:**

Not Applicable

**RECOMMENDATION/PROPOSED MOTION:**

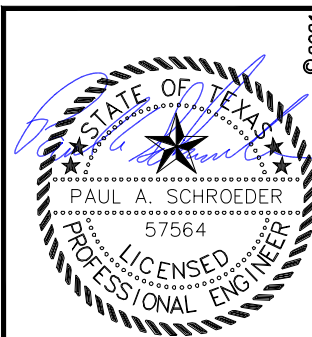
Staff has reviewed the updated Front Gate Unit 6 Tree Preservation Plan and recommends approval based on conformance with the City’s previous subdivision ordinance Article III, Section 6.

Consent Agenda - I move to approve the Front Gate Unit 6 Updated Tree Preservation Plan.

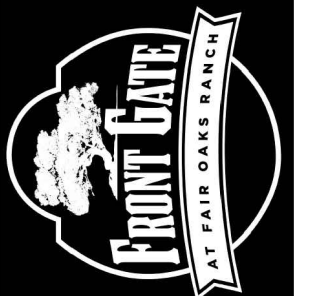
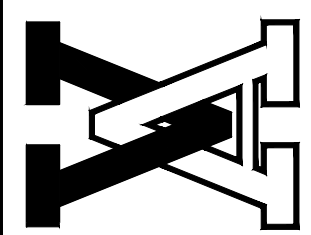


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 REVISED TREE TO BE REMOVED  
 ADDITIONAL TREES TO BE PLANTED



**VICKREY & ASSOCIATES, LLC**  
**CONSULTING ENGINEERS**  
CIVIL • ENVIRONMENTAL • SURVEY  
12940 Country Parkway San Antonio, TX 78241  
Telephone: (210) 349-3271  
Firm Registration No: F-159




## TREE PLAN

FRONT GATE UNIT 6  
FAIR OAKS RANCH, TEXAS

DATE \_\_\_\_\_

Vertical Scale 1"=N/A  
Horizontal Scale 1"= 40'

0 20' 40' 60'



SHEET	OF
10	21

19	21
PROJ. NO. 2742-008	

REVISÉ 12/8/2022



Dec 08, 2022 - 1:49pm  
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DRAWN BY: DS

CHECKED BY: PAS

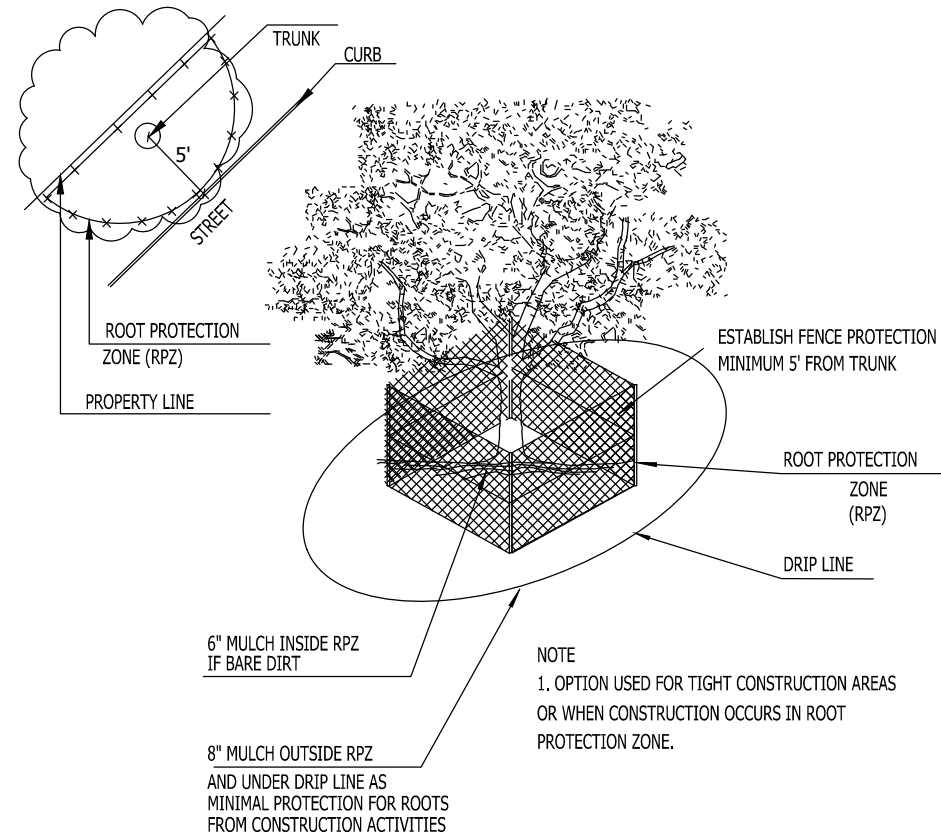
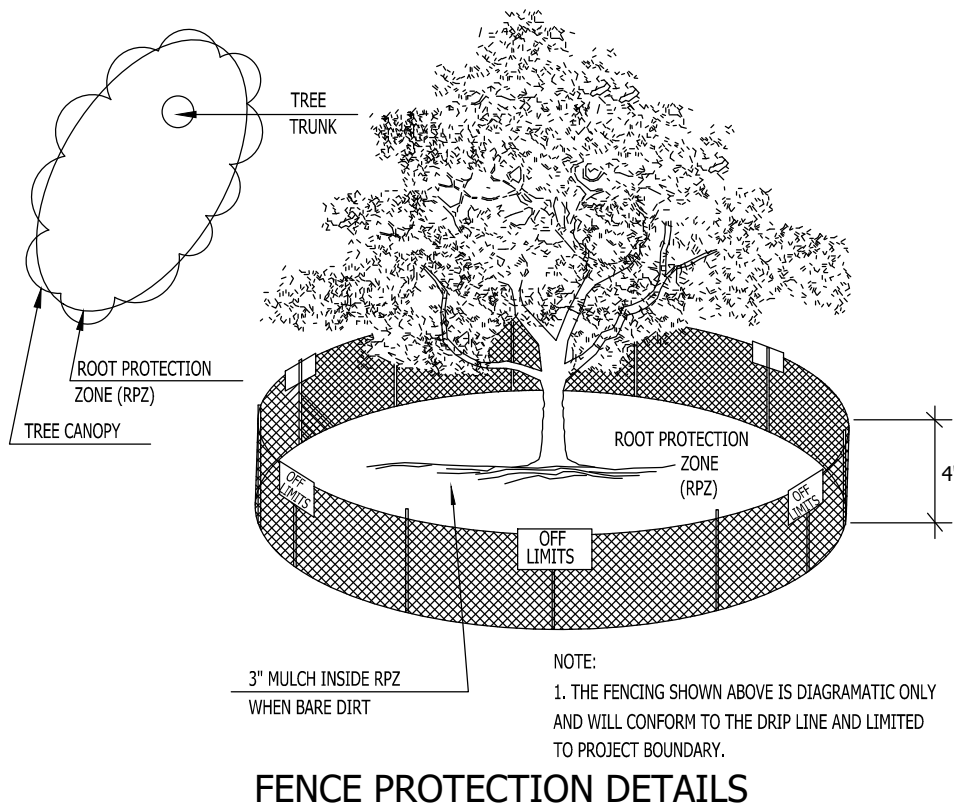
APPROVED BY: DHS

TREE INVENTORY		
Point #	DESCRIPTION	
**	700	TR 28 OAK 30
*	701	TR 36 OAK 50
	702	TR 12 OAK 20
	703	TR 12 OAK 25
	704	TR 18 OAK 25
	709	TR 11 OAK 20
	710	TR 13 OAK 25
	711	TR 9 OAK 20
	712	TR 10 OAK 20
	713	TR 11 OAK 20
	715	TR 8 OAK 20
	716	TR 8 OAK 20
	717	TR 17 OAK 25
	718	TR 13 OAK 25
	719	TR 16 OAK 25
	720	TR 8 OAK 25
	721	TR 11 OAK 25
	722	TR 12 OAK 25
	723	TR 6 OAK 20
	724	TR 9 OAK 20
	725	TR 9 OAK 20
	726	TR 8 ELM 10
**	727	TR 32 OAK 40
**	728	TR 28 OAK 40
	729	TR 9 OAK 20
	730	TR 11 OAK 25
	731	TR 10 OAK 20
	732	TR 10 OAK 20
	733	TR 12 OAK 25
	735	TR 12 OAK 30
	736	TR 9 OAK 20
	737	TR 11 OAK 20
	738	TR 7 OAK 20
	739	TR 6 OAK 20
	740	TR 7 OAK 15

TREE INVENTORY		
Point #	DESCRIPTION	
	741	TR 6 OAK 15
	742	TR 6 OAK 15
	743	TR 8 OAK 20
	744	TR 6 OAK 15
	745	TR 8 OAK 20
	746	TR 7 OAK 20
	747	TR 8 OAK 20
	748	TR 6 OAK 20
	750	TR 6 OAK 15
	751	TR 9 OAK 20
	753	TR 18 OAK 30
	754	TR 12 OAK 25
	755	TR 11 OAK 20
	756	TR 17 OAK 25
	757	TR 18 OAK 30
	758	TR 11 OAK 25
	762	TR 8 OAK 20
	763	TR 14 OAK 30
	764	TR 12 OAK 25
	765	TR 7 OAK 20
	766	TR 10 OAK 20
	767	TR 6 OAK 10
	768	TR 6 OAK 15
	769	TR 9 OAK 15
**	770	TR 37 OAK 40
	771	TR 13 OAK 25
	780	TR 12 OAK 30
	781	TR 8 OAK 20
	782	TR 9 OAK 20
*	783	TR 62 OAK 60
	784	TR 17 MES 30
	812	TR 10 OAK 20
	813	TR 13 OAK 20
	814	TR 9 OAK 20
	815	TR 14 OAK 25

TREE INVENTORY		
Point #	DESCRIPTION	
	816	TR 9 OAK 20
	817	TR 12 OAK 20
	818	TR 17 OAK 25
	819	TR 17 OAK 25
	820	TR 11 OAK 20
	821	TR 10 OAK 20
	822	TR 7 OAK 15
	823	TR 9 OAK 15
	824	TR 13 OAK 25
	825	TR 7-5 OAK 20
	826	TR 7 OAK 15
	827	TR 10 OAK 25
	828	TR 9 OAK 20
	829	TR 10 OAK 25
	830	TR 9 OAK 20
**	831	TR 9 OAK 20
	832	TR 30 OAK 40
	833	TR 6 OAK 15
	834	TR 9 OAK 25
	835	TR 9 OAK 25
	836	TR 20 OAK 25
**	837	TR 27 OAK 35
	838	TR 19 OAK 30
	839	TR 9 OAK 25
	840	TR 7 OAK 15
	841	TR 12 OAK 25
	842	TR 11 OAK 25
**	843	TR 30 OAK 35
	844	TR 14 OAK 35
	845	TR 8 OAK 20
	846	TR 12 OAK 25
	847	TR 9 OAK 20
	848	TR 11 OAK 25
	849	TR 13 OAK 25
	850	TR 13 OAK 25

TREE INVENTORY		
Point #	DESCRIPTION	
	851	TR 9 OAK 20
	3501	TR 13 OAK 20
	3502	TR 7 OAK 10
	3503	TR 22 OAK 40
	3504	TR 10 OAK 25
	3505	TR 9 OAK 20
	3506	TR 7 OAK 10
	3507	TR 9 OAK 10
	3508	TR 10 OAK 15
	3509	TR 9 OAK 15
	3510	TR 9 OAK 15
	3511	TR 8 OAK 15
	3512	TR 10 OAK 20
	3513	TR 9-4 OAK 20
	3514	TR 7 OAK 20
	3515	TR 7 OAK 20
	3516	TR 9 OAK 20
	3517	TR 7 OAK 20
	3518	TR 8 OAK 20
	3519	TR 7 OAK 20
	3520	TR 7 OAK 20
	3521	TR 7 OAK 20
	3522	TR 8-5 OAK 20
	3523	TR 8 OAK 20
	3524	TR 6 OAK 15
	3525	TR 7 OAK 15
	3526	TR 7 OAK 15
	3527	TR 7 OAK 15
	3528	TR 10 OAK 20
	3529	TR 17 OAK 30

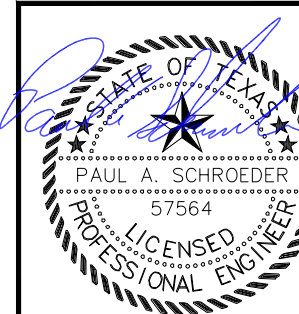


HERITAGE TREES  
\* - TO BE REMOVED  
\*\* - TO BE SAVED

REVISED TREE TO BE REMOVED

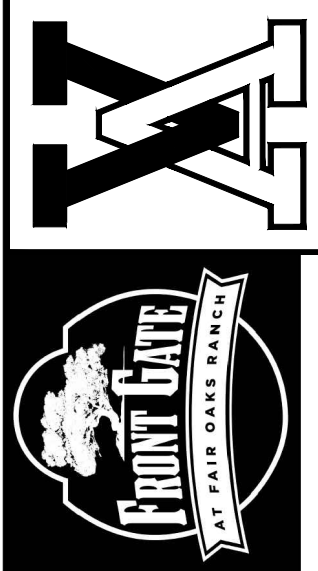
DESCRIPTION KEY  
TREE 19 OAK 25  
SIZE OF CANOPY (IN FEET)  
SIZE OF EACH TRUNK (IN INCHES)  
TYPE OF TREE

LEGEND  
OAK -LIVE OAK  
HACK-HACKBARRY  
ASJ -ASHLE JUNIPER  
ELM - ELM TREE



REVISED 12/8/2022

VICKREY & ASSOCIATES, LLC  
CONSULTING ENGINEERS  
CIVIL • ENVIRONMENTAL • SURVEY  
12940 Country Parkway San Antonio, TX 78216  
Telephone: (210) 349-3271  
Firm Registration No: F-159



TREE PLAN  
FRONT GATE UNIT 6  
FAIR OAKS RANCH, TEXAS

DATE:  
Vertical Scale 1"= ##'  
Horizontal Scale 1"= ##'  
SHEET 20 OF 21  
PROJ NO. 2742-000



**CITY COUNCIL CONSENT AGENDA ITEM**  
**CITY OF FAIR OAKS RANCH, TEXAS**  
**March 2, 2023**

AGENDA TOPIC: Approval of a Resolution authorizing participation in a national opioid settlement

DATE: March 2, 2023

DEPARTMENT: Legal

PRESENTED BY: Consent Agenda – Dan Santee, City Attorney

**INTRODUCTION/BACKGROUND:**

On October 7, 2021 the City of Fair Oaks Ranch joined by Resolution, other Texas local governments in the Texas Opioid Settlement Agreements against certain drug companies and their corporate affiliates, parents, subsidiaries, and such other defendants that had engaged in “fraudulent and reckless marketing/distribution of opioids”. A new settlement has been reached with additional defendants which requires a similar process for participation.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

Those entities listed in the settlement agreements will receive settlement funds.

**LONG-TERM FINANCIAL & BUDGETARY IMPACT:**

TBD

**LEGAL ANALYSIS:**

Approved as to form.

**RECOMMENDATION/PROPOSED MOTION:**

Consent Agenda – I move to approve a Resolution authorizing participation in a national opioid settlement.

## A RESOLUTION

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS (“CITY”) JOINING WITH THE STATE OF TEXAS AND POLITICAL SUBDIVISIONS OF THE STATE AS A PARTY IN THE TEXAS OPIOID SETTLEMENT AGREEMENTS SECURED BY THE OFFICE OF THE ATTORNEY GENERAL; AUTHORIZING THE CITY MANAGER TO EXECUTE SETTLEMENT PARTICIPATION FORMS; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Fair Oaks Ranch, Texas is a Home Rule municipal corporation formed and organized pursuant to the constitution and laws of the State of Texas; and

**WHEREAS**, the people of the State of Texas and its communities, including the City of Fair Oaks Ranch, have been harmed through the national and statewide epidemic caused by the sale, use and distribution of opioids within the State of Texas; and

**WHEREAS**, the City has been provided information indicating that certain drug companies and their corporate affiliates, parents, subsidiaries, and such other defendants as may be added to the litigation (collectively, “Defendants”) have engaged in fraudulent and reckless marketing as well as fraudulent distribution of opioids that have resulted in addictions and overdoses; and

**WHEREAS**, these actions, conduct and misconduct have resulted in the death of many Texans and has resulted in the devastation of families and communities across the State; and

**WHEREAS**, local governments have been on the front lines of the opioid crisis, which has resulted in significant financial costs to them related to the expenditures and continuing costs for healthcare services, social services, law enforcement and the criminal justice systems; and

**WHEREAS**, the State of Texas, through the Office of the Attorney General, entered settlements with pharmaceutical manufacturer Allergan and with pharmacies CVS, Walgreens, and Walmart; and

**WHEREAS**, participating in the settlements increases the State of Texas’ opportunity to maximize its share of opioid settlement funds and will provide a method to ensure that needed resources reach communities once all negotiations are finalized; and

**WHEREAS**, the City Council finds and determines that it is in the best interest of the health, safety, and welfare of the City to participate in the settlements through the Office of the Attorney General for the State of Texas.

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

**Section 1.** The City Council hereby authorizes the City Manager to execute the Subdivision Participation Forms, attached hereto as Exhibit “A”, and incorporated herein for all purposes and further authorizes the City Manager to take any additional actions necessary to implement the intent of this Resolution.

**Section 2.** The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as part of the judgment and finding of the City Council.

- Section 3.** All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.
- Section 4.** This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.
- Section 5.** If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Resolution would have been enacted without such invalid provision.
- Section 6.** It is officially found, determined, and declared that the meeting at which this Resolution 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 Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.
- Section 7.** This resolution shall be in force and effect from and after its final passage, and it is so resolved.

**PASSED AND APPROVED on this 2<sup>nd</sup> day of March, 2023.**

\_\_\_\_\_  
Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Christina Picioccio, City Secretary

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



**EXHIBIT A**  
**SUBDIVISION PARTICIPATION FORMS**

**EXHIBIT K**  
**Subdivision and Special District Settlement Participation Form**

Governmental Entity:	State:
Authorized Signatory:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above (“*Governmental Entity*”), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Agreement dated November 22, 2022 (“*Allergan Settlement*”), and acting through the undersigned authorized official, hereby elects to participate in the Allergan Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Allergan Settlement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Governmental Entity elects to participate in the Allergan Settlement as provided therein.
2. Following the execution of this Settlement Participation Form, the Governmental Entity shall comply with Section III.B of the Allergan Settlement regarding Cessation of Litigation Activities.
3. The Governmental Entity shall, within fourteen (14) days of the Reference Date and prior to the filing of the Consent Judgment, file a request to dismiss with prejudice any Released Claims that it has filed. With respect to any Released Claims pending in *In re National Prescription Opiate Litigation*, MDL No. 2804, the Governmental Entity authorizes the MDL Plaintiffs’ Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal With Prejudice substantially in the form found at <https://nationalopioidsettlement.com>.
4. The Governmental Entity agrees to the terms of the Allergan Settlement pertaining to Subdivisions and Special Districts as defined therein.
5. By agreeing to the terms of the Allergan Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
6. The Governmental Entity agrees to use any monies it receives through the Allergan Settlement solely for the purposes provided therein.



## Exhibit A

7. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the Consent Judgment is filed for purposes limited to that court's role as provided in, and for resolving disputes to the extent provided in, the Allergan Settlement.
8. The Governmental Entity has the right to enforce the Allergan Settlement as provided therein.
9. The Governmental Entity, as a Participating Subdivision or Participating Special District, hereby becomes a Releasor for all purposes in the Allergan Settlement, including, but not limited to, all provisions of **Section V (Release)**, and along with all departments, agencies, divisions, boards, commissions, Subdivisions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity whether elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist in bringing, or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Allergan Settlement are intended to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Allergan Settlement shall be a complete bar to any Released Claim.
10. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision or Participating Special District as set forth in the Allergan Settlement.
11. In connection with the releases provided for in the Allergan Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

**General Release; extent.** A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Allergan Settlement.

12. Nothing herein is intended to modify in any way the terms of the Allergan Settlement, to which the Governmental Entity hereby agrees. To the extent this Settlement Participation Form is interpreted differently from the Allergan Settlement in any respect, the Allergan Settlement controls.



Exhibit A

I have all necessary power and authorization to execute this Settlement Participation Form on behalf of the Governmental Entity.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT K****Subdivision Participation and Release Form**

Governmental Entity:	State:
Authorized Signatory:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above (“*Governmental Entity*”), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated December 9, 2022 (“*CVS Settlement*”), and acting through the undersigned authorized official, hereby elects to participate in the CVS Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the CVS Settlement, understands that all terms in this Participation and Release Form have the meanings defined therein, and agrees that by executing this Participation and Release Form, the Governmental Entity elects to participate in the CVS Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall promptly, and in any event no later than 14 days after the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed. With respect to any Released Claims pending in *In re National Prescription Opiate Litigation*, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs’ Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal with Prejudice substantially in the form found at <https://nationalopioidsettlement.com>.
3. The Governmental Entity agrees to the terms of the CVS Settlement pertaining to Participating Subdivisions as defined therein.
4. By agreeing to the terms of the CVS Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
5. The Governmental Entity agrees to use any monies it receives through the CVS Settlement solely for the purposes provided therein.



## Exhibit A

6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the Consent Judgment is filed for purposes limited to that court's role as provided in, and for resolving disputes to the extent provided in, the CVS Settlement. The Governmental Entity likewise agrees to arbitrate before the National Arbitration Panel as provided in, and for resolving disputes to the extent otherwise provided in, the CVS Settlement.
7. The Governmental Entity has the right to enforce the CVS Settlement as provided therein.
8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the CVS Settlement, including without limitation all provisions of Section XI (Release), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the CVS Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The CVS Settlement shall be a complete bar to any Released Claim.
9. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the CVS Settlement.
10. In connection with the releases provided for in the CVS Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

**General Release; extent.** A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the CVS Settlement.



Exhibit A

11. Nothing herein is intended to modify in any way the terms of the CVS Settlement, to which Governmental Entity hereby agrees. To the extent this Participation and Release Form is interpreted differently from the CVS Settlement in any respect, the CVS Settlement controls.

I have all necessary power and authorization to execute this Participation and Release Form on behalf of the Governmental Entity.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT K****Subdivision Participation and Release Form**

Governmental Entity:	State:
Authorized Signatory:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above (“*Governmental Entity*”), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated December 9, 2022 (“*Walgreens Settlement*”), and acting through the undersigned authorized official, hereby elects to participate in the Walgreens Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Walgreens Settlement, understands that all terms in this Participation and Release Form have the meanings defined therein, and agrees that by executing this Participation and Release Form, the Governmental Entity elects to participate in the Walgreens Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall promptly, and in any event no later than 14 days after the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed. With respect to any Released Claims pending in *In re National Prescription Opiate Litigation*, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs’ Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal with Prejudice substantially in the form found at <https://nationalopioidsettlement.com>.
3. The Governmental Entity agrees to the terms of the Walgreens Settlement pertaining to Participating Subdivisions as defined therein.
4. By agreeing to the terms of the Walgreens Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
5. The Governmental Entity agrees to use any monies it receives through the Walgreens Settlement solely for the purposes provided therein.





## Exhibit A

6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the Consent Judgment is filed for purposes limited to that court's role as provided in, and for resolving disputes to the extent provided in, the Walgreens Settlement. The Governmental Entity likewise agrees to arbitrate before the National Arbitration Panel as provided in, and for resolving disputes to the extent otherwise provided in, the Walgreens Settlement.
7. The Governmental Entity has the right to enforce the Walgreens Settlement as provided therein.
8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Walgreens Settlement, including without limitation all provisions of Section XI (Release), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Walgreens Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Walgreens Settlement shall be a complete bar to any Released Claim.
9. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the Walgreens Settlement.
10. In connection with the releases provided for in the Walgreens Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

**General Release; extent.** A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Walgreens Settlement.



## Exhibit A

11. Nothing herein is intended to modify in any way the terms of the Walgreens Settlement, to which Governmental Entity hereby agrees. To the extent this Participation and Release Form is interpreted differently from the Walgreens Settlement in any respect, the Walgreens Settlement controls.

I have all necessary power and authorization to execute this Participation and Release Form on behalf of the Governmental Entity.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT K****Subdivision Participation Form**

Governmental Entity:	State:
Authorized Official:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above ("Governmental Entity"), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated November 14, 2022 ("Walmart Settlement"), and acting through the undersigned authorized official, hereby elects to participate in the Walmart Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Walmart Settlement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Governmental Entity elects to participate in the Walmart Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall promptly, and in any event within 14 days of the Effective Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed. With respect to any Released Claims pending in In re National Prescription Opiate Litigation, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs' Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal With Prejudice substantially in the form found at <https://nationalopiodsettlement.com/>.
3. The Governmental Entity agrees to the terms of the Walmart Settlement pertaining to Subdivisions as defined therein.
4. By agreeing to the terms of the Walmart Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
5. The Governmental Entity agrees to use any monies it receives through the Walmart Settlement solely for the purposes provided therein.



## Exhibit A

6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity's state where the Consent Judgment is filed for purposes limited to that court's role as provided in, and for resolving disputes to the extent provided in, the Walmart Settlement.
7. The Governmental Entity has the right to enforce the Walmart Settlement as provided therein.
8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Walmart Settlement, including but not limited to all provisions of Section X (Release), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Walmart Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Walmart Settlement shall be a complete bar to any Released Claim.
9. In connection with the releases provided for in the Walmart Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

**General Release; extent.** A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Walmart Settlement.

10. Nothing herein is intended to modify in any way the terms of the Walmart Settlement, to which Governmental Entity hereby agrees. To the extent this Election and Release is interpreted differently from the Walmart Settlement in any respect, the Walmart Settlement controls.



Exhibit A

I have all necessary power and authorization to execute this Election and Release on behalf of the Governmental Entity.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





**CITY COUNCIL CONSENT AGENDA ITEM**  
**CITY OF FAIR OAKS RANCH, TEXAS**  
**March 2, 2023**

AGENDA TOPIC: Approval of Council Member Bliss's absence from the February 16, 2023, April 20, 2023, and May 4, 2023, Regular City Council meetings

DATE: March 2, 2023

DEPARTMENT: City Council

PRESENTED BY: Consent Agenda – Presented by Christina Picioccio, TRMC, City Secretary

**INTRODUCTION/BACKGROUND:**

Council member Bliss missed the February 16, 2023, Regular Council meeting and will miss the April 20, 2023, and May 4, 2023, meetings due to a family trip and a family medical situation.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

Complies with Section 3.09 of the Home Rule Charter.

**LONG-TERM FINANCIAL & BUDGETARY IMPACT:**

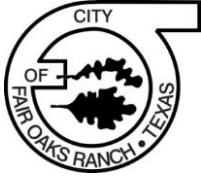
N/A

**LEGAL ANALYSIS:**

N/A

**RECOMMENDATION/PROPOSED MOTION:**

Consent Agenda – I move to approve Council Member Bliss's absence from the February 16, 2023, April 20, 2023, and May 4, 2023, Regular City Council meetings.



**CITY COUNCIL CONSENT AGENDA ITEM**  
**CITY OF FAIR OAKS RANCH, TEXAS**  
**March 2, 2023**

AGENDA TOPIC: Approval of Council Member Koerner's absence from the February 16, 2023, Regular City Council meetings

DATE: March 2, 2023

DEPARTMENT: City Council

PRESENTED BY: Consent Agenda – Presented by Christina Picioccio, TRMC, City Secretary

**INTRODUCTION/BACKGROUND:**

Council member Koerner missed the February 16, 2023, Regular Council meeting due to attending the State of the State meeting at the request of Governor Abbott.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

Complies with Section 3.09 of the Home Rule Charter.

**LONG-TERM FINANCIAL & BUDGETARY IMPACT:**

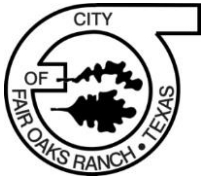
N/A

**LEGAL ANALYSIS:**

N/A

**RECOMMENDATION/PROPOSED MOTION:**

Consent Agenda – I move to approve Council Member Koerner's absence from the February 16, 2023, Regular City Council meetings.



