



CITY OF FAIR OAKS RANCH CITY COUNCIL REGULAR MEETING

Thursday, May 15, 2025 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>

AGENDA

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. Swearing in of Newly Elected Officials

Gregory C. Maxton, Mayor

5. Public Works Week Proclamation

Gregory C. Maxton, Mayor

6. Presentation of Fair Oaks Ranch Police Department's Life Saving Award to Corporal Jason Hanley and Officer Allen Paz

Todd Smith, Chief of Police

7. Retirement of Police K9 Buddy

Todd Smith, Chief of Police

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

8. Approval of the May 1, 2025 Regular City Council meeting minutes

Christina Picioccio, TRMC, City Secretary

CONSIDERATION/DISCUSSION ITEMS

- [9.](#) Consideration and possible action electing a Council Member to serve as Mayor Pro Tem until the next regular City election in May 2026

Gregory C. Maxton, Mayor

- [10.](#) Consideration and possible action approving a resolution amending the City of Fair Oaks Ranch's Personnel Policies

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

- [11.](#) Consideration and possible action approving a resolution adopting the FY 2025-26 Strategic Action Plan

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

WORKSHOP

- [12.](#) FY 2026-30 Five-Year Financial Plan

Summer Fleming, CGFO, Director of Finance

REPORTS FROM STAFF AND COMMITTEES

- [13.](#) Financial and Investment Report for the Quarter Ended March 31, 2025

Summer Fleming, CGFO, Director of Finance

14. Bexar County Emergency Services District No.4

Craig Ramon, Fire Chief

REQUESTS AND ANNOUNCEMENTS

15. Announcements and reports by Mayor and Council Members

16. Announcements by the City Manager

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

ADJOURNMENT

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, 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, May 12, 2025 and remained so posted continuously for at least 72 hours before said meeting was convened. A quorum of various boards, committees, and commissions may attend the City Council meeting

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).

PROCLAMATION
City of Fair Oaks Ranch
Office of the Mayor

WHEREAS, public works professionals focus on infrastructure, facilities, and services that are of vital importance to sustainable and resilient communities and to public health, high quality of life, and well-being of the people of; and

WHEREAS, these infrastructure, facilities, and services could not be provided without the dedicated efforts of public works professionals, who are engineers, managers, and employees at all levels of government and the private sector, who are responsible for rebuilding, improving, and protecting our nation's transportation, water supply, water treatment and solid waste systems, public buildings, and other structures and facilities essential for our citizens; and

WHEREAS, it is in the public interest for the citizens, civic leaders, and children in the City of Fair Oaks Ranch to gain knowledge of and maintain an ongoing interest and understanding of the importance of public works and public works programs in their respective communities; and

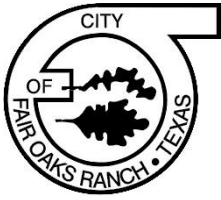
WHEREAS, the year 2025 marks the 65th annual National Public Works Week sponsored by the American Public Works Association/Canadian Public Works Association.

NOW, THEREFORE, I, Gregory C. Maxton, Mayor of the City of Fair Oaks Ranch, do hereby designate the week May 18 – 24, 2025 as National Public Works Week; I urge all citizens to join with representatives of the American Public Works Association and government agencies in activities, events, and ceremonies designed to pay tribute to our public works professionals, engineers, managers, and employees and to recognize the substantial contributions they make to protecting our national health, safety, and advancing quality of life for all.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Fair Oaks Ranch to be affixed this 15th day of May 2025.

Gregory C. Maxton, Mayor

Christina Picioccio, TRMC
City Secretary



CITY OF FAIR OAKS RANCH CITY COUNCIL REGULAR MEETING

Thursday, May 1, 2025 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, Rhoden, Olvera, Koerner, and Swarek

Council Absent: Council Member Parker

With a quorum present, the meeting was called to order at 6:31 PM.

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

CITIZENS and GUEST FORUM

3. Citizens to be heard.

Resident Carole Willoughby congratulated Council Member Koerner on her eight years of service to the City of Fair Oaks Ranch. She expressed a desire for increased transparency in how information is communicated to residents, particularly regarding decisions made by the City. She emphasized the importance of clear messaging to help minimize misunderstandings. Ms. Willoughby also inquired about the timeline for the Community Center project and whether the facility would be available for private event rentals.

Resident Sharon Brimhall thanked Council Member Koerner for her service and echoed Ms. Willoughby's comments regarding the proposed Community Center. She raised questions about the intended use of the facility and expressed concern for the preservation of the heritage oaks surrounding the site.

PRESENTATIONS

4. Municipal Clerks Week Proclamation.

Gregory C. Maxton, Mayor, presented a proclamation honoring Municipal Clerks Week, May 4 – May 10, 2025.

5. Police Week and Peace Officers Memorial Day Proclamation.

Gregory C. Maxton, Mayor, presented a proclamation honoring Police Week, May 11 – May 17, 2025, and Peace Officers Memorial Day, May 1, 2025.

6. Lemonade Day Proclamation

Gregory C. Maxton, Mayor, presented a proclamation encouraging the citizens of Fair Oaks Ranch to support the children that participate in Lemonade Day, May 3, 2025.

7. Honoring Council Member Koerner's Eight Years of Service

Mayor Gregory C. Maxton recognized Council Member Laura Koerner for her eight years of dedicated service to the City of Fair Oaks Ranch. He commended her leadership, commitment, and the meaningful impact she has made on the community. The City Council expressed their appreciation and offered best wishes for her future endeavors.

CONSENT AGENDA

- 8. Approval of the April 17, 2025, Regular City Council meeting minutes**
- 9. Approval of the second reading of an ordinance amending the budget for the fiscal year beginning October 1, 2024, and ending September 30, 2025**
- 10. Approval of the second reading of an ordinance of the City Council of the City Fair Oaks Ranch, Texas amending the Fair Oaks Ranch Code of Ordinances, Chapter 12 Traffic and Vehicles, Article 12.01 General Provisions, Section 12.01.002 Stop and Yield Signs by establishing a four-way stop intersection at Battle Intense, High Eschelon, and Hansel Drive**
- 11. Approval of the second reading of an ordinance of the City Council of the City of Fair Oaks Ranch, Texas, amending Chapter 1 General Provisions, Article 1.08 Boards, Commissions, and Committees, Section 1.08.001 Municipal Development District Board of Directors of the City of Fair Oaks Ranch Code of Ordinances**
- 12. Approval of a resolution authorizing the execution of an agreement with Clark Construction of Texas, Inc. for mill and overlay road construction, expenditure of the required funds, and execution of all applicable documents by the City Manager**
- 13. Approval of a resolution authorizing the execution of an agreement with Intermountain Slurry Seal, Inc. for micro-surfacing, expenditure of the required funds, and execution of all applicable documents by the City Manager**
- 14. Approval of a resolution authorizing the execution of a purchase order with Chastang Ford for a Ford F-450, expenditure of the required funds, and execution of all applicable documents by the City Manager**

MOTION: Made by Council Member Stroup, seconded by Council Member Rhoden, to approve the Consent Agenda.

VOTE: 6 - 0; Motion Passed.

CONSIDERATION/DISCUSSION ITEMS

- 15. Consideration and possible action approving a resolution amending the City of Fair Oaks Ranch's Personnel Policies**

MOTION: Made by Council Member Rhoden, seconded by Council Member Swarek, to approve a resolution amending the City of Fair Oaks Ranch's Personnel Policies with the amendment of striking the word "permanent" in Section 4.01.01. The section will now read "Regular full-time employees are individuals employed to authorized positions

where the employee is scheduled to work, on average, more than 32 hours per work week. Regular full-time employees are eligible for all employee benefit programs offered by the City.”

VOTE: 6 - 0; Motion Passed.

16. Consideration and possible action approving a resolution of the City Council of the City of Fair Oaks Ranch, Texas authorizing the placement of two radar feedback signs on Dietz Elkhorn Road west

MOTION 1: Made by Council Member Swarek, seconded by Council Member Stroup, to approve resolution authorizing the placement of the two radar feedback signs on Dietz Elkhorn Road west.

VOTE 2: 6 - 0; Motion Passed.

17. Consideration and possible action approving a resolution authorizing a Utility Service Agreement between the City of Fair Oaks Ranch, Texas and AD Acquisitions, LLC regarding water and wastewater services for an 80.69-acre parcel of land at 29850 Ralph Fair Road, a portion of the Corley Tract, and execution of all applicable documents by the City Manager

The Mayor left the meeting at 7:49 PM and returned at 7:51 PM.

MOTION: Made by Council Member Stroup, seconded by Council Member Rhoden, to approve a resolution authorizing execution of a Chapter 377 project funding agreement with the Fair Oaks Ranch Municipal Development District for the construction of a gateway monument.

VOTE: 6 - 0; Motion Passed.

WORKSHOP

18. FY 2026-30 Five-Year Financial Plan

Council Member Olvera left the meeting at 8:13 PM and returned at 8:14 PM.

Director of Finance Summer Fleming led a workshop summarizing projected five-year financial scenarios based on revenue and expense assumptions. The City Council expressed interest in maintaining a 50% operating reserve, aligning revenues with expenses, and identifying a plan for the unallocated fund balance. Staff will return on May 15 with additional modeling based on City Council direction.

REQUESTS AND ANNOUNCEMENTS

19. Announcements and reports by Mayor and Council Members.

Council Member Rhoden highlighted the various ways the City Council and staff are sharing information with the public, including posted agendas, live-streamed and archived meetings on YouTube, social media platforms (Facebook, NextDoor, Instagram), regular video updates from the Mayor, Town Halls, and occasional City Council meet and greets.

Council Member Stroup announced several events taking place on Saturday, May 3: Election Day at the Public Safety Training Room, Shred Day at the Fair Oaks Ranch Elementary School parking lot, Fair Oaks Ranch Market Day at Cibolo Creek Church, and Lemonade Day.

Mayor Maxton noted that Election Day will be held on Saturday, May 3, from 7:00 AM to 7:00 PM at the Public Safety Training Room and Boerne City Hall. He also announced that the Cibolo Creek Bridge is anticipated to be open in both directions on Friday, May 2.

20. Announcements by the City Manager.

N/A

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

N/A

CONVENE INTO EXECUTIVE SESSION

City Council convened into closed session at 9:03 PM regarding:

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:

22. Discussion related to possible terms and conditions necessary to resolve disputes that have been the subject of ongoing litigation with the development commonly known as Boerne Ranch Estates, LLC, aka Fair Oaks Meadows.

City Council did not convene into closed session regarding:

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

RECONVENE INTO OPEN SESSION

City Council reconvened into open session at 9:57 PM.

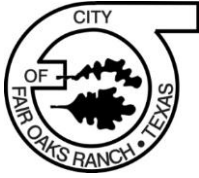
ADJOURNMENT

Mayor Maxton adjourned the meeting at 9:57 PM. No action was taken.

ATTEST:

Gregory C. Maxton, Mayor

Christina Picioccio, TRMC, City Secretary



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Consideration and possible action electing a Council Member to serve as Mayor Pro Tem until the next regular City election in May 2026

DATE: May 15, 2025

DEPARTMENT: City Council

PRESENTED BY: Gregory C. Maxton, Mayor

INTRODUCTION/BACKGROUND:

Section 3.05 – Mayor Pro Tem., of the Home Rule Charter states the following:

- A. The Mayor Pro Tem shall be a Council Member elected by the City Council at the first regular City Council meeting following each regular City election.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

N/A

LONGTERM FINANCIAL & BUDGETARY IMPACT:

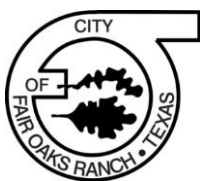
N/A

LEGAL ANALYSIS:

N/A

RECOMMENDATION/PROPOSED MOTION:

I move to elect (insert council member name here) as Mayor Pro Tem.



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Consideration and possible action approving a resolution amending the City of Fair Oaks Ranch's Personnel Policies

DATE: May 15, 2025

DEPARTMENT: Administration

PRESENTED BY: Jim Williams, MBA, ICMA-CM, Assistant City Manager

INTRODUCTION/BACKGROUND:

The City last updated its personnel policies in 2006. Staff recently initiated a review of the City's Personnel Policies Manual and identified priority sections for updates. This resolution, if adopted, will amend Chapters 5 Employee Compensation and 16 Personnel Files and replace Chapter 7 Benefits with Chapter 7 Harassment. The proposed comprehensive changes are summarized below and presented in Exhibit A, attached.

Chapter 5 Employee Compensation

- Changes the chapter title to Payroll
- Clarifies the start and stop of the City's payroll periods
- Updates time sheet submittal deadline to match current practice
- Updates pay statement disbursement policy to match current practice
- Separates and clarifies mandatory and voluntary payroll deductions
- Clarifies policy language on how certification and longevity pays are authorized by City Council and maintained by Human Resources
- Proposes to separate certification, stipend and longevity pay from the base hourly wage rate. Currently, certification and stipend pay is pro-rated based on the number of expected regular hours of employment in a year and added to an employee's base hourly pay rate. The proposal is to remove the certification and stipend pay from the hourly rate and pay a flat, pro-rated amount per pay period

Chapter 16 Personnel Files

- Updates location where employee personnel files are stored to match current practice (the files are stored in the Human Resources Department)
- Adds clarification of intent to not have two disparate or conflicting personnel files for police officers. The intent is to store in the Police Department (for licensed police officers only) the personnel related documents and files needed to be compliant with Texas Local Government Code § 143.089(g). All other personnel-related documents and files for licensed police officers will be maintained in the Human Resources Department

- Clarifies requirement to keep medical related personnel documents and files separate from other personnel files and that medical related personnel files are to be kept confidential
- Clarifies procedures regarding inspection and copying of personnel files (e.g., who can inspect and who can make copies)
- Clarifies which personnel related documents will be kept in specific personnel record types, to include document retention standards.

Chapter 7 Benefits (Remove)

- Most of the subsections in the 2006 policy have been either addressed in other sections of the policy manual (duplicates) or are no longer relevant
- The proposal is to rescind the 2006 Chapter 7 Benefits policy and replace with a Harassment Policy
- At a future City Council meeting, staff will bring a proposal to add a benefits policy section to Chapter 1 General Policies.

Chapter 7 Harassment (Add)

- Adds a general harassment policy statement
- Assigns responsibility for ensuring harassment free workplaces to supervisors
- Assigns responsibility for timely reporting of harassment to employees
- Prohibits employees from hindering a harassment investigation or retaliating against other employees for making a complaint
- Adds a comprehensive section on sexual harassment, to include specific examples of prohibited conduct
- Adds a section on other types of prohibited harassment conduct
- Adds a section that documents harassment training current practice
- Add a mandatory reporting section that includes reporting timeliness standards, reporting workflow, and how false or malicious reports will be handled
- Adds a section outlining prohibition on retaliation
- Add a section outlining responsive action standards the City will apply when handling or investigating claims of harassment.

Upon adoption of this resolution, Administration will promptly implement these policy changes across the organization. Additional updates to the Personnel Policies Manual will be presented to the City Council for consideration in future meetings.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Consistent with Strategic Action Plan Priority 5.1 to Evaluate and Implement Key HR Programs That Promote Organizational Design and Development

Implements Strategic Action Plan Project 5.1.2 to Evaluate and Update Employee Handbook

Complies with Chapter 5 of the Home Rule Charter for the City Manager to implement ordinances and policies adopted by the City Council.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

None

LEGAL ANALYSIS:

The resolution is approved as to form by the City Attorney's office.

Policy Chapters 5, 7 and 16 were reviewed by the City Attorney's office.

RECOMMENDATION/PROPOSED MOTION:

I move to approve a resolution amending the City of Fair Oaks Ranch's Personnel Policies.

A RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS AMENDING THE PERSONNEL POLICIES MANUAL

WHEREAS, the City of Fair Oaks Ranch has established workplace rules that promote consistent and fair practices that result in effective public service delivery, and

WHEREAS, the City's Personnel Policies Manual was last updated in 2006, and

WHEREAS, the City finds it necessary to update these policies, and

WHEREAS, the City wishes to amend Chapter 5 Employee Compensation and Chapter 16 Personnel Files, and

WHEREAS, the City wishes to repeal Chapter 7 Benefits and add a new Chapter 7 Harassment, and

WHEREAS, it is in the best interest of the City to have an updated and relevant Personnel Policies Manual.

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

- Section 1.** The City Council hereby adopts the amended sections and changes to outdated terms in the City of Fair Oaks Ranch Personnel Policies Manual, as presented in Exhibit A.
- Section 2.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.
- Section 3.** 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 4.** That 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, as amended, Texas Government Code.
- Section 5.** 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 provision of this resolution shall be and remain controlling as to the matters resolved herein.
- Section 6.** This resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 7. This resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED, APPROVED, and ADOPTED on this 15th day of May 2025.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, TRMC
City Secretary

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

5.00 PAYROLL

5.01 PAYROLL AND PAYDAY PROCEDURES

5.01.01 The City's pay period is 14-days, or bi-weekly. The 14-day pay period starts at 12:00 am Monday and ends on the second Sunday at 11:59pm.

5.01.02 Pay statements are issued the Friday following the end of the pay period. Employee pay will be direct deposited on or before the Friday following the end of the pay period. Pay statements are confidential and may not be disbursed to anyone other than the employee.

5.01.03 Time sheets are due to the Finance Department not later than 9:00 am Tuesday following the end of the pay period. Supervisors are responsible for submitting accurate employee time sheets.

5.01.04 Direct deposit is a mandatory condition of employment with the City. Exceptions to direct deposit and authorization for alternative payment methods will be approved by the Human Resources Director in accordance with Texas Labor Code Chapter 61 Payment of Wages.

5.01.05 W2s will be distributed to employees not later than January 31st after the preceding tax year.

5.01.06 The City will not make payday advances or loans to employees. (Texas Constitution, Article III, Sections 51, 52, and 53)

5.02 PAYROLL DEDUCTIONS

5.02.01 Mandatory deductions will be made from an employee's pay for the following:

1. Federal income tax based on W4 elections,
2. FICA Social Security and Medicare taxes,
3. Texas Municipal Retirement System contributions,
4. The employee's portion of group medical, dental and vision insurance premiums,
5. Court ordered garnishments, and
6. Required City reimbursements.

5.02.02 Voluntary deductions may be made from an employee's pay, with the employee's consent, for the following:

1. Deferred compensation plan contributions,
2. Supplemental Life and AD&D insurance premiums,
3. Flexible spending account or health savings account contributions,
4. AFLAC supplemental benefits, or
5. Other deductions as authorized by the employee.

5.02.03 Employees are responsible for notifying the Human Resources Department when there are changes to their family status, address, or any other factor affecting their payroll withholding or benefits status.

5.03 CERTIFICATION, STIPEND AND LONGEVITY PAY

5.03.01 Certain employees may be eligible for certification or stipend pay based on specialized certifications or specific skills proficiencies that align with the City's needs. The list of approved certifications and corresponding stipend pay will be maintained by Human Resources and reviewed and approved annually by the City Council as part of the budget approval process.

5.03.02 The City Manager will establish and maintain eligibility standards for certification and stipend pay.

5.03.03 **[Effective October 1, 2025]** Certification and stipend pay will be prorated and distributed each pay period to authorized employees based on the annually authorized amount.

5.03.04 **[Effective October 1, 2025]** Eligible employees will receive longevity pay each year on their employment anniversary date. Longevity pay will be issued as a lump sum and included in the payroll following the employee's anniversary date. The table of approved longevity pay amounts will be maintained by Human Resources and approved annually by the City Council as part of the budget approval process.

7.00 HARASSMENT

7.01 GENERAL

7.01.01 The City is committed to promoting an environment that is free of harassment and unlawful discrimination and requires all employees to complete an annual training course on harassment. The City recognizes that harassment based on sex (with or without sexual conduct), race, color, religion, national origin, age, disability or genetic information, is a violation of federal and state laws. Harassment is unwelcome conduct that is based on race, color, religion, sex, national origin, age, disability or genetic information. The City prohibits any harassment where:

1. Enduring the offensive conduct becomes a condition of continued employment, or
2. The conduct is severe or pervasive enough to create a work environment that a reasonable person would consider to be intimidating, hostile, or abusive.

7.01.02 Each supervisor is responsible for maintaining their workplace free harassment. This duty includes discussing and enforcing this policy and procedure with all employees.

7.01.03 It is the responsibility of all employees to immediately report any violation or breach of harassment policies and to cooperate in any resulting investigation. Prompt notification to the City is essential. Employees will not be penalized in any way for reporting in good faith a harassment concern. The City prohibits employees from hindering an internal investigation or an internal complaint. Retaliation for harassment complaints is prohibited and is grounds for disciplinary action up to and including dismissal.

7.01.04 This policy applies to City employees, volunteers, contractors for the City, citizens, vendors, and other visitors to the workplace, work-related activities, events, conferences, travel as well as offsite city events and social gatherings.

7.02 SEXUAL HARASSMENT

7.02.01 Sexual harassment includes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a harassing nature. Such conduct includes but is not limited to the following when:

1. Submission to such sexual conduct is made a term or condition of an individual's employment,
2. Submission to or rejection of such conduct is used as the basis for employment decisions affecting an individual (i.e., denial of a pay increase, promotion, transfer, leave of absence, imposing disciplinary action, promising to withhold disciplinary action, etc.),

3. Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance, or creating an intimidating, hostile or offensive working environment,
4. Offering employment benefits in exchange for sexual favors,
5. Making or threatening reprisals after a negative response to sexual advances,
6. Leering, making sexual gestures, displaying sexually suggestive objects or pictures, cartoons, or posters,
7. Using sexually offensive jokes, materials, and tricks,
8. Using verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual,
9. Suggestive or obscene letters, notes, e-mails or invitations,
10. Physical conduct such as touching (pinching, hugging, patting, or repeated brushing against another individual's body), assault, impeding or blocking movement,
11. Gifts of a sexual nature given at the workplace or at anniversary parties, retirement parties, and other work-related functions. The workplace includes conferences, workshops, and traveling on City business, or
12. Threatening retaliation for reporting sexual harassment.

7.02.02 Any of the above conduct will be considered sexual harassment if the purpose or effect unreasonably interferes with an employee's work performance, or creates an intimidating, hostile or offensive working environment.

7.02.03 The City does not condone any form of sexual harassment of its employees. All employees, including supervisors and Department Directors, will be subject to strict discipline, up to and including dismissal, for any act of sexual harassment they commit.

7.02.04 The creation of an intimidating, hostile, or offensive working environment may include but is not limited to such actions as persistent comments on an employee's sexual preferences or the display of obscene or sexually oriented photographs or drawings.

7.02.05 Department Directors and supervisors will be held strictly accountable to being aware of what constitutes alleged sexual harassment, that they are observant for behaviors of sexual harassment, and they educate their subordinates on proper interpersonal conduct as it relates to sexual harassment. Department Directors and supervisors will immediately report to the Human Resources Department their knowledge of any incident or suspected incident of sexual harassment and actively participate in ensuring a working environment free of sexual harassment. Failure to comply with these

requirements will be considered a serious offense, subject to disciplinary action, including dismissal.

7.03 OTHER PROHIBITED HARASSMENT

7.03.01 In addition to the City's prohibition against sexual harassment, harassment or discrimination on the basis of any other legally protected characteristic is also strictly prohibited. This means that verbal or physical conduct that singles out, denigrates, or shows hostility or aversion toward someone because of race, religion, color, national origin, age, disability, genetics, veteran status, citizenship, or any other characteristic protected by law is also prohibited.

7.03.02 Prohibited conduct includes, but is not limited to:

1. Epithets, slurs and negative stereotyping; threatening, intimidating, or hostile conduct; denigrating jokes and comments; and writings or pictures, that single out, denigrate, or show hostility or aversion toward someone on the basis of a protected characteristic. Conduct, comments, or innuendoes that may be perceived by others and third parties as offensive are wholly inappropriate and are strictly prohibited under this policy.
2. Bullying also constitutes a form of harassment and will not be tolerated. Cursing, demeaning, and/or personal ideas will not be conveyed upon employees for any reason. Any of these are grounds for discipline up to and including dismissal.
3. Sending, showing, sharing, or distributing in any form, inappropriate jokes, pictures, comics, stories, etc., including but not limited to via facsimile, e-mail, cell phone or other electronic devices, social media, and/or the Internet, such as YouTube and Facebook. Harassment of any nature, when based on race, religion, color, sex, national origin, age or disability, genetics, veteran status, citizenship or any other characteristic protected by law is prohibited and will not be tolerated.

7.04 TRAINING

All employees are required to undergo annual harassment training. Supervisors will receive additional training on how to recognize and address complaints.

7.05 MANDATORY REPORTING

7.05.01 The City requires employees to report all perceived incidents of harassment, regardless of the offender's identity or position. The report need not be in writing and can be anonymous.

7.05.02 Employees who observe or believe they are the victim of harassment must report such conduct as soon as possible to management:

1. Supervisor or if the supervisor is the subject of the complaint, report to the Department Head, or
2. Directly to Human Resources Department.

7.05.03 Reports may be made verbally or in writing and should include as much detail as possible, including the names of those involved, dates, witnesses and descriptions of the behavior.

7.05.04 Any supervisor, manager, or Department Director who becomes aware of possible conduct prohibited by this policy must immediately advise his/her Department Director or their designee and they shall immediately forward the complaint/report to the Human Resource Department. A complaint form is available from Human Resources or can be downloaded from the City's Intranet site under Human Resources Department.

7.05.05 Incidents of harassment should be reported within 48 hours so the City can undertake a prompt investigation. Employee notification to the City is essential. Employees will not be penalized in any way for reporting in good faith a harassment problem. All complaints of illegal discrimination or harassment will be promptly and thoroughly investigated, and violations of the policy will be treated as serious disciplinary infractions. All complaints of sexual harassment will be confidential and only those persons necessary for the investigation and resolution of the complaint will be given information concerning it. Retaliation for harassment complaints is prohibited and is grounds for disciplinary action up to and including dismissal.

7.05.06 A harassment claim should be presented to a supervisor or appropriate Department Head. If the complaint is against the Department Head, the claim should be presented to the Human Resources Department and/or City Manager. The claim will be promptly reviewed, investigated and the complaining party will be advised within limits of the disposition.

7.05.07 A substantiated report of harassment of any kind may result in disciplinary action up to and including immediate dismissal.

7.05.08 Any employee who knowingly or maliciously makes a false harassment complaint or report will be grounds for discipline up to and including dismissal.

7.06 RETALIATION PROHIBITED

Retaliation or reprisal against employees who make a good faith charge or report of prohibited conduct or who assist in a complaint investigation is prohibited, regardless of the outcome. Acts of retaliation must be reported immediately as set out above.

7.07 RESPONSIVE ACTION

7.07.01 Misconduct constituting harassment or retaliation will be promptly investigated and if substantiated, the City will take prompt remedial and immediate action. Discipline, up to and including dismissal will be imposed upon any employee who is found to have engaged in conduct prohibited by this policy. Likewise, disciplinary action will be imposed in situations where claims of prohibited conduct were untruthful, fabricated or exaggerated, or when employees are untruthful during an investigation.

7.07.02 Complaint procedure for discrimination, sexual harassment and retaliation.

1. If any employee believes they are the subject of an employment action that is substantially motivated by unlawful discrimination or retaliation based on considerations of protected status (such as race, color, ethnicity, national origin, gender, sex discrimination (including sexual harassment)), age, disability, religious belief, or any other characteristic protected by state or federal law, that employee may, and should advise the offending person or persons that their behavior is unacceptable and should be stopped. Often this action will resolve the problem.
2. If such action does not resolve the concern or action is believed to be improper, then the employee should immediately report the matter to their supervisor or Department Head.
3. Employee complaints about City elected officials (Mayor or City Council) must be made in writing and filed with the City Manager and City Secretary. The City Secretary will provide a sealed copy of the complaint to the City Attorney or other outside legal counsel for the City, and to the Mayor.

7.07.03 Complaint Investigations. All reports of prohibited conduct will be investigated promptly and in as confidential a manner as possible. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have other relevant knowledge. All employees are required to cooperate with an investigation and to maintain confidentiality. Failure to cooperate may result in discipline up to and including dismissal.

16.00 PERSONNEL FILES

16.01 GENERAL

16.01.01 Personnel records are maintained in the Human Resources Department. Personnel files, when not directly supervised, will be kept behind a locked door and in a locked file cabinet or in a password protected, access-controlled system that restricts access to authorized personnel only.

16.01.02 The Police Department will maintain a separate file on each licensed officer as allowed by Texas Local Government Code § 143.089(g). The Police Department may keep copies of documents listed in Section 16.02 of this policy in the Police Department's licensed officer files as required by Texas Local Government Code § 143.089(a) and Texas Occupations Code § 1701.4535.

16.01.03 Medical related personnel records such as ADA accommodations, FMLA, workers' compensation claims, benefits enrollment, and disability claim records are confidential files maintained by the Human Resources department. Paper versions of these records will be kept behind a locked door and in locked storage separate from other personnel files. Electronic versions of these records must be securely stored in a password protected, access-controlled system that complies with data privacy laws and regulations and restricts access to authorized personnel only. When transmitting these records electronically, they must be encrypted using IT Department approved protocols and sent via secure methods such as encrypted email or a secure file transfer service.

16.01.04 I-9 Employment Eligibility Verification records and supporting documents in paper form will be kept behind a locked door and in locked storage separate from other personnel records. Electronic versions of these records must be securely stored in a password protected, access-controlled system that complies with data privacy laws and regulations and restricts access to authorized personnel only. I-9 related records may only be transmitted electronically after consulting the City Attorney's Office and the IT Department.

16.01.05 Unless exempted by law, some records contained in an employee's personnel file are subject to disclosure under the Texas Public Information Act.

16.01.06 Employees may examine their personnel file upon request during normal working hours at City Hall. Employees may request copies of items or materials in their file but may not remove any information from the file.

16.01.07 Department Heads may view a non-medical related personnel file of an employee under their supervision for the handling of personnel matters. The Human Resources Department will provide supervised access to the file. The file and any of its contents may not be copied, photographed or leave the Human Resources department.

16.01.08 Employees will notify the Human Resources Department of any changes or corrections to information contained in their personnel files such as home address,

telephone number, person to be notified in case of emergency, or other pertinent information.

16.02 PERSONNEL FILE CONTENTS

The Human Resources Department will keep records of employee personnel actions in the employee's personnel files. The following documents are maintained in employee personnel files and retained in accordance with the City's records retention policies:

Personnel File Records
Job description assignments, including employment categories and work status
Compensation and benefits change records
Application for employment documents, to include resume, written application and offer letter
Training records
Election to keep certain records confidential
Performance evaluations
Awards
Disciplinary actions
Grievances
W-4 withholding certificates
Employment agreements
Policy and procedure forms requiring employee signatures
Any other relevant records relating to employment decisions
Employment Eligibility Verification Records
I-9 and supporting documents
Medical Related Document Records
Workers' compensation claims
FMLA
ADA

5.00 EMPLOYEE COMPENSATION AND ADVANCEMENT

5.00 PAYROLL

5.01 PAYROLL AND PAYDAY PROCEDURES

5.01.01 The City's pay period for the City is 14 days, or bi-weekly. The 14-day pay period starts at 12:00 am Monday and pay ends on the second Sunday at 11:59pm.

~~5.01.01~~ 5.01.02 Pay statements are issued the Friday following the end of the preceding pay period. Employee pay will be direct deposited on or before the Friday following the end of the pay period. Pay statements are confidential and may not be disbursed to anyone other than the employee.

5.01.03 Time sheets are due to the Finance Department Heads not later than 9:00 am Tuesday following the end of the pay period. Supervisors are responsible for submitting accurate, totaled employee time sheets on all non-exempt.

5.01.04 Direct deposit is a mandatory condition of employment with the City. Exceptions to direct deposit and authorization for alternative payment methods will be approved by the Human Resources Director in accordance with Texas Labor Code Chapter 61 Payment of Wages.

~~5.01.02~~ 5.01.05 W2s will be distributed to employees to the City Accountant not later than 9:00 a.m. on January 31st after the Tuesday preceding the pay day unless a holiday conflict tax year.

~~5.01.03 Any employee who has questions about the amount paid, any deductions from their paycheck, or who wishes to change the amount of income tax withholding shall contact the City Accountant.~~

~~5.01.04 All employees shall have their pay direct deposited.~~

~~5.01.05 The City Accountant shall be responsible for distributing required federal tax information forms to all employees during the month of January each year.~~

~~5.01.06 The annual council approved bonus pay shall be issued by paper check and distributed by December 20 of the fiscal year approved.~~

5.02 PAY STATEMENT DELIVERY

~~5.02.01 Pay statements are distributed by the City Secretary or by an individual delegated by the City Secretary as stated in 5.01.01. If a~~ 5.01.06 The City will not make payday falls on a holiday, pay statements will be issued on the last working day preceding the holiday.

~~5.02.02~~—Pay statements will not be disbursed to any other party other than the employee without prior written authorization from the employee.

~~5.02.03~~ No pay advances or loans will be made to any employee for any reason. (Legal reference: Texas to employees. (Texas Constitution, Article III, Sections 51, 52, and 53)

5.035.02 PAYROLL DEDUCTIONS

~~5.03.01~~ ~~Deductions~~5.02.01 Mandatory deductions will be made from ~~each employee's~~ an employee's pay for the following:

- ~~-1. Federal Income Taxes;~~income tax based on W4 elections,
- ~~-2. FICA Social Security and Medicare;~~ taxes,
- ~~4. Texas Municipal Retirement System contributions;~~
- ~~3. The employee's portion not paid by the of group medical, dental and vision insurance premiums,~~
- ~~4. Court ordered garnishments, and~~
- ~~5. Required City reimbursements.~~
- ~~5.02.02 Voluntary deductions may be made from an employee's pay, with the employee's consent, for Group Dependent Medical/Dental premiums;~~ the following:
 - ~~-1. Requested deductions by the employee for a city-approved deferred~~Deferred compensation plan; contributions,
 - ~~Any other deductions required by law, such as legally directed garnishments;~~
 - ~~2. Such other~~Supplemental Life and AD&D insurance premiums,
 - ~~3. Flexible spending account or health savings account contributions,~~
 - ~~4. AFLAC supplemental benefits, or~~
 - ~~-5. Other deductions as may be authorized~~ by the employee.

~~If~~5.02.03 Employees are responsible for notifying the Human Resources Department when there is a change in the employee's are changes to their family status, address, or any other factor affecting their payroll withholding or benefits status.

5.03 CERTIFICATION, ~~the employee is responsible for obtaining, completing, and returning to,~~ STIPEND AND LONGEVITY PAY

~~5.03.02~~ 5.03.01 Certain employees may be eligible for certification or stipend pay based on specialized certifications or specific skills proficiencies that align with the City's needs. The list of approved certifications and corresponding stipend pay will be maintained by Human Resources and reviewed and approved annually by the City Accountant the appropriate forms for communicating these changes Council as part of the budget approval

process.