**CITY COUNCIL CONSIDERATION ITEM**  
**CITY OF FAIR OAKS RANCH, TEXAS**  
**March 02, 2023**

AGENDA TOPIC: Consideration and possible action on approving a Law Enforcement & Patrol Agreement between the City of Fair Oaks Ranch and The Fountains Homeowners Association

DATE: March 02, 2023

DEPARTMENT: Police Department

PRESENTED BY: Tim Moring, Chief of Police

**INTRODUCTION/BACKGROUND:**

Our city is a bedroom community which desires to retain that flavor. As a council and staff, we are committed to fulfilling our residents expressed desires to protect our quality of life, provide for public health and safety, and protect existing investment and valued community assets. In April 2021, the city found it to be in the best interest of the citizens whom reside within gated (private) communities to enter into an agreement with the city to provide legal means of proactive police patrols and other police services within their respective communities.

Article III, Section 52 and Article XI, Section 3 of Texas Constitution prevent any city from lending credit, granting public money, or making any appropriation or donation to any private entity. In other words, cities may not spend public money for a private purpose and would therefore be prohibited from performing public services in the gated community, such as road maintenance, trash collection, and traffic enforcement. This does not prevent police from answering a community generated call in those gated communities, but does prevent police from conducting proactive/preventative patrols to deter crime and enforce traffic laws. Exceptions are placed within the law that allow municipalities to enter into agreements with private communities to allow proactive patrols and traffic enforcement. This agreement may be done with 25% of the property owners in agreement or by the consent the developer and/or managing party in control of the current homeowner's association.

In late 2022, the President of The Fountains Homeowners Association reached out to city staff to inquire about obtaining law enforcement services in the gated community. The President was provided a copy of the law enforcement agreement drafted by the City Attorney's office and advised on the process of approval by City Council. In January 2023, Mrs. Kathy Phillips, President for The Fountains Homeowners Association, submitted a signed law enforcement agreement (attached) to the city with the request that it be presented to City Council for approval. This agreement would allow the Fair Oaks Ranch Police Department to conduct preventative/proactive patrols, traffic enforcement, home watches, and other services provided by the city's police force within The Fountains subdivision.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

Preservation of quality-of-life characteristics through compliance with state law by ensuring the same services are available to all residents of Fair Oaks Ranch.



**LONG-TERM FINANCIAL & BUDGETARY IMPACT:**

None at this time.

**LEGAL ANALYSIS:**

Agreement drafted, reviewed, and approved by City Attorney's office.

**RECOMMENDATION/PROPOSED MOTION:**

I move to approve the agreement between the City of Fair Oaks Ranch and The Fountains Homeowners Association for police services within the gated community of The Fountains.

## LAW ENFORCEMENT AGREEMENT (THE FOUNTAINS HOMEOWNERS ASSOCIATION)

This Law Enforcement Agreement (the “Agreement”) between the City of Fair Oaks Ranch, Texas, a Texas Municipal Corporation (the “City”) and the Fountains Homeowners Association (the “Association”), collectively, Parties, is entered into as of the date of the final signature of the parties (the “Effective Date”) and approval by the City Council.

### WITNESSETH:

**WHEREAS**, The Fountains is a private gated community in the City of Fair Oaks Ranch, [ Bexar ] County, Texas, generally located at SW Corner of Fair Oaks Parkway and Dietz Elkhorn and containing a total of Thirty ( 30 ) residences; and

**WHEREAS**, the Association is the owner of the private streets in The Fountains (the “Private Streets”) and is responsible for the maintenance thereof; and

**WHEREAS**, the Association acknowledge that The Fountains is a subdivision within the City limits of the City and in accordance with the Texas Transportation Code Section 542.008 (the “Statute”), the Association presented a petition to the City Council of the City (the “City Council”) seeking to cause the traffic rules and laws related to operation of motor vehicles on public thoroughfares of the City to apply to the Private Streets in The Fountains (the “Petition”); and

**WHEREAS**, the City Council has found the Petition in the best interest of the City generally, has accepted the Petition, and directed the City staff to draft an ordinance and this Agreement, according to the requirements of the Statute to provide for the enforcement of the traffic rules and laws related to operation of motor vehicles on public thoroughfares of the City to apply to Private Streets in The Fountains; and,

**WHEREAS**, the Association further requests and authorizes the City to allow the residents of The Fountains to participate in the Home Watch program offered by the Fair Oaks Ranch Police Department (“Department”); and

**WHEREAS**, nothing herein is intended by the Parties to limit the authority of the Department to respond to any call for service, report of suspicious activity, or any other situation requiring an immediate investigative response, solely because the subdivision is gated.

**NOW, THEREFORE**, in consideration of the covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Association agree as follows:

**1. Term.** Pursuant to the Statute, the City has extended the traffic rules and laws related to operation of motor vehicles on public thoroughfares of the City to apply to the Private Streets in The Fountains. The Association agrees that, pursuant to this Agreement, the Private Streets are considered to be public streets for purposes of the application and enforcement of the traffic rules and laws addressed herein and that this Agreement shall remain in effect until such time as the City should determine, by ordinance, that it is not in its interest to enforce the traffic rules and laws within the subdivision.

**2. Traffic Signs.** The Association shall install subdivision traffic signs and street name blade signs in compliance with both the Texas Manual of Uniform Traffic Control Device standards and the City's standards. The Association shall be solely responsible for all costs and expenses of the signs and the installation thereof.

**3. City Patrol.** Effective on the date an ordinance is adopted to extend traffic laws, rules, general patrol and the Home Watch program, police officers of City will be authorized to begin general patrol of the subdivision for the purposes stated herein and for issuing traffic citations for violations of traffic laws occurring on the roads within the subdivision when appropriate and in the discretion of police officers of City, such police officers having the sole discretion in such matters.

**4. No Warranties or Representations.** Neither City nor City's Police Department or City's police officers make any representations or warranties to the Association or to anyone else in relation to City patrols or City enforcement of traffic laws on the roads within the subdivision. City disclaims any responsibility to maintain or improve the roads within the subdivision or any street signs or traffic signs on said roads, said maintenance and improvement responsibility to be and remain solely that of the Association.

**5. Speed Humps.** The Association agrees that all speed humps on the Private Streets must comply with the City's standards. New speed humps must receive approval through the normal City process and are the discretion of the City of Fair Oaks Ranch based on City policies and standards. The Association shall be solely responsible for all costs and expenses necessary to bring and keep the speed humps in compliance.

**6. Plans, Installation, and Approval.** Prior to installation of the subdivision traffic signs and street name blade signs and prior to work being done on the speed humps, the Association shall submit plans for the design and specifications of such traffic and street name or other signage and such speed humps and obtain written approval from the City. The Association shall construct, repair, and/or install, or cause the construction, repair, and/or installation of, such signage and speed humps in accordance with the approved plans.

**7. Association Obligations.** The Association will pay for all repairs, replacement, and maintenance of all signage and speed humps to maintain compliance with the applicable standards set forth herein. All maintenance performed by the Association will meet the specifications of the codified requirements of the City related to traffic signage and speed humps in residential subdivisions. If the City determines that repairs, replacement, and/or maintenance are required, the City shall inform the Association in writing of the need for said repairs, replacement, and/or maintenance, and the Association shall commence said repairs, replacement, and/or maintenance within fourteen (14) calendar days of such notice and diligently pursue the work thereon, with completion thereof not to exceed forty-five (45) calendar days.

**8. Traffic Control Devices.** Pursuant to the authority granted under the Statute, the City may place official traffic control devices on property abutting the Private Streets if (1) those devices relate to a specified traffic rule; and (2) the consent of the owner of that property is obtained or an easement is available for the placement. The Association hereby consents to the placement of any such devices on the property owned by them. No additional consent shall be required.

**9. Payment.** The Association will not be required to pay any additional cost for the services requested herein, unless such services are requested in excess of the services provided to City citizens that do not reside in private gated communities in the City. Notwithstanding the foregoing, the Association shall be required to pay those costs and expenses discussed in Sections 2, 5, 6, and 7, and 8 of this Agreement.

**10. INDEMNIFICATION.** THE ASSOCIATION ON BEHALF OF EACH OF THEIR SUCCESSORS, ASSIGNEES, GRANTEEES, AND/OR TRUSTEES DOES HEREBY AGREE TO RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY AND ITS CITY COUNCILMEMBERS, OFFICERS, AGENTS, REPRESENTATIVES, AND EMPLOYEES (THE “INDEMNIFIED PARTIES”) FROM AND AGAINST ALL DAMAGES, INJURIES (INCLUDING DEATH), CLAIMS, PROPERTY DAMAGES (INCLUDING LOSS OF USE), LOSSES, DEMANDS, SUITS, JUDGMENTS AND COSTS, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS’ FEES AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS’ FEES AND EXPENSES INCURRED IN ENFORCING THIS INDEMNITY), CAUSED BY THE NEGLIGENT, GROSSLY NEGLIGENT, AND/OR INTENTIONAL ACT AND/OR OMISSION OF THE ASSOCIATION IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT, IN WHOLE OR IN PART, REGARDLESS OF THE JOINT OR CONCURRENT NEGLIGENCE OR STRICT LIABILITY OF THE CITY (HEREINAFTER “CLAIMS”). THE ASSOCIATION IS EXPRESSLY REQUIRED TO DEFEND THE INDEMNIFIED PARTIES AGAINST ALL SUCH CLAIMS.

IN ITS SOLE DISCRETION, THE CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY THE ASSOCIATION IN FULFILLING THEIR OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY THE CITY IN WRITING. THE CITY RESERVES THE RIGHT TO PROVIDE A PORTION OR ALL OF ITS OWN DEFENSE; HOWEVER THE CITY IS UNDER NO OBLIGATION TO DO SO.

THIS SECTION 10. SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT WITH RESPECT TO ANY INCIDENT OCCURRING DURING THE TERM HEREOF.

#### **11. Miscellaneous.**

- (a) Breach. In the event of a breach of this Agreement by any party, any other party may pursue any remedies available at law or in equity, including without limitation, specific performance.
- (b) Assignment, Binding Nature, and Recording. This Agreement may not be assigned by the Association.
- (c) Notices. Any notice required or permitted by this Agreement is effective when personally delivered in writing or two (2) business days after notice is deposited with the U.S. Postal Service, postage prepaid, certified mail with return receipt requested, and addressed as follows:

City:

City of Fair Oaks Ranch, Texas  
7286 Dietz Elkhorn  
Fair Oaks Ranch, Texas 78015  
Attention: City Manager

with copy to:

Denton Navarro Rocha Bernal & Zech, P.C.  
2517 N. Main Avenue  
San Antonio, Texas 78212  
Attention: T. Daniel Santee

Association:

The Fountains  
Homeowner's Association  
Fair Oaks Ranch, Texas 78015  
Attention: Kathy Phillips - President

with copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

The parties may, from time to time, change their respective addresses listed above to any other location in the United States for the purpose of notice under this Agreement. A party's change of address shall be effective when notice of change is provided to the other party in accordance with the provisions of this Section 11.(c).

- (d) Capacities. The person executing this Agreement on behalf of the Association represents and warrants that he/she has the authority to do so in the capacity stated.
- (e) Interpretation. This Agreement will be deemed drafted equally by all parties hereto. The language of all parts of this Agreement will be construed as a whole according to its fair meaning, and any presumption or principle that the language in this Agreement is to be construed against any party will not apply. Headings in this Agreement are for the convenience of the parties and are not intended to be used in construing this document.
- (f) Further Assurances. The parties agree to take such further actions and to sign such further documents as may be reasonably necessary or appropriate to fulfill the intent of, and to complete the transactions described in this Agreement.

- (g) Unenforceability. If any part, term, or provision of this Agreement is held by the courts to be illegal, invalid, or otherwise unenforceable, such illegality, invalidity, or unenforceability shall not affect the validity of any other part, term, or provision, and the rights of the parties will be construed as if the part, term, or provision was never part of this Agreement.
- (h) Choice of Law. This Agreement will be construed under the laws of the State of Texas without regard to choice-of-law rules of any jurisdiction. Venue shall be in the State District Courts of Kendal County, Texas with respect to any lawsuit arising out of or construing the terms and provisions of this Agreement. No provision of this Agreement shall constitute a consent to suit by any party.
- (i) Counterparts. This Agreement may be executed in a number of identical counterparts, each of which will be deemed an original for all purposes.
- (j) Immunity. By execution of this Agreement, the parties agree that the City has not waived or surrendered any of its governmental powers, immunities, or rights.
- (k) Force Majeure. Notwithstanding anything to the contrary contained herein, in the event a party is prevented from performing its obligations hereunder due to inclement weather, strikes, riots, civil unrest, or any other cause which is beyond the reasonable control of such party (a delay due to any such cause being referred to herein as a “Force Majeure Delay”) then the time period for such party’s performance shall be extended by the length of the Force Majeure Delay and such party’s failure to perform such obligation shall be excused for the duration of, and to the extent of, such Force Majeure Delay.

*[The remainder of this page intentionally left blank]*

IN WITNESS WHEREOF, the parties hereby have executed this Agreement to be effective as of the Effective Date.

**THE CITY:**

**CITY OF FAIR OAKS RANCH, TEXAS,**  
a Texas municipal corporation

By: \_\_\_\_\_  
Tobin Maples, City Manager

Date: \_\_\_\_\_

**THE ASSOCIATION:**

The Fountains of Fair Oaks Ranch,  
an HOA in Fair Oaks Ranch, TX

By: Kathy Phillips  
Name: Kathy Phillips  
Title: President

Date: January 17, 2023



**CITY COUNCIL CONSIDERATION ITEM**  
**CITY OF FAIR OAKS RANCH, TEXAS**  
**March 2, 2023**

AGENDA TOPIC: Consideration and possible action approving an Emergency Ordinance amending the Fiscal Year 2022-2023 budget for emergency response costs for debris removal due to a recent ice storm

DATE: March 2, 2023

DEPARTMENT: Finance

PRESENTED BY: Rosie G. Vela, Director of Finance

**INTRODUCTION/BACKGROUND:**

The purpose of this agenda item is to bring forward for consideration and possible adoption an emergency budget amendment for Fiscal Year 2022-23. This represents the first and final reading of the proposed ordinance adopting the budget amendment. Pursuant to City Charter section 3.06.F.4, City Council may vote and adopt an ordinance at the meeting at which it is first introduced, by a vote of not less than two-thirds of the members present, if it is determined that an emergency exists related to public peace, health or safety and requiring immediate action.

At the Special Meeting held on February 23, 2023, City Council voted on and approved a motion authorizing the City Manager to execute a not-to-exceed contract in the amount of \$300,000 for brush pick-up related to the recent ice storm. This appropriation will be funded from unassigned (unallocated) fund balance in the General Fund.

Pursuant to Local Government Code Section 102.009, the governing body of the municipality may spend municipal funds only in strict compliance with the budget, except in an emergency, and if the governing body amends the original budget to meet an emergency, the governing body shall file a copy of its order amending the budget with the municipal clerk. The City Council may amend the budget for municipal purposes per Local Government Code Section 102.010.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

The widespread damage to property and threat to safety and infrastructure requires immediate assistance for the removal of debris created by the ice storm.

**LONG-TERM FINANCIAL & BUDGETARY IMPACT:**

This ordinance will reduce the Unassigned (Unallocated) Fund Balance by \$300,000 as shown in Exhibit A. Any reimbursement of the expenditure is contingent upon state and federal designation of a disaster for the area.

**LEGAL ANALYSIS:**

Approved as to form.

**RECOMMENDATION/PROPOSED MOTION:**

I move to approve the FY 2022-23 Budget Amendment Ordinance.



**AN ORDINANCE**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH AMENDING THE BUDGET OF THE CITY OF FAIR OAKS RANCH, TEXAS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2022 AND ENDING SEPTEMBER 30, 2023; PROVIDING AN EFFECTIVE DATE AND DECLARING AN EMERGENCY; FIRST AND FINAL READING**

**WHEREAS**, the budget for the City of Fair Oaks Ranch, Texas for FY 2022- 2023 has heretofore been approved as provided by law and filed with the City Secretary under Ordinance 2022-12; and,

**WHEREAS**, per above said Ordinance 2022-12, the City Manager may move amounts within the same fund but budget amendments between funds must be approved by City Council by ordinance; and,

**WHEREAS**, pursuant to Texas LGC §102.010, budget amendments shall be passed and approved by City Council; and,

**WHEREAS**, staff recommends making the attached budget amendments as shown in Exhibit A; and,

**WHEREAS**, the City Council finds the budget amendments as detailed in the attachment are warranted; and,

**WHEREAS**, Greg Maxton, the Mayor of the City of Fair Oaks Ranch previously determined and declared a local disaster related to the February 2023 ice storm; and,

**WHEREAS**, at a Special Meeting on February 23, 2023, City Council voted and approved a motion allowing the City Manager to execute a not-to-exceed contract in the amount of \$300,000 for brush pick-up and disposal on City streets and right-of-way areas due to the local disaster; and,

**WHEREAS**, the City may reimburse the general fund if and when any disaster relief funds are received,

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

Section 1. The recitals contained in the preamble hereof 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 City Council.

Section 2. That the City Secretary is hereby directed to file this ordinance as an Amendment to the original budget.

Section 3. That the Finance Director is hereby directed to amend the original budget with the amendments listed in the attachment Exhibit A.

Section 4. 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 herein.

Section 5. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

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 Council hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 7. 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, Texas Government Code, as amended.

Section 8. This Ordinance shall be in force and effect from its first and final passage, and any publication required by law.

**PASSED, ADOPTED, and APPROVED the 2<sup>nd</sup> day of March 2023 on one reading as an emergency measure pursuant to City Charter Section 3.06 F.4.**

	FOR	AGAINST	ABSTAIN
<b>Mayor Gregory C. Maxton</b>			
<b>Council Member Stroup</b>			
<b>Council Member Elizondo</b>			
<b>Council Member Bliss</b>			
<b>Council Member Koerner</b>			
<b>Council Member Parker</b>			
<b>Council Member Muenchow</b>			

\_\_\_\_\_  
Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Christina Picioccio, City Secretary

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

# EXHIBIT A

**PROPOSED BUDGET AMENDMENTS  
CITY OF FAIR OAKS RANCH  
FISCAL YEAR 10/1/2022-9/30/2023**

Proposed Increases to Budgeted Expenditures				
Dep't	Acct #	Acct Name	Item	Amount
Shared Services	01-690-290	Emergency Response	Brush disposal related to February 2023 ice storm	\$ 300,000
Total Proposed Expenditure Increases				\$ 300,000

[illegible][illegible]



## CITY COUNCIL CONSIDERATION ITEM

### CITY OF FAIR OAKS RANCH, TEXAS

### March 2, 2023

AGENDA TOPIC: Consideration and possible action authorizing the City Manager to negotiate and execute an agreement with Laser Spectacles, Inc., for providing a Laser Show for the annual July 4<sup>th</sup> Celebration

DATE: March 2, 2023

DEPARTMENT: Finance

PRESENTED BY: Clayton Hoelscher, Procurement Manager

#### **INTRODUCTION/BACKGROUND:**

The City budgeted \$35,000 for a 4th of July celebration. At the Mayor's request, potential options were researched to find the cost and feasibility for different types of celebrations. The following options were researched and discussed at the City Council Meeting on February 16, 2023.

- Traditional fireworks
- Laser show
- Combination of lasers and fireworks
- Drone show

By way of background, the rationale for exploring alternatives to a traditional firework show include but are not limited to the following:

- Exploring options to mitigate fire risk associated with localized drought conditions. Exercising an abundance of caution, the City canceled the 2022 fireworks show due to severe drought conditions. Similar drought conditions may evolve this year.
- Exploring options that address the concerns of our veteran community.
- Exploring options less intrusive to pets and wildlife.

City staff pursued the Laser Show option based on initial City Council feedback with the understanding council members would solicit further input from residents. If the City Council approves having a Laser Show event, the City will finalize an agreement with Laser Spectacles, Inc., in the amount of \$25,000.

#### **LONGTERM FINANCIAL & BUDGETARY IMPACT:**

- The City has \$35,000 budgeted in Account 01-613-354.
- The City has a tentative agreement with Laser Spectacles, Inc., in the amount of \$25,000.

#### **LEGAL ANALYSIS:**

The City Attorney will assist staff with finalizing the agreement.

#### **RECOMMENDATION/PROPOSED MOTION:**

I move to authorize the City Manager to negotiate and execute an agreement with Laser Spectacles, Inc. for \$25,000.



**CITY COUNCIL CONSIDERATION ITEM**  
**CITY OF FAIR OAKS RANCH, TEXAS**  
**March 2, 2023**

AGENDA TOPIC: Discussion and possible action to pursue the costs and design for the construction of Gateway Features at one or more entrances to Fair Oaks Ranch.

DATE: March 2, 2023

DEPARTMENT: Mayor & City Council

PRESENTED BY: Scott Parker, Council Member Place 5  
 Laura Koerner, Council Member Place 4

**INTRODUCTION/BACKGROUND:**

Many cities have used Gateway Features to enhance the city brand as a way to set itself apart from other communities around it. Fair Oaks Ranch is sandwiched between the City of San Antonio and Boerne, TX. In years past, the Ranch had an Observation Tower, previously located at the intersection of IH-10 and Fair Oaks Ranch Pkwy. That was recognizable to travelers as a gateway feature announcing the arrival to Fair Oaks Ranch.

The Fair Oaks Ranch City Council Branding Committee consisting of staff and Council members Koerner, Bliss and Parker have been in discussion to investigate the possible construction of Gateway features at the main entranceways to our City. The purpose of which would be to further beautify and enhance the brand of our City and to set it apart from the surrounding areas along the IH-10 corridor as well as potentially later on along Ralph Fair Road FM3351.

This agenda item will be used to brief and discuss with the Council the initial steps taken by the committee and share steps and information to-date and determine the desire of Council to move the project forward with potential engineering, design, and financial considerations for a new gateway feature at the entrance to the ranch at IH-10 and Fair Oaks Parkway.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

1. From a city branding perspective, City of Fair Oaks Ranch wants to portray what current residents already know. We live in a very special Hill Country atmosphere type of community. Managing our city's brand through this type of project may assist in that effort.
2. Supports Strategic Action Plan 5.2 Develop and Implement a Proactive Communication Strategy

**LONG-TERM FINANCIAL & BUDGETARY IMPACT:**

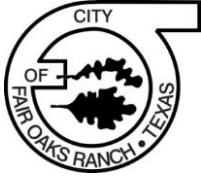
If approved, the engineering, design, and financial analysis will inform a future budget request for the construction of gateway features. There is currently no budgeted project for gateway features.

**LEGAL ANALYSIS:**

N/A

**RECOMMENDATION/PROPOSED MOTION:**

I move to have the Branding Committee and City Staff pursue the costs and design for the construction of Gateway Features at one or more entrances to Fair Oaks Ranch.



**CITY COUNCIL CONSIDERATION ITEM**  
**CITY OF FAIR OAKS RANCH, TEXAS**  
**March 2, 2023**

AGENDA TOPIC: Consideration and possible action regarding requirements or expenditures associated with the Local Disaster

DATE: March 2, 2023

DEPARTMENT: Administration

PRESENTED BY: Gregory C. Maxton, Mayor  
 Tobin E. Maples, AICP, City Manager

**INTRODUCTION/BACKGROUND:**

As a result of the damaging ice storm in February, leaving behind approximately 35,000 cubic yards of downed tree limbs, Mayor Maxton submitted a declaration of local disaster to the state on February 17, 2023. At the February 23, 2023, Special City Council meeting Council approved Resolution 2023-07 which extends the declaration of local disaster. Council also approved budgeting \$300,000.00 in unallocated funds towards efforts to remove the debris from city streets while staff determines the best course of action and contracts with the appropriate vendor. As this is a fluid situation which might require prompt, regular City Council direction, this will be a standing agenda item until the situation is resolved.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

Routinely presenting this agenda item will allow for timely decisions by City Council. This benefits residents by expediting the removal of the debris, potentially lowering overall costs, and minimizing health and safety issues.

**LONG-TERM FINANCIAL & BUDGETARY IMPACT:**

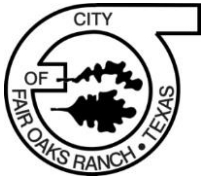
TBD

**LEGAL ANALYSIS:**

N/A

**RECOMMENDATION/PROPOSED MOTION:**

As determined:



## CITY COUNCIL WORKSHOP

### CITY OF FAIR OAKS RANCH, TEXAS

March 2, 2023

AGENDA TOPIC: Five-Year Financial Plan

DATE: March 2, 2023

DEPARTMENT: Finance

PRESENTED BY: Scott M. Huizenga, Assistant City Manager, Administrative Services

### **INTRODUCTION/BACKGROUND:**

Long-term financial planning is essential to the stability and sustainability of every City. The City currently has several long-range plans that inform the budget and policy processes including a Comprehensive Plan, a Master Transportation Plan, the Strategic Action Plan, and the Capital Improvements Plan. One piece missing from the planning cycles has been a long-term financial plan that *links* long-term policies and plans directly to the annual budget.

The *draft* Five-Year Financial Plan presents a baseline scenario with two alternates. The Baseline Scenario models a five-year budget in which there are no significant changes to operations and the adopted Capital Improvements Plans are implemented without changes. As modeled, the Baseline Scenario is not financially sustainable. Therefore, this version of the plan also provides two alternate scenarios. A Pay As You Go (PAYGO) Scenario pushes capital projects to future years to maintain financial solvency. A Bond Program Scenario models a hypothetical debt issuance to maintain capital funding while also sustaining the City's adopted operating reserve ratios. All scenarios model key financial metrics such as total projected revenues and expenditures, projected operating reserves, and projected tax rates and average household tax impact.

The Five-Year Financial Plan is not a *forecast*. It is not meant to predict exactly what will happen in the future. However, it is intended to provide outcomes *given certain sets of assumptions*. The financial plan should be considered a living document. It is intended to be enhanced consistently with updated assumptions based on policy direction and new information.

Finally, this Five-Year Financial Plan is the "beta version" for the City Council to review and to provide feedback. Once enhanced with Council feedback, the City will incorporate the financial plan into the annual budget cycle especially in conjunction with the 2<sup>nd</sup> quarter financial report, when the policy portion of the budget process commences.

### **POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

The Five-Year Financial Plan provides residents, the City Council, and staff the analysis and direction to make informed decisions regarding long-term financial policies for operations and capital improvements. The plan provides the link between the strategic plan and the annual budget.



**LONG-TERM FINANCIAL & BUDGETARY IMPACT:**

The Five-Year Financial Plan *operationalizes* the Strategic Plan through every pillar, priority, and project as adopted by the City Council. This beta version specifically addresses Priority 1.2 of the Strategic Action Plan to Develop a 5-Year Forecast.

**LEGAL ANALYSIS:**

None required.

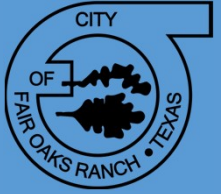
**RECOMMENDATION/PROPOSED MOTION:**

This review of the Five-Year Financial Plan is a workshop item with no Council action required. Council will have the opportunity at the meeting and throughout the budget cycle to provide input on scenarios, assumptions, and outputs on the Financial Plan that will directly impact the FY 2023-24 Annual Budget and beyond.