~~5.04 PAY PLAN~~

~~5.04.01 Wages and salaries provided employees will be competitive in the job market served. A WAGE/SALARY and BENEFITS REVIEW will be made annually and provided to City Council for approval each year during the budget cycle. Texas Municipal League's comparative data and other available statistical data will be utilized in this review. At the discretion of City Council, types of pay include:~~

~~BASE PAY – The amount paid for completing the normally assigned tasks and duties associated with the position held by the employee.~~

~~BONUS PAY – City Council approved annual year-end bonus paid to all employees who are working as of September 30 of the year the bonus is received.~~

~~CALL BACK PAY – Non-exempt employees, except law enforcement, who are called back to work at other than normal working hours, shall be paid at the minimum four (4) hours pay. Non-exempt law enforcement employees shall be paid at the minimum two (2) hours pay. Hours worked as “call back” shall always be paid at the overtime rate.~~

~~COURT PAY – Law enforcement employees who are required to mandatory court appearance other than on their assigned work day shift shall be paid at the minimum two (2) hours pay at the overtime rate.~~

5.03.02 The City Manager will establish and maintain eligibility standards for certification and stipend pay.

5.03.03 [Effective October 1, 2025]

~~CERTIFICATION PAY – The hourly additive paid to the base pay of regular full-time police officers and public works employees possessing a job related certification beyond which is required as a condition of the employees employment or job description and is relevant to the position held.~~ Certification and stipend pay must ~~will~~ be approved by the

City Administrator: Certifications:

~~Groundwater Production B _____ .50 cents an hour; and
Water System Operator A _____ .50 cents an
hour; prorated and Wastewater Treatment Facility B _____ .50
cents an hour; and Wastewater Treatment Facility A _____ .50
cents an hour Police Intermediate Certification _____ .14
cents an hour; and Police Advanced Certification _____ .14
cents an hour; and Police Master Certification .14 cents an hour~~

~~EDUCATION PAY – The hourly additive paid to the based distributed each pay of regular full-time police officers possessing a college degree:~~

College Degree:

~~Associates _____ .48 cents an hour; or~~

~~Bachelors .96 cents an hour~~

~~Law enforcement employees are entitled to either Certification or Education Pay not both.~~

~~EMERGENCY AND DISASTER PAY – Unless notified in advance by the City Administrator or Department Head, employees are required to report to work in city emergency/disaster conditions including, but not limited to, hurricanes, tornadoes, floods, ice storms, earthquakes, fires, chemical accidents including hazardous materials spills or any other disaster which threatens the safety/health or welfare of Fair Oaks Ranch's citizens. All city employees are considered Essential during emergency or disaster conditions.~~

~~Employees who request early dismissal from duty due to said conditions, shall be paid for the number of actual hours worked, and allowed to use accrued vacation or leave without pay if vacation leave is exhausted, to cover work hours missed during that work period. All employees shall use accrued vacation or leave without pay if vacation leave is exhausted, to cover a full day work time missed due to the emergency/disaster. The Mayor and/or City Administrator shall have the discretion to authorize employees to be released from their job duties with full pay.~~

~~All hours worked by non-exempt employees over 40 hours in a 7 day work period shall be compensated at the overtime rate at 1.5 times the normal rate.~~

~~FIELD TRAINING OFFICER – The hourly additive paid to the base pay to police officers designated as Field Training Officers; .50 cents an hour.~~

~~FIREFIGHTING PAY – Employees who volunteer with the Leon Springs Volunteer Fire Department (LSVFD) will be paid the following hourly additives to their base pay:~~

~~\$.50 cents – when accepted by LSVFD; and~~

~~\$.50 cents – attending and passing Fire Fighting School 1; and~~

~~\$.50 cents – attending and passing Fire Fighting School 2, 3, and 4; and~~

~~\$.50 cents – attending and passing Fire Fighting School 5 and 6; and~~

~~\$.50 cents – obtaining Fire Fighting Certification~~

~~To continue receiving the firefighting pay, the employee must attend all LSVFD scheduled meetings, unless they have obtained an excused written absence from the Fire Chief with a copy given to the City Administrator and, and must remain in good standing with LSVFD and the City.~~

~~HOLIDAY PAY – Every regular full-time employee shall be paid their normal hours of pay on all scheduled holidays. Any non-exempt call back employee who is called back on a holiday shall be compensated the callback pay in addition to holiday pay. Any “scheduled work” employee who works on a holiday shall be compensated at their normal rate in addition to holiday pay. Holidays are not considered in the same manner as “hours worked” under FLSA for the purpose of determining when the employee has worked more than the maximum allowable hours and is therefore not subject to overtime.~~

~~LONGEVITY PAY – The hourly additive paid for longevity to authorized employees based on a preset calculation by the City Council. Employees begin receiving longevity pay at the following fiscal year after achieving one year of servicethe annually authorized amount.~~

~~MERIT PAY—Merit increases will be considered annually as a part of budget review and if granted by the City Council, will be made effective the first full pay period in October of each year. Unbudgeted merit increases recommended during the fiscal year shall have City Council approval.~~

~~OVERTIME PAY—All non-exempt employees shall be compensated for overtime at 1.5 times the normal rate for hours worked in excess of 40 hours during a given 7-day work week. If an employee is required to work extra hours during a work week in which they have used sick leave, vacation leave, or any other type of leave (including holiday time off; excluding jury duty), the employee will be paid for the extra hours at the regular straight-time pay rate. However, if the extra hours worked are more than the number of leave time hours taken, the employee will be paid at one and one-half times the regular rate of pay for the number of extra hours worked in excess of 40 hours.~~

~~SICK PAY—The amount paid for approved sick leave that has been earned.~~

~~STANDBY PAY—An hourly additive given to non-exempt stand-by designated employees, excluding police, for being available to return to work 24 hours a day, 7 days a week.~~

~~VACATION PAY—The amount paid for approved vacation that has been earned.~~

~~WAGE CONTINUATION PAY—An employee who sustains an on-the-job injury that results in lost time shall receive up to one week of wage continuation pay. Wage continuation pay shall be the difference between the weekly Worker's Compensation insurance payment and the employee's base pay for one week.~~

~~5.04.02—Additive pays, as described above, are at the discretion of the City Administrator, as approved by City Council, and may be discontinued if not funded during a fiscal year.~~

5.05—PROMOTIONS

~~5.05.01—A promotion is a change in the assignment of an employee from a position in one classification to a position in a higher classification. A promotion recognizes advancement to a higher position requiring higher qualifications and involving greater responsibility. A promoted employee may receive a pay increase. No promotion shall be made solely upon the basis of seniority or longevity.~~

~~5.05.02—Promotions are approved by the Mayor with concurrence of the City Council.~~

~~5.05.03—Upon promotion, an employee serves an introductory period of 90 days.~~

5.06—DEMOTIONS

~~A demotion is a change in duty assignment of an employee to a lower job title. Demotions may be made voluntarily, may occur due to reclassification of an employee's position or~~

~~due to a disciplinary measure because of unsatisfactory performance in a higher position. Salary may be adjusted.~~

~~5.07 TRANSFERS~~

~~A transfer is the reassignment of an employee from one position to another. A transfer not involving a promotion or demotion may be affected at any time for administrative convenience or necessity, or upon request of the employee to the City Administrator, provided that the employee is qualified to perform the duties of the position to which the transfer is contemplated. Transfers between departments shall become effective following approval of the City Administrator.~~

~~5.08 PAY RAISES EFFECTIVE DATE~~

~~Any recommended salary adjustments during a fiscal year will begin to accrue on the first day of the next full pay period.~~

~~5.09 APPROVING AUTHORITY~~

~~The City Council is the approving authority for all payrolls granted under the terms of these policies, the pay plans, performance pay increases, and the annual budget.~~

5.03.04 [Effective October 1, 2025] Eligible employees will receive longevity pay each year on their employment anniversary date. Longevity pay will be issued as a lump sum and included in the payroll following the employee's anniversary date. The table of approved longevity pay amounts will be maintained by Human Resources and approved annually by the City Council as part of the budget approval process.

7.00 BENEFITS

7.01 MEDICAL, LIFE, AND LONG-TERM DISABILITY INSURANCE

7.01.01 ~~The City of Fair Oaks Ranch provides group hospitalization, dental and medical insurance, long-term disability and life insurance for regular full-time employees. Employee premiums are paid for by the City and only a council-approved portion for dependent medical/dental premiums for employees opting for such coverage. Additional coverage cost payable by the employee through payroll deductions at the prevailing rate. Medical insurance coverage becomes effective first date of employment. Long-term disability insurance begins after a 120-day elimination period.~~

7.01.02 ~~Upon employment, each regular employee will be given detailed information about the insurance programs and amendments as provided by the City's insurance carrier.~~

7.01.03 ~~See Section 13.10; Continuation of Group Insurance for information on continued coverage after certain status changes.~~

7.02 125 PLAN

~~Through the I.R.S. Code, Section 125, the City sponsors a Flexible Spending Account Plan for its employees who pay premiums for dependent medical/dental care. This reduces the amount of the participating employee's taxable wages subject to Federal Income, Social Security, and Medicare taxes.~~

7.03 TEXAS MUNICIPAL RETIREMENT SYSTEM

7.03.01 ~~The City is a member of the Texas Municipal Retirement System (TMRS), a non-traditional joint contributory, defined contribution plan. Membership in the retirement system is mandatory for all regular full-time employees (defined by TMRS as an employee who works in excess of 1,000 hours per year). Upon employment, each eligible employee receives a TMRS brochure about the retirement coverage and options under TMRS.~~

7.03.02 ~~A salary percentage, as approved by City Council, is paid by all regular full-time employees and matched by the City. Employees will be kept informed when percentages change. Employee contributions are tax deferred until the employee receives the funds either as a refund upon termination of employment or as monthly retirement benefit.~~

7.03.03 ~~Employees who leave the city employment prior to retirement will, after filing a request with TMRS, be refunded their portion of the retirement account plus interest earned on their portion.~~

~~7.03.04~~ Additional information about retirement is contained in Section 13.03; Retirement.

~~7.04~~ **SOCIAL SECURITY/MEDICARE**

~~All employees of the City are covered by Social Security/Medicare. The City contributes to the Social Security/Medicare System for each employee as required by law.~~

~~7.05~~ **DEFERRED COMPENSATION**

~~All City employees are eligible to participate in one or both of the Deferred Compensation plans the City offers. The programs follow the rules established by the Internal Revenue Service, Title 457. Participation is optional and the City does not match funds.~~

~~7.06~~ **UNEMPLOYMENT COMPENSATION INSURANCE**

~~All employees of the City are covered under the Texas Unemployment Compensation Insurance Program, and the City pays for this benefit. This program provides payments for workers when terminated under certain circumstances (Legal reference: V.T.C.S., Article 5221b-1). It is the employees responsibility to file for unemployment compensation with the State of Texas when terminated. Eligibility will be determined by the State and verified by the City on a case-by-case basis.~~

~~7.07~~ **WORKERS' COMPENSATION**

~~All employees of the City are covered under the Workers' Compensation Insurance Program, and the City pays the premium. This coverage provides medical and salary continuation payments to employees who receive bona fide on-the-job, work-related injuries (Legal reference: V.T.C.S., Article 8306-8309). Additional information on Worker's Compensation benefits is found in Section 10.04; On the Job Injuries.~~

~~7.08~~ **LEAVE TIME**

~~Regular full-time employees are eligible for holiday leave, vacation leave, sick leave, and other types of released time under certain circumstances. Detailed information about leave and other types of released time is found in Chapter 8; Leave Time of this manual.~~

~~7.09~~ **CONFERENCE, SEMINAR, TRAINING**

~~When a Department Head approves an employee to attend an educational or training course, conference, or seminar, the City will provide the necessary time off with pay and~~

~~will reimburse the employee for associated costs, including tuition or registration fees, and authorized travel, meals and lodging. See Chapter 17; **Travel/Subsistence Reimbursements** and Chapter 18; **Professional Development** for additional information.~~

~~7.10 SICK LEAVE POOL~~

~~7.10.01 The purpose of the Sick Pool is to assist employees who have a serious medical condition, with paid sick leave once they have exhausted all their holiday, sick, and vacation leave until they qualify for long term disability or return to work. Employee participation in the Pool is totally voluntary; but to be eligible to use the pool, the employee must be a pool member.~~

~~7.10.02 A pool member may contribute a maximum of eight hours per fiscal year to the Sick Leave Pool. When an employee leaves the employ of the City, they may contribute a maximum of 24 hours to the Pool prior to receiving their final paycheck. The City Accountant will be responsible for keeping records indicating the total number of hours accrued in the Sick Leave Pool.~~

~~7.10.03 A committee of employees to include the Police Chief, Public Works Administrator, City Secretary, one at-large employee, selected by a lottery system, and one City Council Member will be responsible for administrating the Pool. When an unexpected medical condition occurs which causes a member to use all of their accrued sick, holiday, and vacation leave they may request that the committee grant them additional sick leave time from the Pool. The committee will review the employees medical condition, sick leave usage history, length of time in the Pool and financial impact on the member in granting or denying request for sick leave from the Pool. The decision of the Committee is final. Being a member does not entitle the member to the benefit.~~

~~7.10.04 The City is not obligated to provide additional sick leave if there is no time accrued in the pool.~~

7.00 HARASSMENT

7.01 GENERAL

7.01.01 The City is committed to promoting an environment that is free of harassment and unlawful discrimination and requires all employees to complete an annual training course on harassment. The City recognizes that harassment based on sex (with or without sexual conduct), race, color, religion, national origin, age, disability or genetic information, is a violation of federal and state laws. Harassment is unwelcome conduct that is based on race, color, religion, sex, national origin, age, disability or genetic information. The City prohibits any harassment where:

1. Enduring the offensive conduct becomes a condition of continued employment, or
2. The conduct is severe or pervasive enough to create a work environment that a reasonable person would consider to be intimidating, hostile, or abusive.

7.01.02 Each supervisor is responsible for maintaining their workplace free harassment. This duty includes discussing and enforcing this policy and procedure with all employees.

7.01.03 It is the responsibility of all employees to immediately report any violation or breach of harassment policies and to cooperate in any resulting investigation. Prompt notification to the City is essential. Employees will not be penalized in any way for reporting in good faith a harassment concern. The City prohibits employees from hindering an internal investigation or an internal complaint. Retaliation for harassment complaints is prohibited and is grounds for disciplinary action up to and including dismissal.

7.01.04 This policy applies to City employees, volunteers, contractors for the City, citizens, vendors, and other visitors to the workplace, work-related activities, events, conferences, travel as well as offsite city events and social gatherings.

7.02 SEXUAL HARASSMENT

7.02.01 Sexual harassment includes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a harassing nature. Such conduct includes but is not limited to the following when:

1. Submission to such sexual conduct is made a term or condition of an individual's employment,
2. Submission to or rejection of such conduct is used as the basis for employment decisions affecting an individual (i.e., denial of a pay increase, promotion, transfer, leave of absence, imposing disciplinary action, promising to withhold disciplinary action, etc.),

3. Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance, or creating an intimidating, hostile or offensive working environment,
4. Offering employment benefits in exchange for sexual favors,
5. Making or threatening reprisals after a negative response to sexual advances,
6. Leering, making sexual gestures, displaying sexually suggestive objects or pictures, cartoons, or posters,
7. Using sexually offensive jokes, materials, and tricks,
8. Using verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual,
9. Suggestive or obscene letters, notes, e-mails or invitations,
10. Physical conduct such as touching (pinching, hugging, patting, or repeated brushing against another individual's body), assault, impeding or blocking movement,
11. Gifts of a sexual nature given at the workplace or at anniversary parties, retirement parties, and other work-related functions. The workplace includes conferences, workshops, and traveling on City business, or
12. Threatening retaliation for reporting sexual harassment.

7.02.02 Any of the above conduct will be considered sexual harassment if the purpose or effect unreasonably interferes with an employee's work performance, or creates an intimidating, hostile or offensive working environment.

7.02.03 The City does not condone any form of sexual harassment of its employees. All employees, including supervisors and Department Directors, will be subject to strict discipline, up to and including dismissal, for any act of sexual harassment they commit.

7.02.04 The creation of an intimidating, hostile, or offensive working environment may include but is not limited to such actions as persistent comments on an employee's sexual preferences or the display of obscene or sexually oriented photographs or drawings.

7.02.05 Department Directors and supervisors will be held strictly accountable to being aware of what constitutes alleged sexual harassment, that they are observant for behaviors of sexual harassment, and they educate their subordinates on proper interpersonal conduct as it relates to sexual harassment. Department Directors and supervisors will immediately report to the Human Resources Department their knowledge of any incident or suspected incident of sexual harassment and actively participate in ensuring a working environment

free of sexual harassment. Failure to comply with these requirements will be considered a serious offense, subject to disciplinary action, including dismissal.

7.03 OTHER PROHIBITED HARASSMENT

7.03.01 In addition to the City's prohibition against sexual harassment, harassment or discrimination on the basis of any other legally protected characteristic is also strictly prohibited. This means that verbal or physical conduct that singles out, denigrates, or shows hostility or aversion toward someone because of race, religion, color, national origin, age, disability, genetics, veteran status, citizenship, or any other characteristic protected by law is also prohibited.

7.03.02 Prohibited conduct includes, but is not limited to:

1. Epithets, slurs and negative stereotyping; threatening, intimidating, or hostile conduct; denigrating jokes and comments; and writings or pictures, that single out, denigrate, or show hostility or aversion toward someone on the basis of a protected characteristic. Conduct, comments, or innuendoes that may be perceived by others and third parties as offensive are wholly inappropriate and are strictly prohibited under this policy.
2. Bullying also constitutes a form of harassment and will not be tolerated. Cursing, demeaning, and/or personal ideas will not be conveyed upon employees for any reason. Any of these are grounds for discipline up to and including dismissal.
3. Sending, showing, sharing, or distributing in any form, inappropriate jokes, pictures, comics, stories, etc., including but not limited to via facsimile, e-mail, cell phone or other electronic devices, social media, and/or the Internet, such as YouTube and Facebook. Harassment of any nature, when based on race, religion, color, sex, national origin, age or disability, genetics, veteran status, citizenship or any other characteristic protected by law is prohibited and will not be tolerated.

7.04 TRAINING

All employees are required to undergo annual harassment training. Supervisors will receive additional training on how to recognize and address complaints.

7.05 MANDATORY REPORTING

7.05.01 The City requires employees to report all perceived incidents of harassment, regardless of the offender's identity or position. The report need not be in writing and can be anonymous.

7.05.02 Employees who observe or believe they are the victim of harassment must report such conduct as soon as possible to management:

1. Supervisor or if the supervisor is the subject of the complaint, report to the Department Head, or
2. Directly to Human Resources Department.

7.05.03 Reports may be made verbally or in writing and should include as much detail as possible, including the names of those involved, dates, witnesses and descriptions of the behavior.

7.05.04 Any supervisor, manager, or Department Director who becomes aware of possible conduct prohibited by this policy must immediately advise his/her Department Director or their designee and they shall immediately forward the complaint/report to the Human Resource Department. A complaint form is available from Human Resources or can be downloaded from the City's Intranet site under Human Resources Department.

7.05.05 Incidents of harassment should be reported within 48 hours so the City can undertake a prompt investigation. Employee notification to the City is essential. Employees will not be penalized in any way for reporting in good faith a harassment problem. All complaints of illegal discrimination or harassment will be promptly and thoroughly investigated, and violations of the policy will be treated as serious disciplinary infractions. All complaints of sexual harassment will be confidential and only those persons necessary for the investigation and resolution of the complaint will be given information concerning it. Retaliation for harassment complaints is prohibited and is grounds for disciplinary action up to and including dismissal.

7.05.06 A harassment claim should be presented to a supervisor or appropriate Department Head. If the complaint is against the Department Head, the claim should be presented to the Human Resources Department and/or City Manager. The claim will be promptly reviewed, investigated and the complaining party will be advised within limits of the disposition.

7.05.07 A substantiated report of harassment of any kind may result in disciplinary action up to and including immediate dismissal.

7.05.08 Any employee who knowingly or maliciously makes a false harassment complaint or report will be grounds for discipline up to and including dismissal.

7.06 RETALIATION PROHIBITED

Retaliation or reprisal against employees who make a good faith charge or report of prohibited conduct or who assist in a complaint investigation is prohibited, regardless of the outcome. Acts of retaliation must be reported immediately as set out above.

7.07 RESPONSIVE ACTION

7.07.01 Misconduct constituting harassment or retaliation will be promptly investigated and if substantiated, the City will take prompt remedial and immediate action. Discipline, up to and including dismissal will be imposed upon any employee who is found to have engaged in conduct prohibited by this policy. Likewise, disciplinary action will be imposed in situations where claims of prohibited conduct were untruthful, fabricated or exaggerated, or when employees are untruthful during an investigation.

7.07.02 Complaint procedure for discrimination, sexual harassment and retaliation.

1. If any employee believes they are the subject of an employment action that is substantially motivated by unlawful discrimination or retaliation based on considerations of protected status (such as race, color, ethnicity, national origin, gender, sex discrimination (including sexual harassment)), age, disability, religious belief, or any other characteristic protected by state or federal law, that employee may, and should advise the offending person or persons that their behavior is unacceptable and should be stopped. Often this action will resolve the problem.
2. If such action does not resolve the concern or action is believed to be improper, then the employee should immediately report the matter to their supervisor or Department Head.
3. Employee complaints about City elected officials (Mayor or City Council) must be made in writing and filed with the City Manager and City Secretary. The City Secretary will provide a sealed copy of the complaint to the City Attorney or other outside legal counsel for the City, and to the Mayor.

7.07.03 Complaint Investigations. All reports of prohibited conduct will be investigated promptly and in as confidential a manner as possible. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have other relevant knowledge. All employees are required to cooperate with an investigation and to maintain confidentiality. Failure to cooperate may result in discipline up to and including dismissal.

16.00 PERSONNEL FILES

16.01 GENERAL

16.01.01 Personnel files of active employees records are maintained in the City Accountant's office. Additional police Human Resources Department. Personnel files, when not directly supervised, will be kept behind a locked door and in a locked file cabinet or in a password protected, access-controlled system that restricts access to authorized personnel only.

16.01.02 The Police Department will maintain a separate file on each licensed officer as allowed by Texas Local Government Code § 143.089(g). The Police Department may keep copies of documents listed in Section 16.02 of this policy in the Police Department's licensed officer files as required by Texas Local Government Code § 143.089(a) and Texas Occupations Code § 1701.4535.

16.01.04 16.01.03 Medical related personnel records such as ADA accommodations, FMLA, workers' compensation claims, benefits enrollment, and disability claim records are confidential files maintained in the Police Chief's office. The record copy of all personnel information related to an employee shall be filed in the employee's by the Human Resources department. Paper versions of these records will be kept behind a locked door and in locked storage separate from other personnel file files. Electronic versions of these records must be securely stored in a password protected, access-controlled system that complies with data privacy laws and regulations and restricts access to authorized personnel only. When transmitting these records electronically, they must be encrypted using IT Department approved protocols and sent via secure methods such as encrypted email or a secure file transfer service.

16.01.02 Medical records are kept in a separate confidential file maintained by the City Accountant. (Legal reference: U.S. Americans with Disabilities Act of 1990).

16.01.03 Information in an employee's personnel file is public information and shall be disclosed upon request unless specific items are excepted from disclosure by law. (Legal reference: Texas Open Records Act, V.T.C.S., Article 6252-17a). No personnel information in an employee's file will be communicated to any person or organization except by the City Administrator

16.01.04 Employees may choose whether the City discloses their home address and telephone number to the public on request. If an employee does not request confidentiality in writing within the first 14 days of employment, the home address and telephone number on file are considered public information, with the exception of peace officers, whose addresses and telephone numbers are not public information (See Appendix C).

16.01.04 I-9 Employment Eligibility Verification records and supporting documents in paper form will be kept behind a locked door and in locked storage separate from other personnel records. Electronic versions of these records must be securely stored in a

password protected, access-controlled system that complies with data privacy laws and regulations and restricts access to authorized personnel only. I-9 related records may only be transmitted electronically after consulting the City Attorney's Office and the IT Department.

16.01.05 Unless exempted by law, some records contained in an employee's personnel file are subject to disclosure under the Texas Public Information Act.

~~16.01.05~~ 16.01.06 Employees may examine their personnel file upon request during normal working hours at City Hall. Employees may request copies of items or materials in their file but may not remove anything ~~any information~~ from the file.

~~16.01.06 When a~~ 16.01.07 Department Head ~~requires access to a~~ Heads may view a non-medical related personnel file of an employee under their supervision for the handling of personnel matters, ~~the City Accountant. The Human Resources Department will provide supervised access to the specific file(s). The file and any of its contents may not be copied, photographed or leave the Human Resources department.~~

~~16.01.07~~ 16.01.08 Employees ~~are required to inform their~~ will notify the Human Resources Department ~~Head and City Accountant~~ of any changes or corrections to information ~~recorded~~ contained in their ~~individual~~ personnel files such as home address, telephone number, person to be notified in case of emergency, or other pertinent information.

16.02 PERSONNEL ACTIONS FILE CONTENTS

~~All~~ The Human Resources Department will keep records of employee personnel actions ~~documented and placed in the employee's personnel file includes~~ files. The following documents used to promote uniformity are maintained in matters affecting:

- Employment Category
- Position Title and Classification
- Compensation and Benefits
- Other Actions Affecting the Employee Work Status

~~All~~ employee personnel actions ~~become a permanent part of the employee's personnel file, and a copy is given to the employee.~~ files and retained in accordance with the City's records retention policies:

~~16.03 CONTENTS OF PERSONNEL FILES~~

~~An employee's personnel file may contain, but not limited to:~~

- A copy of the employee's application/resume for employment;
- A signed copy of the employee's acknowledgment of receiving and reviewing

~~a copy of this manual;~~

~~— Election to keep confidential home address and home telephone number;~~

~~— Employee's job description(s);~~

~~— Performance Evaluation Records;~~

~~— Records of any Citations for Excellence or Awards For Good Performance;~~

~~— Records of Disciplinary Action(s);~~

~~— Copies of any Grievances and the Results;~~

~~— W-4 Forms;~~

~~— I-9 Forms;~~

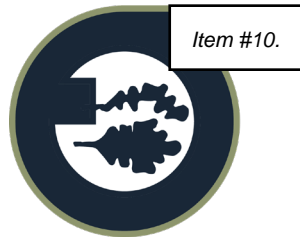
~~— Any other pertinent information having a bearing on the employee's status;
and~~

~~— Policy and procedure forms requiring employee signatures~~

Personnel File RecordsJob description assignments, including employment categories and work statusCompensation and benefits change recordsApplication for employment documents, to include resume, written application and offer letterTraining recordsElection to keep certain records confidentialPerformance evaluationsAwardsDisciplinary actionsGrievancesW-4 withholding certificatesEmployment agreementsPolicy and procedure forms requiring employee signaturesAny other relevant records relating to employment decisions**Employment Eligibility Verification Records**I-9 and supporting documents**Medical Related Document Records**Workers' compensation claimsFMLAADA



Personnel Policies Updates



Consideration:

Ch. 5 Employee Compensation / Advancement

Ch. 7 Benefits (Remove)

Ch. 7 Harassment (Add)

Ch. 16 Personnel Files

Jim Williams

Assistant City Manager

For Consideration



1. Ch. 5 Employee Compensation and Advancement
2. Ch. 7 Benefits (Remove)
3. Ch. 7 Harassment (Add)
4. Ch. 16 Personnel Files

Ch. 5 – Employee Compensation & Advancement



1. Primary reasons for change:
 - General clean up to match current practices
 - Certification, Stipend and Longevity pay – take out of the hourly rate & refer to compensation plan
2. Other reasons for change
 - Clarify: City's pay period, time sheets, direct deposit
 - Change title to “Payroll”

Ch. 7 – Benefits (Remove)



1. Primary reasons:

- Most of the subsections in 2006 version have been addressed in other chapters
- Coming back to Council with Chapter 1 subsection on employee benefits
 - Short summary of City's employee benefits package
 - Subject to Council approval and appropriation

Ch. 7 – Harassment (Add)

1. Primary reasons:

- We need a harassment policy
- Aligns with harassment training campaign

2. Key provisions:

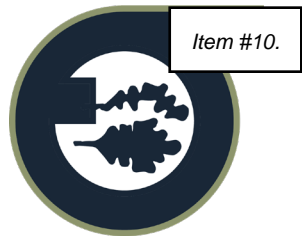
- General policy statement, aligns with state, federal law
- Supervisor responsibilities, training
- Definitions (Sexual harassment, other harassment)
- Reporting, retaliation, responsive action

Ch. 16 – Personnel Files



1. Primary reasons:

- General clean up, modernize
- Electronic file storage, transmittal standards
- Clarifies: which records PD will keep in their files
- Updates records content inventory



Questions



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Consideration and possible action approving a resolution adopting the FY 2025-26 Strategic Action Plan

DATE: May 15, 2025

DEPARTMENT: Administration

PRESENTED BY: Jim Williams, MBA, ICMA-CM, Assistant City Manager

INTRODUCTION/BACKGROUND:

In 2019, the City adopted the current Strategic Action Plan (SAP). While the vision, mission and core goals – referred to as Pillars and Priorities – have remained consistent, the SAP is updated each year. These annual updates allow the City to add new projects or adjust the timing of existing projects to better support the Plan's long-term objectives.

On April 17, 2025, the City Council held an SAP workshop to help identify work priorities for the upcoming budget season. **Exhibit A**, attached, summarizes the City's proposed strategic priorities for FY 2025-26, which includes the addition of several new projects:

- 1.3.5 Develop a risk management policy
- 2.2.7 Implement a Master Roads Plan (Capital Improvement Plan)
- 4.5.5 Develop and implement an Emergency Management Testing, Training & Evaluation program
- 5.2.7 Implement a bi-annual community survey
- 5.2.8 Implement community polling system
- 5.2.9 Automate community sentiment and social listening
- 5.2.10 Develop Crisis Communications Plan Annex for the Emergency Operations Plan
- 5.3.13 IT Master Plan – Update Servers
- 5.3.14 IT Master Plan – Network Update Phase 2

Also discussed at the April 17th meeting was the observation that many of the internal and external factors that shaped the original 2019 SAP may be completed or less relevant today. During the past five years, new opportunities and challenges have emerged, significantly altering the City's operational landscape. Given the decreasing relevance of the original assumptions and the presence of new influencing factors, it is now time to develop a new Strategic Action Plan.

Upon adoption of this resolution, staff will begin incorporating the new and revised projects outlined in **Exhibit A** into the FY 2025–26 budget. With City Council's concurrence, staff will then commence efforts in Fall 2025 to develop a new five-year Strategic Action Plan, with the goal of completing and adopting the updated plan by April 2026.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Supports Strategic Action Plan Priority 1.1.1 Develop and Maintain a Budget that links with the Strategic Action Plan.

The Strategic Action Plan serves as a community roadmap, guiding efforts to identify opportunities and address challenges to enhance City services for the benefit of its residents.

Government Finance Officers Association (GFOA) identifies the establishment of strategic plans as a budgeting best-practice and requires a strategic plan as one of the criteria for the GFOA Distinguished Budget Award, which the City of Fair Oaks Ranch has won six years in a row.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

None

LEGAL ANALYSIS:

The resolution is approved as to form by the City Attorney's office.

RECOMMENDATION/PROPOSED MOTION:

I move to approve a resolution adopting the FY 2025-26 Strategic Action Plan and direct the City Manager to commence efforts to develop a new Strategic Action Plan and present said plan to City Council for approval in April 2026.

A RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS ADOPTING THE FY 2025-26 STRATEGIC ACTION PLAN

WHEREAS, the City of Fair Oaks Ranch adopted a Strategic Action Plan (SAP) in 2019, and

WHEREAS, the 2019 SAP was used as an active and dynamic guide, shaping strategic decisions related to delivery of City services, governance, and financial oversight, and

WHEREAS, since 2019 the SAP has contributed to the successful prioritization of resources, leading to the completion of over 100 improvement initiatives, and

WHEREAS, the City recognizes that many of the internal and external factors that shaped the development of the 2019 SAP may be completed or less relevant and during the past five years, new challenges and opportunities have emerged, and

WHEREAS, given the decreasing relevance of the original assumptions and the presence of new influencing factors, it is time to develop a new Strategic Action Plan, and

WHEREAS, the City wishes to use the 2019 SAP for one more budget cycle while at the same time begin work on a new Strategic Action Plan, and

WHEREAS, it is in the best interest of the City to have an updated and relevant Strategic Action Plan.

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

- Section 1.** The City Council hereby adopts the FY 2025-26 Strategic Action Plan, as presented in Exhibit A. In addition, the City Council directs the City Manager to commence efforts to develop a new Strategic Action Plan and present said plan to City Council for approval in April 2026.
- Section 2.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.
- Section 3.** 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 4.** That 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, as amended, Texas Government Code.

- Section 5.** 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 provision of this resolution shall be and remain controlling as to the matters resolved herein.
- Section 6.** This resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.
- Section 7.** This resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED, APPROVED, and ADOPTED on this 15th day of May 2025.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, TRMC
City Secretary

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



Strategic

P R I O R I T I E S

FY 2025-26



The City of Fair Oaks Ranch

The City Council and the City's staff devoted a significant amount of time to develop this Strategic Plan. The purpose of this plan is to define the quality of life that citizens desire to maintain in the form of a vision statement as well as to articulate an organizational mission that seeks to achieve the vision.

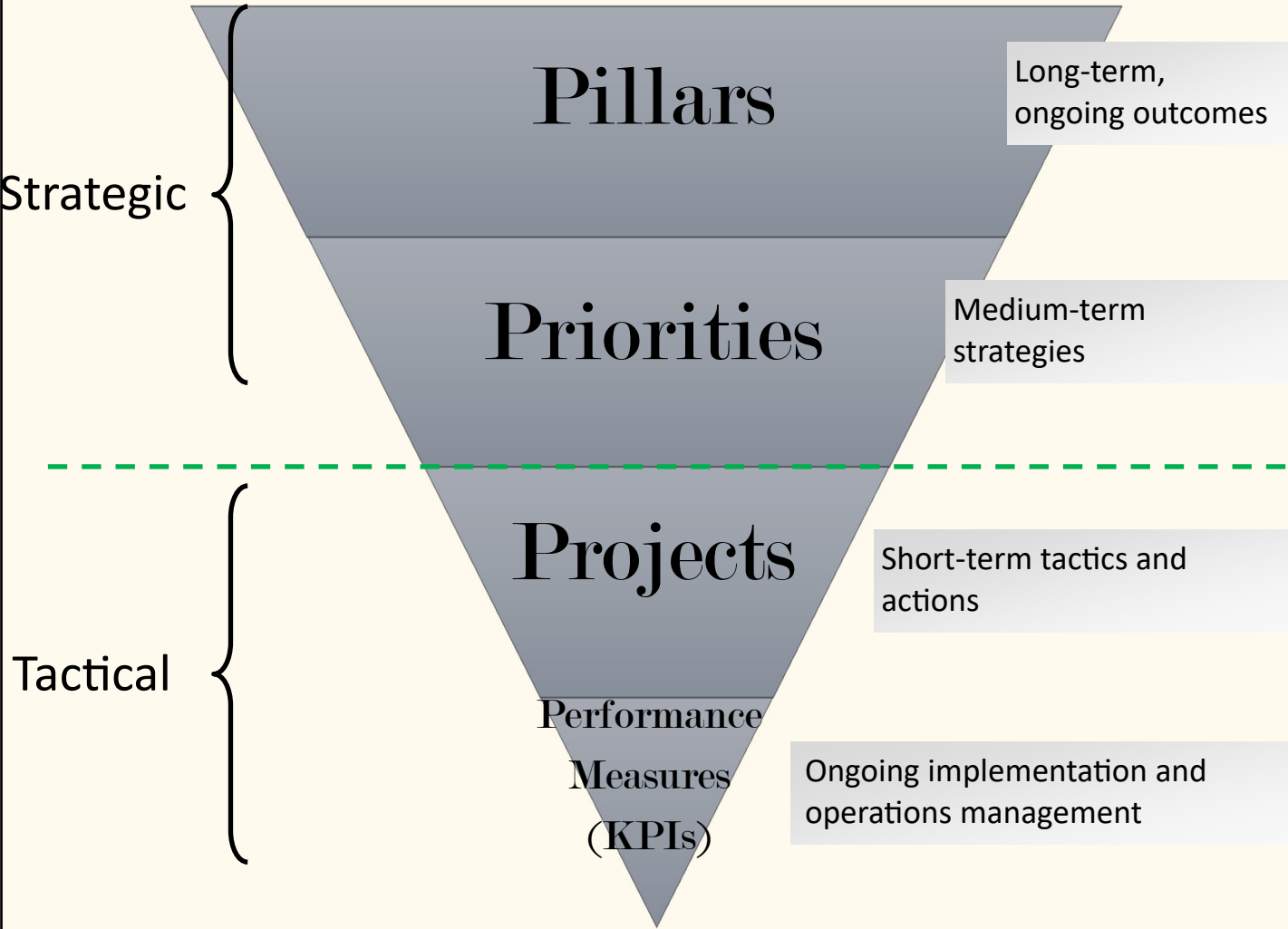
VISION

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

MISSION

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

Strategic Plan Hierarchy



ALIGNMENT OF MISSION AND VISION WITH STRATEGIC PILLARS AND PRIORITIES

The purpose of the Strategic Plan is to keep the City of Fair Oaks Ranch on a desired course during a continued period of growth and beyond. In support of the City's overall Vision and Mission, five foundational focus areas called "Pillars" were defined. Priority areas and projects were detailed that support these Pillars. The City Council annually reviews progress within these areas and identifies specific projects for inclusion in the budget that work to fulfill the goals of each Pillar.

	Financial Resilience and Responsibility Securing Fair Oaks Ranch's future involves strengthening the city's financial condition by implementing strong management strategies within the organization. This priority also involves risk mitigation and identifying funding strategies to support City goals and initiatives.	Strategic Priority Areas <ul style="list-style-type: none"> •Budget Processes •Long Range Forecasting •Risk Inventory and Mitigation •Sustainable Financing Strategies •Financial Reporting Reliability •Modernize ERP 	Performance Measures <ul style="list-style-type: none"> ✓ % Complete on Projects ✓ Internal Controls Adherence ✓ Budget and ACFR Awards ✓ "Clean" Audit Opinion
	Responsible Growth Management Based on the Comprehensive Plan, the City will continue experiencing growth over the next several years. The City and its leadership need to be active participants in addressing regional issues and planning efforts. The City also needs to be represented and visible at all legislative levels.	Strategic Priority Areas <ul style="list-style-type: none"> •Comprehensive Plan •Infrastructure Master Plans •Mobility & Multimodal Connectivity •Environmental Sustainability 	Performance Measures <ul style="list-style-type: none"> ✓ % Complete on Projects
	Reliable and Sustainable Infrastructure Based on projected residential growth and local demand for resilient streets and utilities, the construction and maintenance of a high-quality public infrastructure is priority.	Strategic Priority Areas <ul style="list-style-type: none"> •Water Continuity •Wastewater Continuity •Drainage Continuity •Roadway Continuity •City Facility Continuity 	Performance Measures <ul style="list-style-type: none"> ✓ % Complete on Projects
	Public Health and Safety Ensuring the safety of the public continues to be one of the highest priorities; this means hiring and training quality first responders and working to ensure continuity of 3rd party provided services.	Strategic Priority Areas <ul style="list-style-type: none"> •Police Services Continuity •Fire Services Continuity •EMS Continuity •Community Outreach •Municipal Court Best Practices 	Performance Measures <ul style="list-style-type: none"> ✓ % Complete on Projects
	Operational Excellence Government must have an awareness of citizens' needs while striving to provide the level of services that citizens desire. This can be achieved by introducing innovative business practices, hiring quality employees, leveraging partnerships and strengthening the communication channels between the City and stakeholders.	Strategic Priority Areas <ul style="list-style-type: none"> •HR Programs •Communication Strategy •Service Expectations •IT Continuity and Master Plan •Interlocal Partnerships 	Performance Measures <ul style="list-style-type: none"> ✓ % Complete on Projects

PILLAR 1**FINANCIAL RESILIENCE AND RESPONSIBILITY****PRIORITY AREAS AND PROJECTS**

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

FINANCIAL RESILIENCE AND RESPONSIBILITY PRIORITY AREAS AND PROJECTS	2024	2025	2026	2027
1.1: Develop and Maintain a Budget process that links with the Strategic Action Plan				
1.1.2 Implement sustainable recurring budget/SAP process and procedures (Council Resolution)				
1.1.4 Redesign Enterprise Budget Process and Rate Model				
1.1.6 Implement a strategic planning, reporting, and monitoring system				
1.1.7 Develop and track Key Performance Indicators				
1.2: Develop a 5-Year Forecast				
1.2.4 Develop and integrate staffing plan into the long-term financial plan				
1.2.6 Integrate the Utility Fund into the long-term financial plan				
1.3: Develop a Risk Inventory and mitigation strategies				
1.3.2 Develop a Risk Inventory for operational risks				
1.3.3 Implement internal controls for financial and operational risks				
1.3.4 Complete a risk management audit to ensure compliance with risk mitigation strategies				
1.3.5 [ADD for FY 25-26] Develop Risk Management Policy				
1.4: Develop Sustainable Financing Strategies aligned with service delivery expectations				
1.4.4 Update Water Impact Fee Study				
1.4.5 Update Wastewater Impact Fee Study				
1.4.11 Develop a long-term capital and debt financing plan				
1.5: Ensure continuity and excellence of Financial Reporting Reliability				
1.5.1 Evaluate and update fund balance and reserve policies				
1.5.6 Review and Update Financial Management Policies				
1.6: Implement Procurement Function				
1.6.3 Implement Purchase Order Process in Incode and create Citywide SOP				
1.7: Modernize Enterprise Resource Planning System				
1.7.1 Conduct Strengths, Opportunities, Aspirations, and Results (SOAR) Analysis				
1.7.2 Identify current system resources and redundancies				
1.7.3 Identify and evaluate current ERP platform and alternatives				
1.7.4 Select and implement modern ERP System				

Project Status Legend	
	Project Planning Phase
	In Progress/Funds Budgeted
	Project Completed/Operational
	Project Canceled

PILLAR 2**RESPONSIBLE GROWTH MANAGEMENT****PRIORITY AREAS AND PROJECTS**

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

RESPONSIBLE GROWTH MANAGEMENT PRIORITY AREAS AND PROJECTS				
	2024	2025	2026	2027
2.1: Manage the physical development of the city in accordance with the Comprehensive Plan				
2.1.1 Update International Family of Building and Life Safety Codes (every 3 years)				
2.1.2 Update the Unified Development Code				
2.1.3 Implement turnkey predevelopment process/development handbook (Administrative Procedures Manual)				
2.1.9 Engage with regional development committees and initiatives				
2.1.10 Identify staffing and training resources to manage the development process				
2.1.12 Update Transportation Plan				
2.1.13 Update the Comprehensive Plan				
2.2: Implement and update Infrastructure Master Plans				
2.2.4 Evaluate and update Master Plans (Waster, Wastewater)				
2.2.6 Evaluate and update Master Plans (Drainage)				
2.2.7 [ADD for FY 25-26] Implement Master Roads Plan (CIP)				
2.3: Enhance Local Mobility and Multimodal Connectivity				
2.3.5 Institute transportation and traffic safety committees and to identify needs and opportunities				
2.4: Align Strategies with alternative funding sources				
2.4.1 Develop City Sponsored Application for Gateway Infrastructure *Contingent on MDD approval				
2.4.5 Align and update Community Center Agreement between City and MDD				
2.5: Develop, Implement and Update Environmental Sustainability Programs				

Project Status Legend	
	Project Planning Phase
	In Progress/Funds Budgeted
	Project Completed/Operational
	Project Canceled

PILLAR 3**RELIABLE AND SUSTAINABLE
INFRASTRUCTURE****PRIORITY AREAS AND PROJECTS**

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

RELIABLE AND SUSTAINABLE INFRASTRUCTURE PRIORITY AREAS AND PROJECTS				2024	2025	2026	2027
3.1: Enhance and Ensure Continuity of Reliable Water Resources							
3.1.17 Evaluate water needs for fire protection, integrate into Water Master Plan update							
3.1.18 Update drought contingency plan							
3.2: Enhance and Ensure Continuity of Reliable Wastewater Treatment							
3.3: Enhance and Ensure Continuity of Reliable Drainage Improvement Initiatives							
3.3.2 Design and maintain a drainage maintenance program							
3.3.3 Assess the effectiveness of drainage maintenance program							
3.4: Enhance and Ensure Continuity of Reliable Roadway Improvement Initiatives							
3.4.4 Assess effectiveness of the annual road maintenance program							
3.5: Enhance and Ensure Continuity of Reliable City Facilities							
3.5.2 Develop a City Facilities and Space Utilization Master Plan							
3.5.5 Plan and construct a community center							

Project Status Legend	
	Project Planning Phase
	In Progress/Funds Budgeted
	Project Completed/Operational
	Project Canceled

PILLAR 4**PUBLIC HEALTH AND SAFETY****PRIORITY AREAS AND PROJECTS**

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

PUBLIC HEALTH AND SAFETY PRIORITY AREAS AND PROJECTS				
	2024	2025	2026	2027
4.1: Enhance and Ensure Continuity of Police Services				
4.1.11 Establish a Police Cadet Program				
4.2: Develop a Long-Term Strategy for Continuity of Fire Services				
4.2.2 Implement findings from standards and utilization study				
4.2.3 Update and renew service agreements with fire service providers				
4.2.4 Fire Station #3 Phase 2 Upgrades				
4.3: Develop a Long-Term Strategy for Continuity of Emergency Medical Services				
4.3.2 Implement findings from standards and utilization study				
4.3.3 Update and renew service agreements with emergency medical service providers				
4.4: Develop Ongoing Community Outreach and Education Programs				
4.5: Establish a Formal Emergency Response Plan				
4.5.2 Develop and document a Continuity of Operation Plan				
4.5.3 Ensure senior staff is properly certified/trained for EOC (NIMS/ICS)				
4.5.5 [ADD for FY 25-26] Develop & implement Emergency Management Testing, Training & Evaluation program				
4.6: Review and update Municipal Court best practices				
4.6.2 Determine advantages and applicability of a court of record				

Project Status Legend	
	Project Planning Phase
	In Progress/Funds Budgeted
	Project Completed/Operational
	Project Canceled

PILLAR 5**OPERATIONAL EXCELLENCE****PRIORITY AREAS AND PROJECTS**

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

The City's ambitious vision and mission cannot be implemented without highly skilled, trained, and motivated people. Ensuring the highest degree of effectiveness and customer service at all levels is an utmost priority. Providing facilities and resources to ensure a productive work environment and encourage a culture of innovation and creative problem-solving is key.

Providing effective two-way communications with residents and other stakeholders is essential. As the City experiences change and growth in the coming years, it will be important to develop a sustainable atmosphere of

OPERATIONAL EXCELLENCE PRIORITY AREAS AND PROJECTS

	2024	2025	2026	2027
5.1: Evaluate and Implement key HR Programs that Promote Organizational Design and Development				
5.1.1 Evaluate and Update Compensation and Benefit Plans				
5.1.2 Evaluate and Update Employee Handbook				
5.1.5 Implement Learning Management System				
5.1.6 Update Performance Evaluation - Integrate Merit Based Pay Increases				
5.1.7 Implement Recruitment and Retention SOP				
5.1.8 Develop long-term staffing plan				
5.2: Develop and Implement a Proactive Communication Strategy				
5.2.7 [ADD for FY 25-26] Implement Biannual Community Survey				
5.2.8 [ADD for FY 25-26] Implement Community Polling System				
5.2.9 [ADD for FY 25-26] Automate Community Sentiment & Social Listening				
5.2.10 [ADD for FY 25-26] Develop Crisis Communications Plan Annex for EOP				
5.3: Evaluate and Update Service Delivery Expectations and Best Practices				
5.3.3 Develop and implement digitization program for city records				
5.3.3b 3rd Party Scanning of City Records				
5.5: Evaluate and Update IT Infrastructure, Software, and Security				
5.5.1 Define and Develop and Implement Core components of the IT master Plan				
5.5.2 Conduct IT risk analysis and vulnerability assessment				
5.3.13 [ADD for FY 25-26] IT Master Plan Update Servers				
5.3.14 [ADD for FY 25-26] IT Master Plan Network Update Phase 2				

Project Status Legend	
	Project Planning Phase
	In Progress/Funds Budgeted
	Project Completed/Operational
	Project Canceled

CAPITAL IMPROVEMENT PLAN

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

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

This CIP is a supplement to the City’s larger Strategic Plan, and is aligned with the Mission, Values and Pillars set forth by the City Council. This plan outlines the City’s large capital projects and their corresponding timelines.

PILLAR 3

RELIABLE AND SUSTAINABLE
INFRASTRUCTURE - DRAINAGE CIP

Drainage CIP

	2024	2025	2026	2027
Drainage 29010 Tivoli Way (CIP #34)				
Drainage 7820 Rolling Acres Trail - HALT system (CIP #5)				
Drainage 8622 Delta Dawn (CIP# 15)				
Drainage 28907 Chartwell Lane (CIP #35)				
Drainage 8472 Rolling Acres Trail (CIP# 2)				
Drainage 8040 Rolling Acres Trail (CIP# 4)				
Drainage 8426 Triple Crown (CIP# 41)				
Drainage 8312 Triple Crown (CIP #43)				
Drainage 31988 Scarteen (CIP# 44) start 2028				
Drainage 32030 Scarteen (CIP# 53) start 2028				
Drainage 7744 Pimlico Lane (CIP# 46) start 2028				
Drainage Vestal Park Culvert (CIP# 42)				
Drainage 8045 Flagstone Hill (CIP# 63) start 2029				
Drainage 8402 Battle Intense LWC HALT (CIP# 23) Start 2029				

Project Status Legend

	Project Planning Phase
	In Progress/Funds Budgeted
	Project Completed/Operational
	Project Canceled

PILLAR 3

RELIABLE AND SUSTAINABLE
INFRASTRUCTURE - ROADWAY CIP



Roadway CIP		2024	2025	2026	2027
3.4.14	Connect sidewalk between both Elkhorn Ridge subdivision entrances				
3.4.10	Dietz Elkhorn Roadway reconstruction				
3.4.16	Reconstruct Battle Intense Trailside				
3.4.12	Rolling Acres Roadway reconstruction				
3.4.11	Ammann Rd Roadway reconstruction				

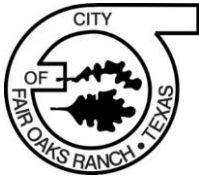
Project Status Legend	
	Project Planning Phase
	In Progress/Funds Budgeted
	Project Completed/Operational
	Project Canceled

PILLAR 3

RELIABLE AND SUSTAINABLE
INFRASTRUCTURE - W/WW CIP

Water/Wastewater CIP		2024	2025	2026	2027
3.1.3a	Upgrade various Mechanical/Structural/Electrical at Elmo Davis Pump Station and GST's (1R, 2R)				
3.1.5	Replace Willow Wind Drive/Red Bud Hill Water Line (not Impact Fee)(29R)				
3.1.6	Build Elevated Storage Tank with Plant 3 Upgrades, System PRVs, and 12-inch waterline (2W)				
3.1.10	Replace Rolling Acres Trail Water Line Rehabilitation				
3.1.11	Expand Plant No. 5 Zone B (400 gpm), Install new 0.5 MG GST with Solar Bee system (impact fee) (5W)				
3.1.12	Expand Elmo Davis Water Plant Zone C (650 gpm) (impact Fee) (6W)				
3.1.13	Upgrade Electrical/Instrumentation at Plant No. 3 Pump Station (5R)				
3.1.14	Reroute Fair Oaks Parkway Water Line (30R)				
3.1.16	Build Plant No. 6 and New GBRA Delivery Point (11W)				
3.1.19	Establish a Water Tank Maintenance and Repair Program (operations budget)				
3.1.24	Old Fredericksburg Waterline (Added to SAP for FY 21-22) (not impact fee)				
3.1.25	Well K6 Electrical (11R)				
3.1.26	Well CR1 Electrical (16R)				
3.1.27	Well 31 Mechanical (19R)				
3.1.30	Well 25 Electrical				
3.1.31	Well 28 Electrical				
3.1.32	SAWS Emergency Intertconnect				
3.1.33	Ground Storage Tank at Plant No. 4				
3.2.1	Upgrade and Expand the WWTP Effluent Transfer Pump Station (27R) part of 3.2.11				
3.2.3	Install 8-inch Gravity Sanitary Sewer Line and Decommission Falls Lift Station (1S)				
3.2.6	Implement Mechanical System Improvements at School Lift Station (8R)				
3.2.7a	Implement Instrumentation System Improvements at Deer Meadows Lift Stations No 1 (10R)				
3.2.7b	Implement Instrumentation System Improvements at Deer Meadows Lift Stations No 2 (9R)				
3.2.8	Install SCADA at the Live Oak and Blackjack Chlorine Booster Stations				
3.2.11	Wastewater Treatment Plant Phase 1 Expansion				
3.2.17	Cojak Circle Manhole and Sewer Upgrade				

Project Status Legend	
	Project Planning Phase
	In Progress/Funds Budgeted
	Project Completed/Operational
	Project Canceled



CITY COUNCIL WORKSHOP CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: FY 2026-30 Five-Year Financial Plan
 DATE: May 15, 2025
 DEPARTMENT: Finance
 PRESENTED BY: Summer Fleming, CGFO, Director of Finance

INTRODUCTION/BACKGROUND:

Long-term financial planning is essential to ensuring the stability and sustainability of every city. The City of Fair Oaks Ranch maintains several long-range plans that inform its budgeting and policy decisions, including the Comprehensive Plan, Master Transportation Plan, Strategic Action Plan, Capital Improvements Plan, and the Five-Year Financial Plan.

The Five-Year Financial Plan serves as a bridge between long-term policy goals and the annual budget process. It directly informs the FY 2025-26 budget discussions and provides strategic financial direction for the years ahead. The plan is not a forecast; rather, it is designed to illustrate potential outcomes based on specific sets of assumptions and can be refined as new information and policy direction become available.

On May 1, 2015, City Council reviewed a plan that included a baseline scenario and two alternatives for governmental funds (supported by property taxes). Each scenario was based on conservative and reasonably certain expenditure assumptions; however, they differed in proposed adjustments to the tax rate, the funding mechanism for the drainage CIP, and the operating reserve target. These scenarios used the unallocated fund balance to manage increases in the property tax rate. The chart below summarizes each scenario presented:

Scenario	Tax Rate	Avg. Tax Bill over 5 years	Drainage Funding	Unallocated Fund Balance	Operating Reserve
Baseline	NNR Rate	Decrease \$122	Cash	Depleted in 2027	5%
Scenario 1	> NNR	Increase \$215	Debt	Depleted in 2029	50%
Scenario 2	> NNR	Increase \$19	Debt	Depleted in 2029	30%

During the meeting, the Council directed staff to model scenarios that set a tax rate sufficient to support the operating budget, use the unallocated fund balance solely for the drainage CIP and other one-time capital expenditures, and maintain an operating reserve of either 50% or 30% of operating expenditures. The model now presented includes two scenarios reflecting those changes, and an additional scenario that incorporates debt funding drainage to maintain a 50% operating reserve and utilizes unallocated fund balance to manage tax rate increases each year.

Capital improvement projects typically have a long useful life, so it is beneficial to spread their cost out over many years to ensure they are paid for by current and future citizens who use them.

All scenarios start with the same expenditure assumptions; however, FY 2026 operating expenditures have been updated to include an increase for Public Safety dispatch costs and other known increases totaling \$244,000 in the Proposed FY 2025-26 budget.

- Scenario 3 utilizes unallocated fund balance to fund the drainage CIP and one-time capital purchases and adjusts the tax rate to support operating expenditures. Based on the model assumptions, the tax rate will reach the voter approval rate (VAR) in the year 2030 to cover operating expenditures and the unallocated fund balance is essentially depleted. The operating reserve is maintained at 50%, but this will likely be unsustainable going forward. The average tax bill increases \$362 over the five-year period.
- Scenario 4 utilizes unallocated fund balance to fund the drainage CIP and one-time capital purchases, adjusts the tax rate to support operating expenditures, and maintains a 30% operating reserve, which would be a policy change. In this scenario, the average tax bill increases \$337 over the five-year period, the operating reserve is reduced to 30%, and there remains unallocated fund balance available for future budget expenditures.
- Scenario 5 introduces debt funding for the drainage CIP, utilizes unallocated fund balance for one-time capital purchases and to fund operating expenditures to manage tax rate increases each year. The average tax bill increases \$288 over the five-year period, the operating reserve is maintained at the current policy of 50%, and the unallocated fund balance is decreased to 5%, which allows for the funding of future capital expenditures or budget stabilization.

The chart below summarizes the scenarios described above:

Scenario	Tax Rate	Avg. Tax Bill over 5 years	Drainage Funding	Unallocated Fund Balance	Operating Reserve
Scenario 3	At VAR	Increase \$362	Cash	2% in 2030	50%
Scenario 4	> NNR	Increase \$337	Cash	16% in 2030	30%
Scenario 5	> NNR	Increase \$288	Debt	5% in 2030	50%

The FY 2026-30 Five-Year Financial Plan document provides a detailed summary of revenue and expenditure assumptions for each scenario, year-by-year financial forecasts, and graphical dashboards to support data-driven policy decisions.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Priority 1.2 of the Strategic Action Plan is to develop a Five-Year Forecast. The Five-Year Financial Plan provides residents, the City Council, and staff with 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.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The Five-Year Financial Plan ensures long-term financial stability by aligning resources with strategic priorities and supporting infrastructure investment, while enhancing transparency and informed decision-making.

Governmental Scenario 3

Assumptions

Policy

Keeping the operating reserve requirement at 50% of operating expenditures

Revenue

Property tax rate set to support operating expenditures

Property valuation percentage increases of 5%

3.0% increase in Sales Tax revenue each year

1.5% increase for all other lines

45% decrease in investment interest revenue over 5 years

Expenditures

Cash Funding for approved drainage CIP

4.5% increase in personnel costs each year

5% increase in medical insurance costs

5% increase in software subscriptions

5% increase in facility, engineering contracts

Fire contract increases to maintain services

2% increase in all other costs

\$1 Million in road maintenance each year

Drainage maintenance budget of \$50,000 per year

5% increase each year in IT workstation replacement budget starting with \$20K

No new employees throughout the forecast period

Assumes only capital projects that have been reviewed by the bond committee and the City Council

Assumes life-cycle replacements funded by the Equipment Replacement Fund, and \$20,000/yr.

of new equipment for public safety and \$50,000/yr. for the maintenance department

Incorporating an \$16 million GO bond for roadway CIP

Assumed potential savings to budget of \$300,000/year

FY 2025-30 Scenario 3 Financial Plan by Program

	2025	2025	2026	2027	2028	2029	2030
	Budgeted	Projected					
GENERAL FUND - SCENARIO 3							
Beginning Fund Balance	7,668,789	7,668,789	7,789,646	7,922,322	7,672,274	7,853,294	7,364,052
Revenue							
PROPERTY TAX	6,612,107	6,697,782	6,920,610	7,125,421	7,964,919	8,228,249	8,508,290
MIXED BEVERAGE	25,000	25,000	25,000	25,000	25,000	25,000	25,000
SALES TAX	1,845,222	1,850,168	1,900,579	1,957,596	2,016,324	2,076,814	2,139,118
BANK/INVESTMENT INTEREST	450,000	500,000	405,000	344,250	309,825	278,843	250,958
FRANCHISE FEES	762,350	772,350	771,349	782,012	793,742	804,728	816,799
PERMITS	168,200	178,200	157,148	159,430	160,833	162,257	163,703
ANIMAL CONTROL	1,495	1,495	1,517	1,540	1,563	1,587	1,611
FINES & FORFEITURES	207,300	207,300	210,665	213,825	217,032	220,288	223,592
FEES & SERVICES	360,415	391,158	365,821	371,309	376,878	382,531	388,269
MISCELLANEOUS	217,080	215,880	217,789	219,727	221,694	223,690	225,717
SCHOOL CROSSING GUARD	13,500	13,500	13,703	13,908	14,117	14,328	14,543
LEOSE PROCEEDS	1,900	4,189	1,900	1,900	1,900	1,900	1,900
Total Operating Revenue	10,664,569	10,857,021	10,991,081	11,215,918	12,103,827	12,420,215	12,759,499
Transfer In							
PROJECT ALLOCATIONS	98,585	98,585	103,021	103,021	107,657	103,021	107,657
CAPITAL REPLACEMENT	56,700	56,700	379,408	317,012	207,060	250,951	254,134
Total Revenue	10,819,854	11,012,306	11,473,510	11,635,951	12,418,544	12,774,187	13,121,291
Expenditures by Program							
General Government							
PERSONNEL	1,571,379	1,556,465	1,624,615	1,698,029	1,774,783	1,855,027	1,938,922
SUPPLIES & OPERATIONS	30,083	31,763	26,272	26,869	27,254	27,644	28,042
PROFESSIONAL SERVICES	760,930	897,946	945,352	890,209	926,709	964,912	1,004,901
Public Safety							
PERSONNEL	3,053,676	2,809,238	3,091,638	3,229,364	3,373,339	3,523,846	3,681,185
SUPPLIES & OPERATIONS	127,280	128,007	131,742	136,389	141,230	146,273	151,528
PROFESSIONAL SERVICES	1,074,893	1,074,893	1,330,168	1,491,999	1,788,181	2,166,138	2,348,121
Public Works							
PERSONNEL	1,622,699	1,480,589	1,665,033	1,740,210	1,818,807	1,900,978	1,986,887
SUPPLIES & OPERATIONS	1,143,933	1,175,141	1,252,259	1,256,385	1,260,617	1,264,958	1,269,412
PROFESSIONAL SERVICES	217,670	217,514	238,700	240,942	250,915	261,346	272,258
Shared Services							
PERSONNEL	-	-	-	-	-	-	-
SUPPLIES & OPERATIONS	4,100	5,600	4,172	4,245	4,320	4,397	4,475
PROFESSIONAL SERVICES	273,591	303,124	282,137	291,007	350,217	359,780	369,712
Total Operating Expenditures	9,880,234	9,680,280	10,592,088	11,005,650	11,716,370	12,475,299	13,055,442

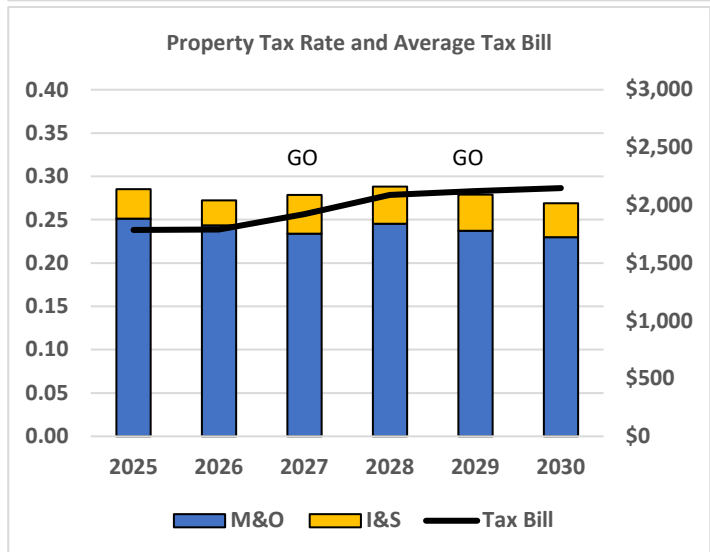
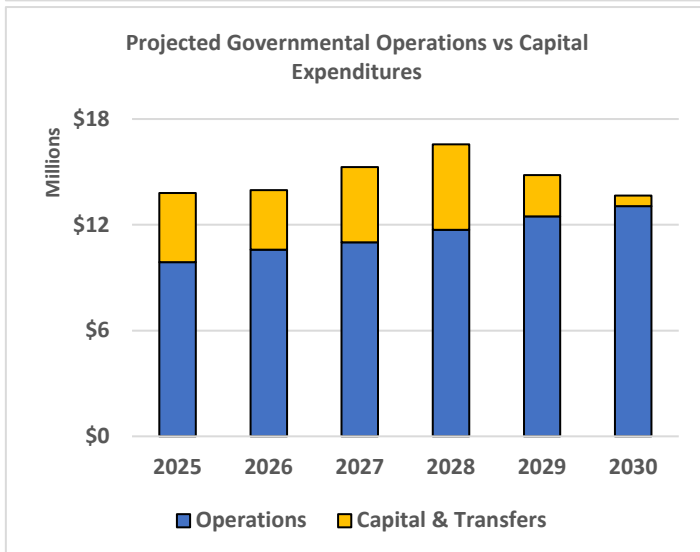
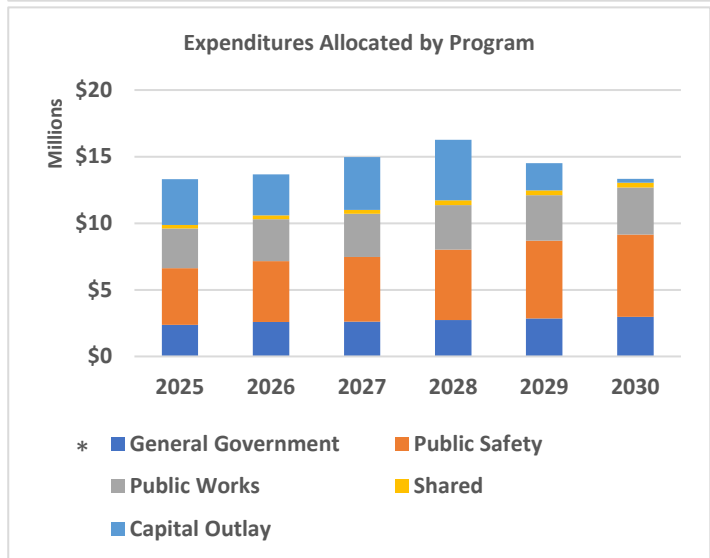
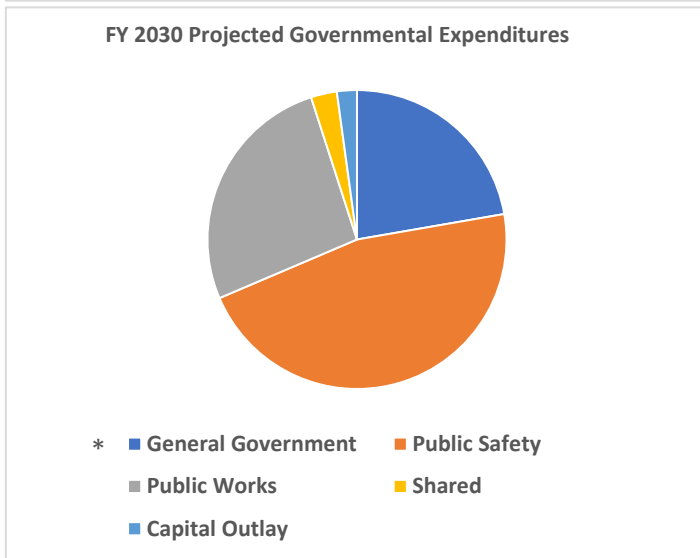
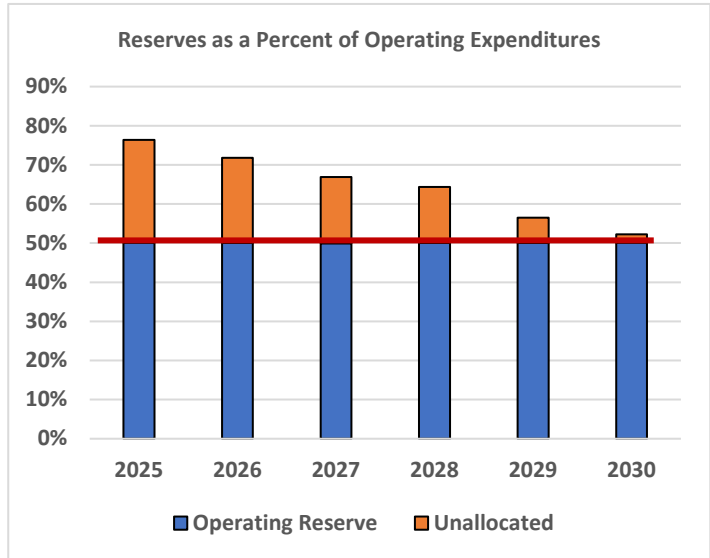
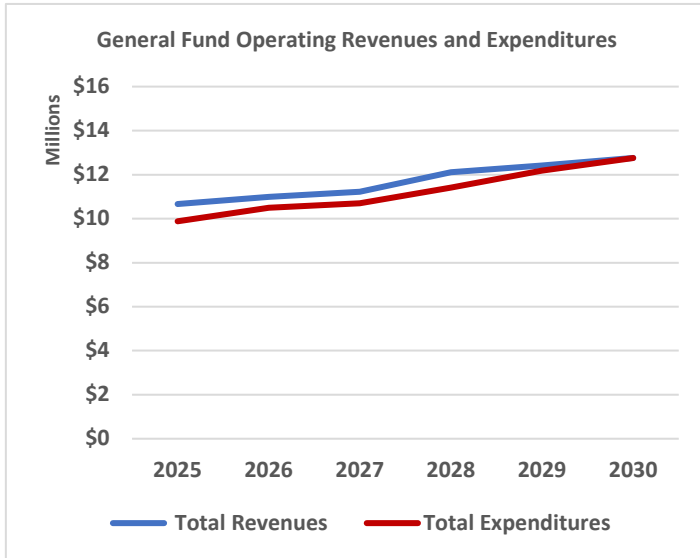
	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - SCENARIO 3							
Capital Outlay							
GENERAL GOVERNMENT	27,000	115,050	34,350	29,768	31,256	32,819	34,460
PUBLIC SAFETY	65,000	126,881	150,000	153,000	156,060	159,181	162,365
PUBLIC WORKS	134,975	226,100	229,408	164,012	51,000	91,769	91,769
SHARED SERVICES	-	-	-	-	-	-	-
Transfers Out							
TRANSFER TO CAP IMP FUND	370,000	370,000	324,480	523,062	272,331	493,853	-
TRANSFER TO VEH/EQUIP FUND	373,138	373,138	310,508	310,508	310,508	310,508	310,508
Potential Savings	-	-	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Total Expenditures	10,850,347	10,891,449	11,340,834	11,885,999	12,237,525	13,263,429	13,354,543
Excess (deficiency) of revenues over (under) expenditures	(30,493)	120,857	132,676	(250,048)	181,020	(489,242)	(233,253)
Ending Fund Balance	7,638,296	7,789,646	7,922,322	7,672,274	7,853,294	7,364,052	7,130,799
Non-Spendable	85,344	85,344	85,344	85,344	85,344	85,344	85,344
Restricted Reserves	133,732	133,732	128,387	128,387	128,387	128,387	128,387
Tree Mitigation and Legal Reserve	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Unallocated Reserve Balance	2,598,876	2,622,451	2,310,000	1,860,000	1,680,000	810,000	270,000
Operating Reserve Balance	4,848,119	4,848,119	5,298,591	5,498,543	5,859,563	6,240,321	6,547,068

FY 2025-30 Scenario 3 Financial Plan by Category

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - SCENARIO 3							
Beginning Fund Balance	7,668,789	7,668,789	7,789,646	7,922,322	7,672,274	7,853,294	7,364,052
Revenue							
PROPERTY TAX	6,612,107	6,697,782	6,920,610	7,125,421	7,964,919	8,228,249	8,508,290
MIXED BEVERAGE	25,000	25,000	25,000	25,000	25,000	25,000	25,000
SALES TAX	1,845,222	1,850,168	1,900,579	1,957,596	2,016,324	2,076,814	2,139,118
BANK/INVESTMENT INTEREST	450,000	500,000	405,000	344,250	309,825	278,843	250,958
FRANCHISE FEES	762,350	772,350	771,349	782,012	793,742	804,728	816,799
PERMITS	168,200	178,200	157,148	159,430	160,833	162,257	163,703
ANIMAL CONTROL	1,495	1,495	1,517	1,540	1,563	1,587	1,611
FINES & FORFEITURES	207,300	207,300	210,665	213,825	217,032	220,288	223,592
FEES & SERVICES	360,415	391,158	365,821	371,309	376,878	382,531	388,269
MISCELLANEOUS	217,080	215,880	217,789	219,727	221,694	223,690	225,717
SCHOOL CROSSING GUARD	13,500	13,500	13,703	13,908	14,117	14,328	14,543
LEOSE PROCEEDS	1,900	4,189	1,900	1,900	1,900	1,900	1,900
POLICE SEIZED PROCEEDS	-	-	-	-	-	-	-
Total Operating Revenue	10,664,569	10,857,021	10,991,081	11,215,918	12,103,827	12,420,215	12,759,499
Transfer In							
PROJECT ALLOCATION	98,585	98,585	103,021	103,021	107,657	103,021	107,657
CAPITAL REPLACEMENT	56,700	56,700	379,408	317,012	207,060	250,951	254,134
Total Revenue	10,819,854	11,012,306	11,473,510	11,635,951	12,418,544	12,774,187	13,121,291
Expenditures by Category							
Personnel							
SALARIES	4,717,611	4,296,000	4,851,431	5,069,745	5,297,884	5,536,289	5,785,422
OVERTIME	43,747	44,126	40,717	42,539	44,443	46,433	48,512
PAYROLL TAXES	370,297	329,302	376,753	393,589	411,180	429,561	448,768
WORKERS' COMP INSURANCE	78,598	68,290	80,594	81,803	83,030	84,275	85,540
RETIREMENT	607,278	543,378	628,593	656,880	686,440	717,329	749,609
HEALTH INSURANCE	655,651	524,157	640,126	672,132	705,739	741,026	778,077
UNIFORM ALLOWANCE	28,000	19,000	26,000	26,000	26,000	26,000	26,000
CAR ALLOWANCE	7,200	7,200	7,200	7,200	7,200	7,200	7,200
RELOCATION ALLOWANCE	-	14,839	-	-	-	-	-
ALLOWANCE FOR VACANCIES	(260,628)	-	(270,129)	(282,285)	(294,987)	(308,262)	(322,134)
Supplies, Maintenance and Operations							
SUPPLIES & CONSUMABLES	33,275	34,775	33,907	34,585	35,276	35,982	36,701
MINOR EQUIPMENT & FURNITURE	71,850	69,840	72,955	74,414	75,902	77,420	78,969
FUEL	66,500	58,500	69,567	72,782	76,153	79,688	83,393
UNIFORMS	30,905	39,632	31,494	32,315	32,927	33,552	34,190
COMMITTEES	2,500	2,500	3,000	3,000	3,000	3,000	3,000
COURT TECHNOLOGY	10,823	10,823	5,075	5,151	5,228	5,307	5,386
COURT SECURITY BUILDING	4,500	6,180	6,090	6,181	6,274	6,368	6,464
VEHICLE MAINTENANCE/REPAIRS	35,880	35,880	39,924	41,380	42,898	44,482	46,133