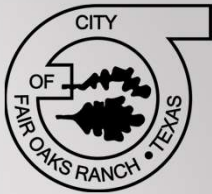
## FIVE-YEAR FINANCIAL PLAN

FY 2024-2028



# Five-Year Financial Plan

Scott M. Huizenga, Assistant City Manager  
March 2, 2023



# Planning and Budget Cycle or “The Circle of Life”



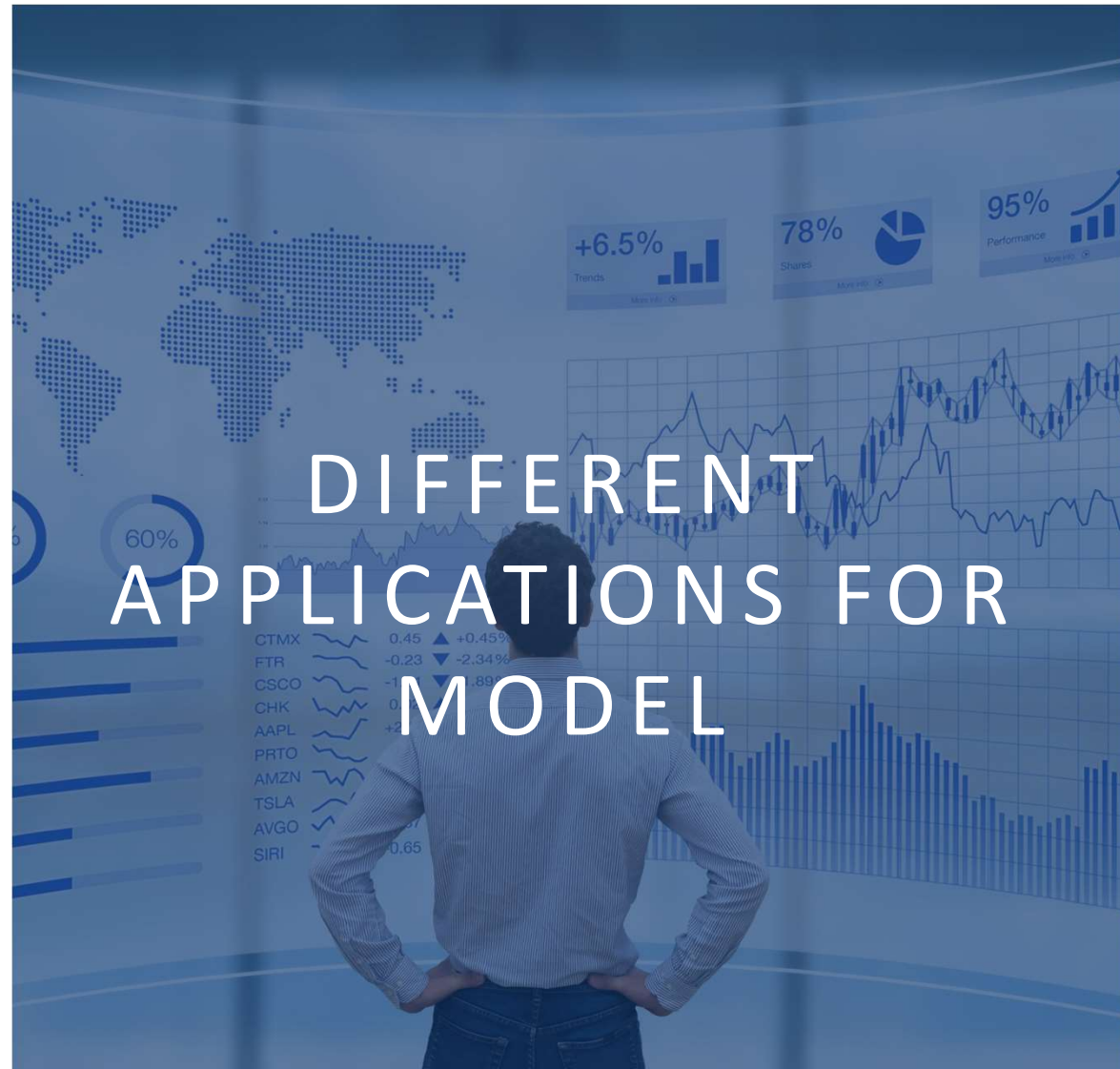
(Or, when everything is a priority, nothing is a priority)

- Wages and Benefits
- Capital Improvements
- Maintenance
- Debt Service

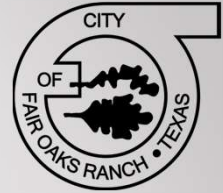


# PERENNIAL BUDGET BUSTERS

- March 2023 “Beta” version
- Scenarios, not projections
  - New revenues or expenditures
  - Labor projections
  - Capital improvements
  - Debt Service
  - Reserves
- On-demand analysis, e.g. impact of new programs
- Sets the stage for Strategic Plan and Annual Budget



# FIVE-YEAR FINANCIAL PLAN SCENARIOS



## Baseline Scenario

“Known knowns” e.g. wages and benefits, current debt service, inflationary growth, projected revenue growth

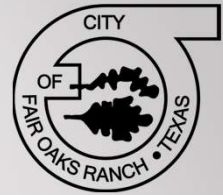
## PAYGO Scenario

“Fixes” the Baseline – Modifies the CIP/SAP project schedule to allow for Pay As You Go Funding

## Bond Scenario

“Fixes” the Baseline – Incorporates a bond program to fund identified CIP projects with original timelines





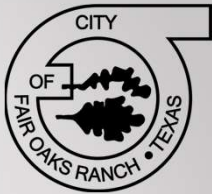
# Baseline Assumptions

## Revenues

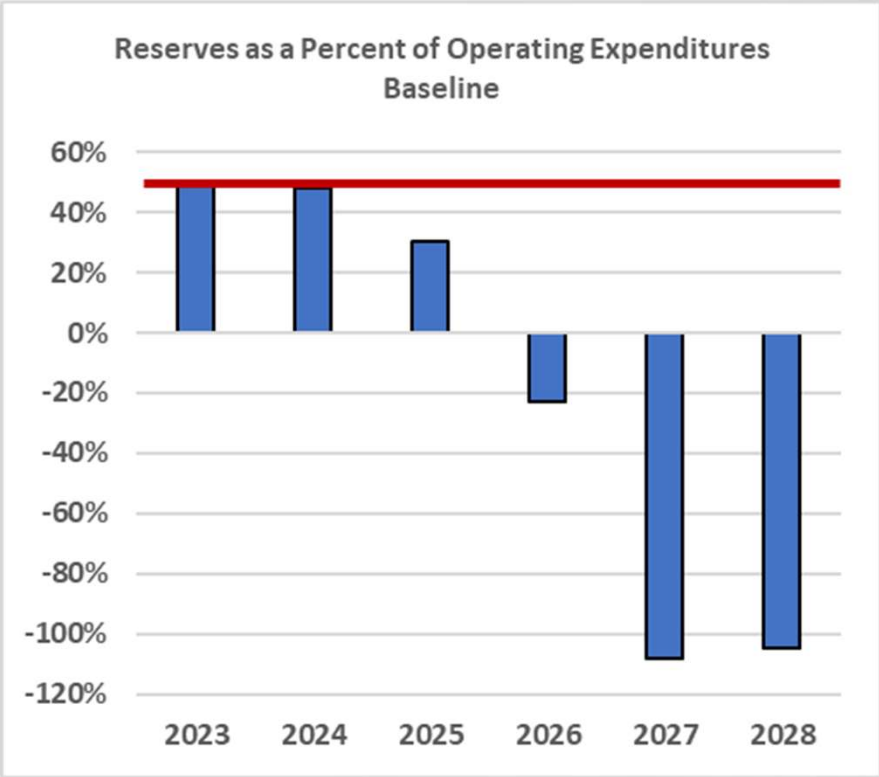
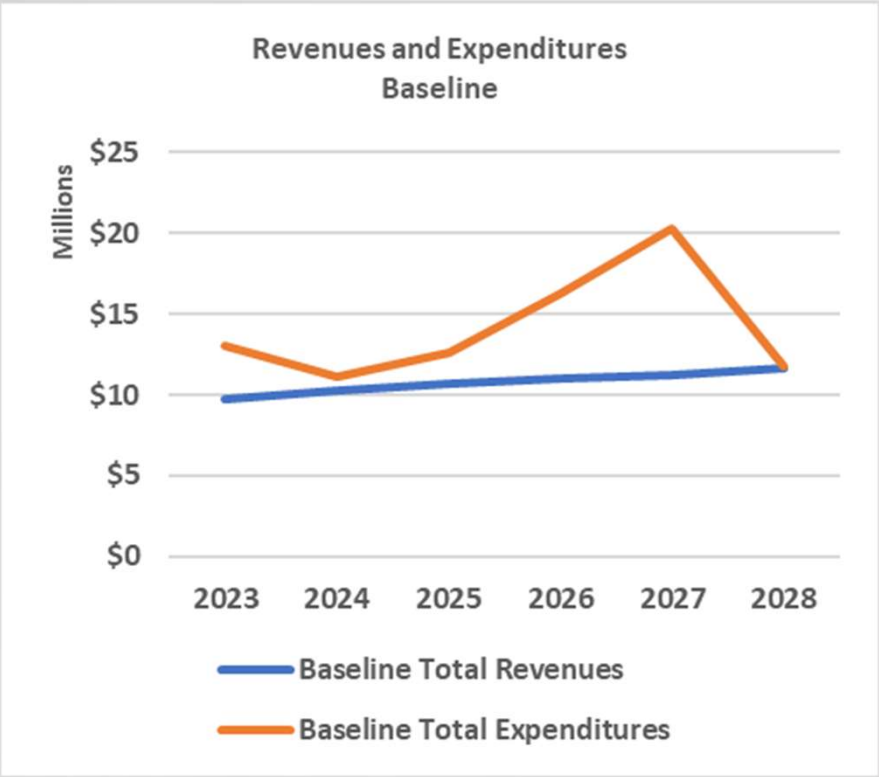
- 3.5% increase in Property Tax revenue
- 3.0% increase in Sales Tax revenue each year
- 1.5% increase for all other revenue

## Expenditures

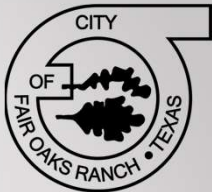
- 2.5% increase in wages for employee merit
- 2% Cost of Living Adjustment (COLA) each year
- 5% increase in health insurance, facility and engineering contracts, software
- 2% all other expenditures
- No other significant changes



# Baseline Scenario Dashboard

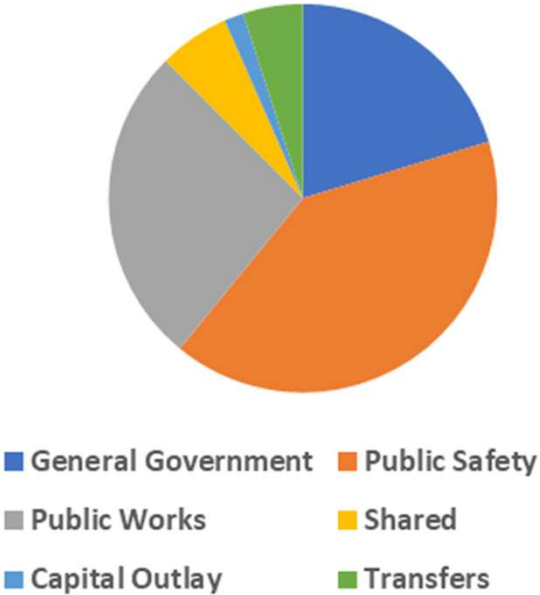




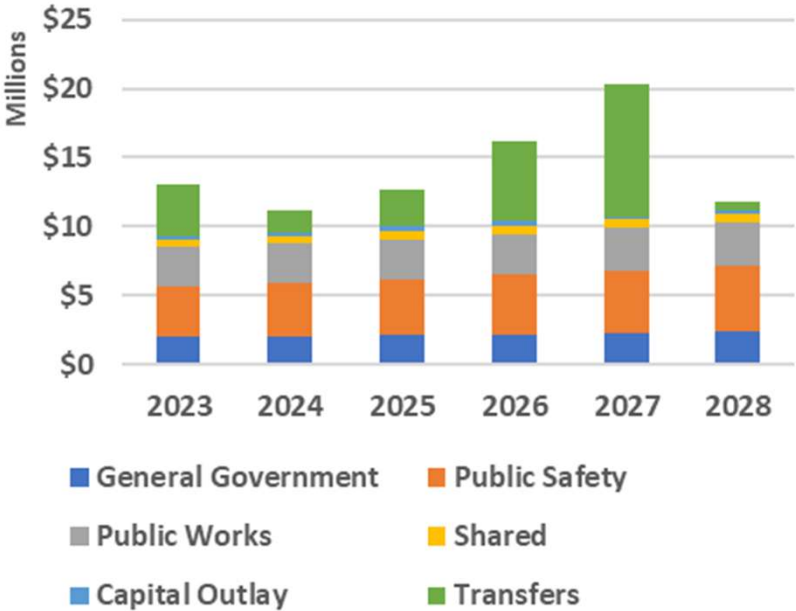


# Baseline Scenario Dashboard

FY 2028 Projected General Fund Expenditures  
Baseline

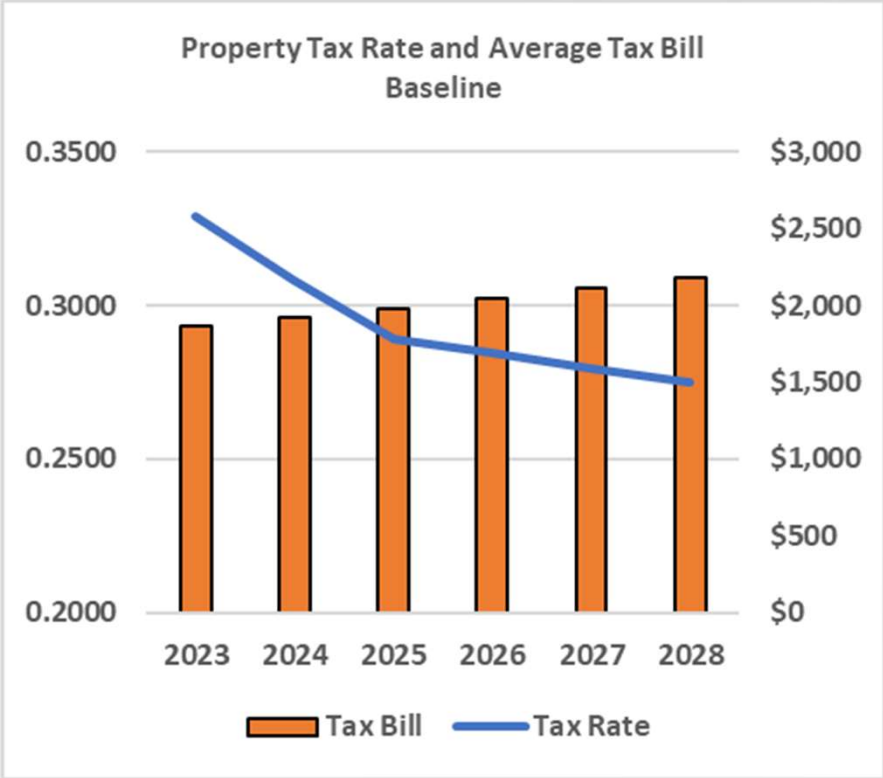
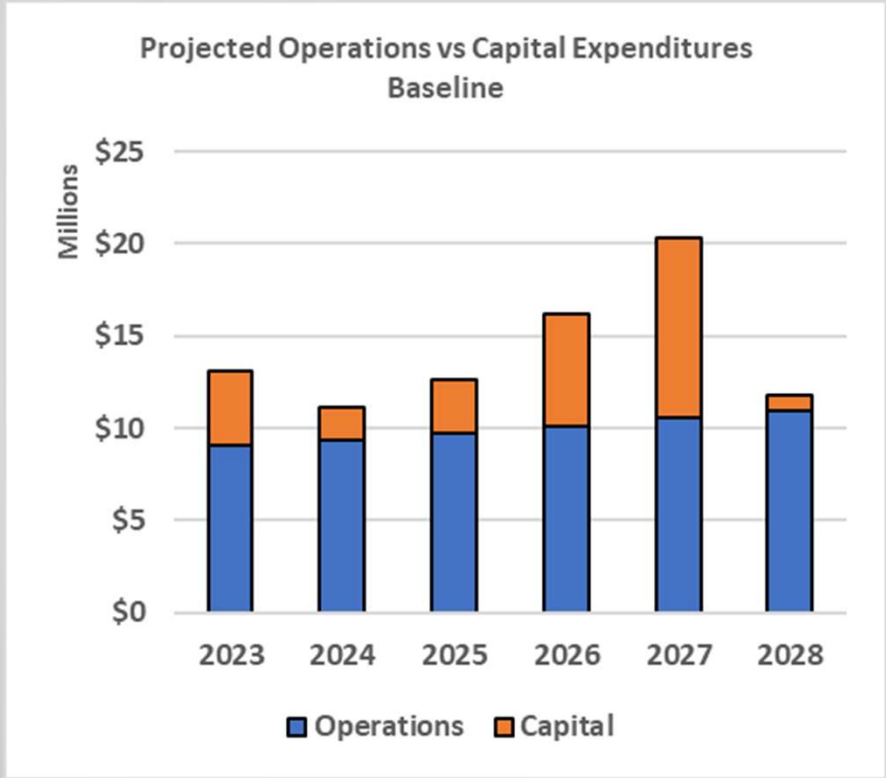


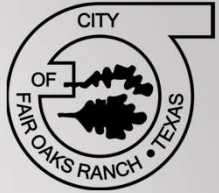
Expenditures Allocated by Program  
Baseline





# Baseline Scenario Dashboard



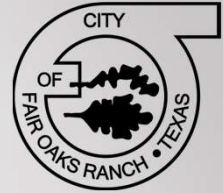


# PAYGO Assumptions

All Baseline Assumptions

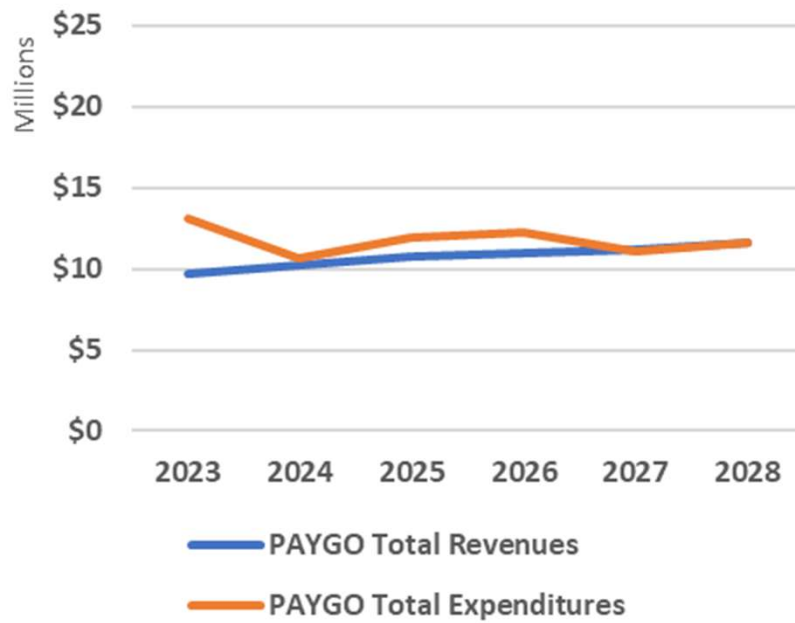
Plus:

- Modifying the CIP/SAP project schedule to allow for Pay As You Go (PAYGO) Funding

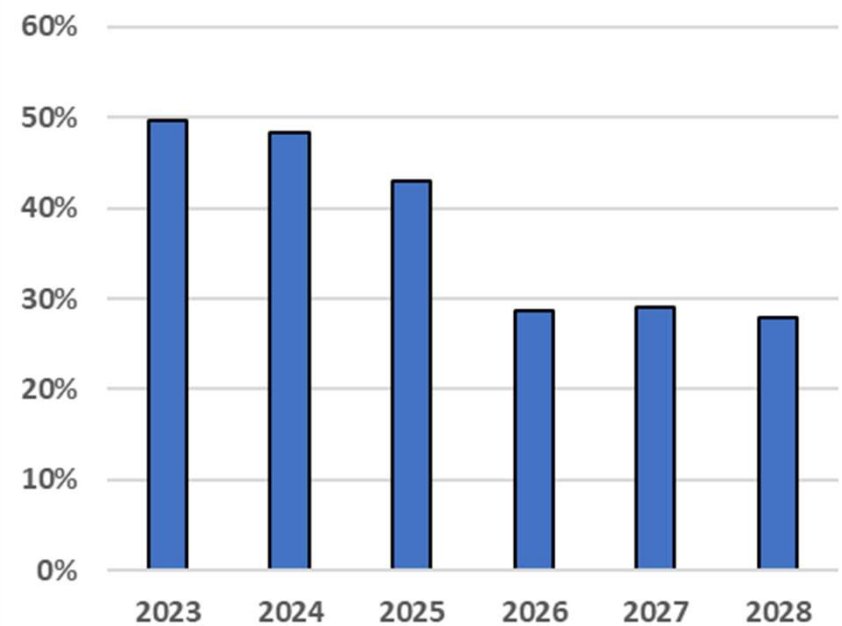


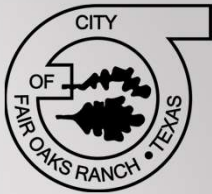
# PAYGO Scenario Dashboard

**Revenue and Expenditures  
PAYGO**



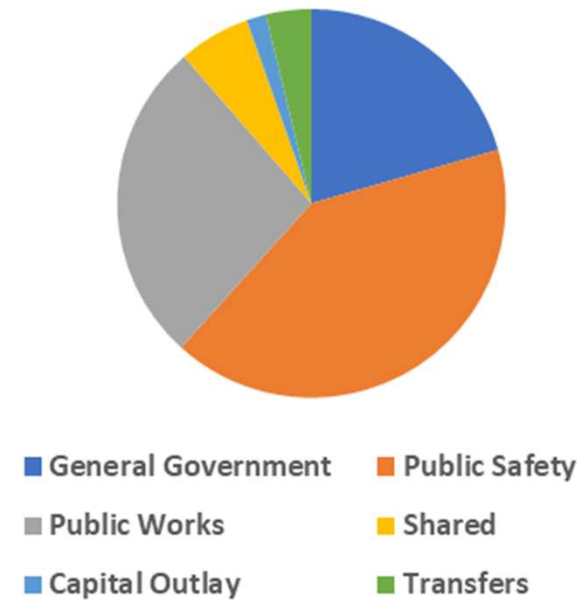
**Reserves as a Percent of Operating Expenditures  
PAYGO**



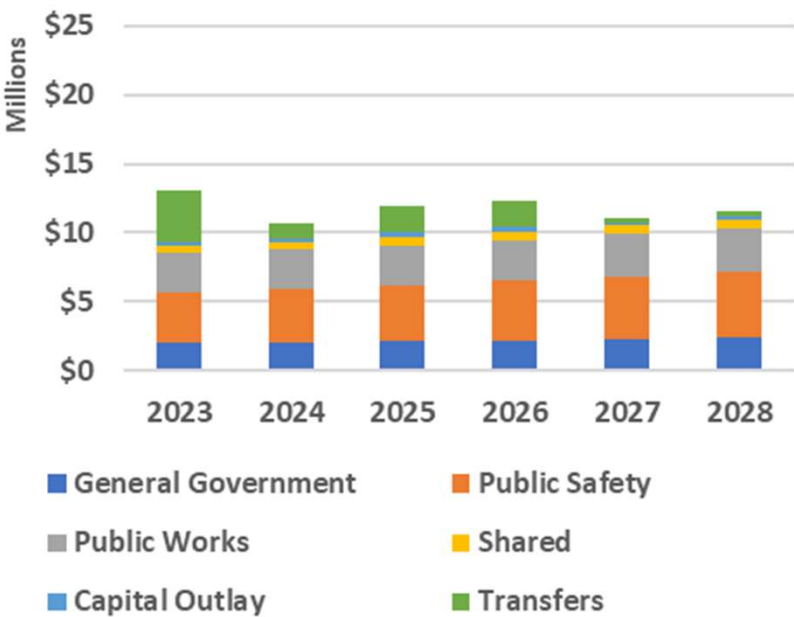


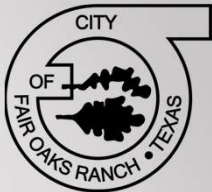
# PAYGO Scenario Dashboard

FY 2028 Projected General Fund Expenditures  
PAYGO

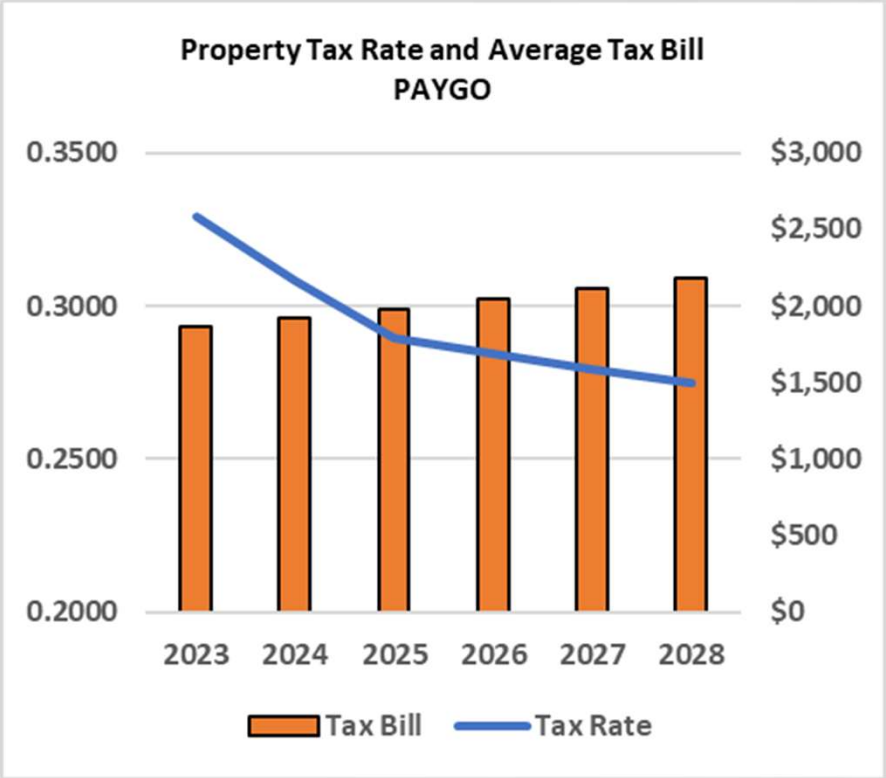
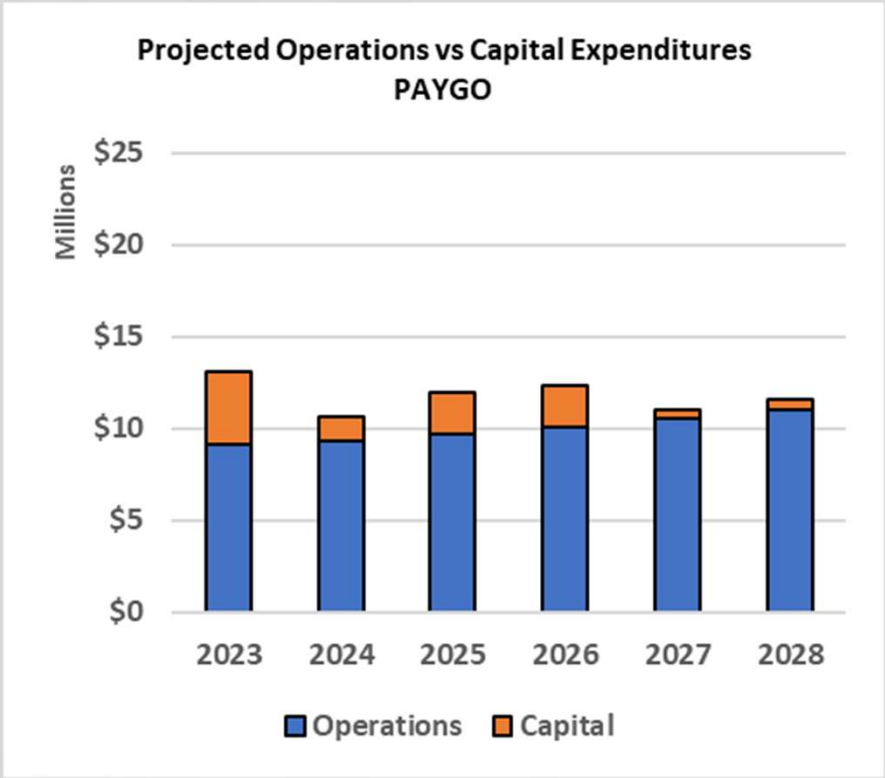


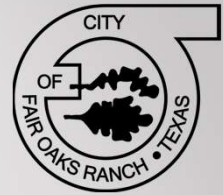
Expenditures Allocated by Program  
PAYGO