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - SCENARIO 3							
EQUIPMENT MAINTENANCE/REPAIRS	15,500	15,500	17,500	17,850	18,207	18,571	18,943
BUILDING MAINTENANCE/REPAIRS	28,063	28,063	28,624	29,196	29,780	30,376	30,983
LANDSCAPING & GREENSPACE MAINT	5,500	17,461	5,610	5,722	5,837	5,953	6,072
STREET MAINTENANCE	930,000	951,257	1,030,600	1,031,212	1,031,836	1,032,473	1,033,122
DRAINAGE WORK	20,000	20,000	20,000	20,000	20,000	20,000	20,000
STREET MAINTENANCE	15,000	15,000	15,000	15,000	15,000	15,000	15,000
OAK WILT PROGRAM	29,750	29,750	29,750	29,750	29,750	29,750	29,750
TREE AND LANDSCAPE PROTECTION	4,850	4,850	4,850	4,850	4,850	4,850	4,850
EMERGENCY RESPONSE	500	500	500	500	500	500	500
Professional Services							
PROFESSIONAL SERVICES	1,371,499	1,496,741	1,699,718	1,880,103	2,195,764	2,594,172	2,797,628
DUES/SUBSCRIPTIONS	19,466	19,802	19,696	20,025	20,361	20,703	21,052
TRAINING/SEMINARS & TRAVEL	121,115	121,115	136,052	127,493	129,903	132,361	134,868
MEETINGS & RELATED TRAVEL	22,590	22,590	22,786	23,006	23,230	23,458	23,691
PUBLIC RELATIONS & EVENTS	69,100	69,100	69,352	70,634	71,942	73,276	74,636
EMPLOYEE APPRECIATION	14,760	14,760	14,660	14,884	15,113	15,346	15,584
OTHER SERVICES	53,675	53,675	53,335	54,164	55,009	55,871	56,751
TECH/INTERNET/SOFTWARE MAINT	381,288	392,570	498,622	432,842	454,484	477,209	501,069
Shared Services							
FACILITY CONTRACTS & SERVICES	102,470	135,650	107,594	112,973	118,622	124,553	130,781
POSTAGE	4,125	4,125	4,208	4,292	4,377	4,465	4,554
GENERAL LIABILITY INSURANCE	90,000	89,353	91,800	93,636	95,509	97,419	99,367
ELECTRICITY	44,000	41,000	44,880	45,778	46,693	47,627	48,580
PHONE/CABLE/ALARMS	32,996	32,996	33,656	34,329	35,016	35,716	36,430
COMMUNITY CENTER	-	-	-	-	50,000	50,000	50,000
Total Operating Expenditures	9,880,234	9,680,280	10,592,088	11,005,650	11,716,370	12,475,299	13,055,442
Capital Outlay							
FURNITURE, FIXTURES & EQUIP	226,975	468,031	413,758	346,779	238,316	283,769	288,594
Transfers Out							
TRANSFER TO CAP IMP FUND 02	370,000	370,000	324,480	523,062	272,331	493,853	-
TRANSFER TO VEH/EQUIP FUND 31	373,138	373,138	310,508	310,508	310,508	310,508	310,508
Potential Savings							
	-	-	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Total Expenditures	10,850,347	10,891,449	11,340,834	11,885,999	12,237,525	13,263,429	13,354,543
Excess (deficiency) of revenues over (under) expenditures	(30,493)	120,857	132,676	(250,048)	181,020	(489,242)	(233,253)
Ending Fund Balance	7,638,296	7,789,646	7,922,322	7,672,274	7,853,294	7,364,052	7,130,799
Non-Spendable	85,344	85,344	85,344	85,344	85,344	85,344	85,344
Restricted Reserves	133,732	133,732	128,387	128,387	128,387	128,387	128,387
Tree Mitigation and Legal Reserve	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Unallocated Reserve Balance	2,598,876	2,622,451	2,310,000	1,860,000	1,680,000	810,000	270,000
Operating Reserve Balance	4,848,119	4,848,119	5,298,591	5,498,543	5,859,563	6,240,321	6,547,068

Scenario 3 Dashboard



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

Shared: IT shared services and Non-Departmental shared

Public Works: Maintenance, Building Codes and Engineering

FY 2025-30 Estimated Tax Rates

Fiscal Year	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Tax Rate/\$100 Valuation						
General Fund (M&O)	0.2512	0.2435	0.2340	0.2452	0.2373	0.2300
Debt Service Fund (I&S)	0.0341	0.0287	0.0447	0.0431	0.0417	0.0390
Total Tax Rate	0.2853	0.2722	0.2787	0.2883	0.2790	0.2690
Total Taxable Valuation	2,652,215,358	2,784,826,126	2,986,528,062	3,196,853,991	3,415,666,766	3,647,387,331
M&O Tax Rate/\$100 Valuation	0.2512	0.2435	0.2340	0.2452	0.2373	0.2300
Total M&O Levy	6,662,365	6,781,052	6,988,476	7,838,686	8,105,377	8,388,991
% Change in M&O Levy		1.78%	3.06%	12.17%	3.40%	3.50%
Total Taxable Valuation	2,652,215,358	2,784,826,126	2,986,528,062	3,196,853,991	3,415,666,766	3,647,387,331
I&S Tax rate/\$100 Valuation	0.0341	0.0287	0.0447	0.0431	0.0417	0.0390
Total I&S Levy	904,405	798,450	1,334,700	1,377,263	1,423,500	1,422,275
% Change in I&S Levy		-11.7%	67.2%	3.2%	3.4%	-0.1%
Total Levy (100%)	\$ 7,566,770	\$ 7,579,502	\$ 8,323,176	\$ 9,215,948	\$ 9,528,877	\$ 9,811,266
Yr. over Yr. increase (decrease)	\$ 12,731	\$ 743,674	\$ 892,773	\$ 312,929	\$ 282,389	
Ave Home Taxable Value	\$ 626,093	\$ 657,397	\$ 690,267	\$ 724,780	\$ 761,019	\$ 799,070
Average Tax Bill	\$ 1,786	\$ 1,789	\$ 1,924	\$ 2,089	\$ 2,123	\$ 2,148

Governmental Scenario 4

Assumptions

Policy

Change operating reserve requirement to 30% of operating expenditures

Revenue

Property tax rate set to support operating expenditures

Property valuation percentage increases of 5%

3.0% increase in Sales Tax revenue each year

1.5% increase for all other lines

45% decrease in investment interest revenue over 5 years

Expenditures

Cash Funding for approved drainage CIP

4.5% increase in personnel costs each year

5% increase in medical insurance costs

5% increase in software subscriptions

5% increase in facility, engineering contracts

Fire contract increases to maintain services

2% increase in all other costs

\$1 Million in road maintenance each year

Drainage maintenance budget of \$50,000 per year

5% increase each year in IT workstation replacement budget starting with \$20K

No new employees throughout the forecast period

Assumes only capital projects that have been reviewed by the bond committee and the City Council

Assumes life-cycle replacements funded by the Equipment Replacement Fund, and \$20,000/yr.

of new equipment for public safety and \$50,000/yr. for the maintenance department

Incorporating an \$16 million GO bond for roadway CIP

Assumed potential savings to budget of \$300,000/year

FY 2025-30 Scenario 4 Financial Plan by Program

	2025	2025	2026	2027	2028	2029	2030
	Budgeted	Projected					
GENERAL FUND - SCENARIO 4							
Beginning Fund Balance	7,668,789	7,668,789	7,789,646	7,922,322	7,657,530	7,216,948	6,630,047
Revenue							
PROPERTY TAX	6,612,107	6,697,782	6,920,610	7,110,676	7,343,318	8,130,590	8,405,096
MIXED BEVERAGE	25,000	25,000	25,000	25,000	25,000	25,000	25,000
SALES TAX	1,845,222	1,850,168	1,900,579	1,957,596	2,016,324	2,076,814	2,139,118
BANK/INVESTMENT INTEREST	450,000	500,000	405,000	344,250	309,825	278,843	250,958
FRANCHISE FEES	762,350	772,350	771,349	782,012	793,742	804,728	816,799
PERMITS	168,200	178,200	157,148	159,430	160,833	162,257	163,703
ANIMAL CONTROL	1,495	1,495	1,517	1,540	1,563	1,587	1,611
FINES & FORFEITURES	207,300	207,300	210,665	213,825	217,032	220,288	223,592
FEES & SERVICES	360,415	391,158	365,821	371,309	376,878	382,531	388,269
MISCELLANEOUS	217,080	215,880	217,789	219,727	221,694	223,690	225,717
SCHOOL CROSSING GUARD	13,500	13,500	13,703	13,908	14,117	14,328	14,543
LEOSE PROCEEDS	1,900	4,189	1,900	1,900	1,900	1,900	1,900
Total Operating Revenue	10,664,569	10,857,021	10,991,081	11,201,173	11,482,226	12,322,556	12,656,306
Transfer In							
PROJECT ALLOCATIONS	98,585	98,585	103,021	103,021	107,657	103,021	107,657
CAPITAL REPLACEMENT	56,700	56,700	379,408	317,012	207,060	250,951	254,134
Total Revenue	10,819,854	11,012,306	11,473,510	11,621,207	11,796,944	12,676,528	13,018,098
Expenditures by Program							
General Government							
PERSONNEL	1,571,379	1,556,465	1,624,615	1,698,029	1,774,783	1,855,027	1,938,922
SUPPLIES & OPERATIONS	30,083	31,763	26,272	26,869	27,254	27,644	28,042
PROFESSIONAL SERVICES	760,930	897,946	945,352	890,209	926,709	964,912	1,004,901
Public Safety							
PERSONNEL	3,053,676	2,809,238	3,091,638	3,229,364	3,373,339	3,523,846	3,681,185
SUPPLIES & OPERATIONS	127,280	128,007	131,742	136,389	141,230	146,273	151,528
PROFESSIONAL SERVICES	1,074,893	1,074,893	1,330,168	1,491,999	1,788,181	2,166,138	2,348,121
Public Works							
PERSONNEL	1,622,699	1,480,589	1,665,033	1,740,210	1,818,807	1,900,978	1,986,887
SUPPLIES & OPERATIONS	1,143,933	1,175,141	1,252,259	1,256,385	1,260,617	1,264,958	1,269,412
PROFESSIONAL SERVICES	217,670	217,514	238,700	240,942	250,915	261,346	272,258
Shared Services							
PERSONNEL	-	-	-	-	-	-	-
SUPPLIES & OPERATIONS	4,100	5,600	4,172	4,245	4,320	4,397	4,475
PROFESSIONAL SERVICES	273,591	303,124	282,137	291,007	350,217	359,780	369,712
Total Operating Expenditures	9,880,234	9,680,280	10,592,088	11,005,650	11,716,370	12,475,299	13,055,442

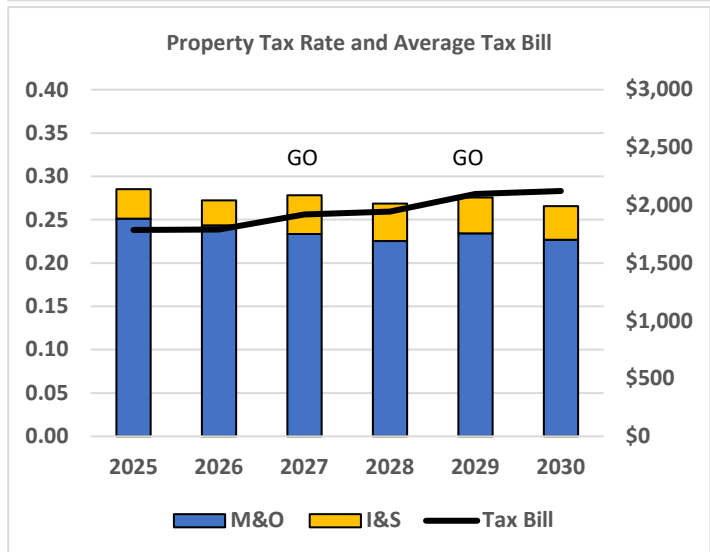
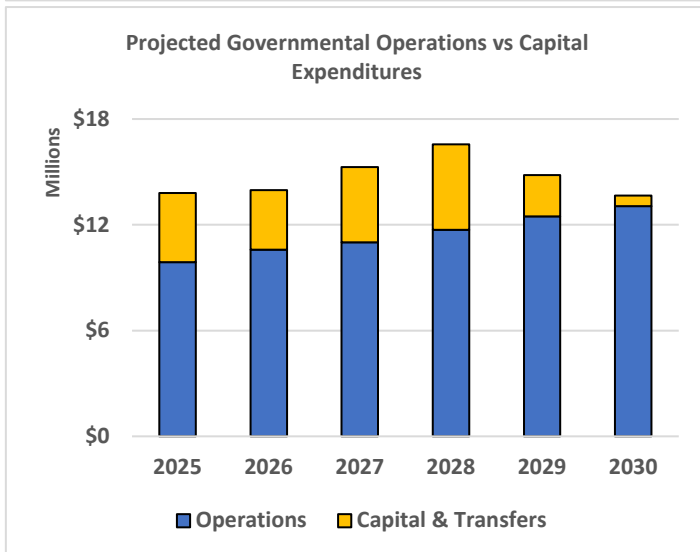
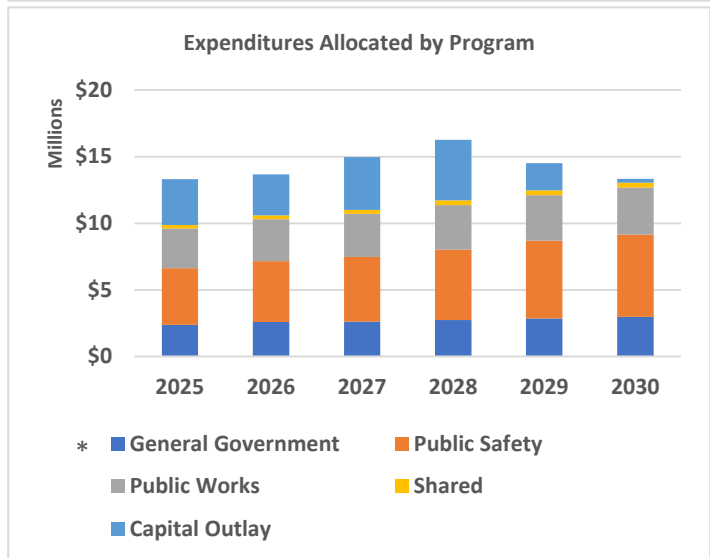
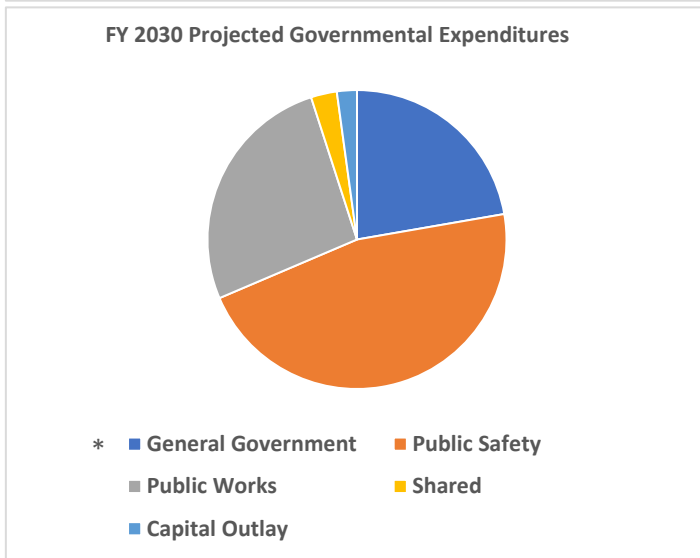
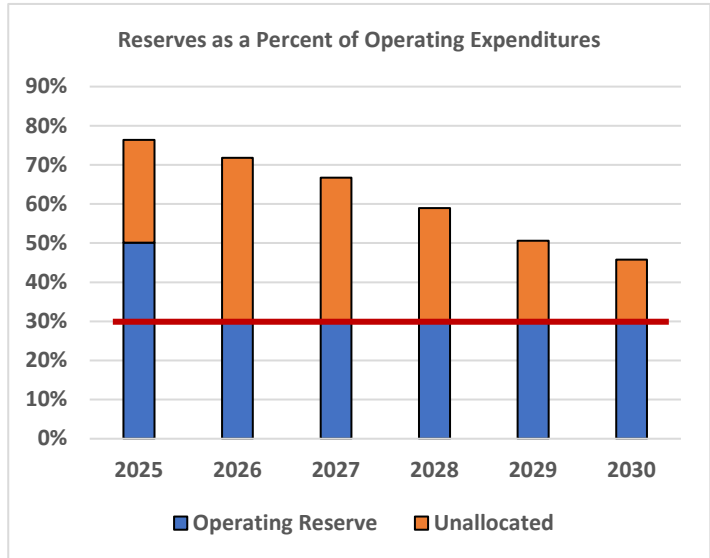
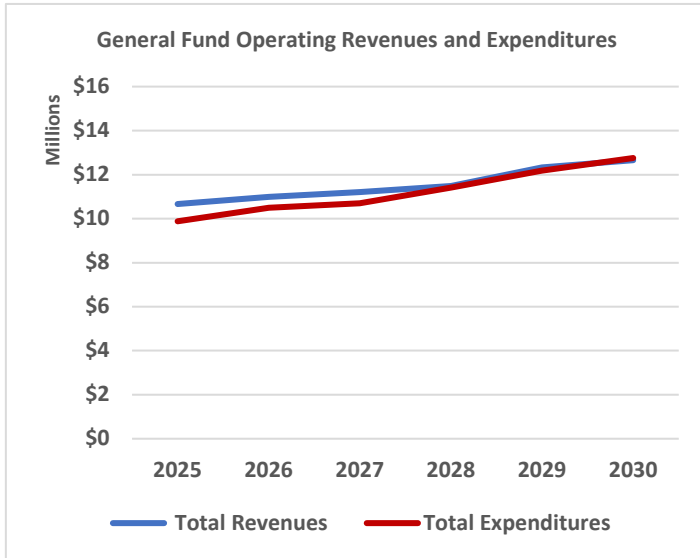
	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - SCENARIO 4							
Capital Outlay							
GENERAL GOVERNMENT	27,000	115,050	34,350	29,768	31,256	32,819	34,460
PUBLIC SAFETY	65,000	126,881	150,000	153,000	156,060	159,181	162,365
PUBLIC WORKS	134,975	226,100	229,408	164,012	51,000	91,769	91,769
SHARED SERVICES	-	-	-	-	-	-	-
Transfers Out							
TRANSFER TO CAP IMP FUND	370,000	370,000	324,480	523,062	272,331	493,853	-
TRANSFER TO VEH/EQUIP FUND	373,138	373,138	310,508	310,508	310,508	310,508	310,508
Potential Savings	-	-	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Total Expenditures	10,850,347	10,891,449	11,340,834	11,885,999	12,237,525	13,263,429	13,354,543
Excess (deficiency) of revenues over (under) expenditures	(30,493)	120,857	132,676	(264,793)	(440,581)	(586,901)	(336,446)
Ending Fund Balance	7,638,296	7,789,646	7,922,322	7,657,530	7,216,948	6,630,047	6,293,602
Non-Spendable	85,344	85,344	85,344	85,344	85,344	85,344	85,344
Restricted Reserves	133,732	133,732	128,387	128,387	128,387	128,387	128,387
Tree Mitigation and Legal Reserve	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Unallocated Reserve Balance	2,598,876	2,622,451	4,430,000	4,040,000	3,390,000	2,570,000	2,060,000
Operating Reserve Balance	4,848,119	4,848,119	3,178,591	3,303,799	3,513,217	3,746,316	3,919,871

FY 2025-30 Scenario 4 Financial Plan by Category

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - SCENARIO 4							
Beginning Fund Balance	7,668,789	7,668,789	7,789,646	7,922,322	7,657,530	7,216,948	6,630,047
Revenue							
PROPERTY TAX	6,612,107	6,697,782	6,920,610	7,110,676	7,343,318	8,130,590	8,405,096
MIXED BEVERAGE	25,000	25,000	25,000	25,000	25,000	25,000	25,000
SALES TAX	1,845,222	1,850,168	1,900,579	1,957,596	2,016,324	2,076,814	2,139,118
BANK/INVESTMENT INTEREST	450,000	500,000	405,000	344,250	309,825	278,843	250,958
FRANCHISE FEES	762,350	772,350	771,349	782,012	793,742	804,728	816,799
PERMITS	168,200	178,200	157,148	159,430	160,833	162,257	163,703
ANIMAL CONTROL	1,495	1,495	1,517	1,540	1,563	1,587	1,611
FINES & FORFEITURES	207,300	207,300	210,665	213,825	217,032	220,288	223,592
FEES & SERVICES	360,415	391,158	365,821	371,309	376,878	382,531	388,269
MISCELLANEOUS	217,080	215,880	217,789	219,727	221,694	223,690	225,717
SCHOOL CROSSING GUARD	13,500	13,500	13,703	13,908	14,117	14,328	14,543
LEOSE PROCEEDS	1,900	4,189	1,900	1,900	1,900	1,900	1,900
POLICE SEIZED PROCEEDS	-	-	-	-	-	-	-
Total Operating Revenue	10,664,569	10,857,021	10,991,081	11,201,173	11,482,226	12,322,556	12,656,306
Transfer In							
PROJECT ALLOCATION	98,585	98,585	103,021	103,021	107,657	103,021	107,657
CAPITAL REPLACEMENT	56,700	56,700	379,408	317,012	207,060	250,951	254,134
Total Revenue	10,819,854	11,012,306	11,473,510	11,621,207	11,796,944	12,676,528	13,018,098
Expenditures by Category							
Personnel							
SALARIES	4,717,611	4,296,000	4,851,431	5,069,745	5,297,884	5,536,289	5,785,422
OVERTIME	43,747	44,126	40,717	42,539	44,443	46,433	48,512
PAYROLL TAXES	370,297	329,302	376,753	393,589	411,180	429,561	448,768
WORKERS' COMP INSURANCE	78,598	68,290	80,594	81,803	83,030	84,275	85,540
RETIREMENT	607,278	543,378	628,593	656,880	686,440	717,329	749,609
HEALTH INSURANCE	655,651	524,157	640,126	672,132	705,739	741,026	778,077
UNIFORM ALLOWANCE	28,000	19,000	26,000	26,000	26,000	26,000	26,000
CAR ALLOWANCE	7,200	7,200	7,200	7,200	7,200	7,200	7,200
RELOCATION ALLOWANCE	-	14,839	-	-	-	-	-
ALLOWANCE FOR VACANCIES	(260,628)	-	(270,129)	(282,285)	(294,987)	(308,262)	(322,134)
Supplies, Maintenance and Operations							
SUPPLIES & CONSUMABLES	33,275	34,775	33,907	34,585	35,276	35,982	36,701
MINOR EQUIPMENT & FURNITURE	71,850	69,840	72,955	74,414	75,902	77,420	78,969
FUEL	66,500	58,500	69,567	72,782	76,153	79,688	83,393
UNIFORMS	30,905	39,632	31,494	32,315	32,927	33,552	34,190
COMMITTEES	2,500	2,500	3,000	3,000	3,000	3,000	3,000
COURT TECHNOLOGY	10,823	10,823	5,075	5,151	5,228	5,307	5,386
COURT SECURITY BUILDING	4,500	6,180	6,090	6,181	6,274	6,368	6,464
VEHICLE MAINTENANCE/REPAIRS	35,880	35,880	39,924	41,380	42,898	44,482	46,133

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - SCENARIO 4							
EQUIPMENT MAINTENANCE/REPAIRS	15,500	15,500	17,500	17,850	18,207	18,571	18,943
BUILDING MAINTENANCE/REPAIRS	28,063	28,063	28,624	29,196	29,780	30,376	30,983
LANDSCAPING & GREENSPACE MAINT	5,500	17,461	5,610	5,722	5,837	5,953	6,072
STREET MAINTENANCE	930,000	951,257	1,030,600	1,031,212	1,031,836	1,032,473	1,033,122
DRAINAGE WORK	20,000	20,000	20,000	20,000	20,000	20,000	20,000
STREET MAINTENANCE	15,000	15,000	15,000	15,000	15,000	15,000	15,000
OAK WILT PROGRAM	29,750	29,750	29,750	29,750	29,750	29,750	29,750
TREE AND LANDSCAPE PROTECTION	4,850	4,850	4,850	4,850	4,850	4,850	4,850
EMERGENCY RESPONSE	500	500	500	500	500	500	500
Professional Services							
PROFESSIONAL SERVICES	1,371,499	1,496,741	1,699,718	1,880,103	2,195,764	2,594,172	2,797,628
DUES/SUBSCRIPTIONS	19,466	19,802	19,696	20,025	20,361	20,703	21,052
TRAINING/SEMINARS & TRAVEL	121,115	121,115	136,052	127,493	129,903	132,361	134,868
MEETINGS & RELATED TRAVEL	22,590	22,590	22,786	23,006	23,230	23,458	23,691
PUBLIC RELATIONS & EVENTS	69,100	69,100	69,352	70,634	71,942	73,276	74,636
EMPLOYEE APPRECIATION	14,760	14,760	14,660	14,884	15,113	15,346	15,584
OTHER SERVICES	53,675	53,675	53,335	54,164	55,009	55,871	56,751
TECH/INTERNET/SOFTWARE MAINT	381,288	392,570	498,622	432,842	454,484	477,209	501,069
Shared Services							
FACILITY CONTRACTS & SERVICES	102,470	135,650	107,594	112,973	118,622	124,553	130,781
POSTAGE	4,125	4,125	4,208	4,292	4,377	4,465	4,554
GENERAL LIABILITY INSURANCE	90,000	89,353	91,800	93,636	95,509	97,419	99,367
ELECTRICITY	44,000	41,000	44,880	45,778	46,693	47,627	48,580
PHONE/CABLE/ALARMS	32,996	32,996	33,656	34,329	35,016	35,716	36,430
COMMUNITY CENTER	-	-	-	-	50,000	50,000	50,000
Total Operating Expenditures	9,880,234	9,680,280	10,592,088	11,005,650	11,716,370	12,475,299	13,055,442
Capital Outlay							
FURNITURE, FIXTURES & EQUIP	226,975	468,031	413,758	346,779	238,316	283,769	288,594
Transfers Out							
TRANSFER TO CAP IMP FUND 02	370,000	370,000	324,480	523,062	272,331	493,853	-
TRANSFER TO VEH/EQUIP FUND 31	373,138	373,138	310,508	310,508	310,508	310,508	310,508
Potential Savings							
	-	-	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Total Expenditures	10,850,347	10,891,449	11,340,834	11,885,999	12,237,525	13,263,429	13,354,543
Excess (deficiency) of revenues over (under) expenditures	(30,493)	120,857	132,676	(264,793)	(440,581)	(586,901)	(336,446)
Ending Fund Balance	7,638,296	7,789,646	7,922,322	7,657,530	7,216,948	6,630,047	6,293,602
Non-Spendable	85,344	85,344	85,344	85,344	85,344	85,344	85,344
Restricted Reserves	133,732	133,732	128,387	128,387	128,387	128,387	128,387
Tree Mitigation and Legal Reserve	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Unallocated Reserve Balance	2,598,876	2,622,451	4,430,000	4,040,000	3,390,000	2,570,000	2,060,000
Operating Reserve Balance	4,848,119	4,848,119	3,178,591	3,303,799	3,513,217	3,746,316	3,919,871

Scenario 4 Dashboard



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

Public Works: Maintenance, Building Codes and Engineering

FY 2025-30 Estimated Tax Rates

Fiscal Year	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Tax Rate/\$100 Valuation						
General Fund (M&O)	0.2512	0.2435	0.2335	0.2255	0.2341	0.2268
Debt Service Fund (I&S)	0.0341	0.0287	0.0447	0.0431	0.0416	0.0389
Total Tax Rate	0.2853	0.2722	0.2782	0.2686	0.2757	0.2657
Total Taxable Valuation	2,652,215,358	2,784,826,126	2,986,528,062	3,196,963,627	3,420,107,583	3,652,769,380
M&O Tax Rate/\$100 Valuation	0.2512	0.2435	0.2335	0.2255	0.2341	0.2268
Total M&O Levy	6,662,365	6,781,052	6,973,543	7,209,153	8,006,472	8,284,481
% Change in M&O Levy		1.78%	2.84%	3.38%	11.06%	3.47%
Total Taxable Valuation	2,652,215,358	2,784,826,126	2,986,528,062	3,196,963,627	3,420,107,583	3,652,769,380
I&S Tax rate/\$100 Valuation	0.0341	0.0287	0.0447	0.0431	0.0416	0.0389
Total I&S Levy	904,405	798,450	1,334,700	1,377,263	1,423,500	1,422,275
% Change in I&S Levy		-11.7%	67.2%	3.2%	3.4%	-0.1%
Total Levy (100%)	\$ 7,566,770	\$ 7,579,502	\$ 8,308,243	\$ 8,586,415	\$ 9,429,972	\$ 9,706,756
Yr. over Yr. increase (decrease)	\$ 12,731	\$ 728,741	\$ 278,172	\$ 843,556	\$ 276,784	
Ave Home Taxable Value	\$ 626,093	\$ 657,397	\$ 690,267	\$ 724,780	\$ 761,019	\$ 799,070
Average Tax Bill	\$ 1,786	\$ 1,789	\$ 1,920	\$ 1,947	\$ 2,098	\$ 2,123

Governmental Scenario 5

Assumptions

Policy

Keeping the operating reserve requirement at 50% of operating expenditures

Revenue

Property tax rate set to support operating expenditures with unallocated supplement

Property valuation percentage increases of 5%

3.0% increase in Sales Tax revenue each year

1.5% increase for all other lines

45% decrease in investment interest revenue over 5 years

Expenditures

Debt Funding for approved drainage CIP, \$1,615,000 Certificates of Obligation issued in 2025

4.5% increase in personnel costs each year

5% increase in medical insurance costs

5% increase in software subscriptions

5% increase in facility, engineering contracts

Fire contract increases to maintain services

2% increase in all other costs

\$1 Million in road maintenance each year

Drainage maintenance budget of \$50,000 per year

5% increase each year in IT workstation replacement budget starting with \$20K

No new employees throughout the forecast period

Assumes only capital projects that have been reviewed by the bond committee and the City Council

Assumes life-cycle replacements funded by the Equipment Replacement Fund, and \$20,000/yr.

of new equipment for public safety and \$50,000/yr. for the maintenance department

Incorporating an \$16 million GO bond for roadway CIP

Assumed potential savings to budget of \$300,000/year

FY 2025-30 Scenario 5 Financial Plan by Program

	2025	2025	2026	2027	2028	2029	2030
	Budgeted	Projected					
GENERAL FUND - SCENARIO 5							
Beginning Fund Balance	7,668,789	7,668,789	7,789,646	8,246,802	8,520,068	8,564,631	8,144,050
Revenue							
PROPERTY TAX	6,612,107	6,697,782	6,920,610	7,125,673	7,556,131	7,803,058	8,054,451
MIXED BEVERAGE	25,000	25,000	25,000	25,000	25,000	25,000	25,000
SALES TAX	1,845,222	1,850,168	1,900,579	1,957,596	2,016,324	2,076,814	2,139,118
BANK/INVESTMENT INTEREST	450,000	500,000	405,000	344,250	309,825	278,843	250,958
FRANCHISE FEES	762,350	772,350	771,349	782,012	793,742	804,728	816,799
PERMITS	168,200	178,200	157,148	159,430	160,833	162,257	163,703
ANIMAL CONTROL	1,495	1,495	1,517	1,540	1,563	1,587	1,611
FINES & FORFEITURES	207,300	207,300	210,665	213,825	217,032	220,288	223,592
FEES & SERVICES	360,415	391,158	365,821	371,309	376,878	382,531	388,269
MISCELLANEOUS	217,080	215,880	217,789	219,727	221,694	223,690	225,717
SCHOOL CROSSING GUARD	13,500	13,500	13,703	13,908	14,117	14,328	14,543
LEOSE PROCEEDS	1,900	4,189	1,900	1,900	1,900	1,900	1,900
POLICE SEIZED PROCEEDS	-	-	-	-	-	-	-
Total Operating Revenue	10,664,569	10,857,021	10,991,081	11,216,170	11,695,039	11,995,024	12,305,660
Transfer In							
PROJECT ALLOCATIONS	98,585	98,585	103,021	103,021	107,657	103,021	107,657
CAPITAL REPLACEMENT	56,700	56,700	379,408	317,012	207,060	250,951	254,134
Total Revenue	10,819,854	11,012,306	11,473,510	11,636,204	12,009,757	12,348,995	12,667,452
Expenditures by Program							
General Government							
PERSONNEL	1,571,379	1,556,465	1,624,615	1,698,029	1,774,783	1,855,027	1,938,922
SUPPLIES & OPERATIONS	30,083	31,763	26,272	26,869	27,254	27,644	28,042
PROFESSIONAL SERVICES	760,930	897,946	945,352	890,209	926,709	964,912	1,004,901
Public Safety							
PERSONNEL	3,053,676	2,809,238	3,091,638	3,229,364	3,373,339	3,523,846	3,681,185
SUPPLIES & OPERATIONS	127,280	128,007	131,742	136,389	141,230	146,273	151,528
PROFESSIONAL SERVICES	1,074,893	1,074,893	1,330,168	1,491,999	1,788,181	2,166,138	2,348,121
Public Works							
PERSONNEL	1,622,699	1,480,589	1,665,033	1,740,210	1,818,807	1,900,978	1,986,887
SUPPLIES & OPERATIONS	1,143,933	1,175,141	1,252,259	1,256,385	1,260,617	1,264,958	1,269,412
PROFESSIONAL SERVICES	217,670	217,514	238,700	240,942	250,915	261,346	272,258
Shared Services							
PERSONNEL			-	-	-	-	-
SUPPLIES & OPERATIONS	4,100	5,600	4,172	4,245	4,320	4,397	4,475
PROFESSIONAL SERVICES	273,591	303,124	282,137	291,007	350,217	359,780	369,712
Total Operating Expenditures	9,880,234	9,680,280	10,592,088	11,005,650	11,716,370	12,475,299	13,055,442

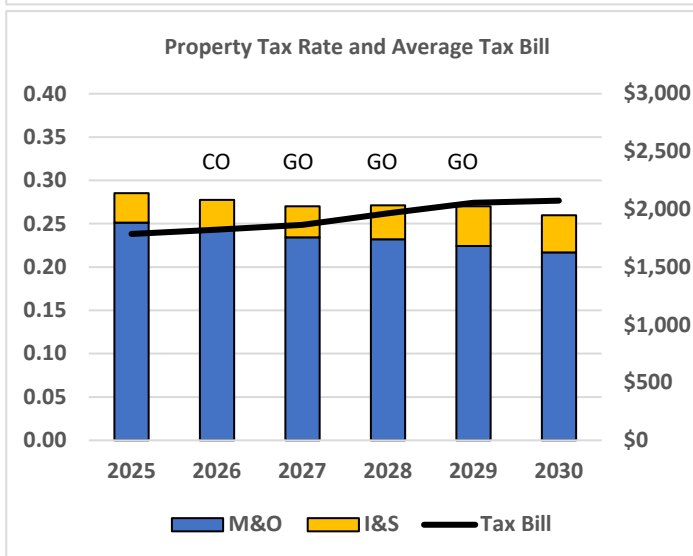
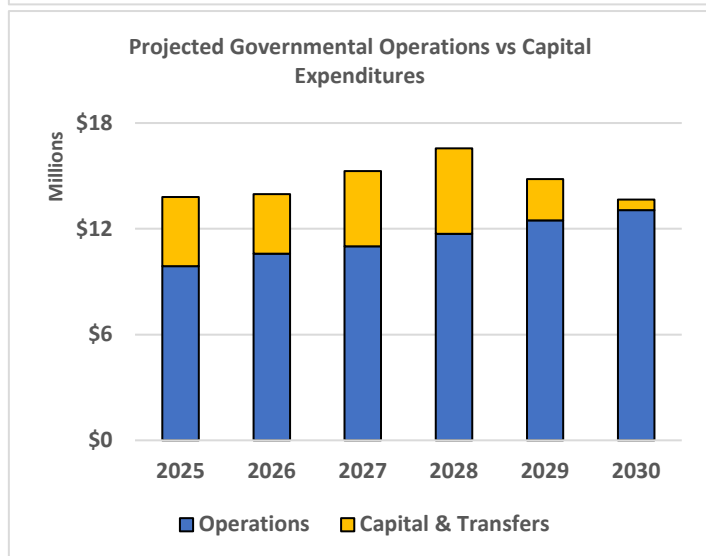
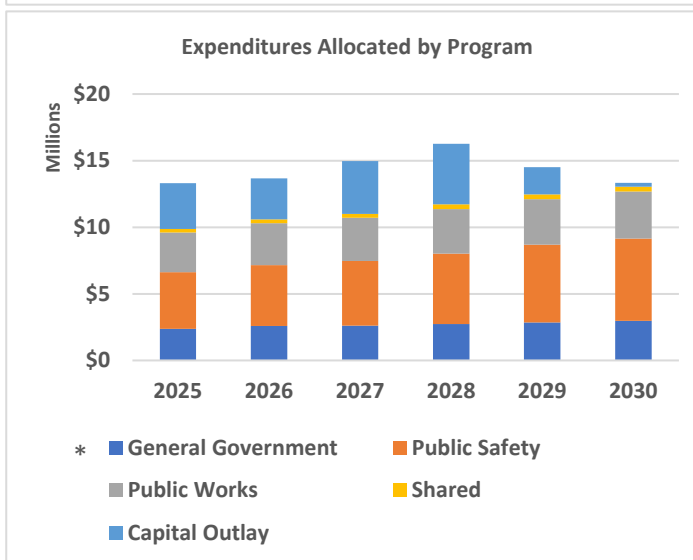
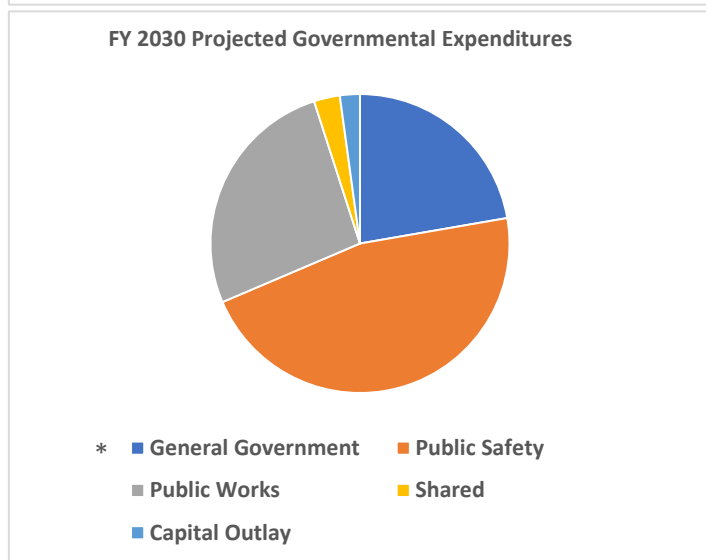
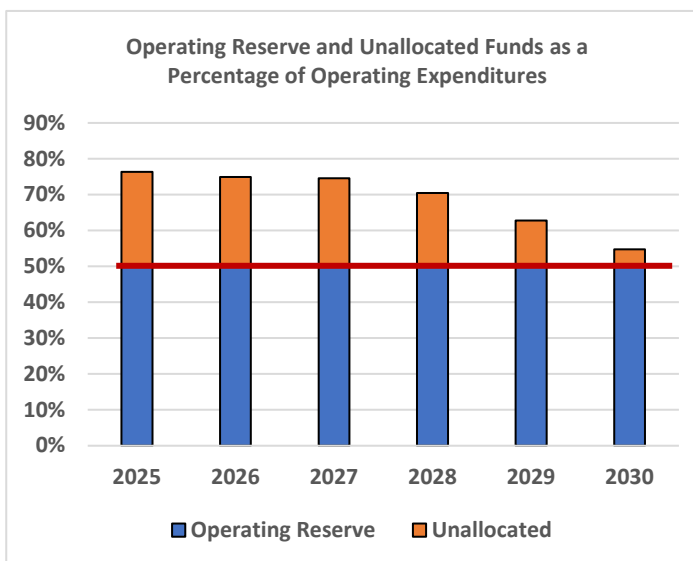
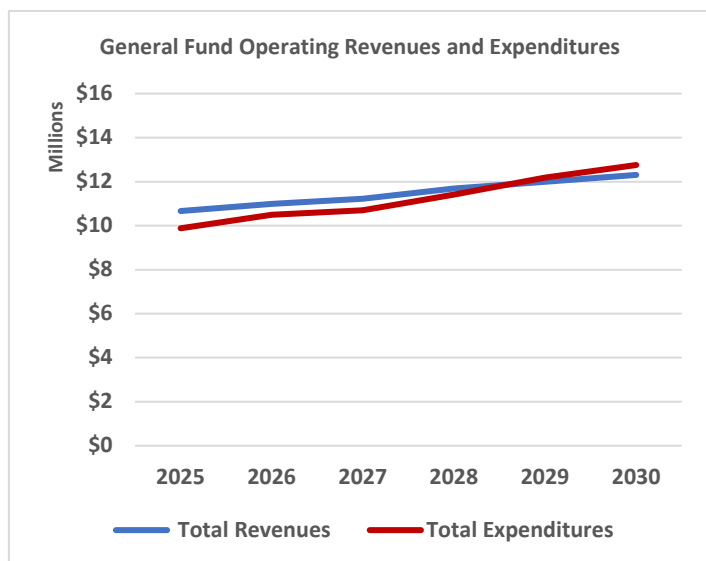
	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - SCENARIO 5							
Capital Outlay							
GENERAL GOVERNMENT	27,000	115,050	34,350	29,768	31,256	32,819	34,460
PUBLIC SAFETY	65,000	126,881	150,000	153,000	156,060	159,181	162,365
PUBLIC WORKS	134,975	226,100	229,408	164,012	51,000	91,769	91,769
SHARED SERVICES	-	-	-	-	-	-	-
Transfers Out							
TRANSFER TO CAP IMP FUND	370,000	370,000	-	-	-	-	-
TRANSFER TO VEH/EQUIP FUND	373,138	373,138	310,508	310,508	310,508	310,508	310,508
Potential Savings	-	-	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Total Expenditures	10,850,347	10,891,449	11,016,354	11,362,938	11,965,194	12,769,576	13,354,543
Excess (deficiency) of revenues over (under) expenditures	(30,493)	120,857	457,156	273,266	44,563	(420,581)	(687,091)
Ending Fund Balance	7,638,296	7,789,646	8,246,802	8,520,068	8,564,631	8,144,050	7,456,959
Non-Spendable	85,344	85,344	85,344	85,344	85,344	85,344	85,344
Restricted Reserves	133,732	133,732	128,387	128,387	128,387	128,387	128,387
Tree Mitigation and Legal Reserve	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Unallocated Reserve Balance	2,598,876	2,622,451	2,630,000	2,700,000	2,390,000	1,590,000	620,000
Operating Reserve Balance	4,848,119	4,848,119	5,303,071	5,506,337	5,860,900	6,240,319	6,523,228

FY 2025-30 Scenario 5 Financial Plan by Category

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - SCENARIO 5							
Beginning Fund Balance	7,668,789	7,668,789	7,789,646	8,246,802	8,520,068	8,564,631	8,144,050
Revenue							
PROPERTY TAX	6,612,107	6,697,782	6,920,610	7,125,673	7,556,131	7,803,058	8,054,451
MIXED BEVERAGE	25,000	25,000	25,000	25,000	25,000	25,000	25,000
SALES TAX	1,845,222	1,850,168	1,900,579	1,957,596	2,016,324	2,076,814	2,139,118
BANK/INVESTMENT INTEREST	450,000	500,000	405,000	344,250	309,825	278,843	250,958
FRANCHISE FEES	762,350	772,350	771,349	782,012	793,742	804,728	816,799
PERMITS	168,200	178,200	157,148	159,430	160,833	162,257	163,703
ANIMAL CONTROL	1,495	1,495	1,517	1,540	1,563	1,587	1,611
FINES & FORFEITURES	207,300	207,300	210,665	213,825	217,032	220,288	223,592
FEES & SERVICES	360,415	391,158	365,821	371,309	376,878	382,531	388,269
MISCELLANEOUS	217,080	215,880	217,789	219,727	221,694	223,690	225,717
SCHOOL CROSSING GUARD	13,500	13,500	13,703	13,908	14,117	14,328	14,543
LEOSE PROCEEDS	1,900	4,189	1,900	1,900	1,900	1,900	1,900
POLICE SEIZED PROCEEDS	-	-	-	-	-	-	-
Total Operating Revenue	10,664,569	10,857,021	10,991,081	11,216,170	11,695,039	11,995,024	12,305,660
Transfer In							
PROJECT ALLOCATION	98,585	98,585	103,021	103,021	107,657	103,021	107,657
CAPITAL REPLACEMENT	56,700	56,700	379,408	317,012	207,060	250,951	254,134
Total Revenue	10,819,854	11,012,306	11,473,510	11,636,204	12,009,757	12,348,995	12,667,452
Expenditures by Category							
Personnel							
SALARIES	4,717,611	4,296,000	4,851,431	5,069,745	5,297,884	5,536,289	5,785,422
OVERTIME	43,747	44,126	40,717	42,539	44,443	46,433	48,512
PAYROLL TAXES	370,297	329,302	376,753	393,589	411,180	429,561	448,768
WORKERS' COMP INSURANCE	78,598	68,290	80,594	81,803	83,030	84,275	85,540
RETIREMENT	607,278	543,378	628,593	656,880	686,440	717,329	749,609
HEALTH INSURANCE	655,651	524,157	640,126	672,132	705,739	741,026	778,077
UNIFORM ALLOWANCE	28,000	19,000	26,000	26,000	26,000	26,000	26,000
CAR ALLOWANCE	7,200	7,200	7,200	7,200	7,200	7,200	7,200
RELOCATION ALLOWANCE	-	14,839	-	-	-	-	-
ALLOWANCE FOR VACANCIES	(260,628)	-	(270,129)	(282,285)	(294,987)	(308,262)	(322,134)
Supplies, Maintenance and Operations							
SUPPLIES & CONSUMABLES	33,275	34,775	33,907	34,585	35,276	35,982	36,701
MINOR EQUIPMENT & FURNITURE	71,850	69,840	72,955	74,414	75,902	77,420	78,969
FUEL	66,500	58,500	69,567	72,782	76,153	79,688	83,393
UNIFORMS	30,905	39,632	31,494	32,315	32,927	33,552	34,190
COMMITTEES	2,500	2,500	3,000	3,000	3,000	3,000	3,000
COURT TECHNOLOGY	10,823	10,823	5,075	5,151	5,228	5,307	5,386
COURT SECURITY BUILDING	4,500	6,180	6,090	6,181	6,274	6,368	6,464
VEHICLE MAINTENANCE/REPAIRS	35,880	35,880	39,924	41,380	42,898	44,482	46,133

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - SCENARIO 5							
EQUIPMENT MAINTENANCE/REPAIRS	15,500	15,500	17,500	17,850	18,207	18,571	18,943
BUILDING MAINTENANCE/REPAIRS	28,063	28,063	28,624	29,196	29,780	30,376	30,983
LANDSCAPING & GREENSPACE MAINT	5,500	17,461	5,610	5,722	5,837	5,953	6,072
STREET MAINTENANCE	930,000	951,257	1,030,600	1,031,212	1,031,836	1,032,473	1,033,122
DRAINAGE WORK	20,000	20,000	20,000	20,000	20,000	20,000	20,000
STREET MAINTENANCE	15,000	15,000	15,000	15,000	15,000	15,000	15,000
OAK WILT PROGRAM	29,750	29,750	29,750	29,750	29,750	29,750	29,750
TREE AND LANDSCAPE PROTECTION	4,850	4,850	4,850	4,850	4,850	4,850	4,850
EMERGENCY RESPONSE	500	500	500	500	500	500	500
Professional Services							
PROFESSIONAL SERVICES	1,371,499	1,496,741	1,699,718	1,880,103	2,195,764	2,594,172	2,797,628
DUES/SUBSCRIPTIONS	19,466	19,802	19,696	20,025	20,361	20,703	21,052
TRAINING/SEMINARS & TRAVEL	121,115	121,115	136,052	127,493	129,903	132,361	134,868
MEETINGS & RELATED TRAVEL	22,590	22,590	22,786	23,006	23,230	23,458	23,691
PUBLIC RELATIONS & EVENTS	69,100	69,100	69,352	70,634	71,942	73,276	74,636
EMPLOYEE APPRECIATION	14,760	14,760	14,660	14,884	15,113	15,346	15,584
OTHER SERVICES	53,675	53,675	53,335	54,164	55,009	55,871	56,751
TECH/INTERNET/SOFTWARE MAINT	381,288	392,570	498,622	432,842	454,484	477,209	501,069
Shared Services							
FACILITY CONTRACTS & SERVICES	102,470	135,650	107,594	112,973	118,622	124,553	130,781
POSTAGE	4,125	4,125	4,208	4,292	4,377	4,465	4,554
GENERAL LIABILITY INSURANCE	90,000	89,353	91,800	93,636	95,509	97,419	99,367
ELECTRICITY	44,000	41,000	44,880	45,778	46,693	47,627	48,580
PHONE/CABLE/ALARMS	32,996	32,996	33,656	34,329	35,016	35,716	36,430
COMMUNITY CENTER	-	-	-	-	50,000	50,000	50,000
Total Operating Expenditures	9,880,234	9,680,280	10,592,088	11,005,650	11,716,370	12,475,299	13,055,442
Capital Outlay							
FURNITURE, FIXTURES & EQUIP	226,975	468,031	413,758	346,779	238,316	283,769	288,594
Transfers Out							
TRANSFER TO CAP IMP FUND 02	370,000	370,000	-	-	-	-	-
TRANSFER TO VEH/EQUIP FUND 31	373,138	373,138	310,508	310,508	310,508	310,508	310,508
Potential Savings							
	-	-	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Total Expenditures	10,850,347	10,891,449	11,016,354	11,362,938	11,965,194	12,769,576	13,354,543
Excess (deficiency) of revenues over (under) expenditures	(30,493)	120,857	457,156	273,266	44,563	(420,581)	(687,091)
Ending Fund Balance	7,638,296	7,789,646	8,246,802	8,520,068	8,564,631	8,144,050	7,456,959
Non-Spendable	85,344	85,344	85,344	85,344	85,344	85,344	85,344
Restricted Reserves	133,732	133,732	128,387	128,387	128,387	128,387	128,387
Tree Mitigation and Legal Reserve	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Unallocated Reserve Balance	2,598,876	2,622,451	2,630,000	2,700,000	2,390,000	1,590,000	620,000
Operating Reserve Balance	4,848,119	4,848,119	5,303,071	5,506,337	5,860,900	6,240,319	6,523,228

Scenario 5 Dashboard



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

Public Works: Maintenance, Building Codes and Engineering

FY 2025-30 Estimated Tax Rates

Fiscal Year	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Tax Rate/\$100 Valuation						
General Fund (M&O)	0.2512	0.2435	0.2341	0.2322	0.2244	0.2170
Debt Service Fund (I&S)	0.0341	0.0339	0.0361	0.0389	0.0456	0.0426
Total Tax Rate	0.2853	0.2774	0.2702	0.2711	0.2700	0.2596
Total Taxable Valuation	2,652,215,358	2,784,826,126	2,985,361,537	3,197,537,320	3,420,124,600	3,654,083,239
M&O Tax Rate/\$100 Valuation	0.2512	0.2435	0.2341	0.2322	0.2244	0.2170
Total M&O Levy	6,662,365	6,781,052	6,988,731	7,424,682	7,674,760	7,929,361
% Change in M&O Levy		1.78%	3.06%	6.24%	3.37%	3.32%
Total Taxable Valuation	2,652,215,358	2,784,826,126	2,985,361,537	3,197,537,320	3,420,124,600	3,654,083,239
I&S Tax rate/\$100 Valuation	0.0341	0.0339	0.0361	0.0389	0.0456	0.0426
Total I&S Levy	904,405	942,700	1,078,825	1,243,438	1,561,125	1,556,900
% Change in I&S Levy		4.2%	14.4%	15.3%	25.5%	-0.3%
Total Levy (100%)	\$ 7,566,770	\$ 7,723,752	\$ 8,067,556	\$ 8,668,119	\$ 9,235,885	\$ 9,486,261
Yr. over Yr. increase (decrease)	\$ 156,981	\$ 343,805	\$ 600,563	\$ 567,765	\$ 250,376	
Ave Home Taxable Value	\$ 626,093	\$ 657,397	\$ 690,267	\$ 724,780	\$ 761,019	\$ 799,070
Average Tax Bill	\$ 1,786	\$ 1,823	\$ 1,865	\$ 1,965	\$ 2,055	\$ 2,074



FY 2026-30 Five-Year Financial Plan

May 15, 2025



Item #12.

Summer Fleming, CGFO
Director of Finance

Recap from last meeting



Baseline

Approximates no-new-revenue rate (NNR) and cash funds the drainage CIP.

Scenario 1

Incorporates Certificates of Obligation to fund all drainage projects, maintains a 50% operating reserve, and adjusts the tax rate utilizing unallocated fund balance to minimize tax rate increases.

Scenario 2

Incorporates Certificates of Obligation to fund all drainage projects, maintains a 30% operating reserve, and adjusts the tax rate utilizing unallocated fund balance to minimize tax rate increases.

Recap from last meeting



Scenario	Tax Rate	Avg. Tax Bill	Unallocated Fund Balance	Operating Reserve
Baseline	NNR Rate	Decreases \$122	Depleted in 2027	5%
Scenario 1	> NNR Rate	Increases \$215	Depleted in 2029	50%
Scenario 2	> NNR Rate	Increases \$19	Depleted in 2029	30%

Updated Scenarios



Scenario 3

Property tax revenues set to cover operating expenditures. Unallocated fund balance for drainage CIP and one-time capital purchases. Operating reserve at 50%.

Scenario 4

Property tax revenues set to cover operating expenditures. Unallocated fund balance for drainage CIP and one-time capital purchases. Operating reserve at 30%.

Scenario 5

Property tax revenues set to cover operating expenditures with unallocated fund balance supplement. Certificates of Obligation to fund all drainage CIP, and operating reserve at 50%.

Drainage Capital Improvements Plan



	2025	2026	2027	2028	2029
8472 Rolling Acres Trail	\$67,600	\$162,240			
8040 Rolling Acres Trail	\$67,600	\$162,240			
Vestal Park Culvert	\$113,844				
8426 Triple Crown			\$253,094		
8312 Triple Crown			\$269,967		
32030 Scarteen				\$72,331	\$193,853
31988 Scarteen				\$100,000	
7644 Pimlico Lane				\$100,000	
8045 Flagstone Hill					\$100,000
8402 Battle Intense					\$200,000
Total	\$249,044	\$324,480	\$523,062	\$272,331	\$493,853

\$1,613,726

Scenario 3 Assumptions



Policy

- Keeping the operating reserve at 50% of operating expenditures

Revenues

- Property tax rate to cover operating expenditures
- 3.0% increase in sales tax revenue per year
- 45.0% decrease in interest revenue over 5 years
- 1.5% increase in other revenue sources

Expenditures

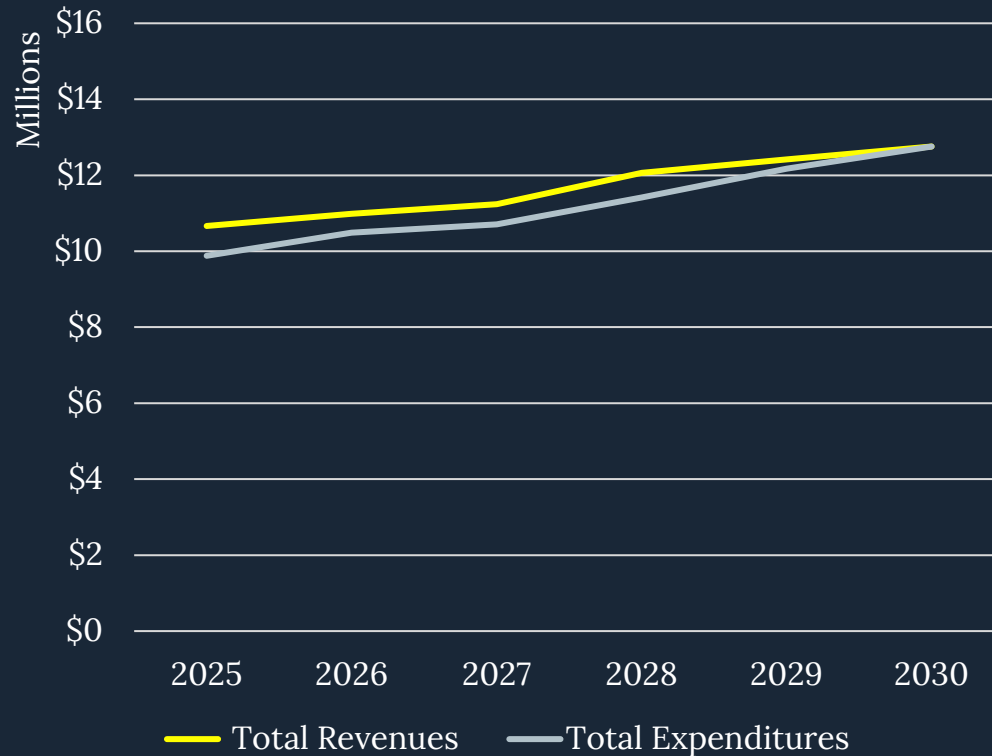
- Cash funding for approved drainage CIP
- 4.5% increase in personnel costs per year, no new FTEs
- 5.0% increase in health insurance, and facility, engineering, and software contracts
- Incremental increases to ensure fire and EMS services under a contract model
- 2% increase all other expenditures
- Assumes \$20,000/year of new equipment for Public Safety and \$50,000/year for Public Works

Scenario 3 Dashboard

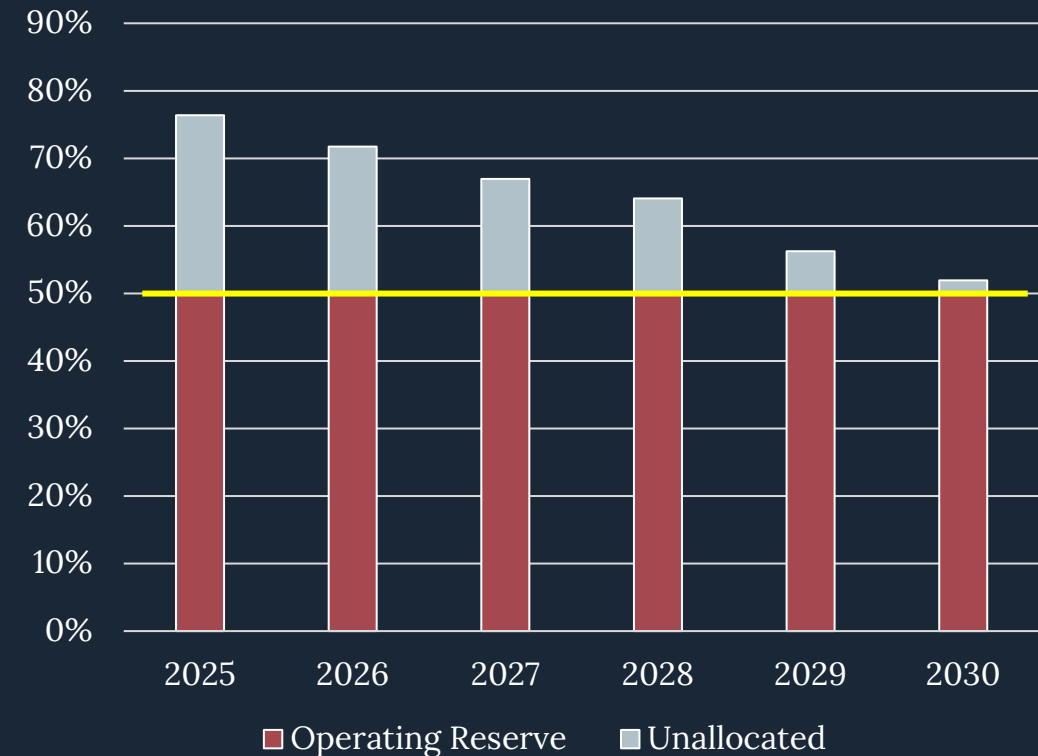


Item #12.

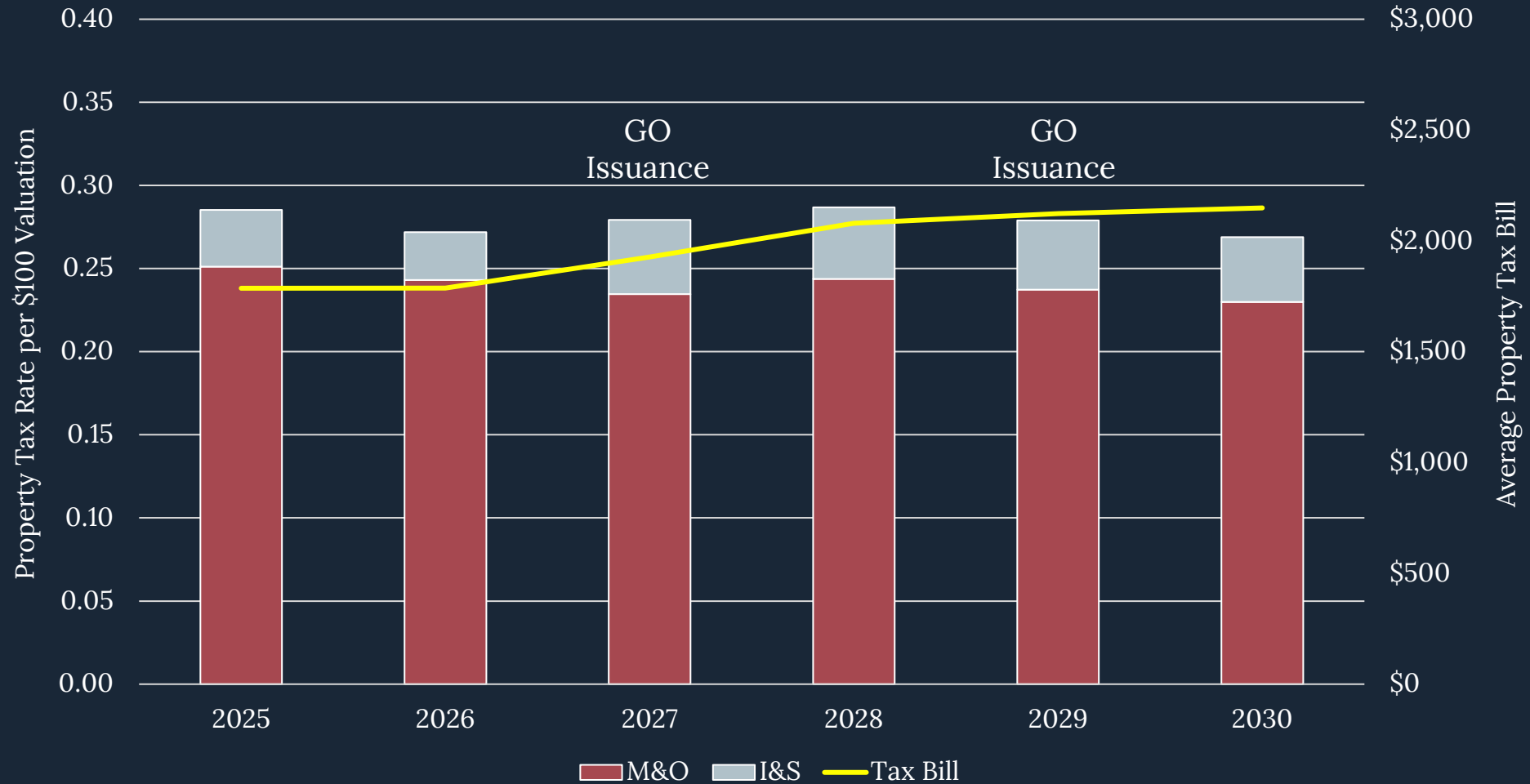
Operating Revenues and Expenditures



Reserves as a Percent of Operating Expenditures



Property Tax Rates – Scenario 3



Scenario 4 Assumptions



Policy

- The operating reserve requirement is lowered to 30%, or 3.6 months

Revenues

- Property tax rate to cover operating expenditures

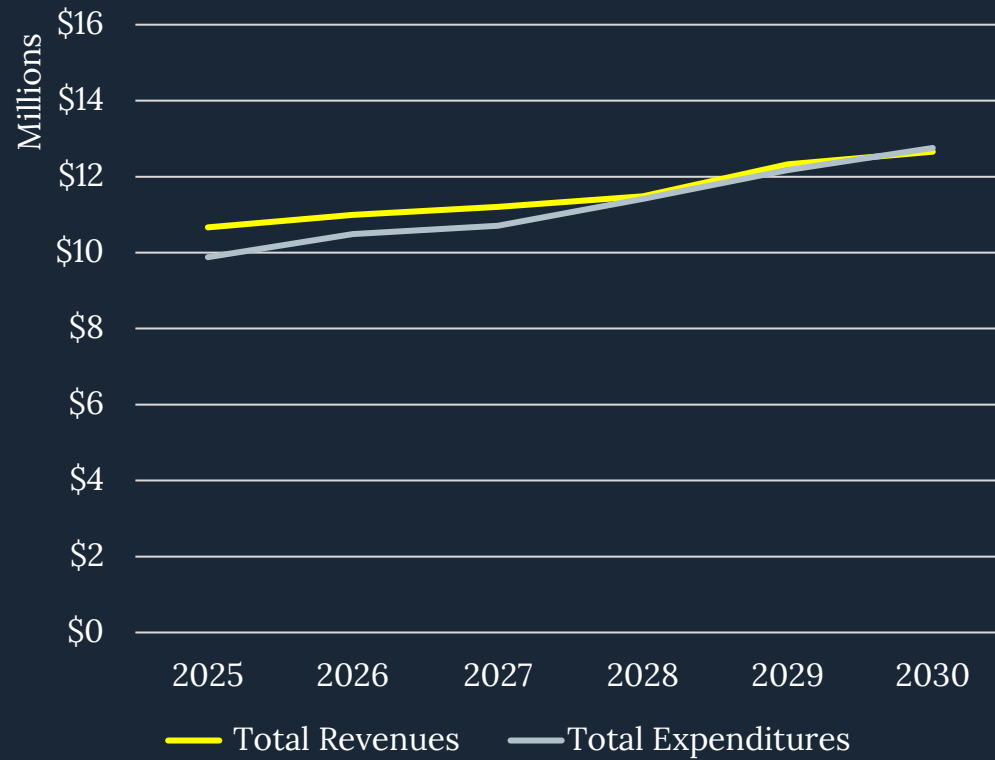
Expenditures

- Cash funding for approved drainage CIP

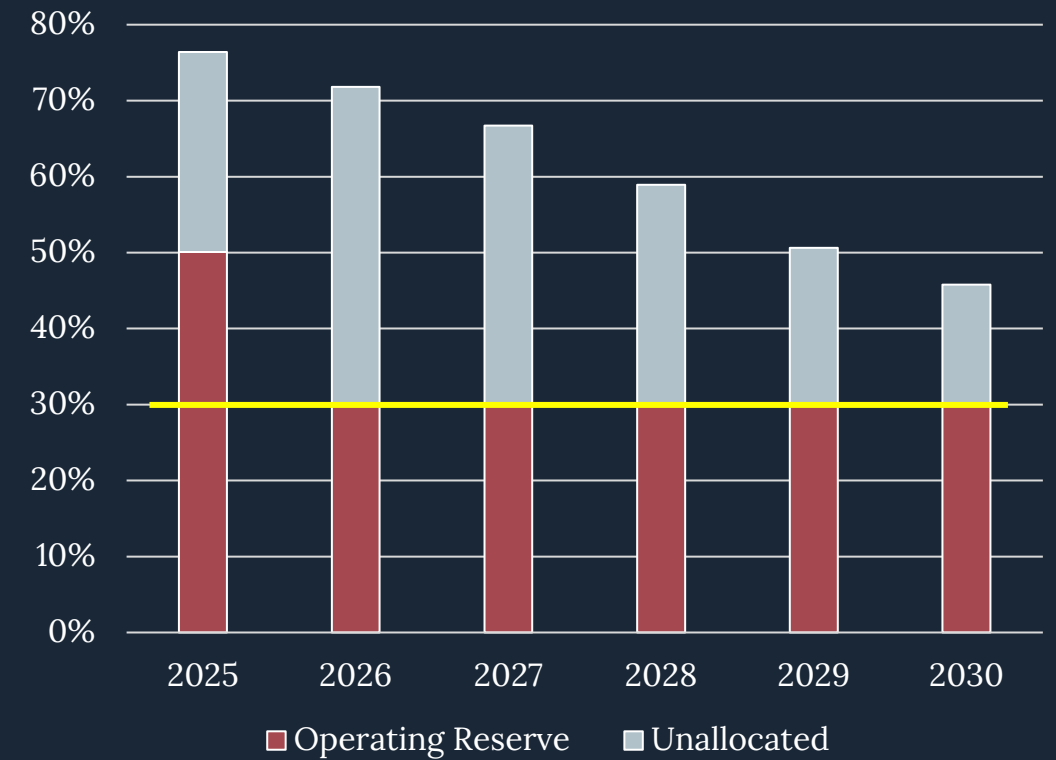
Scenario 4 Dashboard



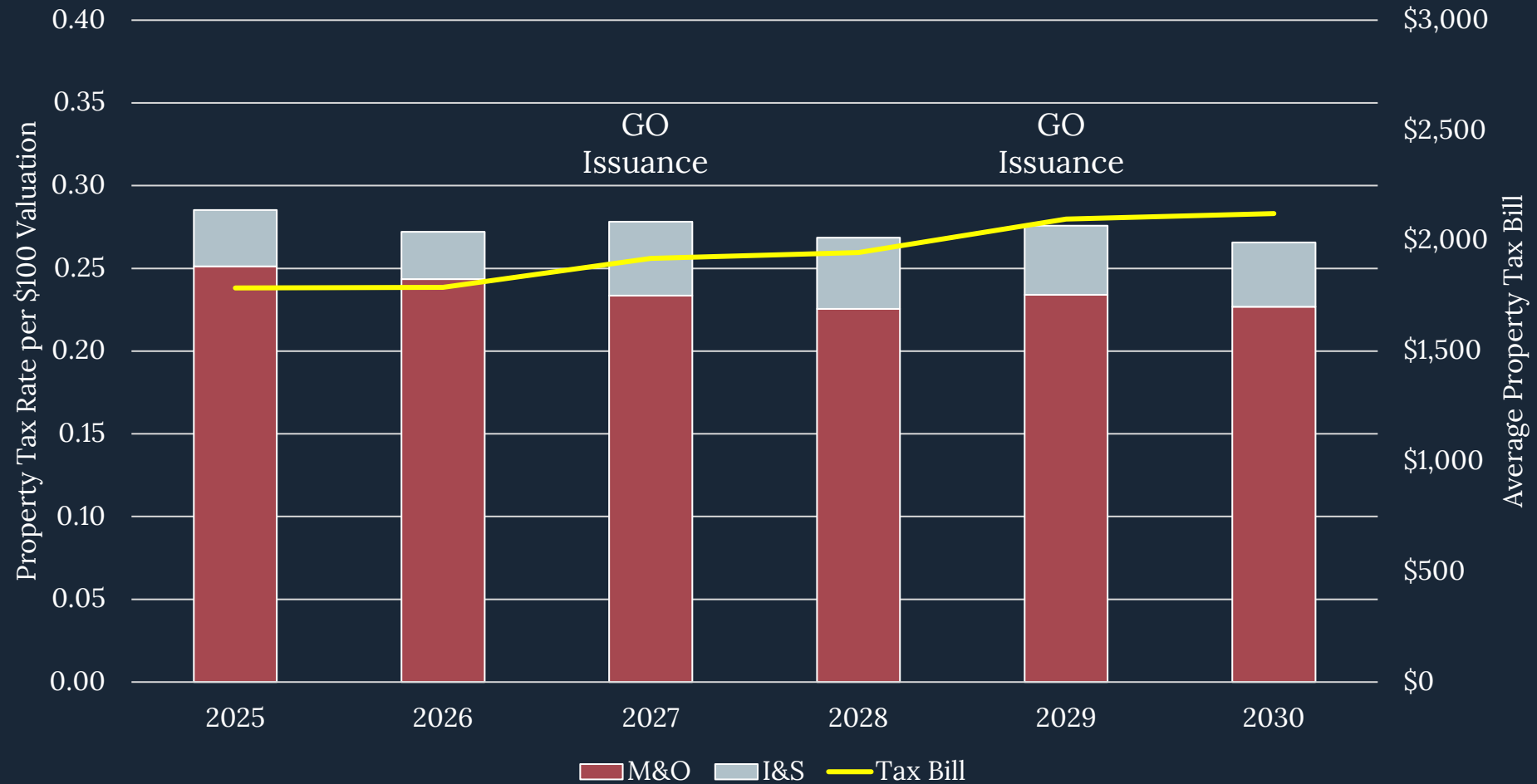
Operating Revenues and Expenditures



Reserves as a Percent of Operating Expenditures



Property Tax Rates – Scenario 4



Scenario 5 Assumptions



Policy

- The operating reserve is maintained at 50%

Revenues

- Property tax rate to cover operating expenditures with supplement from the unallocated fund balance