# PAYGO Scenario Dashboard





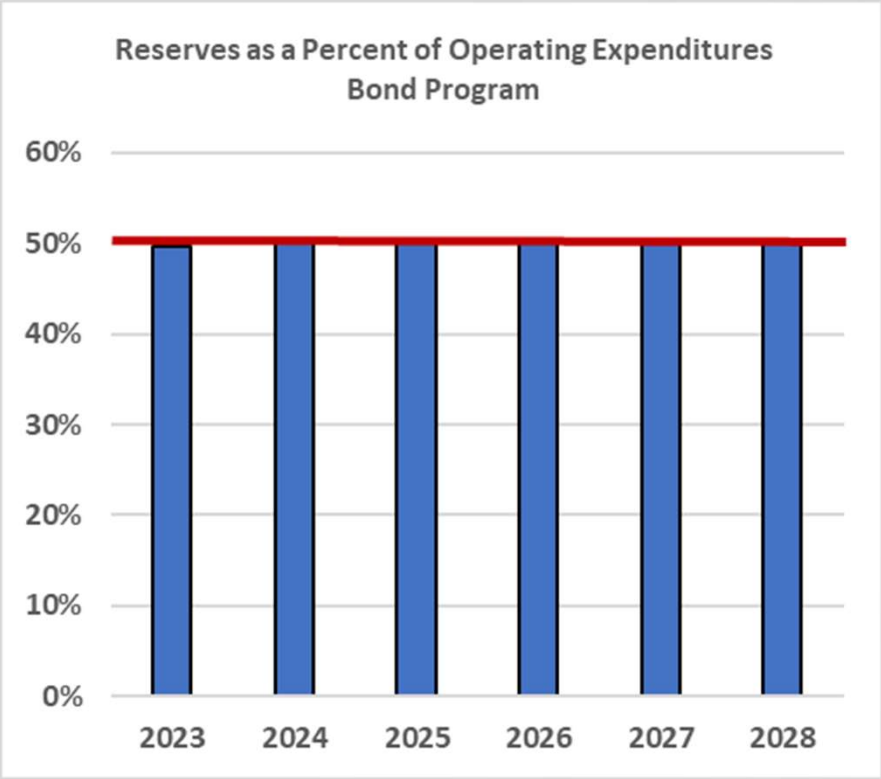
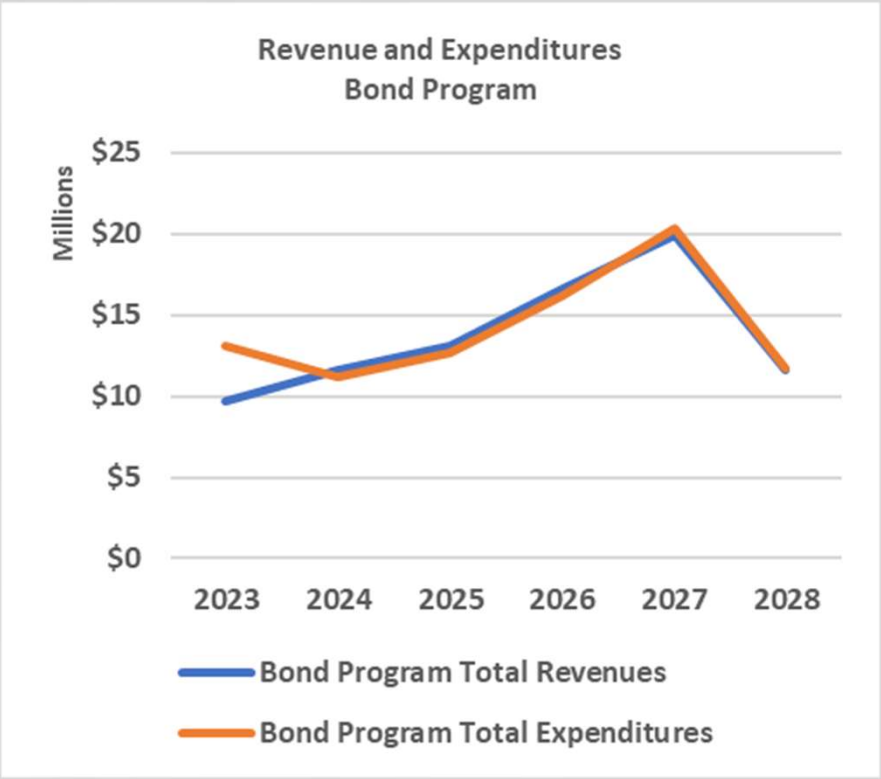
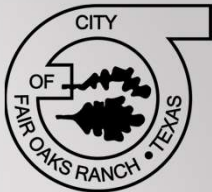
# Bond Program Assumptions

All Baseline Assumptions

Plus:

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

# Bond Program Scenario Dashboard

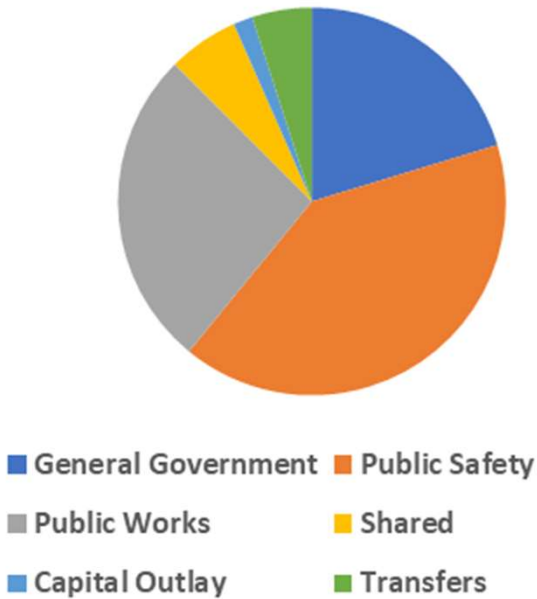




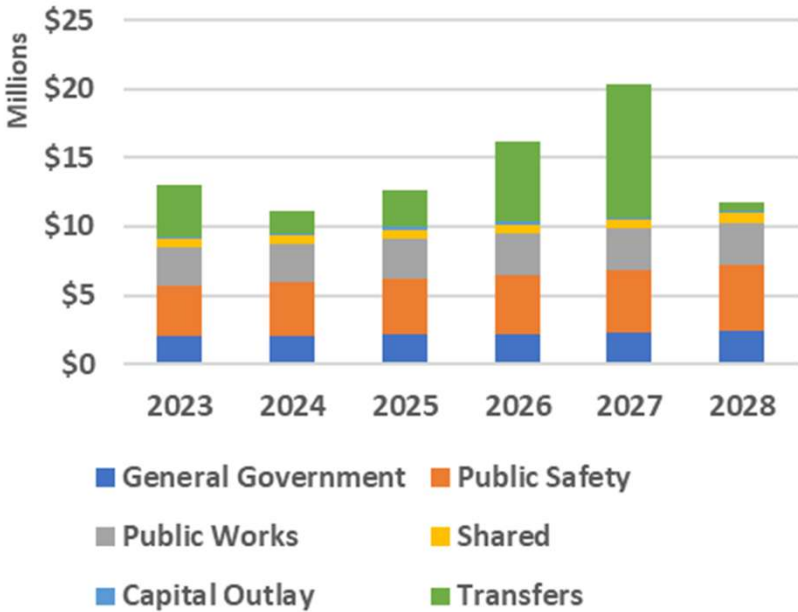
# Bond Program Scenario Dashboard



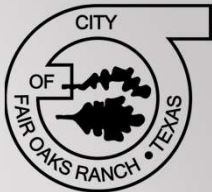
FY 2028 Projected General Fund Expenditures  
Bond Program



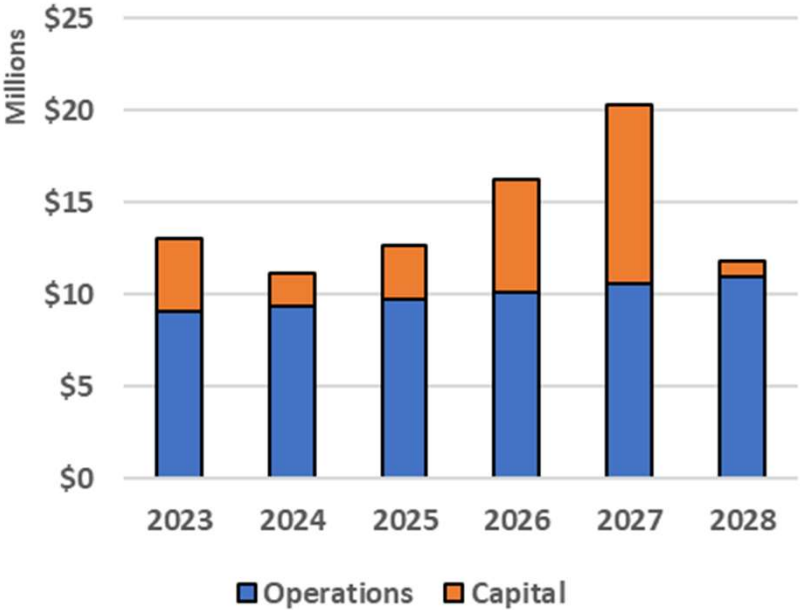
Ependitures Allocated by Program  
Bond Program



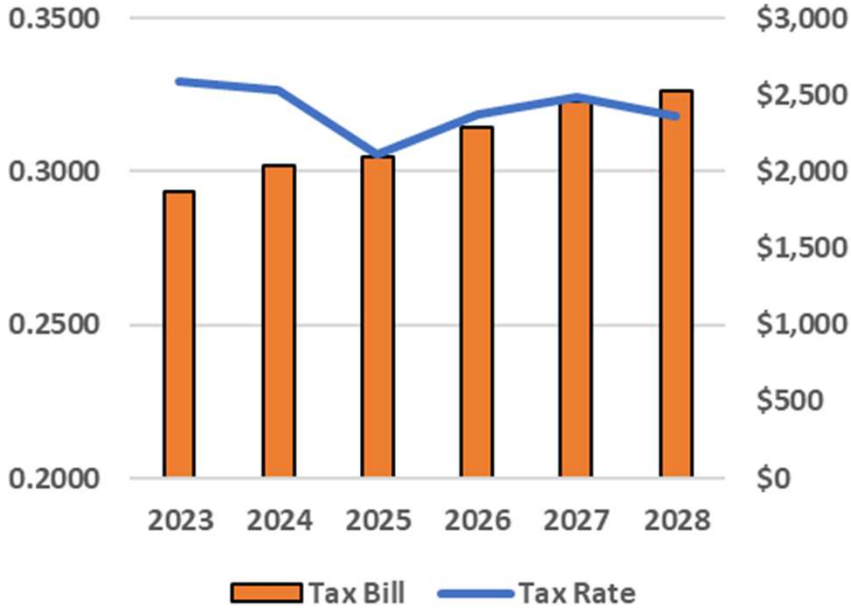
# Bond Program Scenario Dashboard



Projected Operations vs Capital Expenditures  
Bond Program



Property Tax Rate and Average Tax Bill  
Bond Program



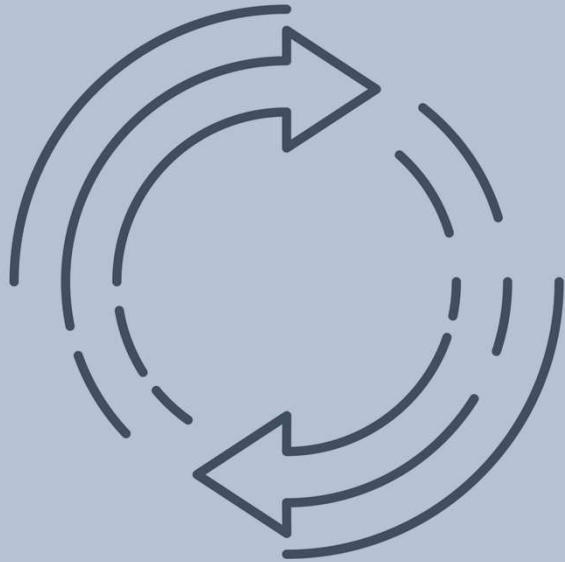
# SUMMARY

A strategic plan and long-term financial plan can:

- assess the current environment and respond to changes;
- develop commitment to the organization's vision and mission;
- achieve consensus on priorities and projects for achieving that mission.

The FOR Strategic Action Plan:

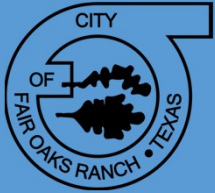
- evolving, but has a well-developed outline and structure
- serves as the council “playbook” for policy and budget discussion
- designed as “rolling” plan, to be updated and refined as conditions change





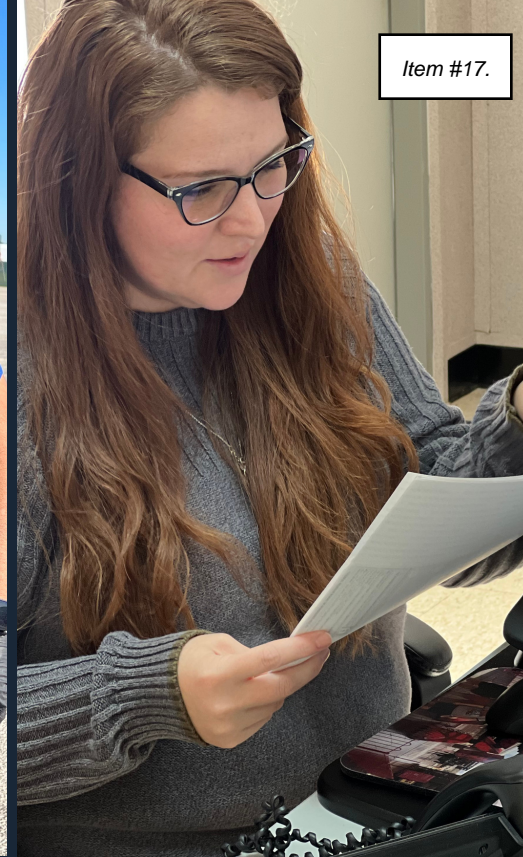
**FIVE-YEAR  
FINANCIAL PLAN**

FY 2024-2028



Questions?





Item #17.



# FIVE-YEAR FINANCIAL PLAN

FY 2024-2028



Page 73



## FIVE-YEAR FINANCIAL PLAN

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

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



Figure 1: Planning and Budgeting Cycle

### Scenarios

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

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

### BASELINE SCENARIO

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

#### Expenditures

- No new employees throughout the forecast period
- Wage increases for all employees grow with a 2.0% cost of living adjustment and 2.5% merit increases per year

- Employer insurance premiums increase 5.0% per year
- All software subscriptions increase 5.0% per year
- All facility and engineering contracts increase 5.0% per year
- All other operational costs increase 2.0% per year
- No new capital or strategic projects not already approved in the CIP or strategic plan (SAP)
- No new equipment purchases except life-cycle replacements in the Equipment Replacement Fund

#### Revenue

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

#### SCENARIO 1

Includes assumptions in the baseline scenario plus the following:

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

#### SCENARIO 2

Includes assumptions in the baseline scenario plus the following:

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

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

## Baseline Scenario

### **Assumptions**

#### Revenue

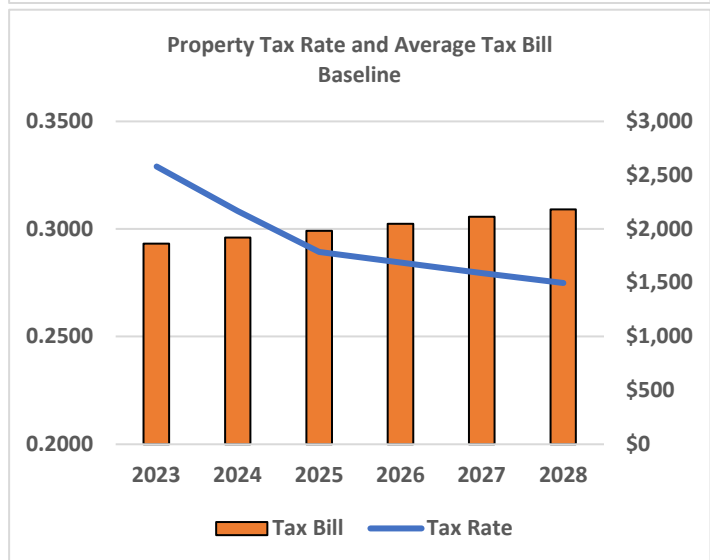
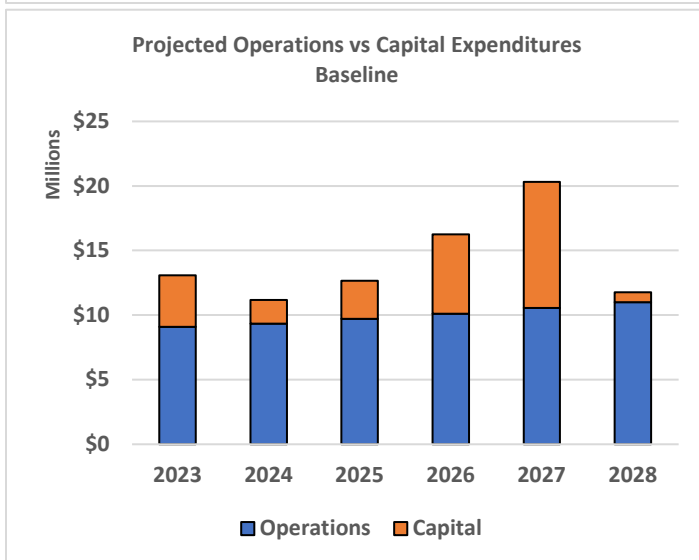
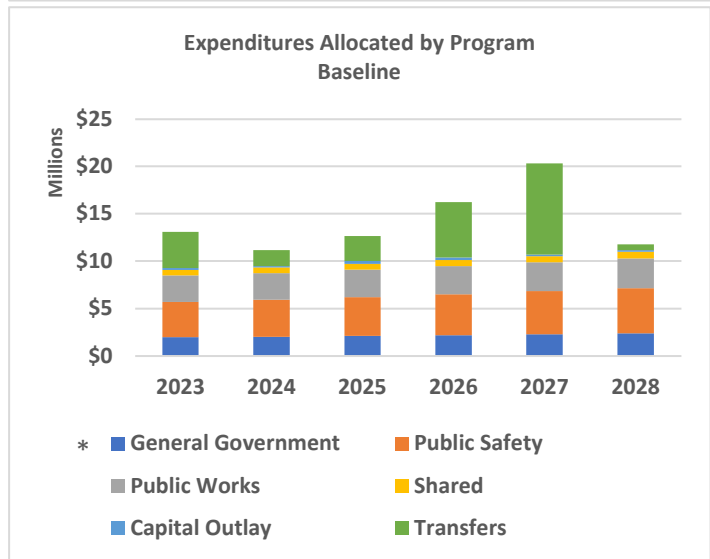
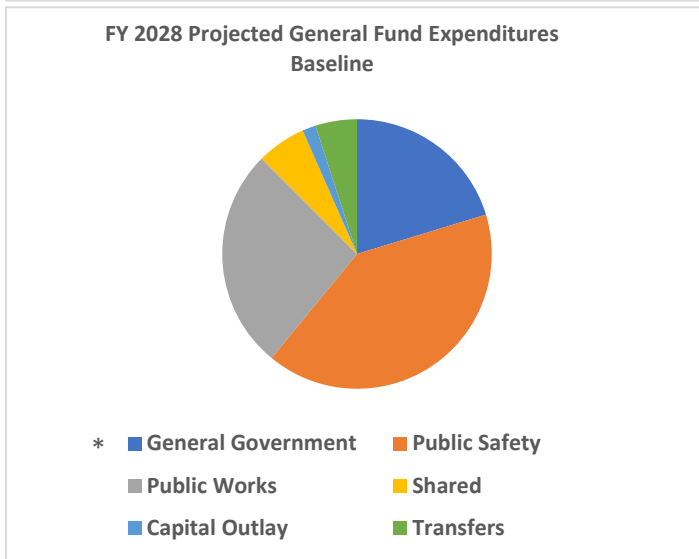
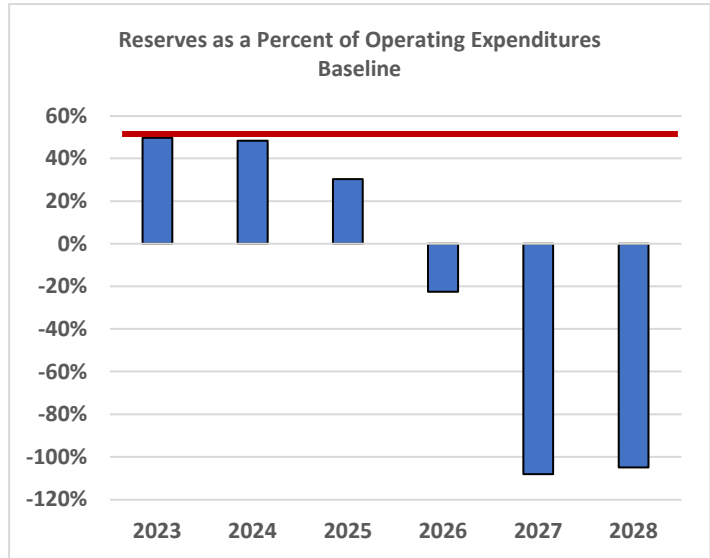
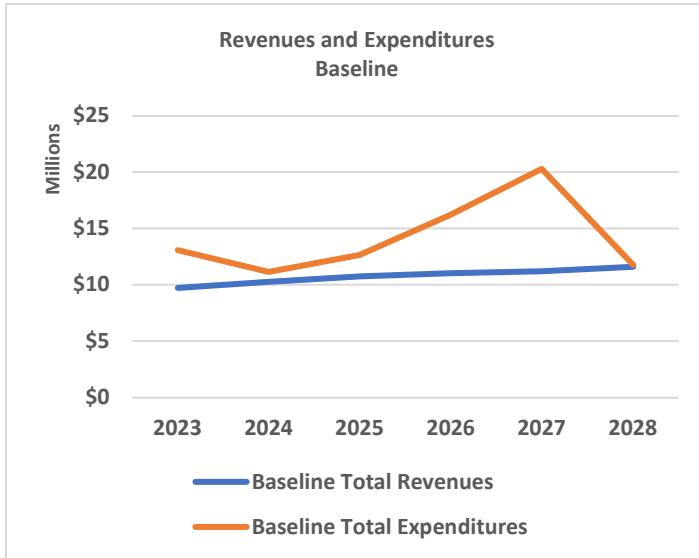
- 3.5% increase in Property Tax revenue (voter-approval rate) each year based on total taxable valuation percentage increases of 10%/10%/5%/5%/5%
- 3.0% increase in Sales Tax revenue each year
- 1.5% increase for all other lines

#### Expenditures

- 2.5% increase in wages for employee merit
- 2% Cost of Living Adjustment (COLA) each year
- 5% increase in health insurance costs
- 5% increase in software subscriptions
- 5% increase in facility and engineering contracts
- 5% increase in fuel for PD and Maintenance
- 2% increase in all other costs
- No change in Street Maintenance of \$1 million per year
- No change in Drainage budget of \$50,000 per year
- Assumes Unified Development Code (UDC) process completed FY2023
- 5% increase each year in IT workstation replacement budget starting with \$20K
- No new employees throughout the forecast period
- No new capital or strategic projects (not already in approved CIPs)
- No new equipment purchases except life-cycle replacements in the Equipment Replacement Fund



## Baseline Scenario Dashboard



\*General Government: Admin, City Sec, HR, Finance, IT and Municipal Court  
Shared: IT shared services and Non-Departmental shared

Public Works: Maintenance, Building Codes and Engineering  
Transfers include General Fund transfers to the Strategic Projects and ERF Funds

## FY 2024-28 Financial Plan Baseline Scenario by Program

	2023 <i>Budgeted</i>	2023 <i>Projected</i>	2024	2025	2026	2027	2028
<b>GENERAL FUND - BASELINE</b>							
<b>Beginning Fund Balance</b>	8,780,175	8,780,175	5,907,078	4,994,334	3,086,123	(2,138,863)	(11,236,072)
<b>Revenue</b>							
PROPERTY TAX	6,204,433	6,204,433	6,656,302	6,888,156	7,128,108	7,376,442	7,633,450
MIXED BEVERAGE	25,000	25,000	25,250	25,503	25,758	26,015	26,275
SALES TAX	1,733,683	1,733,683	1,785,693	1,839,264	1,894,442	1,951,275	2,009,814
BANK/INVESTMENT INTEREST	72,000	372,000	73,080	74,176	75,289	76,418	77,564
FRANCHISE FEES	692,050	731,050	702,431	712,967	723,662	734,517	745,534
PERMITS	309,075	309,075	313,711	318,417	323,193	328,041	332,962
ANIMAL CONTROL	1,135	1,135	1,152	1,169	1,187	1,205	1,223
FINES & FORFEITURES	176,300	176,465	178,945	181,629	184,353	187,118	189,925
FEES & SERVICES	277,903	277,903	282,072	286,303	290,597	294,956	299,380
MISCELLANEOUS	110,505	176,655	108,509	110,136	111,788	113,465	115,167
SCHOOL CROSSING GUARD	10,665	10,665	10,825	10,987	11,152	11,319	11,489
LEOSE PROCEEDS	1,850	1,850	1,850	1,850	1,850	1,850	1,850
POLICE SEIZED PROCEEDS	-	235	-	-	-	-	-
<b>Transfer In</b>							
CAPITAL REPLACEMENT	125,000	286,549	108,925	295,975	244,145	105,475	165,138
<b>Total Revenue</b>	<b>9,739,599</b>	<b>10,306,698</b>	<b>10,248,744</b>	<b>10,746,532</b>	<b>11,015,524</b>	<b>11,208,097</b>	<b>11,609,772</b>
<b>Expenditures by Program</b>							
<b>General Government</b>							
PERSONNEL	1,476,669	1,467,452	1,543,295	1,613,010	1,685,897	1,762,101	1,841,772
SUPPLIES & OPERATIONS	74,429	74,429	32,520	33,044	33,577	34,119	34,671
PROFESSIONAL SERVICES	437,221	446,901	444,704	459,822	475,606	492,086	509,296
<b>Public Safety</b>							
PERSONNEL	2,816,482	2,880,389	2,942,014	3,073,187	3,210,259	3,353,497	3,503,183
SUPPLIES & OPERATIONS	113,100	114,673	111,942	116,099	120,435	124,958	129,677
PROFESSIONAL SERVICES	772,944	772,294	862,647	916,137	986,415	1,062,261	1,144,118
<b>Public Works</b>							
PERSONNEL	1,296,015	1,260,474	1,354,354	1,415,347	1,479,116	1,545,787	1,615,493
SUPPLIES & OPERATIONS	1,196,095	1,244,866	1,190,042	1,193,205	1,196,449	1,199,778	1,203,193
PROFESSIONAL SERVICES	321,427	321,462	256,836	268,252	280,212	292,742	305,870
<b>Shared Services</b>							
PERSONNEL	145,194	-	151,728	158,555	165,690	173,147	180,938
SUPPLIES & OPERATIONS	4,150	4,150	4,222	4,295	4,370	4,447	4,525
PROFESSIONAL SERVICES	423,667	424,310	432,673	450,046	468,202	487,179	507,017
<b>Total Operating Expenditures</b>	<b>9,077,393</b>	<b>9,011,400</b>	<b>9,326,977</b>	<b>9,701,002</b>	<b>10,106,230</b>	<b>10,532,102</b>	<b>10,979,753</b>