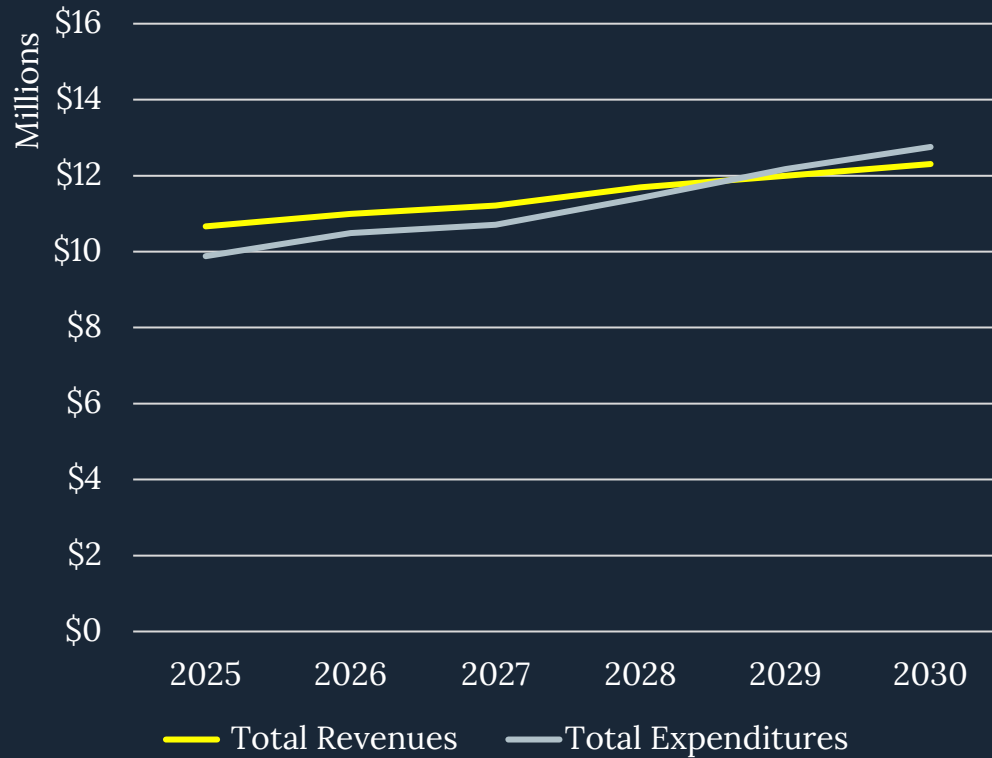
Expenditures

- Debt funding for approved drainage CIP, \$1,615,000 Certificates of Obligation issued in 2025

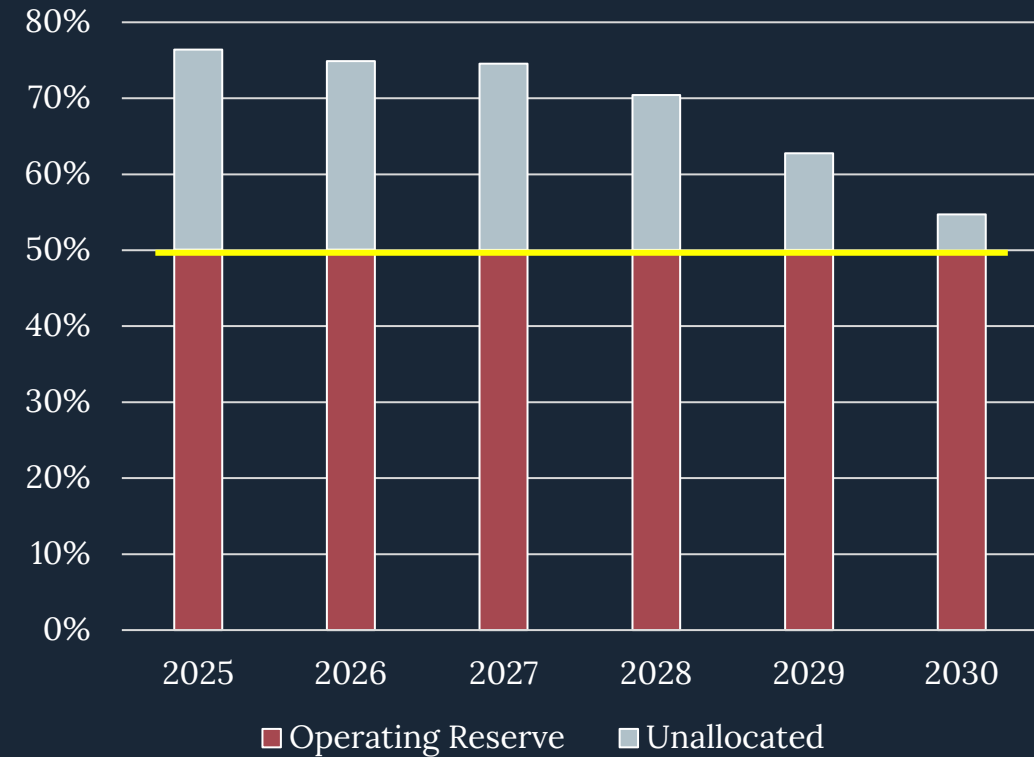
Scenario 5 Dashboard



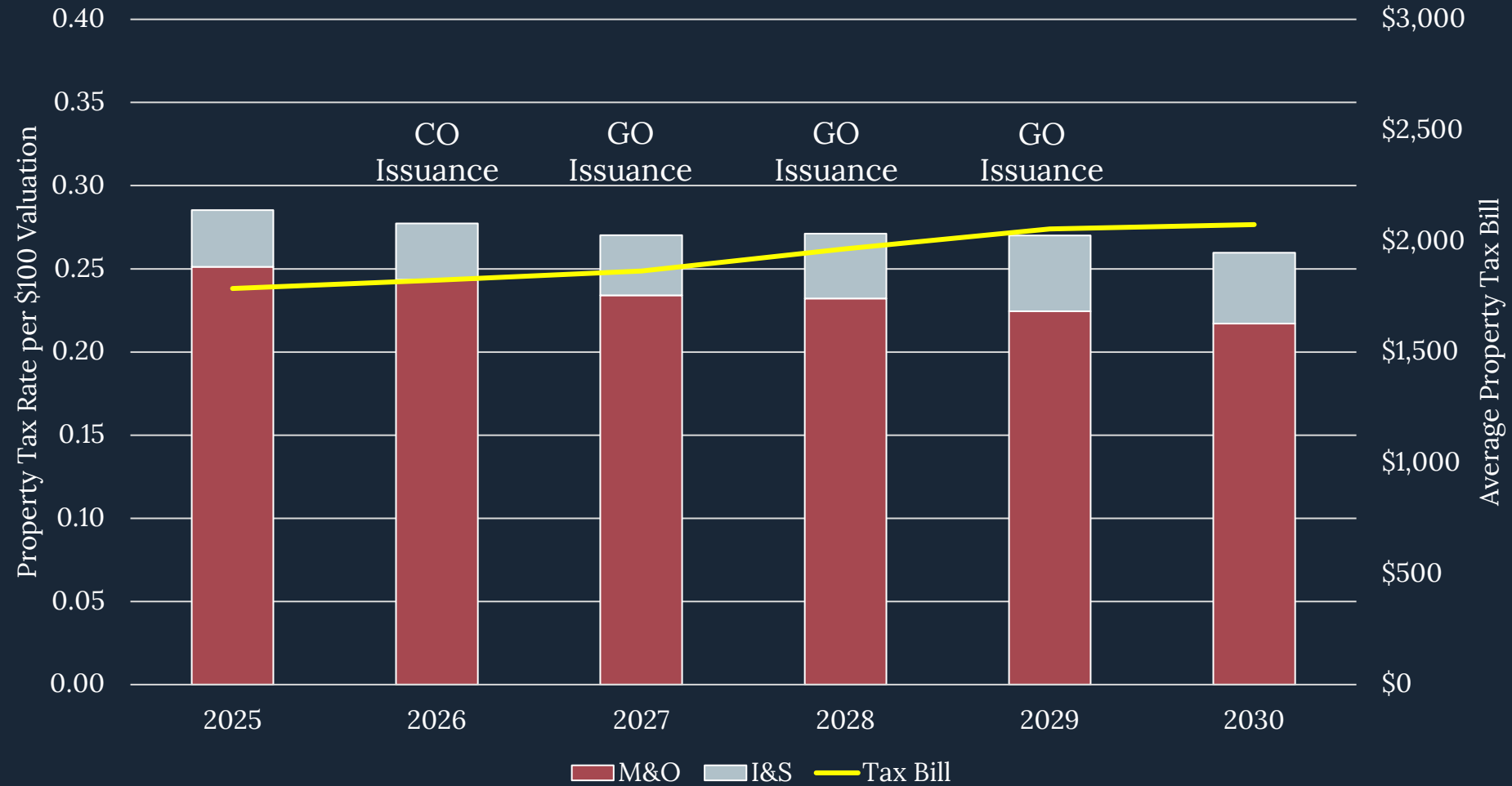
Operating Revenues and Expenditures



Reserves as a Percent of Operating Expenditures



Property Tax Rates – Scenario 5



Scenario Recap



Scenario	Tax Rate	Drainage Funding	Avg. Tax Bill Over 5-years	Unallocated Fund Balance	Operating Reserve
Scenario 3	At VAR	Cash	Increases \$362	2% in 2030	50%
Scenario 4	>NNR	Cash	Increases \$337	16% in 2030	30%
Scenario 5	>NNR	Debt	Increases \$288	5% in 2030	50%

Next Steps

- Council direction for reserve policy
- Council direction for funding drainage CIP
- Bring Resolution to adopt the FY 2026-30 Financial Plan
- Develop the budget



Questions?



CITY COUNCIL REPORT

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Financial and Investment Report for the Quarter Ended March 31, 2025

DATE: May 15, 2025

DEPARTMENT: Finance

PRESENTED BY: Summer Fleming, CGFO, Director of Finance

INTRODUCTION/BACKGROUND:

Best practices in financial transparency and reporting recommend at least quarterly reporting on the financial position of the City relative to the budget. The quarterly report provides a comprehensive update on the implementation of the budget and includes an updated projection of the budget outcome for the fiscal year.

Pursuant to Texas Government Code Section 2256.023 and the City's Investment Policy Section 12, the Investment Officer is required, on a quarterly basis, to prepare and submit to the City Council a written report of investment transactions that have occurred since the previous report, and the market value of current investments. The attached report is being made to comply with the reporting requirements for the quarter that ended March 31, 2025.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Priority 1.5 of the Strategic Action Plan is to ensure continuity and excellence of financial reporting reliability. Frequent review and reporting of the City's investments is both prudent and necessary to confirm the City's investment portfolio is being managed according to the Investment Policy. Fiscal transparency informs City Council and citizens how the City spent tax revenues and is a critical element of effective public financial management.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

As of the second quarter that ended March 31, 2025, the general fund remains in strong financial condition. Revenues total \$8.09 million year-to-date, with full-year projections reaching the adopted budget at \$11.04 million. Higher than expected performance in taxes, interest earnings, and service fees helped offset shortfalls in court fines and grants, and a change in accounting for project allocation revenues, which represent staff charges to strategic and capital projects. The budgeted revenues for project allocations will be accounted for as a contra-expense reflected in personnel savings.

On the expenditure side, the City is projected to spend \$11.03 million by year-end, which is approximately \$482,000 under budget. These savings are primarily in personnel costs due to vacancies, and close management of operational spending. The projected net operating result is nearly balanced, with revenues exceeding expenditures by just \$8,820, which is significantly better than the originally budgeted deficit of \$469,000. The ending fund balance is projected at \$7.67 million and in line with fund balance policy targets.

The utility fund shows a combined increase in operational revenues of \$383,640, mostly in the water utility. Water consumption is up 34 million gallons and drought surcharges are \$96,000 higher than the same time last year. Wastewater operational revenues are projected to be \$81,000 higher than budget, due to changes in winter averages combined with new connections.

Combined operating expenses are projected to be \$61,000 under budget largely in personnel due to vacancies.

The combined operating income after depreciation is projected to show a loss of \$294,027. This is primarily due to depreciation expense, which reflects the gradual loss in value of the utility's extensive property, plant, and equipment. Since these assets play a critical role in service delivery, their depreciation should be considered part of the overall cost of service. Reviewing operating income after depreciation provides a clearer picture of how these long-term asset costs impact the utility's profitability.

Overall, the utility fund is projected to have a positive variance to budget totaling \$260,316 and add \$1.89 million to net position for its investment in capital assets.

The City currently has funds in Frost Bank and three local government investment pools: TexPool, TexPool Prime, and Texas CLASS. Investments earned \$312,936 in interest during the quarter and totaled \$28.35 million on March 31, 2025. Investment accounts decreased \$1.54 million during the quarter primarily due to the completion and payment of capital projects.



Fiscal Year 2024-25 Financial Report

As of March 31, 2025

Prepared by
Finance Department
May 15, 2025

City of Fair Oaks Ranch
General Fund
Statement of Revenues & Expenditures
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Beginning Fund Balance	6,628,607	7,668,789	7,668,789	7,668,789	
<u>Revenue</u>					
Taxes	8,631,247	8,482,329	7,079,227	8,541,638	59,309
Franchise Fees	743,231	762,350	234,450	746,300	(16,050)
Permits	232,138	168,200	113,284	173,200	5,000
Fines & Fees	191,584	207,300	71,847	174,220	(33,080)
Fees & Services	521,604	361,910	196,355	387,044	25,134
Interest Earnings	683,555	450,000	287,283	525,000	75,000
Grants & Contributions	141,826	313,440	2,000	293,440	(20,000)
Other Revenues	358,645	143,880	74,558	143,469	(411)
Transfers from other funds	222,254	155,285	30,000	56,700	(98,585)
Total Revenue	<u>11,726,083</u>	<u>11,044,694</u>	<u>8,089,005</u>	<u>11,041,010</u>	<u>(3,684)</u>
<u>Expenditures</u>					
Personnel	5,478,855	6,247,754	2,725,025	5,764,072	483,682
Supplies, Maintenance & Operations	1,162,375	1,343,011	250,094	1,341,011	2,000
Services	1,793,865	2,175,436	1,094,192	2,176,853	(1,417)
Shared Services	197,471	308,271	175,852	303,271	5,000
Capital Outlay	937,864	471,532	300,691	479,006	(7,474)
Transfers to other funds	1,115,471	967,978	743,138	967,978	-
Total Expenditures	<u>10,685,901</u>	<u>11,513,982</u>	<u>5,288,994</u>	<u>11,032,191</u>	<u>481,791</u>
Revenue over/(under) Expenditures	1,040,182	(469,288)	2,800,011	8,820	478,107
Ending Fund Balance	7,668,789	7,199,502	10,468,800	7,677,609	

City of Fair Oaks Ranch
General Fund
Fund Balance Detail
For the fiscal year ended September 30, 2025

	Actual 9/30/2024	Projected FY 2024-25	Projected 9/30/2025
<u>Non-spendable</u>	85,344	-	85,344
<u>Restricted</u>			
Court Technology	21,707	(6,823)	14,884
Court Security Building	17,531	500	18,031
Court Efficiency	1,681	400	2,081
Court Truancy Prevention Fund	21,534	4,700	26,234
Municipal Court Jury Fund	281	120	401
Felony Forfeiture	43,275	-	43,275
LEOSE Funds	20,239	1,189	21,427
PEG Fees	4,319	-	4,319
Total Restricted	130,566	86	130,652
<u>Committed</u>	-	-	-
<u>Assigned</u>			
Tree Mitigation	149,600	(49,600)	100,000
Operating Reserve	4,738,119	110,000	4,848,119
Total Assigned	4,887,719	60,400	4,948,119
<u>Unassigned</u>			
Total Unassigned	2,565,161	(51,666)	2,513,495
General Fund Balances	7,668,789	8,820	7,677,609

City of Fair Oaks Ranch
General Fund
Statement of Revenues
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Taxes					
General Property	6,744,102	6,557,107	6,368,330	6,637,782	80,675 ¹
Delinquent Property	47,128	30,000	34,240	40,000	10,000
Penalty & Interest	22,732	25,000	14,014	25,000	-
Mixed Beverage	28,961	25,000	12,616	25,000	-
Local Sales	1,192,216	1,230,148	433,351	1,209,237	(20,911)
Street Maintenance	298,054	307,537	108,338	302,309	(5,228)
Property Reduction	298,054	307,537	108,338	302,309	(5,228)
Total Taxes	8,631,247	8,482,329	7,079,227	8,541,638	59,309
Franchise Fees					
Time Warner Cable	59,395	60,900	15,269	60,900	-
GVTC Cable/Telephone	60,270	65,000	14,690	60,000	(5,000)
AT&T Cable/Television	1,677	2,500	385	1,250	(1,250)
Miscellaneous Telecom	315	700	85	400	(300)
City Public Service	448,951	470,000	134,766	450,000	(20,000)
Pedernales Electric	109,431	105,000	26,029	105,000	-
Grey Forest Utility	26,496	23,500	7,719	24,000	500
Garbage	36,696	34,000	35,508	44,000	10,000
Recycling	-	750	-	750	-
Total Franchise Fees	743,231	762,350	234,450	746,300	(16,050)
Interest Earnings					
Bank/Investment Interest	683,555	450,000	287,283	525,000	75,000 ²
Total Interest Earnings	683,555	450,000	287,283	525,000	75,000
Permits					
New Residential	145,757	80,000	57,843	80,000	-
New Commercial	-	5,000	-	5,000	-
Remodeling/Additions	30,950	20,000	28,945	40,000	20,000
Other	41,436	50,000	16,871	35,000	(15,000)
Contacting Registration	9,450	9,000	5,475	9,000	-
Food/Health	4,545	4,200	4,150	4,200	-
Total Permits	232,138	168,200	113,284	173,200	5,000
Fines & Fees					
Municipal Court Fines	174,829	190,000	65,383	160,000	(30,000)
Municipal Court Security	5,665	6,000	2,224	5,000	(1,000)
Municipal Court Technology	4,648	5,000	1,840	4,000	(1,000)
Municipal Court Efficiency	603	450	135	400	(50)
Municipal Court Truancy Prevention	5,725	5,700	2,220	4,700	(1,000)
Municipal Court Jury	114	150	44	120	(30)
Total Fines & Fees	191,584	207,300	71,847	174,220	(33,080)

City of Fair Oaks Ranch
General Fund
Statement of Revenues
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Fees & Services					
FORU Management Fee	289,039	292,365	137,412	311,149	18,784 ³
Special Fees	30,749	25,000	24,243	35,000	10,000
FORMDD Management Fee	30,150	30,150	30,150	30,150	-
Tree Mitigation Fees	159,600	-	-	-	-
Credit Card Service Fee	9,682	12,900	3,500	9,000	(3,900)
Pet Licenses	1,050	1,000	755	1,250	250
Pet Impound	1,334	495	295	495	-
Total Fees & Services	521,604	361,910	196,355	387,044	25,134
Other					
Miscellaneous	117,343	127,280	62,971	125,780	(1,500)
City Event Sponsorship	1,480	1,200	-	-	(1,200)
Sale of Assets	-	-	-	-	-
School Guard Crossing Fund	15,729	13,500	7,398	13,500	-
LEOSE Proceeds	4,234	1,900	4,189	4,189	2,289
Police Seized Proceeds	-	-	-	-	-
Other Sources - SBITA's	202,767	-	-	-	-
Other Sources - Leases	17,092	-	-	-	-
Total Other	358,645	143,880	74,558	143,469	(411)
Grants & Contributions					
Donations/Grants	141,826	313,440	2,000	293,440	(20,000) ⁴
Total Grants & Contributions	141,826	313,440	2,000	293,440	(20,000)
Transfers					
Project Allocations	-	98,585	-	-	(98,585) ⁵
Capital Replacement Fund	222,254	56,700	30,000	56,700	-
Total Transfers	222,254	155,285	30,000	56,700	(98,585)
Total Revenue	11,726,083	11,044,694	8,089,005	11,041,010	(3,684)

(1) Increased projection is due to an increase in the tax levy after appraisal protests have settled.

(2) Increased the projection for investment earnings based on current earnings and rates.

(3) Increased the projection for Utility Management Fee for an increased projection of utility revenues.

(4) Decreased the projection for Disabled Veterans Exemption Relief Funds.

(5) Project allocation for the Project Manager will post as a contra-expense in Engineering Department.

General Fund Expenditures by Department
Mayor & Council
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Personnel					
Salaries	-	-	-	-	-
Overtime	-	-	-	-	-
Taxes - Social Security	-	-	-	-	-
Taxes - Medicare	-	-	-	-	-
Taxes SUTA/FUTA	-	-	-	-	-
Workers' Compensation Insurance	-	-	-	-	-
Retirement	-	-	-	-	-
Health Insurance	-	-	-	-	-
Uniform Allowance	-	-	-	-	-
Allowance for Vacancies	-	-	-	-	-
Total Personnel	-	-	-	-	-
Supplies, Maintenance & Operations					
Supplies and Consumables	-	-	-	-	-
Minor Equipment and Furniture	-	-	-	-	-
Fuel	-	-	-	-	-
Uniforms	284	350	-	350	-
Committee - Branding	-	500	-	500	-
Committee - Planning & Zoning	248	500	-	500	-
Committee - Board of Adj	-	500	-	500	-
Committee - Audit	-	500	-	-	500
Committee - TSAC	-	-	266	500	(500)
Committee - Urban Wildlife	720	500	-	500	-
Donations & Grants	-	-	-	-	-
Total Supplies, Maintenance & Operations	1,252	2,850	266	2,850	-
Services					
Professional Services	-	-	-	-	-
Dues/Subscriptions	2,716	3,245	2,599	3,245	-
Training/Seminars & Related Travel	-	7,000	-	7,000	-
Meetings and Related Travel	2,298	11,800	1,020	5,800	6,000
Public Relations	235	5,250	-	5,250	-
Employee Appreciation	-	-	-	-	-
Recording/Reporting/History	-	-	-	-	-
Total Services	5,249	27,295	3,619	21,295	6,000
Total Mayor & Council	6,500	30,145	3,885	24,145	6,000

General Fund Expenditures by Department
Administration
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Personnel					
Salaries	309,218	453,486	204,981	441,226	12,260
Overtime	142	123	-	123	-
Taxes - Social Security	18,155	26,853	11,976	25,663	1,190
Taxes - Medicare	4,451	6,577	3,072	6,273	304
Taxes SUTA/FUTA	399	398	-	398	-
Workers' Compensation Insurance	1,260	982	853	853	129
Retirement	38,637	57,858	27,672	56,956	902
Health Insurance	22,969	33,434	18,188	38,311	(4,877)
Uniform Allowance	-	-	-	-	-
Car Allowance	7,200	7,200	3,600	7,200	-
Allowance for Vacancies	-	(6,023)	-	-	(6,023)
Total Personnel	402,431	580,888	270,342	577,004	3,884
Supplies, Maintenance & Operations					
Supplies and Consumables	513	850	18	850	-
Minor Equipment and Furniture	1,236	1,250	23	1,250	-
Fuel	61	150	85	150	-
Uniforms	133	360	-	360	-
Total Supplies, Maintenance & Operations	1,944	2,610	126	2,610	-
Services					
Professional Services	213,112	105,000	57,857	130,000	(25,000) ¹
Dues/Subscriptions	3,330	4,318	2,701	4,318	-
Training/Seminars & Related Travel	8,181	16,375	1,891	13,875	2,500
Meetings and Related Travel	1,875	5,840	629	3,840	2,000
Employee Appreciation	-	300	-	300	-
Tech/Internet/Software	-	-	-	-	-
Total Services	226,499	131,833	63,077	152,333	(20,500)
Capital Outlay					
Furniture, Equipment & Vehicles	-	-	-	-	-
Total Capital Outlay Costs	-	-	-	-	-
Total Administration	630,873	715,331	333,545	731,946	(16,616)

¹ Increased projection for legal fees.

General Fund Expenditures by Department
City Secretary
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Personnel					
Salaries	161,133	167,674	80,045	168,722	(1,048)
Overtime	-	-	-	-	-
Taxes - Social Security	9,622	10,396	5,026	10,059	337
Taxes - Medicare	2,250	2,431	1,175	2,352	79
Taxes SUTA/FUTA	234	234	-	234	-
Workers' Compensation Insurance	428	363	315	315	48
Retirement	19,807	21,387	10,636	21,449	(62)
Health Insurance	14,928	18,315	8,482	17,064	1,251
Uniform Allowance	-	-	-	-	-
Total Personnel	208,402	220,800	105,678	220,196	604
Supplies, Maintenance & Operations					
Supplies and Consumables	953	950	74	950	-
Minor Equipment and Furniture	1,175	200	115	200	-
Fuel	-	-	-	-	-
Uniforms	100	100	-	100	-
Total Supplies, Maintenance & Operations	2,229	1,250	189	1,250	-
Services					
Professional Services	4,038	11,039	3,416	8,539	2,500
Dues/Subscriptions	803	1,000	723	1,000	-
Training/Seminars & Related Travel	5,421	6,400	3,308	6,400	-
Meetings and Related Travel	325	1,500	133	1,500	-
Elections	32,687	32,000	941	32,000	-
Employee Appreciation	-	100	30	100	-
Recording/Reporting/History	12,037	10,000	1,455	10,000	-
Tech/Internet/Software	4,128	10,930	5,319	12,280	(1,350)
Total Services	59,440	72,969	15,325	71,819	1,150
Capital Outlay					
Furniture, Equipment & Vehicles	-	-	-	-	-
Total Capital Outlay Costs	-	-	-	-	-
Total City Secretary	270,071	295,019	121,193	293,265	1,754

General Fund Expenditures by Department
Human Resources and Communications
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Personnel					
Salaries	133,344	136,408	65,060	136,941	(533)
Overtime	-	-	-	-	-
Taxes - Social Security	7,895	8,457	4,095	8,189	268
Taxes - Medicare	1,847	1,978	958	1,915	63
Taxes SUTA/FUTA	176	176	-	176	-
Workers' Compensation Insurance	346	295	256	256	39
Retirement	16,380	17,399	8,645	17,410	(11)
Health Insurance	9,236	10,998	5,276	10,477	521
Uniform Allowance	-	-	-	-	-
Total Personnel	169,222	175,711	84,291	175,365	346
Supplies, Maintenance & Operations					
Supplies and Consumables	1,774	1,700	745	1,700	-
Minor Equipment and Furniture	1,755	1,600	240	1,600	-
Fuel	-	-	-	-	-
Uniforms	118	150	-	150	-
Total Supplies, Maintenance & Operations	3,647	3,450	985	3,450	-
Services					
Professional Services	540	1,625	1,858	1,858	(233)
Dues/Subscriptions	4,755	2,175	1,214	2,175	-
Training/Seminars & Related Travel	11,343	10,775	1,994	9,275	1,500
Meetings and Related Travel	296	1,000	145	1,000	-
Public Relations	43,551	51,250	23,349	51,250	-
Employee Appreciation	11,839	11,260	3,611	11,260	-
Employment Costs	2,795	2,675	1,888	3,675	(1,000)
Recording/Reporting/History	-	-	-	-	-
Tech/Internet/Software	7,160	17,902	13,138	17,902	-
Total Services Costs	82,279	98,662	47,196	98,395	268
Capital Outlay					
Furniture, Equipment & Vehicles	-	-	-	-	-
Total Capital Outlay Costs	-	-	-	-	-
Total Human Resources & Communications	255,147	277,823	132,471	277,210	613

General Fund Expenditures by Department

Finance

For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Personnel					
Salaries	187,971	217,318	103,568	218,078	(760)
Overtime	22	163	-	163	-
Taxes - Social Security	10,794	13,484	6,360	12,722	762
Taxes - Medicare	2,524	3,153	1,487	2,975	178
Taxes SUTA/FUTA	293	293	-	293	-
Workers' Compensation Insurance	580	470	408	408	62
Retirement	23,024	27,740	13,770	27,754	(14)
Health Insurance	26,552	35,063	16,532	33,158	1,905
Uniform Allowance	-	-	-	-	-
Allowance for Vacancies	-	-	-	-	-
Total Personnel	251,761	297,684	142,125	295,551	2,133
Supplies, Maintenance & Operations					
Supplies and Consumables	1,206	1,300	479	1,300	-
Minor Equipment and Furniture	286	500	110	500	-
Fuel	-	-	-	-	-
Uniforms	106	250	-	250	-
Total Supplies, Maintenance & Operations	1,598	2,050	589	2,050	-
Services					
Professional Services	79,202	89,285	72,134	89,285	-
Dues/Subscriptions	573	605	280	605	-
Training/Seminars & Related Travel	4,558	6,350	1,582	6,350	-
Meetings and Related Travel	32	400	108	400	-
Employee Appreciation	324	250	114	250	-
Tech/Internet/Software	299	11,583	11,176	11,583	-
Total Services	84,988	108,473	85,394	108,473	-
Capital Outlay					
Furniture, Equipment & Vehicles	-	-	-	-	-
Total Capital Outlay Costs	-	-	-	-	-
Total Finance	338,347	408,207	228,108	406,073	2,133

General Fund Expenditures by Department
Information Technology
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Personnel					
Salaries	91,519	95,350	44,882	94,525	825
Overtime	-	-	-	-	-
Taxes - Social Security	5,250	5,912	2,744	5,467	445
Taxes - Medicare	1,228	1,383	642	1,279	104
Taxes SUTA/FUTA	117	117	-	117	-
Workers' Compensation Insurance	243	206	179	179	27
Retirement	11,254	12,162	5,963	12,017	145
Health Insurance	12,840	15,083	5,564	11,616	3,467
Uniform Allowance	-	-	-	-	-
Total Personnel	122,451	130,213	59,974	125,199	5,014
Supplies, Maintenance & Operations					
Supplies and Consumables	142	200	-	200	-
Minor Equipment and Furniture	1,927	200	132	200	-
Fuel	-	-	-	-	-
Uniforms	-	100	-	100	-
Total Supplies, Maintenance & Operations	2,070	500	132	500	-
Services					
Professional Services	440	114,000	43,260	114,000	-
Dues/Subscriptions	175	388	88	388	-
Training/Seminars & Related Travel	1,606	6,250	1,114	6,250	-
Meetings and Related Travel	-	350	102	350	-
Employee Appreciation	95	100	-	100	-
Tech/Internet/Software	132,186	240,155	188,837	240,155	-
Total Services	134,502	361,243	233,401	361,243	-
Shared Services					
Facility Contracts & Services	3,147	18,991	7,829	18,991	-
Phone/Cable/Alarms	35,985	32,996	16,073	32,996	-
Total Shared Services	39,132	51,987	23,902	51,987	-
Capital Outlay					
Furniture, Equipment & Vehicles	222,815	115,050	106,629	115,050	-
Lease Principal	13,707	-	-	-	-
Lease Interest	2,226	-	-	-	-
SBITA Principal	95,160	-	-	-	-
SBITA Interest	7,292	-	-	-	-
Total Capital Outlay	341,200	115,050	106,629	115,050	-
Total Information Technology	639,353	658,993	424,038	653,979	5,014

General Fund Expenditures by Department
Municipal Court
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Personnel					
Salaries	108,130	112,693	53,770	113,469	(776)
Overtime	181	360	29	359	1
Taxes - Social Security	5,931	7,009	3,127	6,284	725
Taxes - Medicare	1,387	1,639	731	1,470	169
Taxes SUTA/FUTA	234	234	-	234	-
Workers' Compensation Insurance	288	244	212	212	32
Retirement	13,308	14,420	7,154	14,476	(56)
Health Insurance	24,749	29,484	13,755	27,651	1,833
Uniform Allowance	-	-	-	-	-
Total Personnel	154,207	166,083	78,778	164,153	1,930
Supplies, Maintenance & Operations					
Supplies and Consumables	1,659	1,700	1,527	1,700	-
Minor Equipment and Furniture	1,905	200	125	200	-
Fuel	-	-	-	-	-
Uniforms	129	150	-	150	-
Court Technology	1,529	10,823	5,800	10,823	-
Court Security Building	43,658	6,180	-	6,180	-
Total Supplies, Maintenance & Operations	48,880	19,053	7,452	19,053	-
Services					
Professional Services	63,068	73,040	25,944	63,040	10,000 ¹
Dues/Subscriptions	131	800	131	800	-
Training/Seminars & Related Travel	1,458	6,650	1,624	6,650	-
Meetings and Related Travel	206	300	40	300	-
Employee Appreciation	100	100	-	100	-
Tech/Internet/Software	-	-	-	-	-
Total Services	64,962	80,890	27,738	70,890	10,000
Capital Outlay					
Furniture, Equipment & Vehicles	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-
Total Municipal Court	268,049	266,026	113,968	254,096	11,930

¹ Projected savings for municipal prosecution costs.

General Fund Expenditures by Department

Public Safety

For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Personnel					
Salaries	2,022,937	2,332,085	916,442	2,048,850	283,235
Overtime	81,177	36,239	22,969	34,219	2,020
Taxes - Social Security	128,790	146,836	61,101	127,474	19,362
Taxes - Medicare	30,121	34,341	14,290	29,813	4,528
Taxes SUTA/FUTA	3,529	3,510	87	3,510	-
Workers' Compensation Insurance	80,098	55,697	48,392	48,392	7,305
Retirement	259,222	302,045	116,712	256,091	45,954
Health Insurance	225,771	320,028	104,005	228,667	91,361
Uniform Allowance	20,500	28,000	-	21,000	7,000
Relocation Allowance	7,281	-	14,839	14,839	(14,839)
Allowance for Vacancies	-	(205,105)	-	-	(205,105)
Total Personnel	2,859,426	3,053,676	1,298,837	2,812,854	240,822 ¹
Supplies, Maintenance & Operations					
Supplies and Consumables	5,253	4,500	3,475	4,500	-
Minor Equipment and Furniture	37,777	40,150	7,381	40,150	-
Fuel	45,170	43,000	16,910	35,000	8,000
Uniforms	14,773	23,477	17,841	27,477	(4,000)
Vehicle Maintenance/Repairs	15,069	20,880	6,612	20,880	-
Total Supplies, Maintenance & Operations	118,042	132,007	52,219	128,007	4,000
Services					
Professional Services	860,088	945,810	446,476	945,810	-
Dues/Subscriptions	3,387	4,025	3,668	4,025	-
Training/Seminars & Related Travel	24,000	27,300	4,334	27,300	-
Meetings and Related Travel	95	500	-	500	-
Investigations	6,823	6,000	663	6,000	-
Lease Training	-	3,000	-	3,000	-
Public Relations	8,380	12,600	3,529	12,600	-
Employee Appreciation	1,813	1,500	189	1,500	-
Tech/Internet/Software	10,202	74,158	60,001	74,158	-
Total Services	914,789	1,074,893	518,860	1,074,893	-
Capital Outlay					
Furniture, Equipment & Vehicles	364,781	126,881	29,768	126,881	-
Lease Principal	10,517	-	-	-	-
Lease Interest	860	-	-	-	-
Total Capital Outlay	376,158	126,881	29,768	126,881	-
Total Public Safety	4,268,415	4,387,457	1,899,684	4,142,636	244,822

¹ Projected savings due to vacancies.

General Fund Expenditures by Department

Maintenance

For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Personnel					
Salaries	463,062	536,594	227,314	503,376	33,218
Overtime	14,092	6,311	4,910	8,335	(2,024)
Taxes - Social Security	28,686	33,660	14,759	30,685	2,975
Taxes - Medicare	6,709	7,872	3,452	7,176	696
Taxes SUTA/FUTA	1,427	1,287	234	1,287	-
Workers' Compensation Insurance	21,015	18,352	15,945	15,945	2,407
Retirement	58,794	69,248	30,666	64,767	4,481
Health Insurance	79,291	105,678	38,924	86,850	18,828
Allowance for Vacancies	-	(49,500)	-	-	(49,500)
Total Personnel	673,076	729,502	336,203	718,422	11,080
Supplies, Maintenance & Operations					
Supplies and Consumables	9,174	8,050	3,121	8,050	-
Minor Equipment and Furniture	13,645	16,290	7,739	16,290	-
Fuel	21,397	15,000	8,311	15,000	-
Uniforms	7,638	8,225	3,964	8,225	-
Vehicle Maintenance/Repairs	18,963	15,000	8,446	15,000	-
Equipment Maintenance/Repairs	15,170	15,500	9,821	15,500	-
Building Maintenance/Repairs	59,324	28,063	12,990	28,063	-
Landscaping & Greenspace Maintenance	3,539	17,461	12,213	17,461	-
Street Maintenance	22,464	30,000	12,560	30,000	-
Drainage Work	5,919	20,000	3,148	20,000	-
Total Supplies, Maintenance & Operations	177,235	173,589	82,313	173,589	-
Services					
Professional Services	10,733	200	-	200	-
Dues/Subscriptions	164	932	405	932	-
Training/Seminars & Related Travel	8,318	14,575	2,304	14,575	-
Meetings and Related Travel	347	400	125	400	-
Employee Appreciation	393	550	236	550	-
Tech/Internet/Software	11,331	24,821	14,005	24,821	-
Total Services	31,285	41,478	17,075	41,478	-
Capital Outlay					
Furniture, Equipment & Vehicles	213,023	229,601	164,294	237,075	(7,474)
Total Capital Outlay	213,023	229,601	164,294	237,075	(7,474)
Total Maintenance	1,094,619	1,174,170	599,886	1,170,563	3,607

General Fund Expenditures by Department
Building Codes
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Personnel					
Salaries	169,509	240,824	114,060	239,958	866
Overtime	153	451	-	451	-
Taxes - Social Security	10,030	14,959	7,256	14,502	457
Taxes - Medicare	2,346	3,498	1,697	3,391	107
Taxes SUTA/FUTA	405	468	-	468	-
Workers' Compensation Insurance	928	984	855	855	129
Retirement	20,691	30,775	15,155	30,564	211
Health Insurance	26,224	38,861	17,964	36,203	2,658
Uniform Allowance	-	-	-	-	-
Car Allowance	-	-	-	-	-
Relocation Allowance	-	-	-	-	-
Total Personnel	230,283	330,820	156,987	326,393	4,427
Supplies, Maintenance & Operations					
Supplies and Consumables	599	675	107	675	-
Minor Equipment and Furniture	1,877	2,300	1,607	2,300	-
Fuel	1,867	5,175	1,554	5,175	-
Uniforms	458	770	-	770	-
Total Supplies, Maintenance & Operations	4,801	8,920	3,268	8,920	-
Services					
Professional Services	26,685	23,509	8,384	21,509	2,000
Dues/Subscriptions	394	515	385	515	-
Training/Seminars & Related Travel	5,513	6,200	2,636	6,200	-
Meetings and Related Travel	15	100	31	100	-
Employee Appreciation	65	200	-	200	-
Employment Costs	-	-	-	-	-
Recording/Reporting/History	-	-	-	-	-
Tech/Internet/Software	144	155	154	154	2
Total Services	32,816	30,679	11,589	28,678	2,002
Capital Outlay					
Furniture, Equipment & Vehicles	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-
Total Building Codes	267,900	370,419	171,844	363,990	6,429

General Fund Expenditures by Department
Engineering and Planning
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Personnel					
Salaries	313,430	425,179	147,630	339,186	85,993
Overtime	360	100	377	477	(377)
Taxes - Social Security	18,779	26,367	9,298	20,202	6,165
Taxes - Medicare	4,392	6,167	2,175	4,725	1,442
Taxes SUTA/FUTA	495	608	-	608	-
Workers' Compensation Insurance	1,114	1,005	873	873	132
Retirement	38,638	54,244	19,588	42,958	11,286
Health Insurance	30,389	48,707	15,776	38,494	10,213
Project Allocation	-	-	(3,906)	(98,586)	98,586
Total Personnel	407,596	562,377	191,810	348,937	213,440 ¹
Supplies, Maintenance & Operations					
Supplies and Consumables	9,891	9,750	6,033	9,750	-
Minor Equipment and Furniture	1,547	7,150	1,031	7,150	-
Fuel	4,388	3,175	1,424	3,175	-
Uniforms	830	1,700	184	1,700	-
Street Maintenance	769,680	921,257	67,740	921,257	-
Oak Wilt Program	10,000	15,000	15,000	15,000	-
Tree and Landscaping Protection	-	29,750	6,645	29,750	-
City Approved Events	-	4,850	-	4,850	-
Total Supplies, Maintenance & Operations	796,336	992,632	98,057	992,632	-
Services					
Professional Services	140,407	120,000	56,451	120,000	-
Dues/Subscriptions	626	1,464	1,798	1,800	(336)
Training/Seminars & Related Travel	8,642	13,240	4,547	13,240	-
Meetings and Related Travel	477	400	240	400	-
Employee Appreciation	172	400	230	400	-
Employment Costs	-	-	-	-	-
Recording/Reporting/History	-	-	-	-	-
Tech/Internet/Software	6,736	11,518	7,651	11,518	-
Total Services	157,058	147,022	70,918	147,358	(336)
Capital Outlay					
Furniture, Equipment & Vehicles	7,016	-	-	-	-
Total Capital Outlay	7,016	-	-	-	-
Total Engineering and Planning	1,368,006	1,702,031	360,785	1,488,927	213,104

¹ Projected savings due to vacancies.

General Fund Expenditures by Department
Non-departmental
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Personnel					
Salaries	-	-	-	-	-
Total Personnel	-	-	-	-	-
Supplies, Maintenance & Operations					
Supplies and Consumables	4,342	3,600	4,499	5,600	(2,000)
Miscellaneous	-	-	-	-	-
Emergency Response	-	500	-	500	-
Total Supplies, Maintenance & Operations	4,342	4,100	4,499	6,100	(2,000)
Shared Services					
Facility Contracts & Services	27,563	118,159	43,918	116,159	2,000
Tech/Internet/Software Maintenance	-	-	-	-	-
Postage	3,445	4,125	1,288	4,125	-
General Liability Insurance	88,746	90,000	89,353	90,000	-
Electricity	38,585	44,000	17,391	41,000	3,000
Phone/Cable/Alarms	-	-	-	-	-
Total Shared Services	158,339	256,284	151,950	251,284	5,000
Capital Outlay					
Lease Principal	428	-	-	-	-
Lease Interest	40	-	-	-	-
Total Capital Outlay	468	-	-	-	-
Transfers & Non-Cash Adjustments					
Transfer to Cap Improv Fund 02	813,526	594,840	370,000	594,840	-
Transfer to GF Veh/Equip Fund 31	301,945	373,138	373,138	373,138	-
Total Transfers & Non-Cash Adjustments	1,115,471	967,978	743,138	967,978	-
Total Non-departmental	1,278,620	1,228,362	899,587	1,225,362	3,000

City of Fair Oaks Ranch
Strategic and Capital Projects Fund
Statement of Revenues and Expenditures
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Beginning Fund Balance	3,269,573	2,297,490	2,297,490	2,297,490	
Revenue					
Transfer from General Fund	813,526	594,840	370,000	594,840	-
Total Revenue	<u>813,526</u>	<u>594,840</u>	<u>370,000</u>	<u>594,840</u>	<u>-</u>
Reliable & Sustainable Infrastructure					
Community Center	140,875	254,192	48,110	67,000	187,192
City Hall Renovation	181,581	133,835	42,757	58,835	75,000
Rolling Acres Trail Project #5	-	222,905	150,810	222,905	-
Tivoli Way Project #34	760,186	690,848	746,378	754,815	(63,967)
Bond Development Program	25,874	-	-	-	-
Post Oak Trail Widening	27,701	182,793	-	-	182,793
Dietz Elkhorn Reconstruction	277,003	232,426	147,989	232,426	-
Dietz Elkhorn Sidewalk	46,998	388,232	7,369	7,369	380,863
Chartwell Lane Project #35	238	64,592	806	64,592	-
Delta Dawn Project #15	238	-	-	-	-
Rolling Acres Trail Project #2	-	67,600	-	67,600	-
Rolling Acres Trail Project #4	-	67,600	2,380	67,600	-
Vestal Park Culvert Project #42	-	113,844	3,944	113,844	-
Total Reliable & Sustainable Infrastructure	<u>1,460,692</u>	<u>2,418,867</u>	<u>1,150,544</u>	<u>1,656,986</u>	<u>761,881</u>
Public Health, Safety and Welfare					
Fire & EMS Services Program Review	73,775	-	-	-	-
Fire Station #3 Upgrades	111,813	38,187	40,034	40,034	(1,847)
Total Public Health, Safety and Welfare	<u>185,588</u>	<u>38,187</u>	<u>40,034</u>	<u>40,034</u>	<u>(1,847)</u>
Operational Excellence					
Compensation & Benefit Plan Study	-	60,000	-	60,000	-
Employee Handbook	-	10,000	-	10,000	-
Comms Plan / Gateway Monument	42,178	199,840	-	199,840	-
City Fleet Fuel Station	97,150	-	-	-	-
3rd Party Scanning	-	40,000	-	40,000	-
IT Master Plan	-	75,000	8,690	75,000	-
Total Operational Excellence	<u>139,328</u>	<u>384,840</u>	<u>8,690</u>	<u>384,840</u>	<u>-</u>
Total Expenditures	1,785,609	2,841,894	1,199,267	2,081,860	760,034
Ending Fund Balance	2,297,490	50,436	1,468,223	810,471	

City of Fair Oaks Ranch
Capital Replacement Fund
Statement of Revenues and Expenditures
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Beginning Fund Balance	1,140,475	1,220,166	1,220,166	1,220,166	
Transfers In					
Transfer from General Fund	301,945	373,138	373,138	373,138	-
Total Transfers In	<u>301,945</u>	<u>373,138</u>	<u>373,138</u>	<u>373,138</u>	<u>-</u>
Transfers Out					
Transfer to General Fund	222,254	56,700	30,000	56,700	-
Total Transfers Out	<u>222,254</u>	<u>56,700</u>	<u>30,000</u>	<u>56,700</u>	<u>-</u>
Total Transfers In/(Out)	79,691	316,438	343,138	316,438	
Ending Fund Balance	1,220,166	1,536,604	1,563,304	1,536,604	

City of Fair Oaks Ranch
Debt Service Fund
Statement of Revenues and Expenditures
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Beginning Fund Balance	77,976	104,949	104,949	104,949	
Revenue					
General Property - I&S	556,341	890,117	864,491	901,068	10,951
Delinquent Property - I&S	4,363	4,000	2,931	4,000	-
Penalty & Interest - I&S	2,232	2,500	1,515	2,500	-
Bank/Investment Interest	17,599	7,500	4,801	8,500	1,000
Total Revenue	<u>580,535</u>	<u>904,117</u>	<u>873,738</u>	<u>916,068</u>	<u>11,951</u>
Expenditures					
Bond Principal	470,000	785,000	785,000	785,000	-
Bond Interest Payable	83,163	205,465	103,729	205,465	-
Bond Agent Fees	400	800	200	800	-
Total Expenditures	<u>553,563</u>	<u>991,265</u>	<u>888,929</u>	<u>991,265</u>	<u>-</u>
Ending Fund Balance	104,949	17,801	89,757	29,752	

City of Fair Oaks Ranch
Bond Capital Project Fund
Statement of Revenues and Expenditures
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Beginning Fund Balance	-	-	3,596,650	3,596,650	
Revenue					
Bond Proceeds	3,550,000	3,585,000	-	-	(3,585,000) ¹
Bond Premium	181,669	-	-	-	-
Bank/Investment Interest	11,650	17,000	81,700	117,000	100,000
Total Revenue	<u>3,743,319</u>	<u>3,602,000</u>	<u>81,700</u>	<u>117,000</u>	<u>(3,485,000)</u>
Expenditures					
Bond Issuance Costs	146,669	-	-	-	-
Dietz Elkhorn Construction	-	2,093,922	-	2,093,922	-
Ammann Road Construction	-	439,699	701	699,699	(260,000)
Battle Intense Roadway	-	420,000	2,431	160,000	260,000
Total Expenditures	<u>146,669</u>	<u>2,953,621</u>	<u>3,132</u>	<u>2,953,621</u>	<u>-</u>
Ending Fund Balance	3,596,650	648,379	3,675,217	760,029	

¹ Bond proceeds were received at the end of FY 2024.

City of Fair Oaks Ranch
Combined Utilities
Statement of Revenues and Expenses
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Operating Revenues	5,940,050	6,009,849	2,841,327	6,393,489	383,640
Operating Expenses					
Personnel	1,970,151	2,113,684	959,068	2,016,286	97,398
Supplies, Maintenance & Operations	3,026,832	3,164,557	1,532,077	3,201,244	(36,687)
Services	199,206	459,986	170,982	459,986	-
Total Operating Expenses	5,196,189	5,738,227	2,662,127	5,677,516	60,711
Depreciation & Amortization	972,902	820,600	505,000	1,010,000	(189,400)
Operating Income after depreciation	<u>(229,041)</u>	<u>(548,978)</u>	<u>(325,800)</u>	<u>(294,027)</u>	<u>254,951</u>
Non-Operating Revenues (Expenses)					
Non-Operating Revenues	1,520,212	2,231,519	1,113,735	2,326,919	95,400
Capital Outlay	(1,267,240)	(6,077,157)	(1,275,361)	(5,813,650)	263,507
Asset transfer for GAAP	1,248,692	6,077,157	-	5,813,650	(263,507)
Debt Service Costs	(147,975)	(54,075)	(76,928)	(144,110)	(90,035)
Utility transfers out	(1,130,960)	(4,395,835)	(4,080,663)	(4,538,105)	(142,270)
Utility transfers in	1,130,960	4,395,835	4,110,663	4,538,105	142,270
Total Non-Operating Revenues (Expenses)	<u>1,353,688</u>	<u>2,177,444</u>	<u>(208,554)</u>	<u>2,182,809</u>	<u>5,365</u>
Net Income/(Loss)	1,124,647	1,628,466	(534,354)	1,888,782	260,316

City of Fair Oaks Ranch
 Combined Utilities
 Net Position Detail
 For the period ended March 31, 2025

	Actual	Projected	Projected
	9/30/2024	FY 2024-25	9/30/2025
Net Investment in Capital Assets	10,043,345	3,248,794	13,292,139
Unrestricted Net Position			
Water Capital	1,534,600	(1,154,576)	380,024
Wastewater Capital	1,367,972	23,902	1,391,874
Operating Reserve	4,747,921	(1,282,938)	3,464,983
Debt Service Reserve	336,514	1,015,170	1,351,684
Equipment Replacement Fund	680,260	38,430	718,690
Unassigned	-	-	-
Total Unrestricted	8,667,267	(1,360,012)	7,307,255
Total Net Position	18,710,612	1,888,782	20,599,394

City of Fair Oaks Ranch
Water Utility Summary
Statement of Revenues and Expenses
For the period ended March 31, 2025

	FY 2024	FY 2025	FY 2025	FY 2025	12-Month Variance
	12-Month	Amended	6-Month	12-Month	Positive
	Actual	Budget	Actual	Projected	(Negative)
Water Operating Revenues	4,247,141	4,296,696	1,944,959	4,599,276	302,580 ¹
Water Operating Expenses					
Personnel	950,159	1,040,847	469,193	993,429	47,418
Supplies, Maintenance & Operations	2,454,736	2,569,933	1,197,844	2,609,873	(39,940)
Services	150,524	350,786	130,731	350,786	-
Total Water Operating Expenses	3,555,419	3,961,566	1,797,768	3,954,088	7,478
Depreciation & Amortization	631,888	550,000	325,000	650,000	(100,000) ²
Operating Income after depreciation	59,833	(214,870)	(177,808)	(4,812)	210,058
Water Non-Operating Revenues (Expenses)					
Non-Operating Revenues	1,004,361	1,440,889	775,949	1,538,089	97,200 ³
Capital Outlay	(852,999)	(4,537,346)	(1,158,281)	(4,924,736)	(387,391) ⁴
Asset Transfer for GAAP	842,670	4,537,346	-	4,924,736	387,391
Debt Service Costs	(119,424)	(37,446)	(51,071)	(96,191)	(58,745) ⁵
Transfers Out	(552,985)	(3,503,835)	(3,348,320)	(3,503,535)	300
Transfers In	141,832	3,389,835	3,249,320	3,427,035	37,200
Total Non-Operating Revenues (Expenses)	463,454	1,289,443	(532,403)	1,365,398	75,955
Water Net Income/(Loss)	523,287	1,074,573	(710,211)	1,360,586	286,013

¹ Positive variance to budget is mostly due to drought surcharges for residential customers.

² Increased depreciation expense for new assets placed into service.

³ Positive variance to budget in interest earnings due to higher rates than anticipated.

⁴ Negative variance to budget for purchase of land related to the elevated storage tank. Utilizing reserves of contribution-in-aid and impact fees.

⁵ Increased debt service costs for interest on newly issued certificates of obligation.

City of Fair Oaks Ranch
Water Utility
Statement of Revenues and Expenses
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Water Operating Revenues					
Water Revenue Residential	3,752,222	3,736,048	1,706,222	4,079,828	343,780 ¹
Water Revenue Commercial	147,704	180,094	64,593	150,094	(30,000)
Water Contract Commercial	177,354	177,354	88,677	177,354	-
Water Revenue Non Potable	39,986	74,000	23,548	55,000	(19,000)
Water Service Connect Fees	28,965	30,000	13,095	30,000	-
Water Penalties	48,426	48,000	19,337	48,000	-
Water-Bad Debts	(5,609)	(4,000)	-	(4,000)	-
Misc./Special Requests	145	500	-	500	-
Third Party Reimbursement	963	3,500	-	2,000	(1,500)
Permits/Variations	475	1,200	-	500	(700)
Credit Card Service Fee	56,510	50,000	29,488	60,000	10,000
Total Water Operating Revenues	4,247,141	4,296,696	1,944,959	4,599,276	302,580
Water Non-Operating Revenues					
Water Debt Service	284,559	936,054	466,965	933,554	(2,500)
Water Capital	285,723	104,835	52,277	104,535	(300)
Water Impact Fees	217,396	200,000	97,043	200,000	-
Water Interest Income	216,683	200,000	159,665	300,000	100,000 ²
Sale of Assets	-	-	-	-	-
Total Water Non-Operating Revenues	1,004,361	1,440,889	775,949	1,538,089	97,200

¹ Positive variance to budget is mostly due to drought surcharges for residential customers.

² Positive variance to budget in interest earnings due to higher rates than anticipated.

City of Fair Oaks Ranch
Water Utility
Statement of Revenues and Expenses
For the period ended March 31, 2025

	FY 2024	FY 2025	FY 2025	FY 2025	12-Month Variance
	12-Month	Amended	6-Month	12-Month	Positive
	Actual	Budget	Actual	Projected	(Negative)
Operating Expenses					
Service Salaries	238,706	292,771	119,672	257,398	35,373
Service Overtime	11,397	8,026	5,810	9,610	(1,584)
Service Taxes - FICA	15,310	18,649	7,532	15,696	2,953
Service Taxes - MEDICARE	3,581	4,362	1,762	3,671	691
Service Workers' Comp	9,215	7,167	6,227	6,227	940
Service Taxes - SUTA/FUTA	660	644	74	644	-
Service Retirement	34,321	38,367	15,845	33,127	5,240
Service Insurance	43,032	51,184	20,461	45,415	5,769
Service Allowance for Vacancies	-	(20,000)	-	-	(20,000)
Administration Salaries	456,889	117,283	51,023	112,134	5,149
Administration Overtime	262	62	-	-	62
Administration Taxes - FICA	26,377	7,205	3,159	6,647	558
Administration Taxes - MEDICARE	6,181	1,702	753	1,569	133
Administration Workers' Comp	1,278	254	221	221	33
Administration Taxes - SUTA/FUTA	657	181	-	181	-
Administration Retirement	55,075	14,967	6,756	14,208	759
Administration Insurance	47,217	15,755	6,965	14,628	1,127
HR & Communications Salaries	-	68,204	32,530	68,471	(267)
HR & Communications Taxes - FICA	-	4,229	2,047	4,094	135
HR & Communications Taxes - MEDICARE	-	989	479	958	31
HR & Communications Workers' Comp	-	148	129	129	19
HR & Communications Taxes - SUTA/FUTA	-	88	-	88	-
HR & Communications Retirement	-	8,699	4,323	8,402	297
HR & Communications Insurance	-	5,499	2,495	5,096	403
Finance Salaries	-	108,659	51,784	109,039	(380)
Finance Overtime	-	81	-	-	81
Finance Taxes - FICA	-	6,742	3,180	6,356	386
Finance Taxes - MEDICARE	-	1,577	744	1,487	90
Finance Workers' Comp	-	235	204	204	31
Finance Taxes - SUTA/FUTA	-	146	-	146	-
Finance Retirement	-	13,870	6,885	13,383	487
Finance Insurance	-	17,531	8,028	16,341	1,190
Information Technology Salaries	-	47,675	22,441	47,262	413
Information Technology Taxes - FICA	-	2,956	1,372	2,734	222
Information Technology Taxes - MEDICARE	-	691	321	639	52
Information Technology Workers' Comp	-	103	89	89	14
Information Technology Taxes - SUTA/FUTA	-	59	-	59	-
Information Technology Retirement	-	6,081	2,982	5,799	282
Information Technology Insurance	-	7,542	2,686	5,712	1,830
Engineering & Planning Salaries	-	136,763	58,751	133,290	3,473

City of Fair Oaks Ranch
Water Utility
Statement of Revenues and Expenses
For the period ended March 31, 2025

	FY 2024	FY 2025	FY 2025	FY 2025	12-Month Variance
	12-Month	Amended	6-Month	12-Month	Positive
	Actual	Budget	Actual	Projected	(Negative)
Engineering & Planning Overtime	-	50	188	188	(138)
Engineering & Planning Taxes - FICA	-	8,482	4,227	8,467	15
Engineering & Planning Taxes - MEDICARE	-	1,984	989	1,981	3
Engineering & Planning Workers' Comp	-	338	294	294	44
Engineering & Planning Taxes - SUTA/FUTA	-	181	-	181	-
Engineering & Planning Retirement	-	17,451	8,926	17,385	66
Engineering & Planning Insurance	-	15,215	6,840	13,783	1,432
Uniforms	6,386	6,718	2,279	6,718	-
Power	126,817	150,000	56,924	142,000	8,000
Maintenance of Plants/Lines	197,145	120,000	67,276	120,000	-
Analysis Fees	10,601	12,000	3,380	12,000	-
Chemicals	5,932	6,500	3,086	6,500	-
City Management Fee	205,872	208,375	93,156	223,114	(14,739)
Equipment Maintenance	7,768	17,100	8,236	17,100	-
Equipment Gas & Oil	15,451	15,000	8,066	15,000	-
GBRA Water Fees	1,522,466	1,591,970	647,491	1,591,970	-
Equipment Lease	-	300	-	300	-
Tools & Minor Equipment	12,085	12,125	3,782	12,125	-
Training	14,908	25,563	8,267	25,563	-
Utilities & Radio	24,728	30,600	13,137	30,600	-
Water Building Maintenance	4,686	11,380	2,648	11,380	-
Supplies & Consumables	5,012	3,700	1,802	3,700	-
Vehicle Maintenance/Repair	4,944	6,500	4,514	6,500	-
Utilities & Telephone	8,757	9,189	4,084	9,189	-
Dues & Publications	886	2,786	1,461	2,786	-
Water Professional Services	141,837	305,044	115,897	305,044	-
Permit & Licenses	8,437	8,936	8,558	8,936	-
General Liability Insurance	35,029	45,000	44,201	44,201	799
Office Supplies	2,339	3,244	2,098	3,244	-
Travel & Meetings	2,911	1,250	122	1,250	-
Software & Computer	156,830	235,751	173,530	235,751	-
Recording/Reporting	-	500	-	500	-
Postage	441	689	301	689	-
Building/Equip Maintenance	-	150	-	150	-
Conservation Ed & Newsletter	698	1,370	-	1,370	-
Billing Statement Charges	4,020	3,700	2,211	4,200	(500)
Billing Postage	10,758	10,000	6,645	11,000	(1,000)
Copier Lease	193	1,789	702	1,789	-
Public Relations	4,206	4,250	1,411	4,250	-
Employment Costs	284	1,337	320	1,337	-

City of Fair Oaks Ranch
Water Utility
Statement of Revenues and Expenses
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Employee Appreciation	4,196	5,155	1,744	5,155	-
Water Miscellaneous	-	250	-	250	-
Credit Card Service Fee	58,636	27,500	29,883	60,000	(32,500) ¹
Total Operating Expenses	3,555,419	3,926,566	1,786,409	3,919,088	7,478
Capital Outlays					
Operational Capital	289,454	255,258	140,897	255,379	(121)
Water Equipment Purchases	197,106	161,144	20,660	160,246	898
Total Capital Outlays	486,561	416,402	161,557	415,625	776
Debt Service					
Bond Water Issuance Fees	97,200	-	-	-	-
Bond Interest Cost	22,224	37,446	51,071	96,191	(58,745) ²
SBITA Interest	5,224	-	-	-	-
Lease Interest	232	-	-	-	-
Total Debt Service	119,424	37,446	51,071	96,191	(58,745)
Non-Cash Expenses					
Water Depreciation	592,159	550,000	325,000	650,000	(100,000) ³
Water Amortization - SBITAs	38,193	-	-	-	-
Water Amortization - Leases	1,536	-	-	-	-
Transfer to Veh/Equip Replace Fund	49,866	114,000	114,000	114,000	-
Transfer from ERF	(141,832)	-	(15,000)	(37,500)	37,500
Transfer to Water Capital Fund	503,119	3,389,835	3,234,320	3,389,535	300
Transfer of Assets to Balance Sheet	(842,670)	(4,537,346)	-	(4,924,736)	387,391
Total Non-Cash Expenses	200,372	(483,511)	3,658,320	(808,701)	325,191

¹ Negative variance to budget due to increased costs of credit card service fees paid by the City. These are off-set with increased credit card fee revenues charged for credit card payments.

² Increased debt service costs for interest on newly issued certificates of obligation.

³ Increased depreciation expense for new assets placed into service.

City of Fair Oaks Ranch
Water Strategic and Capital Projects Fund
Statement of Revenues and Expenditures
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Beginning Fund Balance	1,397,919	1,534,600	1,534,600	1,534,600	
Transfers In					
Transfer from Utility Fund	503,119	3,389,835	3,234,320	3,389,535	(300)
Total Transfers In	<u>503,119</u>	<u>3,389,835</u>	<u>3,234,320</u>	<u>3,389,535</u>	<u>(300)</u>
Capital Projects					
Elevated Storage Tank	-	161,833	1,281	550,000	(388,167) ¹
Elmo Davis Upgrades	-	-	-	-	-
Plant 5 Expansion	17,214	1,527,229	285,638	1,527,229	-
Willow Wind/Red Bud Hill	10,702	903,974	14,320	903,974	-
Old Fredericksburg Rd	4,883	599,853	548,224	599,853	-
Rolling Acres Trail Rehab	10,104	637,619	12,301	637,619	-
Well 27 Upgrades	30,000	30,000	24,000	30,000	-
Well 31 Upgrades	30,000	30,000	24,000	30,000	-
Well 25 Upgrades	30,000	30,000	24,000	30,000	-
Well 28 Upgrades	30,000	30,000	24,000	30,000	-
Cibolo Creek Waterline Relocation	203,537	36,375	-	36,375	-
Upgrade Plant 3 Electrical	-	74,419	38,960	74,419	-
SAWS Emergency Interconnect	-	59,642	-	59,642	-
Total Capital Projects	<u>366,439</u>	<u>4,120,944</u>	<u>996,724</u>	<u>4,509,111</u>	<u>(388,167)</u>
Non-Capital Projects					
Impact Rate Study	-	35,000	11,359	35,000	-
Total Non-Capital Projects	<u>-</u>	<u>35,000</u>	<u>11,359</u>	<u>35,000</u>	<u>-</u>
Total Expenditures	<u>366,439</u>	<u>4,155,944</u>	<u>1,008,083</u>	<u>4,544,111</u>	<u>(388,167)</u>
Total transfer to/(from) fund balance	136,680	(766,109)	2,226,237	(1,154,576)	
Ending Fund Balance	1,534,600	768,491	3,760,837	380,024	

¹ Negative variance to budget for purchase of land. Utilizing reserves of contribution-in-aid and impact fees.

City of Fair Oaks Ranch
Wastewater Utility Summary
Statement of Revenues and Expenses
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Wastewater Operating Revenues	1,692,909	1,713,153	896,368	1,794,213	81,060 ¹
Wastewater Operating Expenses					
Personnel	1,019,992	1,072,837	489,875	1,022,857	49,980
Supplies, Maintenance & Operations	572,096	594,624	334,234	591,370	3,253
Services	48,682	109,200	40,250	109,200	-
Total Wastewater Operating Expenses	1,640,770	1,776,661	864,359	1,723,428	53,233
Depreciation & Amortization	341,013	270,600	180,000	360,000	(89,400) ²
Operating Income	<u>(288,874)</u>	<u>(334,108)</u>	<u>(147,991)</u>	<u>(289,215)</u>	<u>44,893</u>
Wastewater Non-Operating Revenues (Expenses)					
Wastewater Non-Operating Revenues	515,851	790,630	337,786	788,830	(1,800)
Capital Outlay	(414,241)	(1,539,812)	(117,080)	(888,914)	650,898 ³
Asset Transfer for GAAP	406,022	1,539,812	-	888,914	(650,898)
Debt Service Costs	(28,551)	(16,629)	(25,857)	(47,919)	(31,290)
Transfers Out	(291,310)	(892,000)	(747,343)	(892,000)	-
Transfers In	144,833	825,000	680,343	930,070	105,070 ⁴
Total Non-Operating Revenues (Expenses)	332,603	707,001	127,849	778,981	71,980
Wastewater Net Income/(Loss)	43,729	372,893	(20,143)	489,766	116,873

¹ Increased residential revenues.

² Increased depreciation expense for new assets placed into service.

³ The budgeted capital improvement for Cojak Circle manhole rehab will be funded by a new development pursuant to a Utility Service Agreement. Appropriated funds will become unallocated and available for other approved wastewater projects.

⁴ Increased transfers in from the Equipment Replacement Fund for encumbered replacement vehicles from prior fiscal year.