	<b>2023</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
	<b>Budgeted</b>	<b>Projected</b>					
<b>GENERAL FUND - BASELINE</b>							
<b>Capital Outlay</b>							
GENERAL GOVERNMENT	15,000	15,000	20,000	21,000	36,105	23,153	24,310
PUBLIC SAFETY	149,950	268,090	120,000	120,000	120,000	120,000	125,000
PUBLIC WORKS	32,000	87,814	25,000	179,408	110,796	-	39,970
SHARED SERVICES	-	-	-	-	-	-	-
<b>Transfers Out</b>							
TRANSFER TO CAP IMP FUND	3,442,995	3,442,995	1,359,003	2,322,825	5,556,871	9,319,543	275,914
TRANSFER TO VEH/EQUIP FUND	354,495	354,495	310,508	310,508	310,508	310,508	310,508
<b>Total Expenditures</b>	<b>13,071,833</b>	<b>13,179,795</b>	<b>11,161,488</b>	<b>12,654,743</b>	<b>16,240,510</b>	<b>20,305,305</b>	<b>11,755,455</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,332,234)</b>	<b>(2,873,097)</b>	<b>(912,744)</b>	<b>(1,908,211)</b>	<b>(5,224,986)</b>	<b>(9,097,209)</b>	<b>(145,683)</b>
<b>Ending Fund Balance</b>	<b>5,447,941</b>	<b>5,907,078</b>	<b>4,994,334</b>	<b>3,086,123</b>	<b>(2,138,863)</b>	<b>(11,236,072)</b>	<b>(11,381,755)</b>
<b>Restricted Reserves</b>	<b>97,606</b>	<b>97,606</b>	<b>97,606</b>	<b>97,606</b>	<b>97,606</b>	<b>97,606</b>	<b>97,606</b>
<b>Legal Reserve</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Unallocated Reserve Balance</b>	<b>795,014</b>	<b>1,254,151</b>	<b>341,407</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating Reserve Balance</b>	<b>4,505,321</b>	<b>4,505,321</b>	<b>4,505,321</b>	<b>2,938,517</b>	<b>(2,286,469)</b>	<b>(11,383,678)</b>	<b>(11,529,361)</b>
<b>Percent of Operating Expenditures</b>	<b>49.6%</b>	<b>50.0%</b>	<b>48.3%</b>	<b>30.3%</b>	<b>-22.6%</b>	<b>-108.1%</b>	<b>-105.0%</b>

**FY 2024-28 Financial Plan Baseline Scenario by Category**

	<b>2023</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
	<i>Budgeted</i>	<i>Projected</i>					
<b>GENERAL FUND - BASELINE</b>							
<b>Beginning Fund Balance</b>	8,780,175	8,780,175	5,907,078	4,994,334	3,086,123	(2,138,863)	(11,236,072)
<b>Revenue</b>							
PROPERTY TAX	6,204,433	6,204,433	6,656,302	6,888,156	7,128,108	7,376,442	7,633,450
MIXED BEVERAGE	25,000	25,000	25,250	25,503	25,758	26,015	26,275
SALES TAX	1,733,683	1,733,683	1,785,693	1,839,264	1,894,442	1,951,275	2,009,814
BANK/INVESTMENT INTEREST	72,000	372,000	73,080	74,176	75,289	76,418	77,564
FRANCHISE FEES	692,050	731,050	702,431	712,967	723,662	734,517	745,534
PERMITS	309,075	309,075	313,711	318,417	323,193	328,041	332,962
ANIMAL CONTROL	1,135	1,135	1,152	1,169	1,187	1,205	1,223
FINES & FORFEITURES	176,300	176,465	178,945	181,629	184,353	187,118	189,925
FEES & SERVICES	277,903	277,903	282,072	286,303	290,597	294,956	299,380
MISCELLANEOUS	110,505	176,655	108,509	110,136	111,788	113,465	115,167
SCHOOL CROSSING GUARD	10,665	10,665	10,825	10,987	11,152	11,319	11,489
LEOSE PROCEEDS	1,850	1,850	1,850	1,850	1,850	1,850	1,850
POLICE SEIZED PROCEEDS	-	235	-	-	-	-	-
<b>Transfer In</b>							
CAPITAL REPLACEMENT	125,000	286,549	108,925	295,975	244,145	105,475	165,138
<b>Total Revenue</b>	<b>9,739,599</b>	<b>10,306,698</b>	<b>10,248,744</b>	<b>10,746,532</b>	<b>11,015,524</b>	<b>11,208,097</b>	<b>11,609,772</b>

**Expenditures by Category**

<b>Personnel</b>							
SALARIES	4,160,870	4,064,264	4,348,109	4,543,774	4,748,244	4,961,915	5,185,201
OVERTIME	41,296	59,659	43,084	45,010	47,023	49,126	51,324
PAYROLL TAXES	311,818	314,738	325,689	340,182	355,324	371,145	387,676
WORKERS' COMP INSURANCE	108,212	79,469	109,835	111,483	113,155	114,852	116,575
RETIREMENT	477,609	487,303	499,101	521,561	545,031	569,558	595,188
HEALTH INSURANCE	600,355	568,681	630,373	661,891	694,986	729,735	766,222
UNIFORM ALLOWANCE	27,000	27,000	28,000	29,000	30,000	31,000	32,000
CAR ALLOWANCE	7,200	7,200	7,200	7,200	7,200	7,200	7,200
<b>Supplies, Maintenance and Operations</b>							
SUPPLIES & CONSUMABLES	30,340	30,340	30,947	31,566	32,197	32,841	33,498
MINOR EQUIPMENT & FURNITURE	49,770	51,343	44,225	45,110	46,012	46,932	47,871
FUEL	56,600	56,600	59,273	62,077	65,018	68,102	71,338
UNIFORMS	33,160	33,160	28,300	28,839	29,389	29,950	30,522
MISCELLANEOUS	550	550	550	550	550	550	550
COMMITTEES	2,500	2,500	2,538	2,576	2,614	2,653	2,693
COURT SECURITY BUILDING	58,724	58,724	6,090	6,181	6,274	6,368	6,464
VEHICLE MAINTENANCE/REPAIRS	30,880	30,880	32,124	33,424	34,783	36,204	37,690
EQUIPMENT MAINTENANCE/REPAIRS	14,500	14,500	13,260	13,525	13,796	14,072	14,353

	2023 <i>Budgeted</i>	2023 <i>Projected</i>	2024	2025	2026	2027	2028
<b>GENERAL FUND - BASELINE</b>							
BUILDING MAINTENANCE/REPAIRS	17,250	17,250	16,595	16,927	17,265	17,611	17,963
LANDSCAPING & GREENSPACE MAINT	5,500	5,500	5,610	5,722	5,837	5,953	6,072
STREET MAINTENANCE	1,038,000	1,086,771	1,038,760	1,039,535	1,040,326	1,041,132	1,041,955
DRAINAGE WORK	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Professional Services</b>							
PROFESSIONAL SERVICES	1,277,449	1,277,449	1,299,604	1,375,457	1,469,224	1,569,740	1,677,508
DUES/SUBSCRIPTIONS	16,850	16,885	17,131	17,418	17,710	18,008	18,312
TRAINING/SEMINARS & TRAVEL	112,551	112,551	114,662	116,815	119,012	121,252	123,537
MEETINGS & RELATED TRAVEL	22,823	22,923	23,043	23,268	23,498	23,732	23,970
PUBLIC RELATIONS & EVENTS	55,234	55,234	56,234	57,253	58,293	59,354	60,436
EMPLOYEE APPRECIATION	14,710	14,710	14,938	15,171	15,408	15,651	15,898
ELECTIONS	7,000	16,580	14,000	14,000	14,000	14,000	14,000
RECORDING / REPORTING	10,000	10,000	10,000	10,000	10,000	10,000	10,000
EMPLOYMENT COSTS	2,975	2,975	3,035	3,095	3,157	3,220	3,285
INVESTIGATIONS	9,500	9,500	9,690	9,884	10,081.48	10,283.11	10,488.77
LEOSE TRAINING	2,500	1,850	1,850	1,850	1,850	1,850	1,850
<b>Shared Services</b>							
FACILITY CONTRACTS & SERVICES	86,985	86,985	83,334	87,501	91,876	96,470	101,293
TECH/INTERNET/SOFTWARE MAINT	197,440	197,440	207,312	217,678	228,561	239,990	251,989
POSTAGE	5,625	5,625	5,738	5,852	5,969	6,089	6,210
GENERAL LIABILITY INSURANCE	56,560	57,203	57,691	58,845	60,022	61,222	62,447
ELECTRICITY	40,000	40,000	40,800	41,616	42,448	43,297	44,163
PHONE/CABLE/ALARMS	37,057	37,057	37,798	38,554	39,325	40,112	40,914
<b>Total Operating Expenditures</b>	9,077,393	9,011,400	9,326,977	9,701,002	10,106,230	10,532,102	10,979,753
<b>Capital Outlay</b>							
FURNITURE, FIXTURES & EQUIP	196,950	370,904	165,000	320,408	266,901	143,153	189,280
<b>Transfers Out</b>							
TRANSFER TO CAP IMP FUND 02	3,442,995	3,442,995	1,359,003	2,322,825	5,556,871	9,319,543	275,914
TRANSFER TO VEH/EQUIP FUND 31	354,495	354,495	310,508	310,508	310,508	310,508	310,508
<b>Total Expenditures</b>	13,071,833	13,179,795	11,161,488	12,654,743	16,240,510	20,305,305	11,755,455
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(3,332,234)	(2,873,097)	(912,744)	(1,908,211)	(5,224,986)	(9,097,209)	(145,683)
<b>Ending Fund Balance</b>	5,447,941	5,907,078	4,994,334	3,086,123	(2,138,863)	(11,236,072)	(11,381,755)
<b>Restricted Reserves</b>	97,606	97,606	97,606	97,606	97,606	97,606	97,606
<b>Legal Reserve</b>	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Unallocated Reserve Balance</b>	795,014	1,254,151	341,407	-	-	-	-
<b>Operating Reserve Balance</b>	4,505,321	4,505,321	4,505,321	2,938,517	(2,286,469)	(11,383,678)	(11,529,361)
<b>Percent of Operating Expenditures</b>	49.6%	50.0%	48.3%	30.3%	-22.6%	-108.1%	-105.0%

## FY 2024-28 Strategic Plan - Baseline Scenario

		2023	2024	2025	2026	2027	2028
<b>RELIABLE AND SUSTAINABLE INFRASTRUCTURE</b>							
3.3.2	Drainage 7840 Silver Spur Trail (Drainage CIP # 17)	601,000	-	-	-	-	-
3.3.3	Drainage 29010 Tivoli Way (Drainage CIP #34)	456,000	-	-	-	-	-
3.3.5	Drainage 8410 Noble Lark Dr. (CIP# 36)	-	-	-	-	223,066	-
3.3.6	Drainage 29314 Sumpter Drive (CIP# 32)	-	-	-	61,829	159,333	-
3.3.7	Drainage 7967 Turf Paradise Lane (Drainage CIP #37)	85,031	232,757	-	-	-	-
3.3.9	Drainage 7820 Rolling Acres Trail (Drainage CIP #5)	606,000	-	-	-	-	-
3.3.11	Drainage Ammann Road Low Water Cross (CIP# 1)		55,275	55,275	506,892	506,892	-
3.3.12	Drainage 8426 Triple Crown (CIP# 41)		56,450	145,473	-	-	-
3.3.13	Drainage 7420 Rolling Acres Trail (CIP#6)	-	-	103,869	103,869	275,914	275,914
3.3.14	Drainage 8472 Rolling Acres Trail (CIP# 2)	-	-	-	61,829	159,333	-
3.3.15	Drainage 31988 Scarteen (CIP# 44)	-	-	23,993	61,829	-	-
3.3.16	Drainage 7644 Pimlico Lane (CIP# 46)	-	-	23,993	61,829	-	-
3.3.17	Drainage 8040 Rolling Acres Trail (CIP# 4)	-	-	-	61,829	159,333	-
3.3.18	Drainage 7740 Pimlico Lane (CIP# 42)	-	-	-	24,732	63,733	-
3.3.19	Drainage 32030 Scarteen (CIP# 53)	-	-	-	61,829	159,333	-
3.3.20	Drainage 8312 Triple Crown (CIP #43)	-	-	-	61,829	159,333	-
3.3.22	Drainage 28907 Chartwell Lane (CIP #35)	-	-	-	61,829	159,333	-
3.3.23	Drainage 8622 Delta Dawn (CIP# 15)	-	-	-	61,829	159,333	-
3.3.24	Drainage 8037 Rock Oak Circle (CIP# 58)	-	-	-	24,732	63,733	-
3.4.10	Dietz Elkhorn Roadway reconstruction	245,915	241,416	1,609,436	1,609,436	-	
3.4.11	Ammann Rd Roadway reconstruction	-	365,286	360,786	2,405,239	2,405,239	
3.4.12	Rolling Acres Roadway reconstruction	-	-	-	325,510	4,665,635	
3.4.13	Post Oak Tr Roadway reconstruction, TxDoT Grant	875,000	-	-	-	-	
3.4.14	Connect sidewalk between Elkhorn Ridge subdivision	41,282	367,819	-	-	-	
3.4.15	Battle Intense Reconstructing sidewalk curb.	54,500	-	-	-	-	
3.5.5	Develop plan for a civic center building and campus	412,815					
<b>PUBLIC HEALTH, SAFETY, AND WELFARE</b>							
4.2.1	Develop a standards of cover and utilization study	18,000					
<b>OPERATIONAL EXCELLENCE</b>							
5.3.3b	3rd Party Scanning of City Records	40,000					
5.3.12	Implement Fuel Station for City Fleet Vehicles	50,000					
5.5.31	IT Penetration Testing		40,000				
<b>Total Needed to Fund Projects</b>		<b>3,485,543</b>	<b>1,359,003</b>	<b>2,322,825</b>	<b>5,556,871</b>	<b>9,319,543</b>	<b>275,914</b>

## FY 2024-28 Estimated Tax Rates Baseline Scenario

	<u>Current FY 22-23</u>	<u>FY 23-24</u>	<u>FY 24-25</u>	<u>FY 25-26</u>	<u>FY 26-27</u>	<u>FY 27-28</u>
Tax Rate/\$100 Valuation						
General Fund (M&O)	0.3023	0.2844	0.2676	0.2638	0.2600	0.2563
Debt Service Fund (I&S)	0.0268	0.0238	0.0216	0.0206	0.0195	0.0186
Total Tax Rate	0.3291	0.3083	0.2893	0.2844	0.2795	0.2750
Total Taxable Valuation	2,109,584,004	2,320,542,404	2,552,596,645	2,680,226,477	2,814,237,801	2,954,949,691
M&O Tax Rate/\$100 Valuation	0.3023	0.2844	0.2676	0.2638	0.2600	0.2563
Total M&O Levy	6,377,272	6,600,477	6,831,494	7,070,596	7,318,067	7,574,199
% Increase in M&O Levy		3.50%	3.50%	3.50%	3.50%	3.50%
Total Taxable Valuation	2,109,584,004	2,320,542,404	2,552,596,645	2,680,226,477	2,814,237,801	2,954,949,691
I&S Tax rate/\$100 Valuation	0.0268	0.0238	0.0216	0.0206	0.0195	0.0186
Total I&S Levy	565,959	553,163	552,475	550,950	548,575	550,888
Total Levy (100%)	\$ 6,943,232	\$ 7,153,639	\$ 7,383,969	\$ 7,621,546	\$ 7,866,642	\$ 8,125,087
Yr. over Yr. increase (decrease)	\$ 210,408	\$ 230,329	\$ 237,577	\$ 245,096	\$ 258,445	
Ave Home Taxable Value	566,488	623,137	685,450	719,723	755,709	793,495
Average Tax Bill	\$ 1,864	\$ 1,921	\$ 1,983	\$ 2,047	\$ 2,112	\$ 2,182

## Scenario 1: Pay as You Go

### **Assumptions**

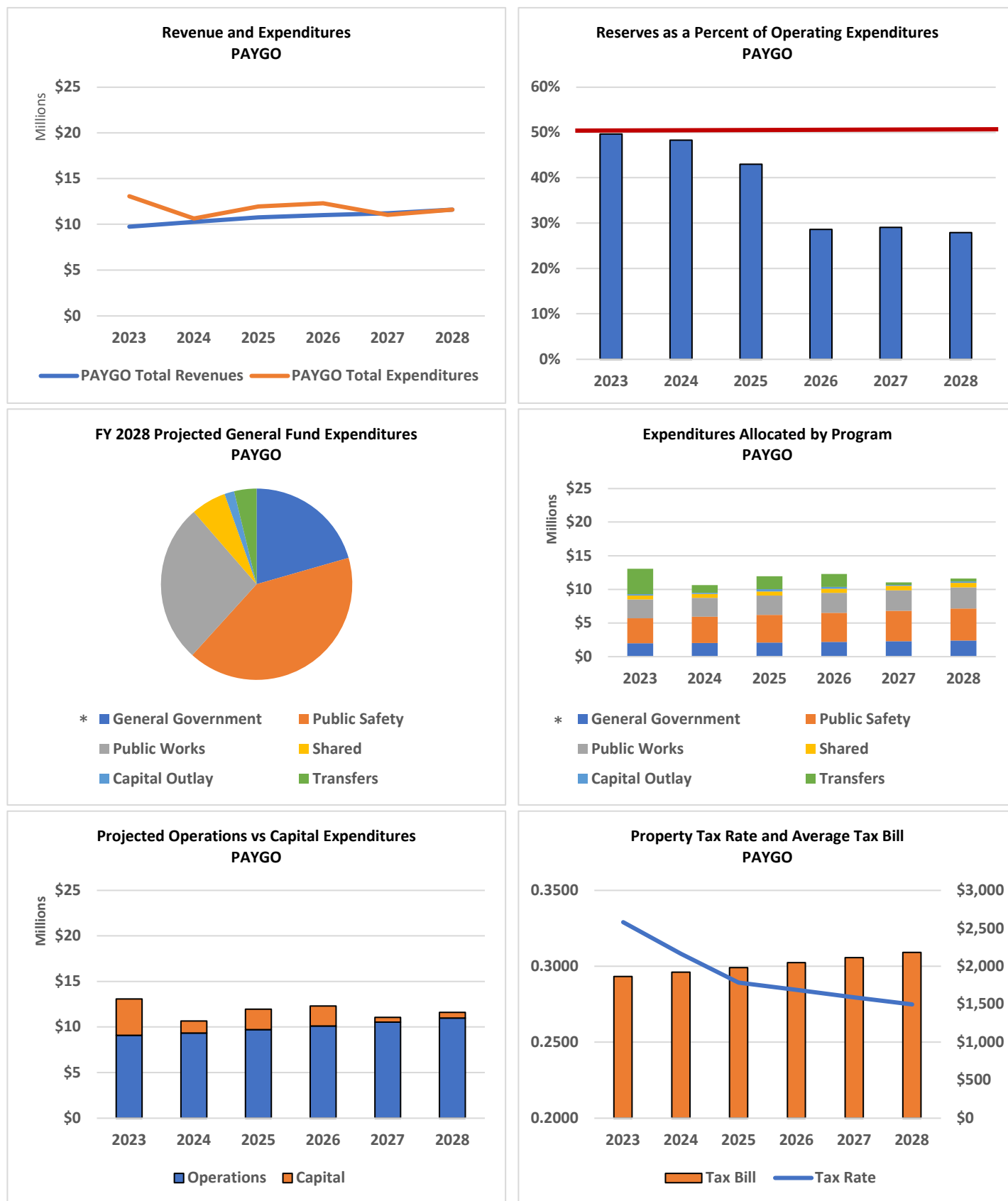
All Baseline Assumptions

Plus:

Modifying the CIP/SAP project schedule to allow for Pay As You Go  
(PAYGO) Funding



## PAYGO Scenario Dashboard



\*General Government: Admin, City Sec, HR, Finance, IT and Municipal Court

Shared: IT shared services and Non-Departmental shared

Public Works: Maintenance, Building Codes and Engineering

Transfers include General Fund transfers to the Strategic Projects and ERF Funds

### FY 2024-28 Financial Plan PAYGO Scenario by Program

	2023 <i>Budgeted</i>	2023 <i>Projected</i>	2024	2025	2026	2027	2028
<b>GENERAL FUND - PAYGO</b>							
<b>Beginning Fund Balance</b>	8,780,175	8,780,175	5,907,078	5,511,345	4,316,523	3,038,972	3,206,031
<b>Revenue</b>							
PROPERTY TAX	6,204,433	6,204,433	6,656,302	6,888,156	7,128,108	7,376,442	7,633,450
MIXED BEVERAGE	25,000	25,000	25,250	25,503	25,758	26,015	26,275
SALES TAX	1,733,683	1,733,683	1,785,693	1,839,264	1,894,442	1,951,275	2,009,814
BANK/INVESTMENT INTEREST	72,000	372,000	73,080	74,176	75,289	76,418	77,564
FRANCHISE FEES	692,050	731,050	702,431	712,967	723,662	734,517	745,534
PERMITS	309,075	309,075	313,711	318,417	323,193	328,041	332,962
ANIMAL CONTROL	1,135	1,135	1,152	1,169	1,187	1,205	1,223
FINES & FORFEITURES	176,300	176,465	178,945	181,629	184,353	187,118	189,925
FEES & SERVICES	277,903	277,903	282,072	286,303	290,597	294,956	299,380
MISCELLANEOUS	110,505	176,655	108,509	110,136	111,788	113,465	115,167
SCHOOL CROSSING GUARD	10,665	10,665	10,825	10,987	11,152	11,319	11,489
LEOSE PROCEEDS	1,850	1,850	1,850	1,850	1,850	1,850	1,850
POLICE SEIZED PROCEEDS	-	235	-	-	-	-	-
<b>Transfer In</b>							
CAPITAL REPLACEMENT	125,000	286,549	108,925	295,975	244,145	105,475	165,138
<b>Total Revenue</b>	9,739,599	10,306,698	10,248,744	10,746,532	11,015,524	11,208,097	11,609,772
<b>Expenditures by Program</b>							
<b>General Government</b>							
PERSONNEL	1,476,669	1,467,452	1,543,295	1,613,010	1,685,897	1,762,101	1,841,772
SUPPLIES & OPERATIONS	74,429	74,429	32,520	33,044	33,577	34,119	34,671
PROFESSIONAL SERVICES	437,221	446,901	444,704	459,822	475,606	492,086	509,296
<b>Public Safety</b>							
PERSONNEL	2,816,482	2,880,389	2,942,014	3,073,187	3,210,259	3,353,497	3,503,183
SUPPLIES & OPERATIONS	113,100	114,673	111,942	116,099	120,435	124,958	129,677
PROFESSIONAL SERVICES	772,944	772,294	862,647	916,137	986,415	1,062,261	1,144,118
<b>Public Works</b>							
PERSONNEL	1,296,015	1,260,474	1,354,354	1,415,347	1,479,116	1,545,787	1,615,493
SUPPLIES & OPERATIONS	1,196,095	1,244,866	1,190,042	1,193,205	1,196,449	1,199,778	1,203,193
PROFESSIONAL SERVICES	321,427	321,462	256,836	268,252	280,212	292,742	305,870
<b>Shared Services</b>							
PERSONNEL	145,194	-	151,728	158,555	165,690	173,147	180,938
SUPPLIES & OPERATIONS	4,150	4,150	4,222	4,295	4,370	4,447	4,525
PROFESSIONAL SERVICES	423,667	424,310	432,673	450,046	468,202	487,179	507,017
<b>Total Operating Expenditures</b>	9,077,393	9,011,400	9,326,977	9,701,002	10,106,230	10,532,102	10,979,753

	2023 <i>Budgeted</i>	2023 <i>Projected</i>	2024	2025	2026	2027	2028
<b>GENERAL FUND - PAYGO</b>							
<b>Capital Outlay</b>							
GENERAL GOVERNMENT	15,000	15,000	20,000	21,000	36,105	23,153	24,310
PUBLIC SAFETY	149,950	268,090	120,000	120,000	120,000	120,000	125,000
PUBLIC WORKS	32,000	87,814	25,000	179,408	110,796	-	39,970
SHARED SERVICES	-	-	-	-	-	-	-
<b>Transfers Out</b>							
TRANSFER TO CAP IMP FUND 02	3,442,995	3,442,995	841,992	1,609,436	1,609,436	55,275	127,993
TRANSFER TO VEH/EQUIP FUND 31	354,495	354,495	310,508	310,508	310,508	310,508	310,508
<b>Total Expenditures</b>	<b>13,071,833</b>	<b>13,179,795</b>	<b>10,644,477</b>	<b>11,941,354</b>	<b>12,293,075</b>	<b>11,041,037</b>	<b>11,607,534</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,332,234)</b>	<b>(2,873,097)</b>	<b>(395,733)</b>	<b>(1,194,822)</b>	<b>(1,277,551)</b>	<b>167,059</b>	<b>2,238</b>
<b>Ending Fund Balance</b>	<b>5,447,941</b>	<b>5,907,078</b>	<b>5,511,345</b>	<b>4,316,523</b>	<b>3,038,972</b>	<b>3,206,031</b>	<b>3,208,269</b>
<b>Restricted Reserves</b>	<b>97,606</b>	<b>97,606</b>	<b>97,606</b>	<b>97,606</b>	<b>97,606</b>	<b>97,606</b>	<b>97,606</b>
<b>Legal Reserve</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Unallocated Reserve Balance</b>	<b>795,014</b>	<b>1,254,151</b>	<b>858,418</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating Reserve Balance</b>	<b>4,505,321</b>	<b>4,505,321</b>	<b>4,505,321</b>	<b>4,168,917</b>	<b>2,891,366</b>	<b>3,058,425</b>	<b>3,060,663</b>
<b>Percent of Operating Expenditures</b>	<b>49.6%</b>	<b>50.0%</b>	<b>48.3%</b>	<b>43.0%</b>	<b>28.6%</b>	<b>29.0%</b>	<b>27.9%</b>

**FY 2024-28 Financial Plan PAYGO Scenario by Category**

	<b>2023</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
	<i>Budgeted</i>	<i>Projected</i>					
<b>GENERAL FUND - PAYGO</b>							
<b>Beginning Fund Balance</b>	8,780,175	8,780,175	5,907,078	5,511,345	4,316,523	3,038,972	3,206,031
<b>Revenue</b>							
PROPERTY TAX	6,204,433	6,204,433	6,656,302	6,888,156	7,128,108	7,376,442	7,633,450
MIXED BEVERAGE	25,000	25,000	25,250	25,503	25,758	26,015	26,275
SALES TAX	1,733,683	1,733,683	1,785,693	1,839,264	1,894,442	1,951,275	2,009,814
BANK/INVESTMENT INTEREST	72,000	372,000	73,080	74,176	75,289	76,418	77,564
FRANCHISE FEES	692,050	731,050	702,431	712,967	723,662	734,517	745,534
PERMITS	309,075	309,075	313,711	318,417	323,193	328,041	332,962
ANIMAL CONTROL	1,135	1,135	1,152	1,169	1,187	1,205	1,223
FINES & FORFEITURES	176,300	176,465	178,945	181,629	184,353	187,118	189,925
FEES & SERVICES	277,903	277,903	282,072	286,303	290,597	294,956	299,380
MISCELLANEOUS	110,505	176,655	108,509	110,136	111,788	113,465	115,167
SCHOOL CROSSING GUARD	10,665	10,665	10,825	10,987	11,152	11,319	11,489
LEOSE PROCEEDS	1,850	1,850	1,850	1,850	1,850	1,850	1,850
POLICE SEIZED PROCEEDS	-	235	-	-	-	-	-
<b>Transfer In</b>							
CAPITAL REPLACEMENT	125,000	286,549	108,925	295,975	244,145	105,475	165,138
<b>Total Revenue</b>	<b>9,739,599</b>	<b>10,306,698</b>	<b>10,248,744</b>	<b>10,746,532</b>	<b>11,015,524</b>	<b>11,208,097</b>	<b>11,609,772</b>

**Expenditures by Category**

<b>Personnel</b>							
SALARIES	4,160,870	4,064,264	4,348,109	4,543,774	4,748,244	4,961,915	5,185,201
OVERTIME	41,296	59,659	43,084	45,010	47,023	49,126	51,324
PAYROLL TAXES	311,818	314,738	325,689	340,182	355,324	371,145	387,676
WORKERS' COMP INSURANCE	108,212	79,469	109,835	111,483	113,155	114,852	116,575
RETIREMENT	477,609	487,303	499,101	521,561	545,031	569,558	595,188
HEALTH INSURANCE	600,355	568,681	630,373	661,891	694,986	729,735	766,222
UNIFORM ALLOWANCE	27,000	27,000	28,000	29,000	30,000	31,000	32,000
CAR ALLOWANCE	7,200	7,200	7,200	7,200	7,200	7,200	7,200
<b>Supplies, Maintenance and Operations</b>							
SUPPLIES & CONSUMABLES	30,340	30,340	30,947	31,566	32,197	32,841	33,498
MINOR EQUIPMENT & FURNITURE	49,770	51,343	44,225	45,110	46,012	46,932	47,871
FUEL	56,600	56,600	59,273	62,077	65,018	68,102	71,338
UNIFORMS	33,160	33,160	28,300	28,839	29,389	29,950	30,522
MISCELLANEOUS	550	550	550	550	550	550	550
COMMITTEES	2,500	2,500	2,538	2,576	2,614	2,653	2,693
COURT SECURITY BUILDING	58,724	58,724	6,090	6,181	6,274	6,368	6,464
VEHICLE MAINTENANCE/REPAIRS	30,880	30,880	32,124	33,424	34,783	36,204	37,690
EQUIPMENT MAINTENANCE/REPAIRS	14,500	14,500	13,260	13,525	13,796	14,072	14,353