City of Fair Oaks Ranch
Wastewater Utility
Statement of Revenues and Expenses
For the period ended March 31, 2025

	FY 2024	FY 2025	FY 2025	FY 2025	12-Month Variance
	12-Month	Amended	6-Month	12-Month	Positive
	Actual	Budget	Actual	Projected	(Negative)
Wastewater Operating Revenues					
Sewer Revenue Residential	1,626,221	1,641,971	856,093	1,702,872	60,901
Sewer Revenue Commercial	37,120	37,832	29,007	57,832	20,000
Sewer Service Connect Fee	18,200	25,000	4,200	25,000	-
Sewer Penalties	12,113	9,000	6,558	9,000	-
Sewer Bad Debt	(744)	(1,000)	-	(1,000)	-
Sewer Grant Revenue	-	-	-	-	-
SECO EECBG	-	-	-	-	-
Misc/Special Requests	-	350	509	509	159
Third Party Reimbursement	-	-	-	-	-
Total Wastewater Operating Revenues	1,692,909	1,713,153	896,368	1,794,213	81,060
Wastewater Non-Operating Revenues					
Sewer Debt Service	54,502	415,630	206,978	413,830	(1,800)
Sewer Capital	108,764	-	-	-	-
Sewer Impact Fee	141,614	175,000	30,343	175,000	-
Sewer Interest Income	210,971	200,000	100,464	200,000	-
Sale of Assets	-	-	-	-	-
Total Wastewater Non-Operating Revenues	515,851	790,630	337,786	788,830	(1,800)

City of Fair Oaks Ranch
Wastewater Utility
Statement of Revenues and Expenses
For the period ended March 31, 2025

	FY 2024	FY 2025	FY 2025	FY 2025	12-Month Variance
	12-Month	Amended	6-Month	12-Month	Positive
	Actual	Budget	Actual	Projected	(Negative)
Operating Expenses					
Service Salaries	312,795	334,540	138,775	295,522	39,018
Service Overtime	12,872	9,231	4,191	8,806	425
Service Taxes - FICA	19,461	21,314	9,297	18,473	2,841
Service Taxes - Medicare	4,551	4,985	2,174	4,320	665
Service Workers' Comp	9,543	8,159	7,089	7,089	1,070
Service Taxes - SUTA/FUTA	718	702	74	702	-
Service Retirement	44,078	43,848	19,614	37,955	5,893
Service Insurance	45,446	56,259	24,805	52,064	4,195
Service Allowance for Vacancies	-	(20,000)	-	-	(20,000)
Administration Salaries	438,125	117,283	51,023	112,134	5,149
Administration Overtime	262	62	-	-	62
Administration Taxes - FICA	25,233	7,205	3,158	6,646	559
Administration Taxes - Medicare	5,910	1,702	753	1,569	133
Administration Workers' Comp	1,230	254	221	221	33
Administration Taxes - SUTA/FUTA	622	181	-	181	-
Administration Retirement	52,799	14,967	6,756	13,691	1,276
Sewer Admin Insurance	46,345	15,755	5,479	13,141	2,614
HR & Communications Salaries	-	68,204	32,530	68,471	(267)
HR & Communications Taxes - FICA	-	4,229	2,047	4,094	135
HR & Communications Taxes - MEDICARE	-	989	479	957	32
HR & Communications Workers' Comp	-	148	129	129	19
HR & Communications Taxes - SUTA/FUTA	-	88	-	88	-
HR & Communications Retirement	-	8,699	4,322	8,401	298
HR & Communications Insurance	-	5,499	2,495	6,139	(640)
Finance Salaries	-	108,659	51,784	109,039	(380)
Finance Overtime	-	81	-	-	81
Finance Taxes - FICA	-	6,742	3,179	6,355	387
Finance Taxes - MEDICARE	-	1,577	743	1,486	91
Finance Workers' Comp	-	235	204	204	31
Finance Taxes - SUTA/FUTA	-	146	-	146	-
Finance Retirement	-	13,870	6,885	13,383	487
Finance Insurance	-	17,531	8,027	16,340	1,191
Information Technology Salaries	-	47,675	22,441	47,262	413
Information Technology Taxes - FICA	-	2,956	1,372	2,733	223
Information Technology Taxes - MEDICARE	-	691	321	639	52
Information Technology Workers' Comp	-	103	89	89	14
Information Technology Taxes - SUTA/FUTA	-	59	-	59	-
Information Technology Retirement	-	6,081	2,982	5,799	282
Information Technology Insurance	-	7,542	2,686	5,712	1,830

City of Fair Oaks Ranch
Wastewater Utility
Statement of Revenues and Expenses
For the period ended March 31, 2025

	FY 2024	FY 2025	FY 2025	FY 2025	12-Month Variance
	12-Month	Amended	6-Month	12-Month	Positive
	Actual	Budget	Actual	Projected	(Negative)
Engineering & Planning Salaries	-	117,484	55,864	117,721	(237)
Engineering & Planning Overtime	-	50	188	188	(138)
Engineering & Planning Taxes - FICA	-	7,287	3,504	7,002	285
Engineering & Planning Taxes - MEDICARE	-	1,704	819	1,637	67
Engineering & Planning Workers' Comp	-	297	258	258	39
Engineering & Planning Taxes - SUTA/FUTA	-	146	-	146	-
Engineering & Planning Retirement	-	14,991	7,447	14,467	524
Engineering & Planning Insurance	-	12,627	5,672	11,398	1,229
Uniforms	6,755	4,955	2,316	4,955	-
Power	40,350	40,000	16,745	40,000	-
Maintenance Of Plant/ Lines	163,350	68,418	31,670	68,418	-
Sludge Hauling	-	25,000	2,200	17,000	8,000
Analysis Fees	31,838	27,000	15,571	27,000	-
Chemicals	31,112	33,600	18,314	33,600	-
City Management Fee	83,167	83,990	44,256	88,035	(4,045)
Equipment Maintenance	8,295	9,790	4,012	9,790	-
Equipment Gas & Oil	14,092	11,875	4,638	11,875	-
Equipment Lease	1,454	300	-	300	-
Tools & Minor Equipment	9,606	7,125	4,290	7,125	-
Training	9,731	24,450	7,452	24,450	-
Utilities & Radios	24,862	28,900	13,269	28,900	-
Building Maintenance	6,213	10,900	2,747	10,900	-
Supplies & Consumables	5,392	5,200	2,525	5,200	-
Vehicle Maintenance & Repairs	7,805	5,000	2,367	5,000	-
Utilities/Telephone	7,567	8,130	3,541	8,130	-
Dues & Publications	886	2,821	986	2,821	-
Professional Fees	40,170	63,508	25,385	63,508	-
Permits & Licenses	1,762	3,443	1,464	3,443	-
Liability Insurance	35,029	45,000	44,201	44,201	799
Office Supplies	4,023	2,244	1,838	2,244	-
Travel & Meetings	920	1,250	122	1,250	-
Software & Computers	62,386	128,308	99,850	128,308	-
Recording/Reporting	-	350	-	350	-
Sewer Postage	532	686	301	686	-
Adm Bldg/Equip. Maintenance	-	150	-	150	-
Billing Statement Charges	4,020	3,700	2,211	4,200	(500)
Billing Postage	10,758	10,000	6,645	11,000	(1,000)
Copier Lease	193	1,789	702	1,789	-
Public Relations	4,200	4,250	1,411	4,250	-
Employment Costs	284	1,337	351	1,337	-

City of Fair Oaks Ranch
Wastewater Utility
Statement of Revenues and Expenses
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Employee Appreciation	4,028	5,105	1,744	5,105	-
Miscellaneous	-	250	-	250	-
Total Operating Expenses	1,640,770	1,741,661	853,000	1,688,428	53,233
Capital Outlays					
Operational Capital	26,713	-	-	-	-
Wastewater Equipment Purchases	254,513	123,714	20,660	122,816	898
Total Capital Outlays	281,226	123,714	20,660	122,816	898
Debt Service					
Bond Water Issuance Fees	18,676	-	-	-	-
Bond Interest Cost	7,295	16,629	25,857	47,919	(31,290) ¹
SBITA Interest	2,349	-	-	-	-
Tax Exempt Lease Interest	232	-	-	-	-
Total Debt Service	28,551	16,629	25,857	47,919	(31,290)
Non-Cash Expenses					
Wastewater Depreciation	315,658	270,600	180,000	360,000	(89,400) ²
Wastewater Amortization - SBITAs	23,819	-	-	-	-
Wastewater Amortization - Leases	1,536	-	-	-	-
Transfer To Vehicle Repl. Fund	40,933	67,000	67,000	67,000	-
Transfer from ERF	(144,833)	-	-	(105,070)	105,070 ³
Transfer to Wastewater Capital Fund	250,377	825,000	680,343	825,000	-
Asset Transfers to Balance Sheet	(406,022)	(1,539,812)	-	(888,914)	(650,898)
Total Non-Cash Expenses	81,469	(377,212)	927,343	258,016	(635,228)

¹ Increased debt service costs for interest on newly issued certificates of obligation.

² Increased depreciation expense for new assets placed into service.

³ Increased transfers in from the Equipment Replacement Fund for encumbered replacement vehicles from prior fiscal year.

City of Fair Oaks Ranch
Wastewater Strategic and Capital Projects Fund
Statement of Revenues and Expenditures
For the period ended March 31, 2025

	FY 2024	FY 2025	FY 2025	FY 2025	12-Month Variance
	12-Month	Amended	6-Month	12-Month	Positive
	Actual	Budget	Actual	Projected	(Negative)
Beginning Fund Balance	1,250,609	1,367,972	1,367,972	1,367,972	
Transfers In					
Transfer from Utility Fund	250,377	825,000	680,343	825,000	-
Total Transfers In	250,377	825,000	680,343	825,000	-
Capital Projects					
Solids Handling	(18,141)	-	-	-	-
Wastewater Treatment Plant Expansion	151,155	766,098	96,420	766,098	-
Cojak Circle Sewer Upgrade	-	650,000	-	-	(650,000) ¹
Total Capital Projects	133,015	1,416,098	96,420	766,098	(650,000)
Non-Capital Projects					
Impact Fee Study	-	35,000	11,359	35,000	-
Total Non-Capital Projects	-	35,000	11,359	35,000	-
Total Expenditures	133,015	1,451,098	107,779	801,098	(650,000)
Total transfer to/(from) fund balance	117,363	(626,098)	572,564	23,902	
Ending Fund Balance	1,367,972	741,874	1,940,536	1,391,874	

¹ The budgeted capital improvement for Cojak Circle manhole rehab will be funded by a new development pursuant to a Utility Service Agreement. Appropriated funds will become unallocated and available for other approved wastewater projects.

City of Fair Oaks Ranch
Utility Capital Replacement Fund
Statement of Revenues and Expenses
For the period ended March 31, 2025

	FY 2024 12-Month Actual	FY 2025 Amended Budget	FY 2025 6-Month Actual	FY 2025 12-Month Projected	12-Month Variance Positive (Negative)
Beginning Fund Balance	876,126	680,260	680,260	680,260	
Transfers In					
Transfer from Water Division	49,866	114,000	114,000	114,000	-
Transfer from Wastewater Division	40,933	67,000	67,000	67,000	-
Total Transfers In	90,799	181,000	181,000	181,000	-
Transfers Out					
Transfer to Water Utility	141,832	-	15,000	37,500	(37,500)
Transfer to Wastewater Utility	144,833	-	-	105,070	(105,070)
Total Transfers Out	286,665	-	15,000	142,570	(142,570)
Total transfers to/(from) fund balance	(195,866)	181,000	166,000	38,430	
Ending Fund Balance	680,260	861,260	846,260	718,690	

¹ Increased transfers to the Water and Wastewater Funds for encumbered replacement vehicles/equipment from prior fiscal year.



City of Fair Oaks Ranch

To: Mayor and City Council
 From: Summer Fleming, Director of Finance
 Re: 2nd Quarter FY 2024-25 Investment Report
 Date: May 15, 2025

This report complies with the City's investment policy Section 9 and 11 and Texas Government Code Section 2256.023 ("Public Funds Investment Act").

ACTIVITIES FOR THE QUARTER

During the quarter, all City operating funds were held in three investment categories: (a) 2.3% was invested in Frost Bank checking accounts, (b) 40.4% in TexPool and TexPool Prime, government investment pools created on behalf of Texas entities consistent with the Public Funds Investment Act and are rated AAAM by Standard and Poor's, and (c) 57.3% in Texas CLASS, a local government investment pool that is rated AAAM. All investment categories comply with the City's investment policy.

Overall: For the quarter, the City earned \$312,936 in interest.

Bank Checking Accounts: The City earns traditional interest paid in cash on checking account balances. Traditional interest paid to the City totaled \$84.

The bank must secure ("collateralize") all City funds over \$250,000 by pledging certain of its own assets for the City and have such held by an independent third party custodian. The custodian sends evidence of this to the City monthly. The following summarizes collateralization activity as of the end of this quarter:

Total Deposits	Collateral Market Value	Collateral Percentage
\$669,793	\$686,362	102.474

The City's financial management policy requires a minimum of 102% on such balances.

TexPool and TexPool Prime: Earnings on the City's funds totaled \$133,841 for this portion of the portfolio. During the quarter, TexPool shares were valued at \$1 per share.

Texas CLASS: Earnings on the City's funds totaled \$179,011 for this portion of the portfolio. During the quarter, Texas CLASS shares were valued at \$1 per share.

Signed:

Summer Fleming

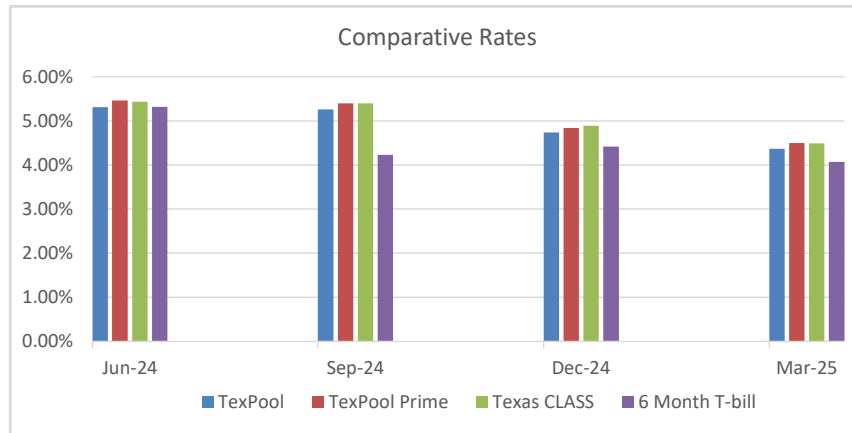
Summer Fleming, Director of Finance

Fair Oaks Ranch
Investment Report
For the Quarter Ended March 31, 2025

Description	Beginning Balance	Net Transfers In/(Out)	Interest Earnings	Ending Balance	Market Value	Avg Yield	Weighted Avg Maturity
Frost Bank	\$ 969,481	\$ (326,300)	\$ 84	\$ 643,265	\$ 643,265		
TexPool	8,082,106	(1,043,408)	82,340	7,121,038	7,121,038	4.37%	38 Days
TexPool Prime	4,769,294	(484,305)	51,501	4,336,491	4,336,491	4.50%	48 Days
Texas CLASS	16,074,472		179,011	16,253,483	16,253,483	4.49%	48 Days
Total	<u>\$ 29,895,353</u>	<u>\$ (1,854,013)</u>	<u>\$ 312,936</u>	<u>\$ 28,354,276</u>	<u>\$ 28,354,276</u>		

Interest Rate Comparison (Quarterly Average)

Qtr Ended	TexPool	TexPool Prime	Texas CLASS	3 Month T-bill	6 Month T-bill	2 Year Treasury Note	CDARS 6 month CD
Jun-24	5.31%	5.46%	5.43%	5.36%	5.32%	4.63%	4.73%
Sep-24	5.26%	5.40%	5.40%	4.52%	4.23%	3.66%	3.74%
Dec-24	4.74%	4.84%	4.89%	4.51%	4.42%	4.25%	3.65%
Mar-25	4.37%	4.50%	4.49%	4.20%	4.07%	3.87%	3.65%
Year Average	4.92%	5.05%	5.05%	4.65%	4.51%	4.10%	3.94%





Quarterly Financial Update & Investment Report

May 15, 2025

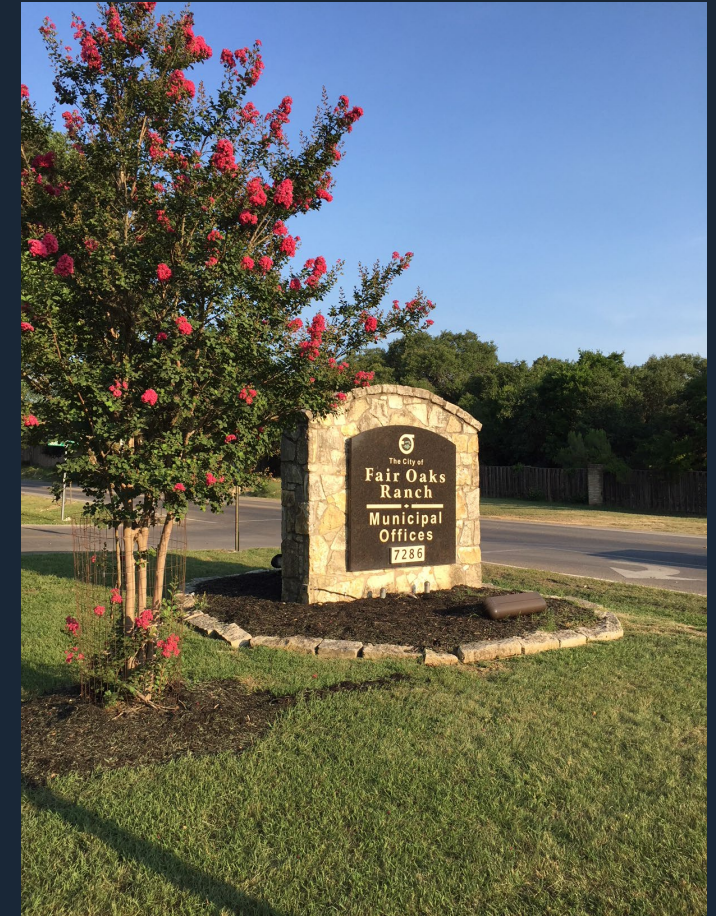


Summer Fleming, CGFO
Director of Finance

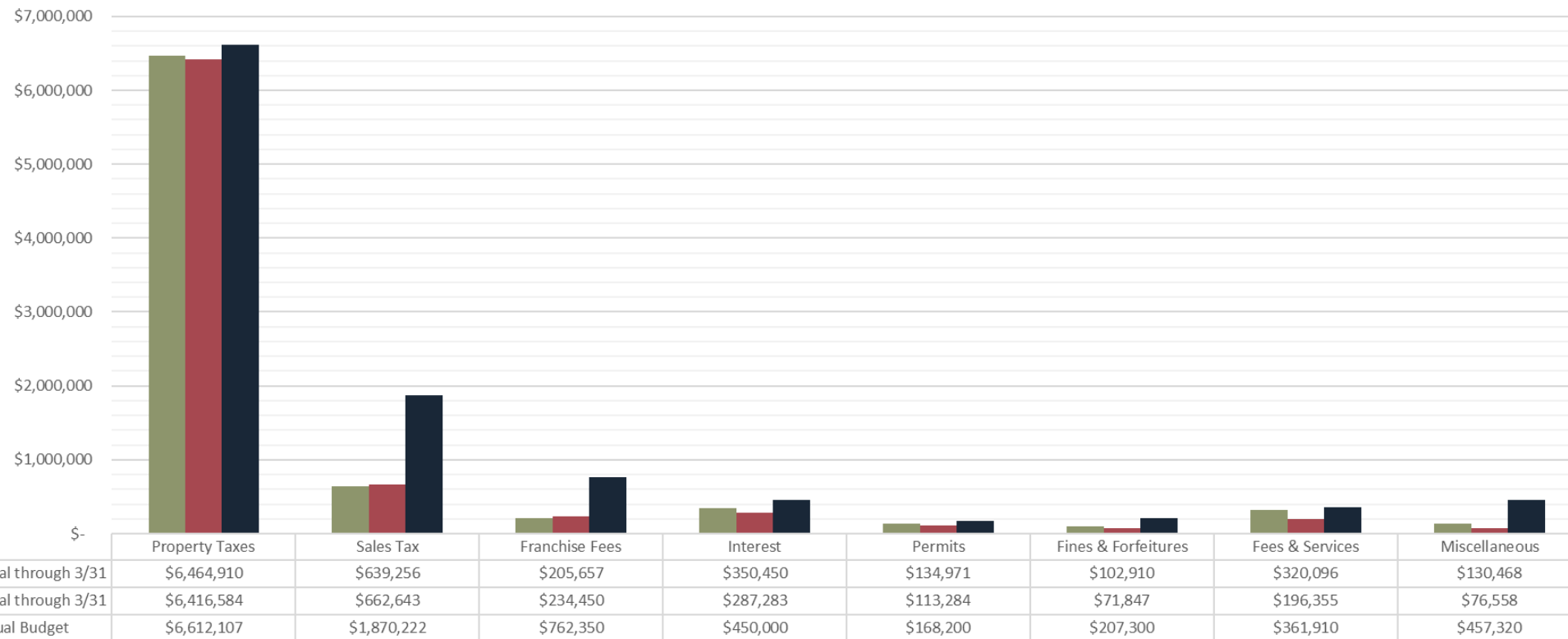
Financial Highlights



- General fund revenues and transfers from other funds total \$8.09 million year-to-date
- General fund expenditures and transfers to other funds total \$5.29 million year-to-date
- Projecting general fund surplus of \$8,820 (positive variance to budget of \$478,000)
- Property tax collections total \$7.3 million year-to-date
- Sales tax collections total \$650,000 year-to-date
- Completion of City Hall renovation and Tivoli Way drainage project
- City utility has generated \$2.8 million of operating revenues year-to-date and projected to add \$1.89 million to net position this fiscal year



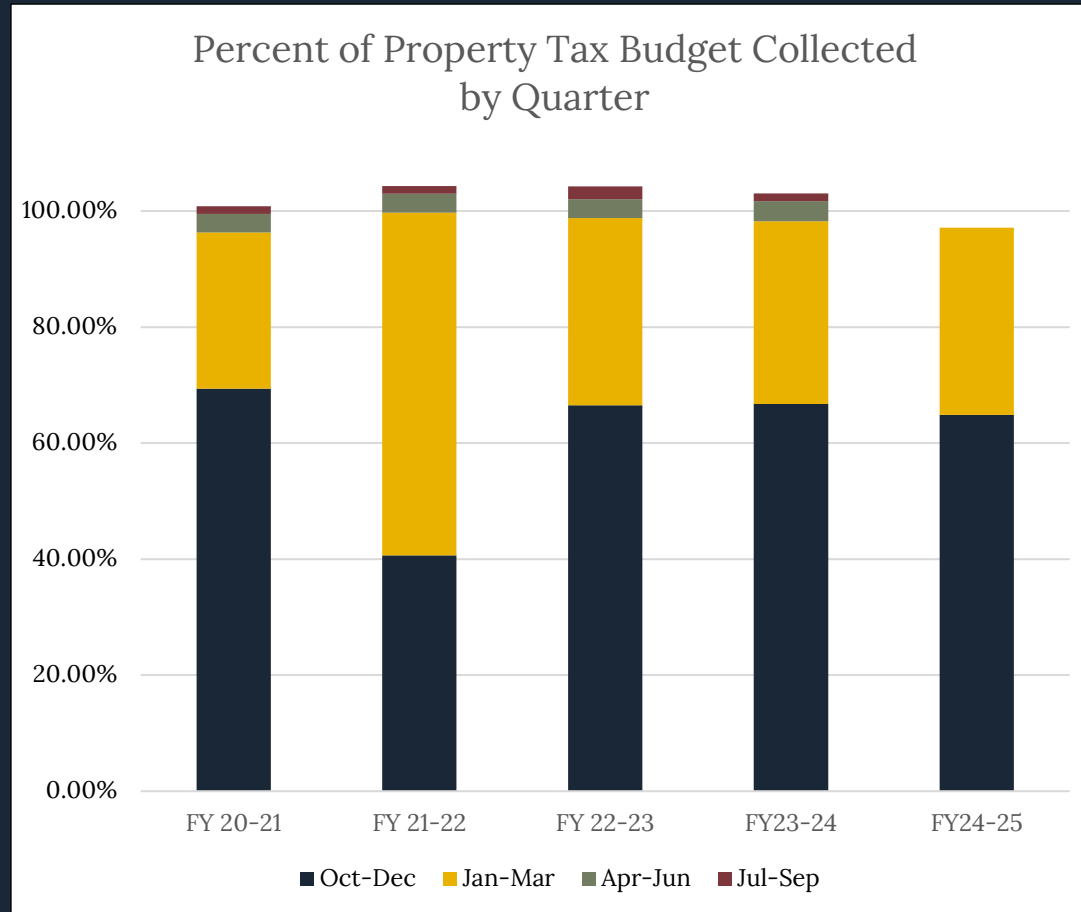
General Fund Revenues Comparison Between FY 2024 & 2025 Actual Through March 31, 2025



■ FY 23-24 Actual through 3/31 ■ FY 24-25 Actual through 3/31 ■ FY 24-25 Annual Budget

- Annual budgeted revenues total \$11.04 million
- Year-to-date revenues totaled \$8.09 million

Property Tax Highlights

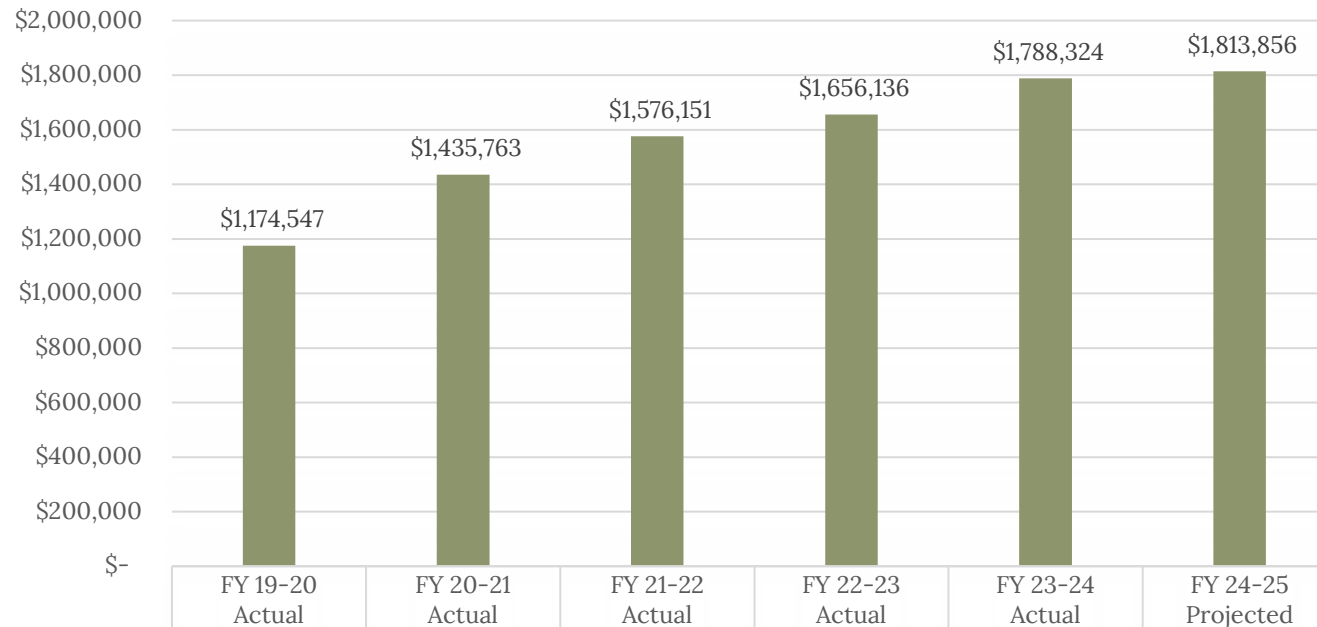


- 2024 Tax Levy is \$7.6 million
- Collected 95% of the levy
- Projecting surplus to budget of \$101,626 including delinquent taxes

Sales Tax Highlights



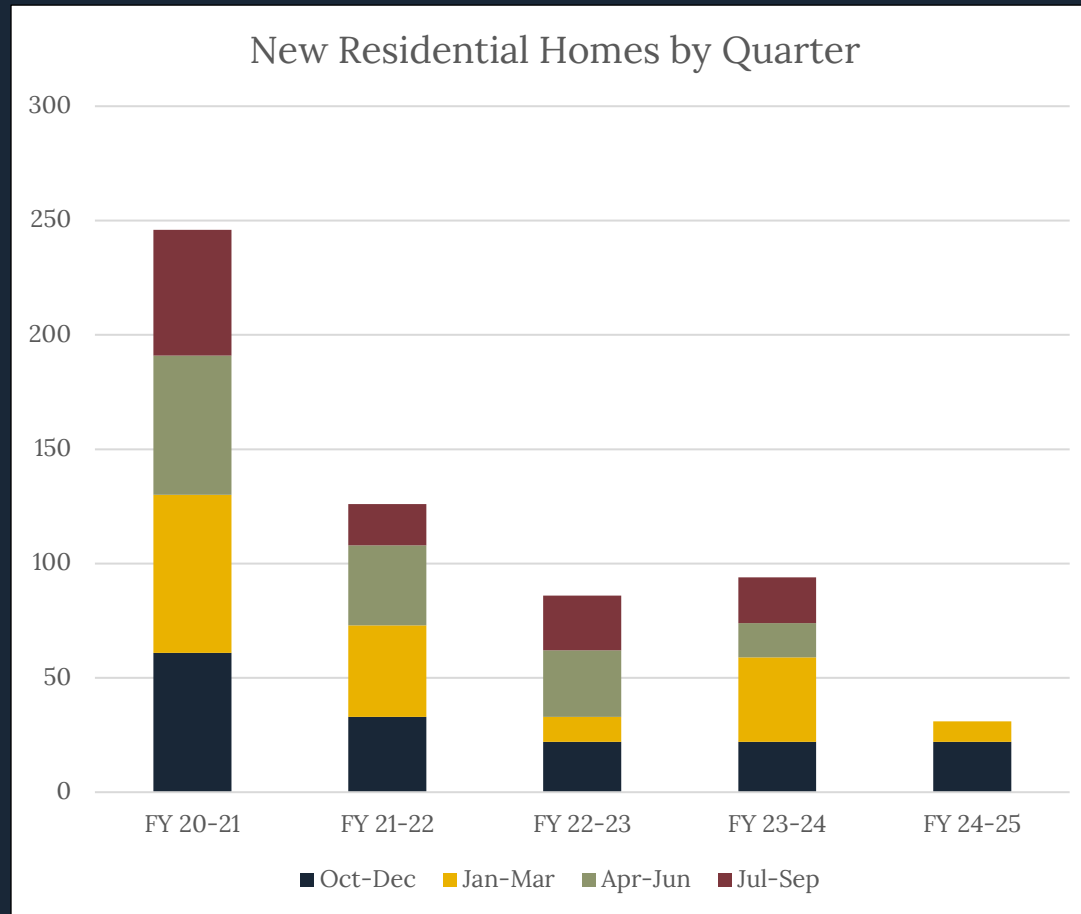
City Of Fair Oaks Ranch, Texas
Annual Sales Tax Revenue Received for Fiscal Years 2020-2025



■ Sales Tax	\$1,174,547	\$1,435,763	\$1,576,151	\$1,656,136	\$1,788,324	\$1,813,856
\$ Inc from Prior Year	\$319,965	\$261,216	\$140,388	\$79,985	\$132,188	\$25,532
% Inc from Prior Year	37.44%	22.24%	9.78%	5.07%	7.98%	1.43%

- Sales tax revenue totaled \$650,027 to date
- Sales tax receipts were \$6,500 or 1% more than same time last year
- Projecting \$1.81 million this fiscal year

Residential Permits



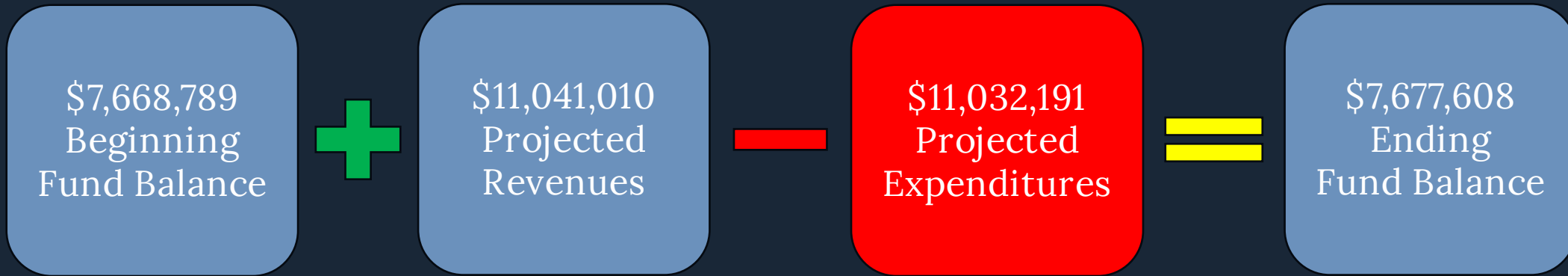
- 31 New Residential Home permits issued through March 31
- Total permits revenue projecting to exceed budget \$5,000

General Fund Expenditures



Type	FY 2023-24 Actual	FY 2024-25 Budget	6-Month Actual	12-Month Projected	12-Month Variance
Personnel	\$5,478,855	\$6,247,754	\$2,725,025	\$5,764,072	\$483,682
Supplies, Maint., Ops	1,162,375	1,343,011	250,094	1,341,011	2,000
Professional Services	1,793,865	2,175,436	1,094,192	2,176,853	(1,417)
Shared Services	197,471	308,271	175,852	303,271	5,000
Capital Outlay	937,864	471,532	300,691	479,006	(7,474)
Transfers	1,115,471	967,978	743,138	967,978	-
Total	\$10,685,901	\$11,513,982	\$5,288,994	\$11,032,191	\$481,791

Fund Balance Projection



- Maintains \$4.85 million operating reserve (equal to six months of operating expenditures)
- Projects \$2.5 million unassigned fund balance
- The increase is attributable to increased property tax collections and strong interest earnings combined with savings in personnel due to vacancies

Utility Revenues



Type	FY 2023-24 Actual	FY 2024-25 Budget	6-Month Actual	12-Month Projected	12-Month Variance
Water Operating	\$4,247,141	\$4,296,696	\$1,944,959	\$4,599,276	\$302,580
Wastewater Operating	1,692,909	1,713,153	896,368	1,794,213	81,060
Total Operating Revenues	\$5,940,050	\$6,009,849	\$2,841,327	\$6,393,489	\$383,640
Water Non-Operating	\$1,004,361	\$1,440,889	\$775,949	\$1,538,089	\$97,200
Wastewater Non-Operating	515,851	790,630	337,786	788,830	(1,800)
Total Non-Operating Revenues	\$1,520,212	\$2,231,519	\$1,113,735	\$2,326,919	\$95,400
Total Utility Revenues	\$7,460,262	\$8,241,368	\$3,955,062	\$8,720,408	\$479,040

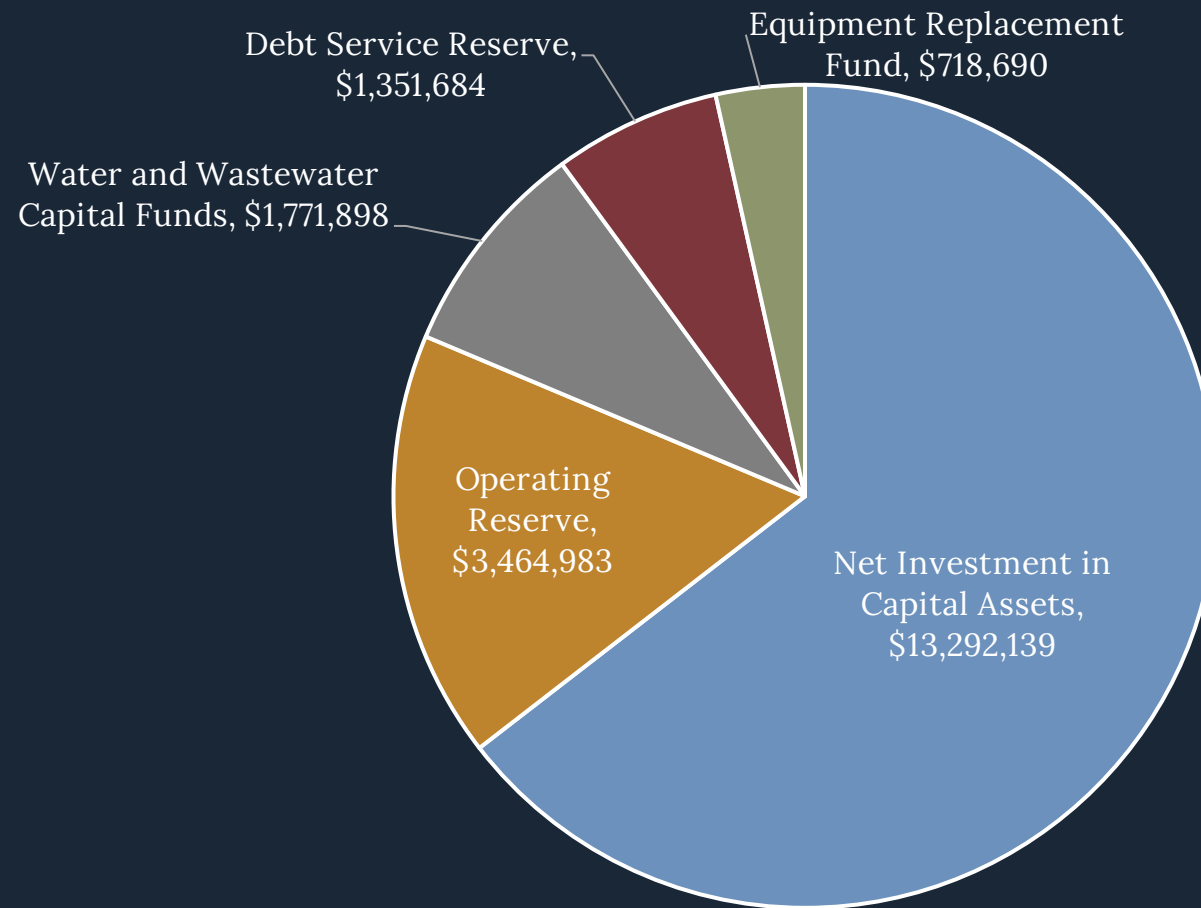
Utility Expenditures



Type	FY 2023-24 Actual	FY 2024-25 Budget	3-Month Actual	12-Month Projected	12-Month Variance
Personnel	\$1,970,151	\$2,113,684	\$959,068	\$2,016,286	\$97,398
Supplies, Maint., & Ops.	3,026,349	3,164,557	1,532,077	3,201,244	(36,687)
Services	199,206	459,986	170,982	459,986	-
Total Operating Expenditures	\$5,196,189	\$5,738,227	\$2,662,127	\$5,677,516	\$60,711
Capital Outlay	\$1,267,240	\$6,077,157	\$1,275,361	\$5,813,650	\$263,507

Projected Net Position

\$20,599,394





Investment Update

Investment Inventory



Investment	Beginning Balance	Deposits / (Withdrawals)	Interest Earned	Ending Balance
Frost Bank	\$969,481	(\$326,300)	\$84	\$643,265
TexPool	8,082,106	(1,043,408)	82,340	7,121,038
TexPool Prime	4,769,294	(484,305)	51,501	4,336,491
Texas CLASS	16,074,472	-	179,011	16,253,483
Total Investments	\$29,895,353	(\$1,854,013)	\$312,936	\$28,354,276



Questions?