	2023 <i>Budgeted</i>	2023 <i>Projected</i>	2024	2025	2026	2027	2028
<b>GENERAL FUND - PAYGO</b>							
BUILDING MAINTENANCE/REPAIRS	17,250	17,250	16,595	16,927	17,265	17,611	17,963
LANDSCAPING & GREENSPACE MAINT	5,500	5,500	5,610	5,722	5,837	5,953	6,072
STREET MAINTENANCE	1,038,000	1,086,771	1,038,760	1,039,535	1,040,326	1,041,132	1,041,955
DRAINAGE WORK	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Professional Services</b>							
PROFESSIONAL SERVICES	1,277,449	1,277,449	1,299,604	1,375,457	1,469,224	1,569,740	1,677,508
DUES/SUBSCRIPTIONS	16,850	16,885	17,131	17,418	17,710	18,008	18,312
TRAINING/SEMINARS & TRAVEL	112,551	112,551	114,662	116,815	119,012	121,252	123,537
MEETINGS & RELATED TRAVEL	22,823	22,923	23,043	23,268	23,498	23,732	23,970
PUBLIC RELATIONS & EVENTS	55,234	55,234	56,234	57,253	58,293	59,354	60,436
EMPLOYEE APPRECIATION	14,710	14,710	14,938	15,171	15,408	15,651	15,898
ELECTIONS	7,000	16,580	14,000	14,000	14,000	14,000	14,000
RECORDING / REPORTING	10,000	10,000	10,000	10,000	10,000	10,000	10,000
EMPLOYMENT COSTS	2,975	2,975	3,035	3,095	3,157	3,220	3,285
INVESTIGATIONS	9,500	9,500	9,690	9,884	10,081.48	10,283.11	10,488.77
LEOSE TRAINING	2,500	1,850	1,850	1,850	1,850	1,850	1,850
<b>Shared Services</b>							
FACILITY CONTRACTS & SERVICES	86,985	86,985	83,334	87,501	91,876	96,470	101,293
TECH/INTERNET/SOFTWARE MAINT	197,440	197,440	207,312	217,678	228,561	239,990	251,989
POSTAGE	5,625	5,625	5,738	5,852	5,969	6,089	6,210
GENERAL LIABILITY INSURANCE	56,560	57,203	57,691	58,845	60,022	61,222	62,447
ELECTRICITY	40,000	40,000	40,800	41,616	42,448	43,297	44,163
PHONE/CABLE/ALARMS	37,057	37,057	37,798	38,554	39,325	40,112	40,914
<b>Total Operating Expenditures</b>	9,077,393	9,011,400	9,326,977	9,701,002	10,106,230	10,532,102	10,979,753
<b>Capital Outlay</b>							
FURNITURE, FIXTURES & EQUIP	196,950	370,904	165,000	320,408	266,901	143,153	189,280
<b>Transfers Out</b>							
TRANSFER TO CAP IMP FUND 02	3,442,995	3,442,995	841,992	1,609,436	1,609,436	55,275	127,993
TRANSFER TO VEH/EQUIP FUND 31	354,495	354,495	310,508	310,508	310,508	310,508	310,508
<b>Total Expenditures</b>	13,071,833	13,179,795	10,644,477	11,941,354	12,293,075	11,041,037	11,607,534
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(3,332,234)	(2,873,097)	(395,733)	(1,194,822)	(1,277,551)	167,059	2,238
<b>Ending Fund Balance</b>	5,447,941	5,907,078	5,511,345	4,316,523	3,038,972	3,206,031	3,208,269
<b>Restricted Reserves</b>	97,606	97,606	97,606	97,606	97,606	97,606	97,606
<b>Legal Reserve</b>	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Unallocated Reserve Balance</b>	795,014	1,254,151	858,418	-	-	-	-
<b>Operating Reserve Balance</b>	4,505,321	4,505,321	4,505,321	4,168,917	2,891,366	3,058,425	3,060,663
<b>Percent of Operating Expenditures</b>	49.6%	50.0%	48.3%	43.0%	28.6%	29.0%	27.9%

## FY 2024-28 Strategic Plan - PAYGO Scenario

		2023	2024	2025	2026	2027	2028
<b>RELIABLE AND SUSTAINABLE INFRASTRUCTURE</b>							
3.3.2	Drainage 7840 Silver Spur Trail (Drainage CIP # 17)	601,000	-	-	-	-	-
3.3.3	Drainage 29010 Tivoli Way (Drainage CIP #34)	456,000	-	-	-	-	-
3.3.5	Drainage 8410 Noble Lark Dr. (CIP# 36)	-	-	-	-		
3.3.6	Drainage 29314 Sumpter Drive (CIP# 32)	-	-	-			
3.3.7	Drainage 7967 Turf Paradise Lane (Drainage CIP #37)	85,031	232,757	-	-	-	-
3.3.9	Drainage 7820 Rolling Acres Trail (Drainage CIP #5)	606,000	-	-	-	-	-
3.3.11	Drainage Ammann Road Low Water Cross (CIP# 1)					55,275	55,275
3.3.12	Drainage 8426 Triple Crown (CIP# 41)						
3.3.13	Drainage 7420 Rolling Acres Trail (CIP#6)	-	-				
3.3.14	Drainage 8472 Rolling Acres Trail (CIP# 2)	-	-	-			
3.3.15	Drainage 31988 Scarteen (CIP# 44)	-	-				23,993
3.3.16	Drainage 7644 Pimlico Lane (CIP# 46)	-	-				23,993
3.3.17	Drainage 8040 Rolling Acres Trail (CIP# 4)	-	-	-			
3.3.18	Drainage 7740 Pimlico Lane (CIP# 42)	-	-	-			
3.3.19	Drainage 32030 Scarteen (CIP# 53)	-	-	-			
3.3.20	Drainage 8312 Triple Crown (CIP #43)	-	-	-			
3.3.22	Drainage 28907 Chartwell Lane (CIP #35)	-	-	-			
3.3.23	Drainage 8622 Delta Dawn (CIP# 15)	-	-	-			
3.3.24	Drainage 8037 Rock Oak Circle (CIP# 58)	-	-	-			24,732
3.4.10	Dietz Elkhorn Roadway reconstruction	245,915	241,416	1,609,436	1,609,436	-	
3.4.11	Ammann Rd Roadway reconstruction	-					
3.4.12	Rolling Acres Roadway reconstruction	-	-	-			
3.4.13	Post Oak Tr Roadway reconstruction, TxDOT Grant	875,000	-	-	-	-	
3.4.14	Connect sidewalk between both Elkhorn Ridge subdivision	41,282	367,819	-	-	-	
3.4.15	Battle Intense Reconstructing sidewalk curb	54,500	-	-	-	-	
3.5.5	Develop plan for a civic center building and campus	412,815					
<b>PUBLIC HEALTH, SAFETY, AND WELFARE</b>							
4.2.1	Develop a standards of cover and utilization study	18,000					
<b>OPERATIONAL EXCELLENCE</b>							
5.3.3b	3rd Party Scanning of City Records	40,000					
5.3.12	Implement Fuel Station for City Fleet Vehicles	50,000					
5.5.31	IT Penetration Testing						
<b>Total Needed to Fund Projects</b>		<b>3,485,543</b>	<b>841,992</b>	<b>1,609,436</b>	<b>1,609,436</b>	<b>55,275</b>	<b>127,993</b>

 Indicates Deferred Project

## FY 2024-28 Strategic Plan - PAYGO Scenario

		2029	2030	2031	2032
<b>RELIABLE AND SUSTAINABLE INFRASTRUCTURE</b>					
3.3.2	Drainage 7840 Silver Spur Trail (Drainage CIP # 17)				
3.3.3	Drainage 29010 Tivoli Way (Drainage CIP #34)				
3.3.5	Drainage 8410 Noble Lark Dr. (CIP# 36)	223,066	-		
3.3.6	Drainage 29314 Sumpter Drive (CIP# 32)	61,829	159,333	-	
3.3.7	Drainage 7967 Turf Paradise Lane (Drainage CIP #37)				
3.3.9	Drainage 7820 Rolling Acres Trail (Drainage CIP #5)				
3.3.11	Drainage Ammann Road Low Water Cross (CIP# 1)	506,892	506,892	-	
3.3.12	Drainage 8426 Triple Crown (CIP# 41)	56,450	145,473	-	-
3.3.13	Drainage 7420 Rolling Acres Trail (CIP#6)	103,869	103,869	275,914	275,914
3.3.14	Drainage 8472 Rolling Acres Trail (CIP# 2)	61,829.00	159,333	-	
3.3.15	Drainage 31988 Scarteen (CIP# 44)	61,829	-	-	
3.3.16	Drainage 7644 Pimlico Lane (CIP# 46)	61,829	-	-	
3.3.17	Drainage 8040 Rolling Acres Trail (CIP# 4)	61,829	159,333	-	
3.3.18	Drainage 7740 Pimlico Lane (CIP# 42)	24,732	63,733	-	
3.3.19	Drainage 32030 Scarteen (CIP# 53)	61,829	159,333	-	
3.3.20	Drainage 8312 Triple Crown (CIP #43)	61,829	159,333	-	
3.3.22	Drainage 28907 Chartwell Lane (CIP #35)	61,829	159,333	-	
3.3.23	Drainage 8622 Delta Dawn (CIP# 15)	61,829	159,333	-	
3.3.24	Drainage 8037 Rock Oak Circle (CIP# 58)	63,733	-		
3.4.10	Dietz Elkhorn Roadway reconstruction				
3.4.11	Ammann Rd Roadway reconstruction	365,286	360,786	2,405,239	2,405,239
3.4.12	Rolling Acres Roadway reconstruction	325,510	4,665,635		
3.4.13	Post Oak Tr Roadway reconstruction, TxDOT Grant				
3.4.14	Connect sidewalk between both Elkhorn Ridge subdivision				
3.4.15	Battle Intense Reconstructing sidewalk curb				
3.5.5	Develop plan for a civic center building and campus				
<b>PUBLIC HEALTH, SAFETY, AND WELFARE</b>					
4.2.1	Develop a standards of cover and utilization study				
<b>OPERATIONAL EXCELLENCE</b>					
5.3.3b	3rd Party Scanning of City Records				
5.3.12	Implement Fuel Station for City Fleet Vehicles				
5.5.31	IT Penetration Testing	40,000			
<b>Total Needed to Fund Projects</b>		2,265,999	6,961,719	2,681,153	2,681,153

 Indicates Deferred Project

### FY 2024-28 Estimated Tax Rates PAYGO Scenario

	<u>Current FY 22-23</u>	<u>FY 23-24</u>	<u>FY 24-25</u>	<u>FY 25-26</u>	<u>FY 26-27</u>	<u>FY 27-28</u>
Tax Rate/\$100 Valuation						
General Fund (M&O)	0.3023	0.2844	0.2676	0.2638	0.2600	0.2563
Debt Service Fund (I&S)	0.0268	0.0238	0.0216	0.0206	0.0195	0.0186
Total Tax Rate	0.3291	0.3083	0.2893	0.2844	0.2795	0.2750
Total Taxable Valuation	2,109,584,004	2,320,542,404	2,552,596,645	2,680,226,477	2,814,237,801	2,954,949,691
M&O Tax Rate/\$100 Valuation	0.3023	0.2844	0.2676	0.2638	0.2600	0.2563
Total M&O Levy	6,377,272	6,600,477	6,831,494	7,070,596	7,318,067	7,574,199
% Increase in M&O Levy		3.50%	3.50%	3.50%	3.50%	3.50%
Total Taxable Valuation	2,109,584,004	2,320,542,404	2,552,596,645	2,680,226,477	2,814,237,801	2,954,949,691
I&S Tax rate/\$100 Valuation	0.0268	0.0238	0.0216	0.0206	0.0195	0.0186
Total I&S Levy	565,959	553,163	552,475	550,950	548,575	550,888
Total Levy (100%)	\$ 6,943,232	\$ 7,153,639	\$ 7,383,969	\$ 7,621,546	\$ 7,866,642	\$ 8,125,087
Yr. over Yr. increase (decrease)	\$	210,408	\$ 230,329	\$ 237,577	\$ 245,096	\$ 258,445
Ave Home Taxable Value	566,488	623,137	685,450	719,723	755,709	793,495
Average Tax Bill	\$ 1,864	\$ 1,921	\$ 1,983	\$ 2,047	\$ 2,112	\$ 2,182



## Scenario 2: Bond Program

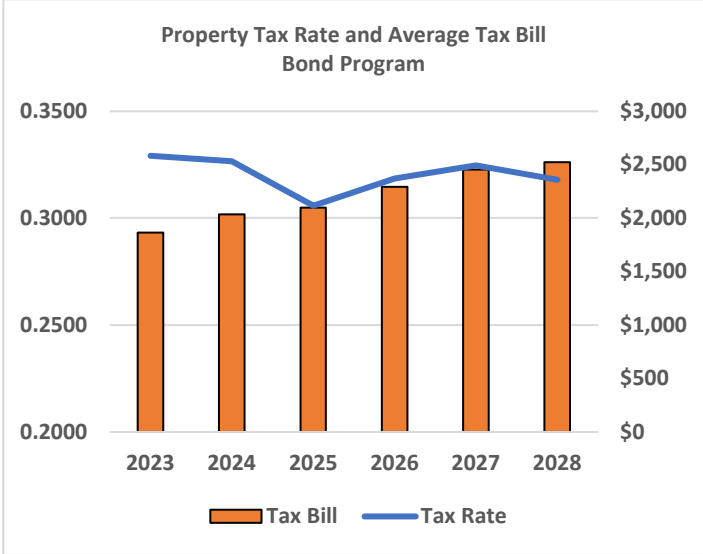
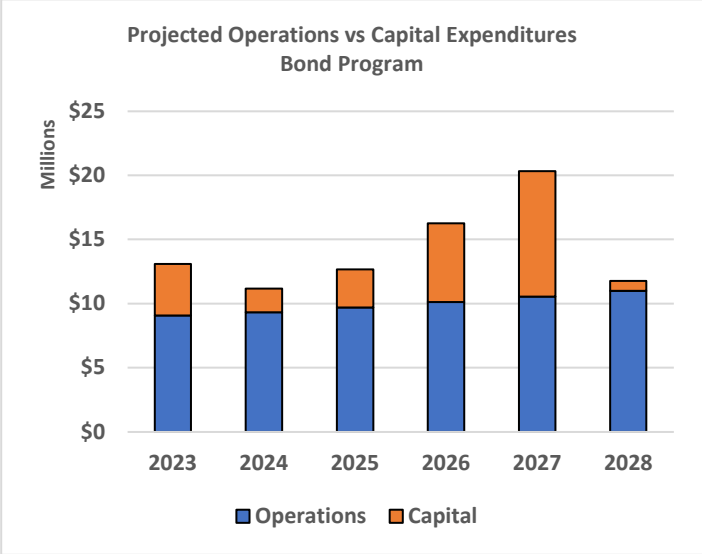
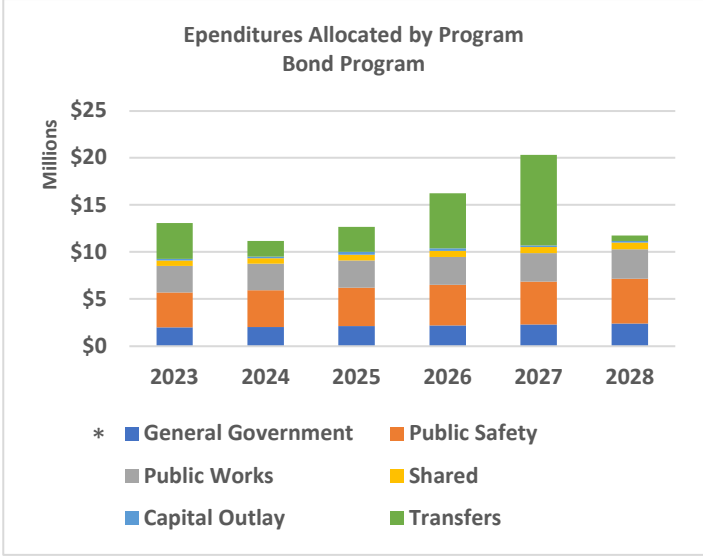
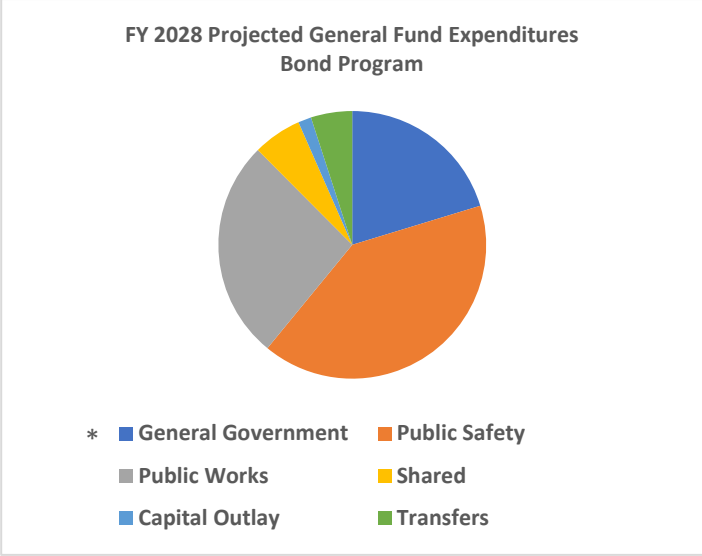
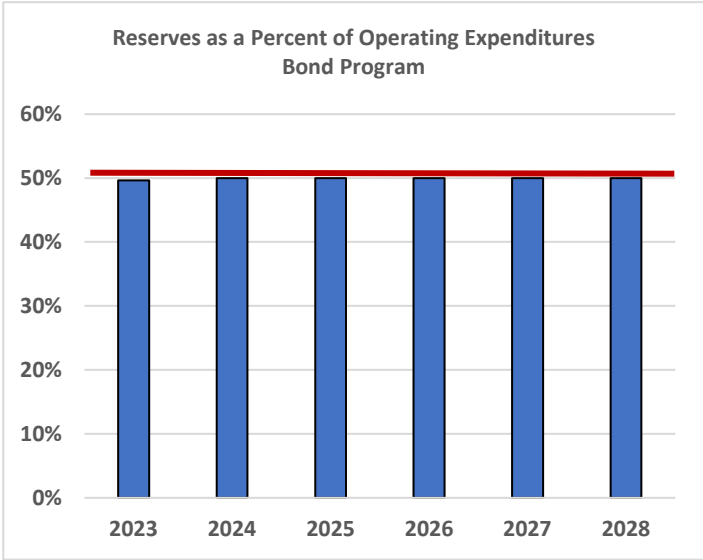
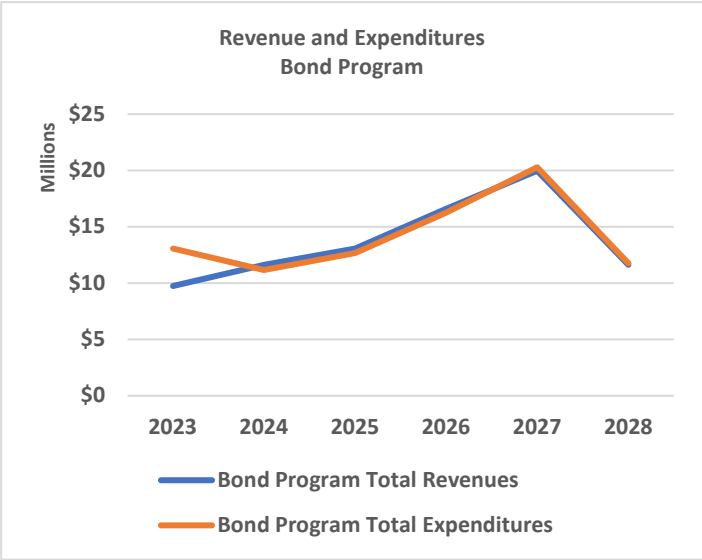
### Assumptions

All Baseline Assumptions

Plus:

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

Bond Program Scenario Dashboard



\*General Government: Admin, City Sec, HR, Finance, IT and Municipal Court  
Shared: IT shared services and Non-Departmental shared

Public Works: Maintenance, Building Codes and Engineering  
Transfers include General Fund transfers to the Strategic Projects and ERF Fund:

### FY 2024-28 Financial Plan Bond Program Scenario by Program

	2023 <i>Budgeted</i>	2023 <i>Projected</i>	2024	2025	2026	2027	2028
<b>GENERAL FUND - BOND PROGRAM</b>							
<b>Beginning Fund Balance</b>	8,780,175	8,780,175	5,907,078	6,353,337	6,767,951	7,099,836	6,763,928
<b>Revenue</b>							
PROPERTY TAX	6,204,433	6,204,433	6,656,302	6,888,156	7,128,108	7,376,442	7,633,450
MIXED BEVERAGE	25,000	25,000	25,250	25,503	25,758	26,015	26,275
SALES TAX	1,733,683	1,733,683	1,785,693	1,839,264	1,894,442	1,951,275	2,009,814
BANK/INVESTMENT INTEREST	72,000	372,000	73,080	74,176	75,289	76,418	77,564
FRANCHISE FEES	692,050	731,050	702,431	712,967	723,662	734,517	745,534
PERMITS	309,075	309,075	313,711	318,417	323,193	328,041	332,962
ANIMAL CONTROL	1,135	1,135	1,152	1,169	1,187	1,205	1,223
FINES & FORFEITURES	176,300	176,465	178,945	181,629	184,353	187,118	189,925
FEES & SERVICES	277,903	277,903	282,072	286,303	290,597	294,956	299,380
MISCELLANEOUS	110,505	176,655	108,509	110,136	111,788	113,465	115,167
SCHOOL CROSSING GUARD	10,665	10,665	10,825	10,987	11,152	11,319	11,489
LEOSE PROCEEDS	1,850	1,850	1,850	1,850	1,850	1,850	1,850
POLICE SEIZED PROCEEDS	-	235	-	-	-	-	-
<b>Transfer In</b>							
CAPITAL REPLACEMENT	125,000	286,549	108,925	295,975	244,145	105,475	165,138
GO BOND			1,359,003	2,322,825	5,556,871	8,761,301	-
<b>Total Revenue</b>	<b>9,739,599</b>	<b>10,306,698</b>	<b>11,607,747</b>	<b>13,069,357</b>	<b>16,572,395</b>	<b>19,969,398</b>	<b>11,609,772</b>
<b>Expenditures by Program</b>							
<b>General Government</b>							
PERSONNEL	1,476,669	1,467,452	1,543,295	1,613,010	1,685,897	1,762,101	1,841,772
SUPPLIES & OPERATIONS	74,429	74,429	32,520	33,044	33,577	34,119	34,671
PROFESSIONAL SERVICES	437,221	446,901	444,704	459,822	475,606	492,086	509,296
<b>Public Safety</b>							
PERSONNEL	2,816,482	2,880,389	2,942,014	3,073,187	3,210,259	3,353,497	3,503,183
SUPPLIES & OPERATIONS	113,100	114,673	111,942	116,099	120,435	124,958	129,677
PROFESSIONAL SERVICES	772,944	772,294	862,647	916,137	986,415	1,062,261	1,144,118
<b>Public Works</b>							
PERSONNEL	1,296,015	1,260,474	1,354,354	1,415,347	1,479,116	1,545,787	1,615,493
SUPPLIES & OPERATIONS	1,196,095	1,244,866	1,190,042	1,193,205	1,196,449	1,199,778	1,203,193
PROFESSIONAL SERVICES	321,427	321,462	256,836	268,252	280,212	292,742	305,870
<b>Shared Services</b>							
PERSONNEL	145,194	-	151,728	158,555	165,690	173,147	180,938
SUPPLIES & OPERATIONS	4,150	4,150	4,222	4,295	4,370	4,447	4,525
PROFESSIONAL SERVICES	423,667	424,310	432,673	450,046	468,202	487,179	507,017
<b>Total Operating Expenditures</b>	<b>9,077,393</b>	<b>9,011,400</b>	<b>9,326,977</b>	<b>9,701,002</b>	<b>10,106,230</b>	<b>10,532,102</b>	<b>10,979,753</b>

	2023 <i>Budgeted</i>	2023 <i>Projected</i>	2024	2025	2026	2027	2028
<b>GENERAL FUND - BOND PROGRAM</b>							
<b>Capital Outlay</b>							
GENERAL GOVERNMENT	15,000	15,000	20,000	21,000	36,105	23,153	24,310
PUBLIC SAFETY	149,950	268,090	120,000	120,000	120,000	120,000	125,000
PUBLIC WORKS	32,000	87,814	25,000	179,408	110,796	-	39,970
SHARED SERVICES	-	-	-	-	-	-	-
<b>Transfers Out</b>							
TRANSFER TO CAP IMP FUND 02	3,442,995	3,442,995	1,359,003	2,322,825	5,556,871	9,319,543	275,914
TRANSFER TO VEH/EQUIP FUND 31	354,495	354,495	310,508	310,508	310,508	310,508	310,508
<b>Total Expenditures</b>	<b>13,071,833</b>	<b>13,179,795</b>	<b>11,161,488</b>	<b>12,654,743</b>	<b>16,240,510</b>	<b>20,305,305</b>	<b>11,755,455</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,332,234)</b>	<b>(2,873,097)</b>	<b>446,259</b>	<b>414,614</b>	<b>331,885</b>	<b>(335,908)</b>	<b>(145,683)</b>
<b>Ending Fund Balance</b>	<b>5,447,941</b>	<b>5,907,078</b>	<b>6,353,337</b>	<b>6,767,951</b>	<b>7,099,836</b>	<b>6,763,928</b>	<b>6,618,245</b>
<b>Restricted Reserves</b>	<b>97,606</b>	<b>97,606</b>	<b>97,606</b>	<b>97,606</b>	<b>97,606</b>	<b>97,606</b>	<b>97,606</b>
<b>Legal Reserve</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Unallocated Reserve Balance</b>	<b>795,014</b>	<b>795,014</b>	<b>1,083,105</b>	<b>1,310,707</b>	<b>1,439,978</b>	<b>891,134</b>	<b>521,626</b>
<b>Operating Reserve Balance</b>	<b>4,505,321</b>	<b>4,505,321</b>	<b>4,663,489</b>	<b>4,850,501</b>	<b>5,053,115</b>	<b>5,266,051</b>	<b>5,489,876</b>
<b>Percent of Operating Expenditures</b>	<b>49.6%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>50.0%</b>

### FY 2024-28 Financial Plan Bond Program Scenario by Category

	2023 <i>Budgeted</i>	2023 <i>Projected</i>	2024	2025	2026	2027	2028
<b>GENERAL FUND - BOND PROGRAM</b>							
<b>Beginning Fund Balance</b>	8,780,175	8,780,175	5,907,078	6,353,337	6,767,951	7,099,836	6,763,928
<b>Revenue</b>							
PROPERTY TAX	6,204,433	6,204,433	6,656,302	6,888,156	7,128,108	7,376,442	7,633,450
MIXED BEVERAGE	25,000	25,000	25,250	25,503	25,758	26,015	26,275
SALES TAX	1,733,683	1,733,683	1,785,693	1,839,264	1,894,442	1,951,275	2,009,814
BANK/INVESTMENT INTEREST	72,000	372,000	73,080	74,176	75,289	76,418	77,564
FRANCHISE FEES	692,050	731,050	702,431	712,967	723,662	734,517	745,534
PERMITS	309,075	309,075	313,711	318,417	323,193	328,041	332,962
ANIMAL CONTROL	1,135	1,135	1,152	1,169	1,187	1,205	1,223
FINES & FORFEITURES	176,300	176,465	178,945	181,629	184,353	187,118	189,925
FEES & SERVICES	277,903	277,903	282,072	286,303	290,597	294,956	299,380
MISCELLANEOUS	110,505	176,655	108,509	110,136	111,788	113,465	115,167
SCHOOL CROSSING GUARD	10,665	10,665	10,825	10,987	11,152	11,319	11,489
LEOSE PROCEEDS	1,850	1,850	1,850	1,850	1,850	1,850	1,850
POLICE SEIZED PROCEEDS	-	235	-	-	-	-	-
<b>Transfer In</b>							
CAPITAL REPLACEMENT	125,000	286,549	108,925	295,975	244,145	105,475	165,138
GO BOND			1,359,003	2,322,825	5,556,871	8,761,301	-
<b>Total Revenue</b>	<b>9,739,599</b>	<b>10,306,698</b>	<b>11,607,747</b>	<b>13,069,357</b>	<b>16,572,395</b>	<b>19,969,398</b>	<b>11,609,772</b>

### Expenditures by Category

<b>Personnel</b>							
SALARIES	4,160,870	4,064,264	4,348,109	4,543,774	4,748,244	4,961,915	5,185,201
OVERTIME	41,296	59,659	43,084	45,010	47,023	49,126	51,324
PAYROLL TAXES	311,818	314,738	325,689	340,182	355,324	371,145	387,676
WORKERS' COMP INSURANCE	108,212	79,469	109,835	111,483	113,155	114,852	116,575
RETIREMENT	477,609	487,303	499,101	521,561	545,031	569,558	595,188
HEALTH INSURANCE	600,355	568,681	630,373	661,891	694,986	729,735	766,222
UNIFORM ALLOWANCE	27,000	27,000	28,000	29,000	30,000	31,000	32,000
CAR ALLOWANCE	7,200	7,200	7,200	7,200	7,200	7,200	7,200
<b>Supplies, Maintenance and Operations</b>							
SUPPLIES & CONSUMABLES	30,340	30,340	30,947	31,566	32,197	32,841	33,498
MINOR EQUIPMENT & FURNITURE	49,770	51,343	44,225	45,110	46,012	46,932	47,871
FUEL	56,600	56,600	59,273	62,077	65,018	68,102	71,338
UNIFORMS	33,160	33,160	28,300	28,839	29,389	29,950	30,522
MISCELLANEOUS	550	550	550	550	550	550	550
COMMITTEES	2,500	2,500	2,538	2,576	2,614	2,653	2,693
COURT SECURITY BUILDING	58,724	58,724	6,090	6,181	6,274	6,368	6,464
VEHICLE MAINTENANCE/REPAIRS	30,880	30,880	32,124	33,424	34,783	36,204	37,690

	2023 <i>Budgeted</i>	2023 <i>Projected</i>	2024	2025	2026	2027	2028
<b>GENERAL FUND - BOND PROGRAM</b>							
EQUIPMENT MAINTENANCE/REPAIRS	14,500	14,500	13,260	13,525	13,796	14,072	14,353
BUILDING MAINTENANCE/REPAIRS	17,250	17,250	16,595	16,927	17,265	17,611	17,963
LANDSCAPING & GREENSPACE MAINT	5,500	5,500	5,610	5,722	5,837	5,953	6,072
STREET MAINTENANCE	1,038,000	1,086,771	1,038,760	1,039,535	1,040,326	1,041,132	1,041,955
DRAINAGE WORK	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Professional Services</b>							
PROFESSIONAL SERVICES	1,277,449	1,277,449	1,299,604	1,375,457	1,469,224	1,569,740	1,677,508
DUES/SUBSCRIPTIONS	16,850	16,885	17,131	17,418	17,710	18,008	18,312
TRAINING/SEMINARS & TRAVEL	112,551	112,551	114,662	116,815	119,012	121,252	123,537
MEETINGS & RELATED TRAVEL	22,823	22,923	23,043	23,268	23,498	23,732	23,970
PUBLIC RELATIONS & EVENTS	55,234	55,234	56,234	57,253	58,293	59,354	60,436
EMPLOYEE APPRECIATION	14,710	14,710	14,938	15,171	15,408	15,651	15,898
ELECTIONS	7,000	16,580	14,000	14,000	14,000	14,000	14,000
RECORDING / REPORTING	10,000	10,000	10,000	10,000	10,000	10,000	10,000
EMPLOYMENT COSTS	2,975	2,975	3,035	3,095	3,157.09	3,220.24	3,284.64
INVESTIGATIONS	9,500	9,500	9,690	9,884	10,081	10,283	10,489
LEOSE TRAINING	2,500	1,850	1,850	1,850	1,850	1,850	1,850
<b>Shared Services</b>							
FACILITY CONTRACTS & SERVICES	86,985	86,985	83,334	87,501	91,876	96,470	101,293
TECH/INTERNET/SOFTWARE MAINT	197,440	197,440	207,312	217,678	228,561	239,990	251,989
POSTAGE	5,625	5,625	5,738	5,852	5,969	6,089	6,210
GENERAL LIABILITY INSURANCE	56,560	57,203	57,691	58,845	60,022	61,222	62,447
ELECTRICITY	40,000	40,000	40,800	41,616	42,448	43,297	44,163
PHONE/CABLE/ALARMS	37,057	37,057	37,798	38,554	39,325	40,112	40,914
<b>Total Operating Expenditures</b>	9,077,393	9,011,400	9,326,977	9,701,002	10,106,230	10,532,102	10,979,753
<b>Capital Outlay</b>							
FURNITURE, FIXTURES & EQUIP	196,950	370,904	165,000	320,408	266,901	143,153	189,280
<b>Transfers Out</b>							
TRANSFER TO CAP IMP FUND 02	3,442,995	3,442,995	1,359,003	2,322,825	5,556,871	9,319,543	275,914
TRANSFER TO VEH/EQUIP FUND 31	354,495	354,495	310,508	310,508	310,508	310,508	310,508
<b>Total Expenditures</b>	13,071,833	13,179,795	11,161,488	12,654,743	16,240,510	20,305,305	11,755,455
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(3,332,234)	(2,873,097)	446,259	414,614	331,885	(335,908)	(145,683)
<b>Ending Fund Balance</b>	5,447,941	5,907,078	6,353,337	6,767,951	7,099,836	6,763,928	6,618,245
<b>Restricted Reserves</b>	97,606	97,606	97,606	97,606	97,606	97,606	97,606
<b>Legal Reserve</b>	50,000	50,000	50,000	50,000	50,000	50,000	50,000
<b>Unallocated Reserve Balance</b>	795,014	795,014	1,083,105	1,310,707	1,439,978	891,134	521,626
<b>Operating Reserve Balance</b>	4,505,321	4,505,321	4,663,489	4,850,501	5,053,115	5,266,051	5,489,876
<b>Percent of Operating Expenditures</b>	49.6%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%

## FY 2024-28 Strategic Plan - Bond Program Scenario

		2023	2024	2025	2026	2027	2028
<b>RELIABLE AND SUSTAINABLE INFRASTRUCTURE</b>							
3.3.2	Drainage 7840 Silver Spur Trail (Drainage CIP # 17)	601,000	-	-	-	-	-
3.3.3	Drainage 29010 Tivoli Way (Drainage CIP #34)	456,000	-	-	-	-	-
3.3.5	Drainage 8410 Noble Lark Dr. (CIP# 36)	-	-	-	-	223,066	-
3.3.6	Drainage 29314 Sumpter Drive (CIP# 32)	-	-	-	61,829	159,333	-
3.3.7	Drainage 7967 Turf Paradise Lane (Drainage CIP #37)	85,031	232,757	-	-	-	-
3.3.8	Drainage 7900 Fair Oaks Parkway (Drainage CIP #30)	-	-	-	-	-	-
3.3.9	Drainage 7820 Rolling Acres Trail (Drainage CIP #5)	606,000	-	-	-	-	-
3.3.11	Drainage Ammann Road Low Water Cross (CIP# 1)		55,275	55,275	506,892	506,892	-
3.3.12	Drainage 8426 Triple Crown (CIP# 41)		56,450	145,473	-	-	-
3.3.13	Drainage 7420 Rolling Acres Trail (CIP#6)	-	-	103,869	103,869	275,914	275,914
3.3.14	Drainage 8472 Rolling Acres Trail (CIP# 2)	-	-	-	61,829	159,333	-
3.3.15	Drainage 31988 Scarteen (CIP# 44)	-	-	23,993	61,829	-	-
3.3.16	Drainage 7644 Pimlico Lane (CIP# 46)	-	-	23,993	61,829	-	-
3.3.17	Drainage 8040 Rolling Acres Trail (CIP# 4)	-	-	-	61,829	159,333	-
3.3.18	Drainage 7740 Pimlico Lane (CIP# 42)	-	-	-	24,732	63,733	-
3.3.19	Drainage 32030 Scarteen (CIP# 53)	-	-	-	61,829	159,333	-
3.3.20	Drainage 8312 Triple Crown (CIP #43)	-	-	-	61,829	159,333	-
3.3.22	Drainage 28907 Chartwell Lane (CIP #35)	-	-	-	61,829	159,333	-
3.3.23	Drainage 8622 Delta Dawn (CIP# 15)	-	-	-	61,829	159,333	-
3.3.24	Drainage 8037 Rock Oak Circle (CIP# 58)	-	-	-	24,732	63,733	-
3.4.10	Dietz Elkhorn Roadway reconstruction	245,915	241,416	1,609,436	1,609,436	-	
3.4.11	Ammann Rd Roadway reconstruction	-	365,286	360,786	2,405,239	2,405,239	
3.4.12	Rolling Acres Roadway reconstruction	-	-	-	325,510	4,665,635	
3.4.13	Post Oak Tr Roadway reconstruction, TxDoT Grant	875,000	-	-	-	-	
3.4.14	Connect sidewalk between Elkhorn Ridge subdivision	41,282	367,819	-	-	-	
3.4.15	Battle Intense Reconstructing sidewalk curb.	54,500	-	-	-	-	
3.5.5	Develop plan for a civic center building and campus	412,815					
<b>PUBLIC HEALTH, SAFETY, AND WELFARE</b>							
4.2.1	Develop a standards of cover and utilization study	18,000					
<b>OPERATIONAL EXCELLENCE</b>							
5.3.3b	3rd Party Scanning of City Records	40,000					
5.3.12	Implement Fuel Station for City Fleet Vehicles	50,000					
5.5.31	IT Penetration Testing		40,000				
<b>Total Needed to Fund Projects</b>		<b>3,485,543</b>	<b>1,359,003</b>	<b>2,322,825</b>	<b>5,556,871</b>	<b>9,319,543</b>	<b>275,914</b>

### FY 2024-28 Estimated Tax Rates Bond Program Scenario

	<u>Current FY 22-23</u>	<u>FY 23-24</u>	<u>FY 24-25</u>	<u>FY 25-26</u>	<u>FY 26-27</u>	<u>FY 27-28</u>
Tax Rate/\$100 Valuation						
General Fund (M&O)	0.3023	0.2844	0.2676	0.2638	0.2600	0.2563
Debt Service Fund (I&S)	0.0268	0.0420	0.0382	0.0547	0.0645	0.0615
Total Tax Rate	0.3291	0.3265	0.3058	0.3185	0.3245	0.3178
Total Taxable Valuation	2,109,584,004	2,320,542,404	2,552,596,645	2,680,226,477	2,814,237,801	2,954,949,691
M&O Tax Rate/\$100 Valuation	0.3023	0.2844	0.2676	0.2638	0.2600	0.2563
Total M&O Levy	6,377,272	6,600,477	6,831,494	7,070,596	7,318,067	7,574,199
% Increase in M&O Levy		3.50%	3.50%	3.50%	3.50%	3.50%
Total Taxable Valuation	2,109,584,004	2,320,542,404	2,552,596,645	2,680,226,477	2,814,237,801	2,954,949,691
I&S Tax rate/\$100 Valuation	0.0268	0.0420	0.0382	0.0547	0.0645	0.0615
Total I&S Levy	565,959	975,329	974,641	1,465,644	1,815,074	1,817,387
Total Levy (100%)	\$ 6,943,232	\$ 7,575,806	\$ 7,806,135	\$ 8,536,240	\$ 9,133,141	\$ 9,391,586
Yr. over Yr. increase (decrease)	\$	632,574	\$ 230,329	\$ 730,105	\$ 596,901	\$ 258,445
Ave Home Taxable Value	\$ 566,488	\$ 623,137	\$ 685,450	\$ 719,723	\$ 755,709	\$ 793,495
Average Tax Bill	\$ 1,864	\$ 2,034	\$ 2,096	\$ 2,292	\$ 2,453	\$ 2,522





## CITY COUNCIL WORKSHOP

### CITY OF FAIR OAKS RANCH, TEXAS

March 2, 2023

AGENDA TOPIC: Migration for City water meter reads to Sensus cloud services

DATE: March 2, 2023

DEPARTMENT: Information Technology

PRESENTED BY: Brian LeJeune, IT Manager

#### **INTRODUCTION/BACKGROUND:**

The City currently utilizes Sensus technology for its Automated Meter Reading (AMR) services. The City's existing servers are running a much older version of the Sensus software (RNI v3), which is no longer supported officially by Sensus. This means that Sensus has not trained new technicians to support our environment since June 2021. When the City contacts Sensus for support, it is beginning to take longer to find necessary personnel who have the knowledge to support the software version we are running. This will become more of a knowledge or support issue as time passes with personnel changing departments or leaving Sensus altogether.

On top of the support issue is the hardware aspect of the infrastructure that our Sensus software runs on. The City has warranties for the hardware; however, there is no guarantee that all parts would be available should something need to be replaced. Another area of the concern is backing up the system. The City regularly backs up the servers used to support water meter reads; however, it is unlikely that backups will be able to restore our environment if the servers need to be replaced due to a disaster. Restoring a backup in the event of a disaster would be difficult because it would be difficult to obtain the exact hardware the City currently runs, which is 9 years old already. Without the same hardware, there is a chance that a backup restoration either would not boot or function due to incompatibility between the software and hardware. Lastly, the 15-year-old operating systems pose a massive cybersecurity risk as the software manufacturers for each operating system have not provided security updates for several years because the systems are past their end of life dates.

After much consideration, Staff has selected Aqua Metric, an affiliate of Thirkettle Corporation, to assist the City of Fair Oaks Ranch with migrating our data to the Sensus Cloud. As a part of this migration to the Sensus Cloud, the City will migrate all historical data so they may be available for staff should the need arise. An enhancement to the services provided to our customers will be the ability to handle hourly meter reads with AquaHawk. We currently only send read information four times a day to AquaHawk. Finally, a software configuration will need to be implemented within our Tyler Technologies enterprise software to work with the Sensus Analytics Cloud environment.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

- This item specifically addresses Project 5.5.11 to Virtualize Aqua Metric (Sensus) as well as other strategies with Priority 5.5 to Evaluate and Update IT Infrastructure, Software, and Security.
- The City must maintain a supported and secure AMR system to ensure continuity of its water and wastewater utility services.
- An enhancement to AquaHawk will provide more timely water consumption information for customers.
- The City would shift the responsibility to Sensus for maintaining the software and hardware our data resides on as well as handling backups of our data.

**LONG-TERM FINANCIAL & BUDGETARY IMPACT:**

Staff anticipates the first-year impact of \$85,884.34 would be identified through projected savings in the Utility Fund. There are anticipated increases in the amount incurred for the annual costs year over year as with any cloud service.

Sensus Cloud Setup / Data Migration	\$45,459.93
Sensus Cloud Hosting Fees (Annual)	\$33,264.41
Tyler Technologies Programming/Licensing Purchase	\$4,410.00
Tyler Technologies Licensing Fee (Annual)	\$750.00
AquaHawk Initial Setup	\$500.00
AquaHawk Processing Increase over existing charges (Annual)	\$1,500.00
	<b>\$85,884.34</b>

**LEGAL ANALYSIS:**

None needed at this time.

**RECOMMENDATION/PROPOSED MOTION:**

Staff intends to present an agenda item for consideration at the March 16<sup>th</sup> Regular Council Meeting based on Council feedback.

# STATEMENT OF WORK

## Statement of Work

Import Data into AquaHawk 24 times per day

Fair Oaks Ranch, TX

1.19.2023

# STATEMENT OF WORK

January 19, 2023

Mr. Brain LeJeune  
City of Fair Oaks Ranch  
7286 Dietz Elkhorn  
Fair Oaks Ranch, TX 78015

Brian,

Attached is a Statement of Work (SOW) for integrating hourly meter read data from the Sensus AMI system into AquaHawk every hour of the day. To ensure the success of this project and to make sure we have clearly communicated the requirements, we ask you to review and sign this document. It will serve as an authorization to start the project.

Our company values open communication, defined deliverables and timelines, and mutual responsibilities. If you have any questions, please contact me.

Best regards,

Bobby Lee  
Director of Sales  
Office: (877) 410-0167 x1980  
Mobile: (719) 661-6844  
E-mail: Bobby@AmCoBi.com

# STATEMENT OF WORK

## Client Requirements

Upon mutual agreement of terms, AmCoBi will dedicate resources to accomplish the requirements specified in this SOW.

### Import Meter Read Data into AquaHawk 24 times per day

## Description of Tasks

Upon mutual agreement of terms, AmCoBi will perform the following tasks:

### 1. Integrate Hourly Consumption data into AquaHawk 24 times per day

The City of Fair Oaks Ranch is requesting AmCoBi to import meter read data from the Sensus AMI, Analytics system into AquaHawk every hour of the day. Following are the steps to incorporate the meter reads into AquaHawk:

AmCoBi will dedicate a new server to accomplish this task.

1. Update the meter read schedule to import meter reads 24 times per day. This is an increase in data processing of 6 times from the standard 4 times per day.

### 2. Validation Testing

Upon completion of the change, a validation test will be performed to verify the system is accumulating hourly data each hour of the day.

## Pricing

The price for updating meter reads from 4 times per day to 24 times per day:

Description	Price
Configure the AquaHawk Service to import meter read data 24 times per day.	\$ 500
Description	Monthly Fee
Additional monthly service cost to support importing meter reads 24 times per day.	\$ 125

# STATEMENT OF WORK

## Authorization and Acceptance

This Statement of Work, the terms, and pricing are valid for 30 days from the date of issue on the front page. It contains all the agreements and understandings between Fair Oaks Ranch and AmCoBi with respect to this project.

Your signature below signifies your acceptance of the terms and prices listed in this SOW. It also authorizes AmCoBi to begin work on the project.

This proposal and each organization's obligations shall be binding on the representatives, assigns, and successors of such organization. Each organization has signed this SOW through its authorized representative:

\_\_\_\_\_  
Full Name

M. Bobby Lee  
Director of Sales

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

January 31, 2023

## City of Fair Oaks Ranch, TX

### Scope of Work: Licensed to SaaS Upgrade

#### Document Overview

##### 1. Contract

This Statement of Work ("SOW") is subject to the terms of sale, available at [www.Sensus.com/tc](http://www.Sensus.com/tc)

##### 2. Description

This document is intended to set forth the requirements to upgrade the Licensed RNI to a SaaS RNI hosted within the Sensus Data Center. This document defines the tasks, responsibilities, and deliverables of Sensus and City of Fair Oaks Ranch to support this effort.

##### 3. Definitions

Term	Definition
AMI	The integrated Sensus Advanced Metering Infrastructure technology and Services consisting of FlexNet, Approved Meters, installation tools, Licensed Software, AMI Equipment, Network Equipment, RNI, TGB and related components.
RNI	Regional Network Interface consisting of equipment and FlexWare software used to gather, store and report data collected from SmartPoints and TGBs that are part of the Sensus Network. The FlexWare software operates on the RNI.
SaaS	Software-as-a-Service
SA	Sensus Analytics

##### 4. Assumptions

City of Fair Oaks Ranch does not currently have any active Ally meters.

#### Project Overview

City of Fair Oaks Ranch has decided to move their RNI environment to the Sensus Data Center. This is the Sensus Software as a Service (SaaS) model. City of Fair Oaks Ranch is currently running RNI V3.1.87.218630. City of Fair Oaks Ranch wants one production environment based on approximately 3,300 water endpoints.

Sensus shall perform work to setup and configure the RNI in the Data Center with RNI version 4.11. Sensus will ensure that the production RNI communicates and works with the other 3rd party systems that the customer currently uses.

#### Project Scope

##### 1. Scope of Work

- Sensus shall install, setup, and configure a production SaaS RNI on managed servers within the Sensus Data Center. The SaaS RNIs will be provisioned to support the number of services currently being used by the site production system.
- During the RNI Transition Period, City of Fair Oaks Ranch will continue to operate the Site-based RNI V3.1.87.218630. Sensus will work with City of Fair Oaks Ranch to export the RNI V3.1.87.218630 database and import the databases into Sensus' SaaS environments 4.11 or latest version.
- During the RNI Transition Period, production data will continue to be transferred from the City of Fair Oaks Ranch site system to the new SaaS production system via "pipelines" to ensure the latest information is transferred to the SaaS RNI V4.11 or latest version system in preparation for production cutover activities.
- Sensus shall perform database maintenance such as rebuilding indexes, updating indexes, consistency checks, run SQL query/agent jobs, etc. on the new SaaS V4.11 or latest version system.
- Sensus shall migrate the following RNI integrations to the production system to ensure that data is successfully delivered from the RNI to other City of Fair Oaks Ranch systems.

- Logic to Sensus Analytics Data Migration
- CMEP for Aqua Hawk Portal Reintegration
- Tyler Incode V9 Billing with Sensus Analytics
- Sensus will validate and test functionality of the RNI system prior to and post cutover to the production SaaS RNI V4.11 or latest version environment. Validation and testing includes the connectivity to/from the base stations, integration points, and two-way communication.
- City of Fair Oaks Ranch will have the opportunity to review and test the functionality and integration points during the RNI Transition Period.
- City of Fair Oaks Ranch should perform additional testing and validation to ensure (when applicable) RNI, Billing via Sensus Analytics or other integration, customer portal and the overall solution is operating as expected.
- City of Fair Oaks Ranch will work with Sensus Operations to allow required data access from all 3rd party applications to the Sensus Data Center.
- After proper validation and testing has been performed on the SaaS RNI V4.11 or latest version system, the cutover activities will take place and Sensus will work with City of Fair Oaks Ranch to reconfigure all base stations to communicate directly with the production SaaS RNI V4.11 or latest version system.
- City of Fair Oaks Ranch will review and comply with the SaaS Connectivity requirements document (Appendix A) provided to ensure Sensus has appropriate access to network.
- The Base Stations hardware and RNI software and firmware are at the recommended revision level.
- Anything that is not listed in the statement of work is out of scope and requires a change order.

### Effort and Pricing

See Exhibit A for pricing schedule. Pricing is valid for 45 Days. Automatic increases in SaaS Annual Fees are 3% and all five years need to be reflected on purchase order.

### Invoice Schedule

The invoice schedules are as follows and are NET 30 day terms. Order lines are subject to be invoiced separately.

Invoice Schedule
Invoiced at SOW execution: <ul style="list-style-type: none"> <li>• RNI SaaS Setup Fee</li> <li>• SaaS Data Migration</li> </ul>
Invoiced separately upon completion of services: <ul style="list-style-type: none"> <li>• RNI Validation and Testing</li> <li>• 3rd Party Reintegration (CMEP)</li> <li>• Sensus Analytics Enhanced Setup Fee</li> <li>• Sensus Analytics Standard Integration</li> <li>• Sensus Analytics Data Migration</li> </ul>
Invoiced after setup: <ul style="list-style-type: none"> <li>• Annual RNI SaaS Fee</li> <li>• Annual Sensus Analytics Enhanced Fee</li> <li>• Annual CMEP Fee</li> </ul>



**Acceptance of Terms**

If terms are agreeable, please sign and return this SOW along with a Purchase Order to: mike.wood@aqua-metric.com and copy dustin.hutchinson@aqua-metric.com

Aqua-Metric Sales Company

City of Fair Oaks Ranch, TX

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Aqua-Metric Sales Company**

16914 Alamo Parkway, Bldg. 2 | Selma, TX 78154  
Phone: (210) 967-6300 | Facsimile: (210) 967-6305

January 31, 2023

**Client:** City of Fair Oaks Ranch, TX  
**Attention:** Brian LeJeune  
**Address:** 7286 Dietz Elkhord  
**City, State, Zip:** Fair Oaks Ranch, Texas 78015  
**Phone:** (210) 698-0900 x: 401  
**Email:** BLeJeune@fairoaksranchtx.org

Line No.	Item	Quantity	Unit	Extended
<b>Licensed to SaaS Upgrade: HGAC Line Items</b>				
<b>One-Time Fees</b>				
	RNI SaaS Setup Fee	1	\$7,877.43	\$7,877.43
	RNI Validation and Testing	1	\$8,000.00	\$8,000.00
	RNI Core Education	1	\$5,445.00	\$5,445.00
	Third-Party Reintegration (CMEP)	1	\$3,465.00	\$3,465.00
	Sensus Analytics Setup Fee	1	\$3,712.50	\$3,712.50
	Sensus Analytics Integration	1	\$6,750.00	\$6,750.00
	Sensus Analytics Data Migration	1	\$6,250.00	\$6,250.00
	Sensus Analytics Training	1	\$3,960.00	\$3,960.00
<b>Annual Recurring Fees <sup>8,9</sup></b>				
	Annual RNI SaaS Fee, Year One	1	\$8,157.60	\$8,157.60
	Annual Sensus Analytics Enhanced Fee, Year One	1	\$6,960.69	\$6,960.69
	Annual CMEP Delivery Fee, Year One	1	\$643.50	\$643.50
	Annual Metro Base Station Extended Warranty, Year One	2	\$1,751.31	\$3,502.62
	Annual Aqua-Metric Support, Year One	1	\$14,000.00	\$14,000.00
<b>Annual Recurring Fees, Years 2 - 5 <sup>8,9</sup></b>				
	Annual RNI SaaS Fee, Year Two	1	\$8,487.50	\$8,487.50
	Annual Sensus Analytics Enhanced Fee, Year Two	1	\$7,242.50	\$7,242.50
	Annual CMEP Delivery Fee, Year Two	1	\$670.00	\$670.00
	Annual Metro Base Station Extended Warranty, Year Two	2	\$1,822.08	\$3,644.16
	Annual Aqua-Metric Support, Year Two	1	\$14,420.00	\$14,420.00
	Annual RNI SaaS Fee, Year Three	1	\$8,741.25	\$8,741.25
	Annual Sensus Analytics Enhanced Fee, Year Three	1	\$7,458.75	\$7,458.75
	Annual CMEP Delivery Fee, Year Three	1	\$690.00	\$690.00
	Annual Metro Base Station Extended Warranty, Year Three	2	\$1,876.74	\$3,753.48
	Annual Aqua-Metric Support, Year Three	1	\$14,852.60	\$14,852.60
	Annual RNI SaaS Fee, Year Four	1	\$9,003.75	\$9,003.75
	Annual Sensus Analytics Enhanced Fee, Year Four	1	\$7,682.50	\$7,682.50
	Annual CMEP Delivery Fee, Year Four	1	\$710.00	\$710.00
	Annual Metro Base Station Extended Warranty, Year Four	2	\$1,933.04	\$3,866.08
	Annual Aqua-Metric Support, Year Four	1	\$15,298.18	\$15,298.18
	Annual RNI SaaS Fee, Year Five	1	\$9,273.75	\$9,273.75
	Annual Sensus Analytics Enhanced Fee, Year Five	1	\$7,913.75	\$7,913.75
	Annual CMEP Delivery Fee, Year Five	1	\$731.25	\$731.25
	Annual Metro Base Station Extended Warranty, Year Five	2	\$1,991.03	\$3,982.06
	Annual Aqua-Metric Support, Year Five	1	\$15,757.12	\$15,757.12

This quote for the product and services named above is subject to the following terms:

**Year One Total \$78,724.34**

- All quotes are subject to the Aqua-Metric Terms of Sale.
- Quote is valid for forty-five days.
- If modifications in materials, labor, or processing are required to meet new regulations, the pricing submitted herein is subject to immediate change.
- Freight allowed on single Sensus Product orders exceeding \$20,000.00.
- Net Thirty Days to Pay
- Returned product may be subject to a 25% restocking fee.
- Sales Tax and/or Freight charges are not included.
- Pricing based on 3,300 Services
- Automatic Increases in SaaS Annual Fees are 3% and all 5 years need to be on the purchase order.
- Pricing does not include Performance, Payment, or Maintenance Bond.
- Does not include third-party integration fees.
- Quote does not include basestation upgrades. Pricing to be provided if upgrade is required.
- Any additional items beyond quote above subject to negotiations.
- See enclosed SOW for additional information.
- Must be purchased alongside Non-HGAC Line Items

**Aqua-Metric Sales Company**

16914 Alamo Parkway, Bldg. 2 | Selma, TX 78154  
Phone: (210) 967-6300 | Facsimile: (210) 967-6305

January 31, 2023

**Client:** City of Fair Oaks Ranch, TX  
**Attention:** Brian LeJeune  
**Address:** 7286 Dietz Elkhord  
**City, State, Zip:** Fair Oaks Ranch, Texas 78015  
**Phone:** (210) 698-0900 x: 401  
**Email:** BLeJeune@fairoaksranchtx.org

Line No.	Item	Quantity	Unit	Extended
<b>Licensed to SaaS Upgrade: Non-HGAC Line Items</b>				
<b>One-Time Fees</b>				
	SaaS Data Migration	1	\$15,000.00	\$15,000.00
	RNI Upgrade Network Deployment Fee	1	\$12,500.00	\$12,500.00
<b>Annual Recurring Fees <sup>8,9</sup></b>				

This quote for the product and services named above is subject to the following terms:

**Year One Total                      \$27,500.00**

1. All quotes are subject to the Aqua-Metric Terms of Sale.
2. Quote is valid for forty-five days.
3. If modifications in materials, labor, or processing are required to meet new regulations, the pricing submitted herein is subject to immediate change.
4. Freight allowed on single Sensus Product orders exceeding \$20,000.00.
5. Net Thirty Days to Pay
6. Returned product may be subject to a 25% restocking fee.
7. Sales Tax and/or Freight charges are not included.
8. Pricing based on 3,300 Services
9. Automatic Increases in SaaS Annual Fees are 3% and all 5 years need to be on the purchase order.
10. Pricing does not include Performance, Payment, or Maintenance Bond.
11. Does not include third-party integration fees.
12. Quote does not include basestation upgrades. Pricing to be provided if upgrade is required.
13. Any additional items beyond quote above subject to negotiations.
14. See enclosed SOW for additional information.
15. 15. Must be purchased alongside HGAC Line Items



Quoted By:DK Robertson

Quote Expiration:08/05/23

Quote Name:Sensus Analytics Meter Interface

**Sales Quotation For:**  
City of Fair Oaks Ranch  
7286 Dietz Elkhorn Rd  
Fair Oaks Ranch TX 78015-4707  
Brian LeJeune  
+1 (210) 698-0900  
blejeune@fairoaksranchtx.org

**Tyler Software**

Description	Annual	
	License Total	Maintenance
ERP Pro powered by Incode		
ERP Pro 9 Customer Relationship Management Suite		
Additional Utility Meter-Reader Interface	\$ 3,000	\$ 750
TOTAL:	\$ 3,000	\$ 750

**Services**

Description	Hours/Units	Extended Price	Maintenance
ERP Pro 9 Customer Relationship Management Suite			
Professional Services	8	\$ 1,160	\$ 0
Other Services			
Project Management	1	\$ 250	\$ 0
<b>TOTAL:</b>		<b>\$ 1,410</b>	<b>\$ 0</b>

Summary	One Time Fees	Recurring Fees
Total Tyler Software	\$ 3,000	\$ 750
Total Tyler Services	\$ 1,410	
<b>Summary Total</b>	<b>\$ 4,410</b>	<b>\$ 750</b>
<b>Contract Total</b>	<b>\$ 5,160</b>	

#### Detailed Breakdown of Professional Services (Included in Summary Total)

Description	Hours	Extended Price	Maintenance
ERP Pro powered by Incode			
ERP Pro 9 Customer Relationship Management Suite			
Additional Utility Meter-Reader Interface	8	\$ 1,160	\$ 0
<b>Sub-Total</b>	<b>8</b>	<b>\$ 1,160</b>	<b>\$ 0</b>
<b>TOTAL:</b>	<b>8</b>	<b>\$ 1,160</b>	<b>\$ 0</b>

**Comments**

- Work will be delivered remotely unless otherwise noted in this agreement.
- Expenses associated with onsite services are invoiced as incurred according to Tyler's standard business travel policy.

SaaS is considered a term of one year unless otherwise indicated.

Client agrees that items in this sales quotation are, upon Client's signature or approval of same, hereby added to the existing agreement ("Agreement") between the parties and subject to its terms. Additionally, payment for said items, as applicable but subject to any listed assumptions herein, shall conform to the following terms, subject to payment terms in an agreement, amendment, or similar document in which this sales quotation is included:

- License fees for Tyler and third-party software are invoiced upon the earlier of (i) delivery of the license key or (ii) when Tyler makes such software available accessible.
- Fees for hardware are invoiced upon delivery.
- Fees for year one of hardware maintenance are invoiced upon delivery of the hardware.
- Annual Maintenance and Support fees, SaaS fees, Hosting fees, and Subscription fees are first payable when Tyler makes the software accessible to the Client (for Maintenance) or on the first day of the month following the date this quotation was signed (for SaaS, Hosting, and Subscription), and any such fees are prorated to align with the applicable term under the agreement, with renewals invoiced annually thereafter in accord with the Agreement.
- Fees for services included in this sales quotation shall be invoiced as indicated below.
  - o Implementation and other professional services fees shall be invoiced as delivered.

- o Fixed-fee Business Process Consulting services shall be invoiced 50% upon delivery of the Best Practice Recommendations, by module, and 50% upon delivery of custom desktop procedures, by module.
- o Fixed-fee conversions are invoiced 50% upon initial delivery of the converted data, by conversion option, and 50% upon Client acceptance to load the converted data into Live/Production environment, by conversion option. Where conversions are quoted as estimated, Tyler will invoice Client the actual services delivered on a time and materials basis.
- o Except as otherwise provided, other fixed price services are invoiced upon complete delivery of the service. For the avoidance of doubt, where "Project Planning Services" are provided, payment shall be invoiced upon delivery of the Implementation Planning document. Dedicated Project Management services, if any, will be invoiced monthly in arrears, beginning on the first day of the month immediately following initiation of project planning.
- o If Client has purchased any change management services, those services will be invoiced in accordance with the Agreement.
- o Notwithstanding anything to the contrary stated above, the following payment terms shall apply to fees specifically for migrations: Tyler will invoice Client 50% of any Migration Services Fees listed above upon Client approval of the product suite migration schedule. The remaining 50%, by line item, will be billed upon the go-live of the applicable product suite. Tyler will invoice Client for any Project Management Fees listed above upon the go-live of the first product suite. Annual SaaS Fees will be invoiced upon availability of the hosted environment.

Any SaaS or hosted solutions added to an agreement containing Client-hosted Tyler solutions are subject to Tyler's SaaS Services terms found here:

<https://www.tylertech.com/terms/tyler-saas-services>.

Unless otherwise indicated in the contract or amendment thereto, pricing for optional items will be held  
For six (6) months from the Quote date or the Effective Date of the Contract, whichever is later.

Customer Approval: \_\_\_\_\_ Date: \_\_\_\_\_  
Print Name: \_\_\_\_\_ P.O.#: \_\_\_\_\_

Title: <u>New RNI EOL policy</u>		Date: <u>June 28, 2021</u>	
Distribution:	Sensus Internal & Sales: <input checked="" type="checkbox"/>	Distributors & Agents: <input checked="" type="checkbox"/>	Customers: <input checked="" type="checkbox"/>

## Updated End of Life Policy for Regional Network Interface (RNI)™ Software

*The new policy is effective immediately for all RNI customers.*

In step with industry best practices, Sensus, a Xylem brand, is updating our End of Life (EOL) policy outlining the process for ending support of earlier RNI versions for SaaS customers.

The new policy is simple:

- RNI releases will be supported by engineering for two (2) years
- RNI releases will be supported by technical support for four (4) years

These two dates are referred to as End of Development and End of Support. *End of Development* (EOD) is the date on which engineering support ends and patches will no longer be developed for that software version. *End of Support* (EOS) is the date on which technical support will no longer be available and this version is considered obsolete.

We know you rely on the RNI as a critical piece of your Advanced Metering Infrastructure (AMI) operations to read, monitor, control, and report on the health of devices in the field. We also know that AMI technology is rapidly changing. The demands being placed on the RNI are continuing to grow as we launch new water, gas, electric, and lighting solutions with increased capabilities to help you run your operations.

Our new End of Life policy was designed with two key principles in mind:

- To keep your operations secure and efficient. Our goal is to have all customers on the latest version of the RNI software to make it simple to deliver updates as they are needed.
- To better meet your needs. By reducing the number of supported versions, we will enable engineering resources to focus on delivering new features and improved functionality in our newer software versions.

The table below outlines the supported versions of RNI, effective immediately.



### End-of-Life Milestones and Dates for RNI

RNI Release Version	Release Date	End of Development	End of Support
4.9	Jun 2021	June 2023	June 2025
4.8	Nov 2020	Now *	Nov 2024
4.7	Apr 2020	Now *	Apr 2024
4.6	Oct 2019	2022*	Oct 2023
4.5	Apr 2019	Now	Apr 2023
4.4	Oct 2018	Now	Oct 2022
4.3	Jun 2018	Now	June 2022
4.2	Oct 2017	Now	Oct 2021
<=4.1		Now	Now

\*These are exceptions to the new standard EOL policy due to security enhancements added in 4.9 and 4.6.

When an RNI version reaches EOD or EOS, all minor versions of that release (i.e. 4.6.x) will be included in that EOD or EOS. As such, SaaS customers will automatically be scheduled to upgrade whenever their current RNI version reaches this milestone. In this case a Sensus representative will be in touch to ensure the upgrade is as smooth as possible.

We understand that software upgrades require effort on your part, however, they are necessary to ensure you are using the most secure version of our products. The newest versions of the RNI are the easier and faster to upgrade to than previous versions, and Sensus is committed to continue to streamline the process moving forward.

Please contact your sales representative if you have questions or concerns. We look forward to continuing to serve you.

Joseph Rogers – Sr. Manager, Global Water Solutions and Services  
 639 Davis Drive  
 Morrisville, NC 27560 USA  
[joseph.rogers@xylem.com](mailto:joseph.rogers@xylem.com)

Julia Doyle – Sr. Manager, Global Energy Solutions and Services  
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 Morrisville, NC 27560 USA  
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## CITY COUNCIL WORKSHOP

### CITY OF FAIR OAKS RANCH, TEXAS

March 2, 2023

AGENDA TOPIC: Microsoft Exchange server migration and Microsoft 365 cloud services

DATE: March 2, 2023

DEPARTMENT: Information Technology

PRESENTED BY: Brian LeJeune, IT Manager

### **INTRODUCTION/BACKGROUND:**

In this workshop we will discuss the options available regarding the City's e-mail system, spam filter, and other services we use for conducting business. From a policy and budgeting perspective, this initiative drives the short and medium-term direction of our program of IT controls relative to general services productivity, efficiency, and security. In addition to the immediate need to upgrade the City's email system, this item represents the potential to shift the City's IT management and strategy from legacy on-site system management to cloud-based networking and management.

Accordingly, staff seeks Council guidance and direction to pursue either 1) a mandatory upgrade of its existing Microsoft Exchange Server, or 2) a migration to M365 cloud licensing inclusive of Exchange Online, spam filtering, Office 365, and several other services as noted herein. Both options require an unprogrammed expenditure, so staff intends to present an agenda item for consideration at the March 16<sup>th</sup> meeting based on Council feedback.

The City currently utilizes Microsoft Exchange Server 2013 for e-mail. This product will reach its end of support this April. Microsoft will no longer release security and feature updates. Therefore, the City will be open to future vulnerabilities discovered by bad threat actors without the hope of Microsoft releasing any patches.

Separately, the City's spam filter also will be discontinued by its provider at the end of March. Unfortunately, the provider did not communicate this message until after the FY 2022-23 Budget was adopted. Given this updated information, it is more efficient for the City to export our configurations to Microsoft's spam filter concurrently with the conversion to an updated email platform (Exchange Online Protection).

Prior to FY19-20, the City did not have an on-site IT Department. The City utilized a third-party vendor to support our systems and resolve computer problems. With the termination of the third-party agreement, the City did not receive adequate configurations and documentation for its technology environment. Therefore, the City has been "catching up" on systems and services that are at or near their useful lives. The IT department has two positions to procure, install, and maintain every IT system in the City. The department had to create its own build documents. Additionally, the department has rebuilt some servers as they have run out of operating space or failed due to other technical issues. Since then, staff has ensured proper documentation for any new servers built, handled timely patching, and planned for future growth. The City does not have a robust replacement schedule for obsolete software and equipment. Resource constraints have

limited the City's ability to keep pace with ever-expanding demands of modern organizational needs.

In February 2021, the City experienced a zero-day vulnerability (a known security issue without a published patch) with its version of the Microsoft Exchange email server. Several hundred thousand organizations around the world running their own fully patched on-premises local Exchange servers, including the City, were impacted by this attack. The City recovered towards the end of April through a lengthy process working with our insurance vendor to assess systems and to look for IOC's (Indicators Of Compromise). Meanwhile, customers of Microsoft's Exchange Online cloud environment were not impacted by this zero-day vulnerability as its environment was not vulnerable.

Most recently in February 2023, the City experienced a power loss from the winter storm resulting in a system failure with the City's on-premises server infrastructure. The City's systems were down for approximately 18 hours, and the City required consulting services to assist with reinitializing the City's servers.

### **Options: On-premises vs Cloud-Based e-mail server**

The City is now in a position in which it must upgrade, at minimum, its email server and its spam filter. The City has at least two possible paths to rectify current e-mail server configurations and possibly provide further enhancements to our infrastructure. The first option is to maintain an on-premises email server by migrating to Microsoft Exchange 2019. The second option is to obtain licensing for Microsoft 365 to include Microsoft Exchange Online, which is a cloud environment. A cloud environment is essentially putting your data on someone else's servers where they assume the risk of patching, maintenance, and availability.

**Option 1 (Status Quo):** Maintain an on-premises Exchange Server by migrating our data to a newly built Exchange Server 2019.

The City can maintain its current environment by procuring a license and upgrading Microsoft Exchange Server 2019. This also would require the assistance of a third-party firm to provide technical support and to ensure best practices are followed for the initial build and security configurations.

As currently scheduled, both the 2016 and 2019 versions of Exchange will no longer have support in October 2025, at which time the City will no longer receive security and patch updates from Microsoft. Microsoft has yet to officially announce a new on-premises version. In the most likely scenario, the City would have to upgrade again or convert to the cloud within the next three years.

This option provides the City with more control over the server. However, it will require more staffing and resources to maintain (patching, managing resources, and upgrading). The City would be responsible for backing up this environment inclusive of upgrading our on-premises backup appliance at an additional cost. But this option also would not require any additional annual licensing commitments beyond the initial purchase for maintaining an Exchange server because it is a perpetual license.

**Option 2 (Migration to Microsoft Cloud):** Obtain licensing for Microsoft 365 (M365) to include Microsoft Exchange Online and other enhancements for our organization. This includes a migration plan for e-mail and other information to Microsoft's cloud.

The City can begin its migration to the Cloud by procuring M365 licensing. Like Option 1, this migration also would require assistance from a third-party firm to assist with the configuration of our environment. M365 also would require annual licensing payments to Microsoft for cloud services, while it would reduce both the need for local licensing and additional labor and resources associated with maintaining an on-premises server. The City essentially would shift the risk to Microsoft in terms of handling the security of our data along with maintaining the availability of service. The City would continue to be responsible for backing up this cloud environment to a separate service at additional cost. The City can enter an Enterprise Agreement (EA) with Microsoft to lock pricing for three (3) years until the EA expires and a new license is entered with updated pricing.

M365 does not have a planned date for end of support like the on-premises version of Exchange. Further, M365 plans include Exchange Online, Azure AD (Active Directory), and other enhancements that are outlined further in the table below.

The City has already started using many features of Microsoft 365. Most notably, for the last four years the City has been replacing traditional Microsoft Office PC licenses with Office 365 licenses that are user-based with an annual fee. This ensures the latest versions of Office are utilized throughout the organization. This licensing has centralized and simplified the patching process because most machines now run the same versions of the software.

Microsoft has since rebranded most its cloud-based software to the umbrella of “M365.” For the comparison below, we will define Office 365 (O365) as the traditional programs with which we are familiar – Excel, Word, Outlook, PowerPoint. The Microsoft 365 (M365) plan includes all of Office 365 and several other features.

Feature/Software	Exchange 2019	M365	Comments
Exchange 2019 Migration: Fair Oaks Ranch on-premises virtual server providing e-mail services (e-mail, calendar, contacts, and tasks) along with webmail and mobile device access.	X		Exchange Server 2019 is the latest version currently available for on-premises Exchange server customers.
Exchange Online: Microsoft Cloud hosted e-mail services (e-mail, calendar, contacts, and tasks) along with webmail and mobile device access.		X	Included natively with M365. Also has a detonation chamber feature for testing e-mail attachments and links to reduce exposure/risk.
Exchange Online Protection (Spam Filter): configured to protect the e-mail environment and control mail routing when you have either on-premises or cloud hosted e-mail.	X	X	Included natively with M365. Additional cost if purchased for Exchange Server 2019.

Feature/Software	Exchange 2019	M365	Comments
Active Directory (AD): a hierarchical structure to store information about objects on the network (i.e. user accounts, passwords, computers, and servers).			Cannot authenticate with outside services. Traditional on-premises AD required (currently utilized) for Exchange Server 2019 to be installed.
Azure Active Directory (Azure AD) and Single Sign On (SSO): a comprehensive identity and access management cloud solution that combines core directory services, application access management, and advanced identity protection.		X	Ability to link with outside services for authentication (Brightly, ClearGov, NeoGov, etc.) reducing the need to maintain individual accounts on each platform we utilize as well as the administrative overhead associated with maintaining individual accounts.
SharePoint: cloud-based file server that helps organizations share and manage content, knowledge, and collaborate across the organization. Often worked with in conjunction with Teams.		X	Included with M365. Additional cost if purchased for Exchange Server 2019. We would need to purchase additional licenses and server resources if we wanted to host our own SharePoint server on-premises.
Office 365 (O365): Traditional productivity software including Word, Excel, PowerPoint, and Outlook plus enhancements such as Teams, OneDrive online storage, Planner, Bookings, (below) and other integrated apps and services.		X	Included natively with M365. Separate cost if purchased for Exchange Server 2019.
OneDrive: online storage space in the cloud for individual licensed users in an organization. Helps protect work files, access and collaborate across multiple devices from any location. 1TB/user default storage space.		X	Included with O365 and M365.

Feature/Software	Exchange 2019	M365	Comments
Teams: Stay connected with colleagues through video meetings, chat, or collaborative channels to work live on the same document together. Often worked with in conjunction with SharePoint.		X	Included with M365. The City currently purchases a separate 25-user license. M365 would include telephony with the capability to migrate our entire phone system. M365 also could replace the need for Zoom (savings/centralization).
Bookings Software: includes a web-based booking calendar and integrates with Outlook to optimize staff's calendar and give customers flexibility to book a time that works best for them. E-mail and SMS text notifications reduce no-shows and enhances customer satisfaction.		X	Included with M365. The City currently uses a 3 <sup>rd</sup> party annual subscription to handle this for on-premises.
eDiscovery: can help the organization respond to legal matters or internal investigations by discovering data where it lives.	X	X	Limited to e-mail with on-premises. M365 offers the search capability through additional services hosted in the cloud. File search currently is a time-intensive manual process.
Legal Hold: ability to preserve content that might be relevant to an eDiscovery.	X	X	Will be an enhancement to the on-premises Exchange 2019 server and comes native with Exchange Online (M365).
DLP (Data Loss Prevention): An organization's data is critical to its success. Its data needs to be readily available for decision-making, but it needs to be protected so that it isn't shared with audiences that should not have access to it.		X	Only available through M365 to log/block the dissemination of important data categories such as Personally Identifiable Information (PII), Protected Health Information (PHI), etc.
Always-On VPN (Virtual Private Network): a laptop configuration to automatically create a connection back to the network through the Microsoft Cloud.		X	VPN that will connect back to Microsoft Cloud and also to our network automatically after logging into the network.

Feature/Software	Exchange 2019	M365	Comments
Device Management: a cloud-based endpoint management solution. It manages user access along with simplifying app and device management across all devices. Protect access and data on organization-owned and users' personal devices.		X	Included natively with M365. Would need additional software to handle this on-premises. Ability to reimage devices in the event of a security issue (time savings.)
Phone System Integration: Phone System service enabling call control and Private Branch Exchange (PBX) capabilities in the Microsoft 365 cloud with Microsoft Teams. Public Switched Telephone Network (PSTN) access may be enabled for external calls through a calling plan.		X	Available through M365 as integration with Teams Phone and replacement of desk phones. A phone plan would need to accompany this for phone access in the Microsoft Cloud (M365). Would require additional licensing with current phone system to be available outside the organization for offsite work. Also, current phone system server needs additional upgrade work to be planned for next fiscal year.
PowerBI Data Analytics: lets you easily connect to your data sources, visualize and discover what is important, and share that with anyone or everyone you want.		X	Native with M365 for utilization with Finance, Public Works, and other departments to correlate data.
Multi-factor Authentication (MFA): a process in which users are prompted during the sign-in process for an additional form of identification. If you only use a password to authenticate a user, it leaves an insecure vector for attack.		X	Included with M365. Expected to be added with Access Control phase of City Hall Remodel project.

Feature/Software	Exchange 2019	M365	Comments
Threat Analytics: reports generated to display new threats emerging frequently and prevalently. Displays resilience against or exposure to the threats along with actions you can take to stop or contain the threats.		X	M365 can correlate services running on computers, on-premises servers, and Microsoft cloud servers. Currently, we would have to correlate many services and log locations to build a timeline of events.
Access Reviews: efficiently manage group memberships, access to enterprise applications, and role assignments for data access.		X	Included as a reporting capability with M365 for all Microsoft services. Manual process today for on-premises. Also allows for management of guest access.

## Summary

Options 1 and 2 above provide the choice between maintaining a “status quo” environment with required upgrades and a future-leaning cloud environment that migrates virtually all Microsoft and other services to the cloud. Hypothetically, there are some “a-la-carte” options with many of the services and features described above. The immediate need is the mandatory upgrade of our Exchange Server while addressing the spam filter as well.

Microsoft Exchange Server 2019 has lower upfront costs without recurring annual licensing costs. It also requires staff intervention at all levels with costs for maintaining the upgrading equipment that are not included in the base price. There is also a high likelihood that the City will have to upgrade again in 2-3 years as Exchange Server reaches its end of support, resulting in effectively a double purchase with a second migration.

The M365 suite has expanded features that we do not currently have today as well as many features that can consolidate separate, existing systems in the City’s IT environment. M365 will benefit the City in the long run regarding cybersecurity, compliance, centralization of services, reduced operational overhead, and future regulations. However, the upfront costs and annual licensing are higher with M365.

## **POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

The City must maintain a supported email and IT environment to ensure the continuity and security of City operations. The item begins to address several projects identified in Priority 5.5 of the Strategic Plan to Evaluate and Update IT Infrastructure, Software, and Security including:

- 5.5.1 Define and Develop and Implement Core components of IT Master Plan
- 5.5.10 Phone system upgrade
- 5.5.16 Decommission IT hardware



- 5.5.22 Data Retention
- 5.5.24 Encrypted Emails
- 5.5.28 Multi-Factor Authorization
- 5.5.32 Cybersecurity Framework

**LONG-TERM FINANCIAL & BUDGETARY IMPACT:**

The short-term budgetary impact ranges from approximately \$100,000 to \$140,000 with recurring costs depending upon the option(s) selected. Staff anticipates the budget of the upgrade can be identified through General Fund projected savings in the current fiscal year. Staff may bring forth a budget amendment later in the fiscal year if projected savings are used for other purposes.

**RECOMMENDATION/PROPOSED MOTION:**

Staff seeks Council guidance and direction to pursue either 1) a mandatory upgrade of its existing Microsoft Exchange Server, or 2) a migration to M365 cloud licensing inclusive of Exchange Online, spam filtering, Office 365, and several other services as noted herein. Staff intends to present an agenda item for consideration at the March 16<sup>th</sup> meeting based on Council feedback.

Summary of One-Time and Annual Costs		
Microsoft Exchange Server 2019 and M365		
	Server 2019	M365
One-Time Costs	\$ 57,981	\$ 45,793
E-mail Server Migration ProServ	\$ 13,564	\$ 43,793
Exchange Server 2019 Licenses	\$ 26,517	n/a
Server Memory Upgrade	\$ 6,500	n/a
Sophos Pro-serv extract configs	\$2,000	\$2,000
Training <sup>1</sup>	\$9,400	
Recurring Costs	\$37,905	\$86,053
Backup Infrastructure <sup>2</sup>	\$26,658	\$10,354
Purchase M365 Licenses	n/a	\$75,699
Exchange Online Protection	\$1,685	included
Office365 Subscriptions	\$9,562	included
Recurring Savings	\$0	(\$38,958)
Equipment <sup>3</sup>		(\$20,000)
Office365 subscription <sup>4</sup>		(\$9,562)
Online Meetings <sup>5</sup>		(\$3,000)
Spam filter <sup>6</sup>		(\$2,796)
Booking Software <sup>7</sup>		(\$3,600)
Total Year 1 costs	\$95,886	\$131,846
Net recurring cost	\$37,905	\$47,096

\* Other potential reductions and efficiencies include file server usage, reduced user maintenance, device management, reduced internal labor and maintenance, reduced electricity, reduced HVAC, fewer downtime issues, enhanced remote work capabilities, etc.

<sup>1</sup> Training for IT regarding installation/configuration Exchange

<sup>2</sup> (upgrade to higher series) w/3-year change out for on-prem. backup appliance; Cloud Backup service needed if we use M365 since on-prem appliance cannot handle

<sup>3</sup> Estimate of \$100,000 for new server and equipment over five years

<sup>4</sup> Current subscription for Office 365 is included in M365

<sup>5</sup> Microsoft Teams would replace Zoom for Government

<sup>6</sup> Exchange Online Protection would replace Sophos Central email (spam filter)

<sup>7</sup> Bookings would replace calend.ly for external appointment management

Exchange Server 2019 Enterprise Migration	
PRO	CON
Perpetual license	City will have to migrate again once support ends Oct 2025 for Exchange 2019
Provides additional logging access and server control beyond what M365 would provide	City will have to manage virtual server for Exchange 2019 (patching, logging, monitoring, etc.)
Lower upfront cost than Exchange Online migration	Additional memory resources needed for servers
	Upgrade of backup appliance with larger mail server required
	Limits our capabilities for increased productivity and collaboration internally and externally
	City will need to interface with a consulting firm to assist with e-mail migration
	Could be impacted by another zero-day vulnerability at any point in the future

Exchange Online Migration (M365)	
PRO	CON
Fully supported with no end-date published	Cost associated with annual subscription (M365) per user
Handles server hardware/software updates without any added costs	No direct access to servers since it is Software as a Service (SaaS)
Enhancements to City software included with M365 subscription (SharePoint, Teams, Teams Phone, One-Drive, Booking, DLP, Always-On VPN, Device Management, PowerBI, MFA, Threat Analytics, Access Reviews, and many others)	Cost associated with annual subscription for Cloud Backup Service (although backup cost is lower than Exchange Server 2019)
Most City data is stored centrally and will provide visibility into how that data is managed.	Would involve costs for standing up other required services
Ability to authenticate with 3 <sup>rd</sup> party services (Brightly, NeoGov, ClearGov, etc.) to use one user password across several systems.	
City may enter an Enterprise Agreement (EA) with Microsoft to keep pricing level on a per user basis over a three (3) year time period before entering an EA with updated pricing.	
Larger mailbox size limits (100GB user / 50GB shared mailboxes) than what could be attained with an on-premises Exchange Server	
Detonation Chamber feature to safeguard us from malware or ransomware that may originate through a phishing e-mail with an attachment.	
Was not impacted by the zero-day vulnerability in 2021.	