

The location of this meeting has been moved by City Council to the Conference Center –  
02/03/2026



## CITY OF LEON VALLEY TOWN HALL MEETING

Leon Valley ~~Community Center~~ Conference Center

**6421** 6427 El Verde Road, Leon Valley, TX 78238

Saturday, February 07, 2026 at 8:30 AM

### AGENDA

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1. **8:30 AM** Call to Order and Determine a Quorum is Present

2. **Presentations**

A. Welcome to the 16th Annual Town Hall Meeting; and Introduction of City Council, Staff, and Procedures for the Meeting - Mayor Chris Riley (estimated start time 8:30 AM)

B. City Manager Update on the 2025 Town Hall Meeting and Annual Report - Dr. C. Caldera, City Manager (*estimated start time 8:50 AM*)

C. Presentation and Update on Bandera Road - TxDOT (*estimated start time 9:00 AM*)

D. Presentation on State of Texas Emergency Assistance Registry, STEAR - Samantha Fabian, MPA (*estimated start time 9:30-10:15 AM*)

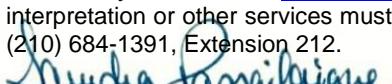
E. Investing in Tomorrow: A Community Conversation on Leon Valley's Financial Future and Infrastructure Priorities - Dr. C. Caldera, City Manager (*estimated start time 10:15-11:45 AM*)

F. Brainstorming Cost-Effective Ways to Celebrate July 4th - 250th Anniversary of the Adoption of the Declaration of Independence (*estimated start time 11:45 AM - noon*)

G. Citizens to be Heard

3. **Adjournment**

**Attendance by Other Elected or Appointed Officials** - Members of other City boards, commissions, and/or committees may attend this meeting in numbers that could constitute a quorum. Accordingly, this agenda is also posted as a meeting notice for those boards, commissions, and/or committees. Members present may participate in discussions but may not deliberate or take action on items listed on this agenda. *[Attorney General Opinion No. GA-0957 (2012)]***Certification of Posting** - I hereby certify that the above **Notice of Public Meeting(s) and Agenda of the Leon Valley City Council** was posted at Leon Valley City Hall, 6400 El Verde Road, Leon Valley, Texas, and remained posted until the conclusion of the meeting(s). This notice is also available on the City's website at [www.leonvalleytexas.gov](http://www.leonvalleytexas.gov).**Accessibility:** This building is wheelchair accessible. Requests for sign interpretation or other services must be made at least 48 hours in advance of the meeting. To arrange assistance, please call (210) 684-1391, Extension 212.

 **SAUNDRA PASSAILAIGUE, TRMC**

City Secretary

January 21, 2026 at 11:28 AM



# 2025 ANNUAL REPORT



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# Letter from the City Manager



Honorable Mayor, City Council Members, and Residents of Leon Valley,

As City Manager of Leon Valley, I am proud to present this annual report highlighting the accomplishments and dedicated service of our City staff. This report was developed by the City Manager's Office to recognize and share the significant achievements made during the past fiscal year.

The City Council adopted the FY 2024–2025 budget, which supported the delivery of a broad range of essential services to our community. Over the past year, the City adopted and updated its Mission, Vision, and Strategic Goals; awarded key public works contracts, including the CDBG-funded Cammie Way Sewer Main Replacement and El Verde Road Water and Drainage Improvements; adopted the Parks Master Plan; completed a major street improvement project on Wurzbach Road; and advanced the Capital Improvements Plan for water and sewer, including the purchase of 105 acre-feet of water to support long-term water security.

In addition to these major initiatives, City departments collectively delivered an extraordinary volume of services. During the fiscal year, the City welcomed more than 44,000 visitors to the Public Library, processed 711 open records requests, responded to more than 2,500 emergency medical calls and 20,000 police service calls, issued over 1,500 permits, managed more than 55,000 transactions across City operations, and welcomed three new neighborhoods.

This report reflects the combined efforts of our dedicated teams across all departments and is a testament to the professionalism, collaboration, and leadership demonstrated throughout the organization. The City of Leon Valley remains committed to strengthening service delivery, improving efficiency, and building upon these accomplishments through innovation, responsiveness, and proactive planning to meet the evolving needs of our community.

We are fortunate to have a team of public servants who consistently go above and beyond in service to Leon Valley. I extend my sincere appreciation to every member of the Leon Valley team for their hard work, dedication, and commitment to excellence.

Sincerely,  
Crystal Caldera, PhD  
City Manager

# Mayor and City Council



## Vision

### CITY OF LEON VALLEY VISION STATEMENT

The City of Leon Valley strives to foster a community that is resilient to challenges, sustainable for future generations, and economically dynamic, ensuring a prosperous and harmonious future for all.

## Mission

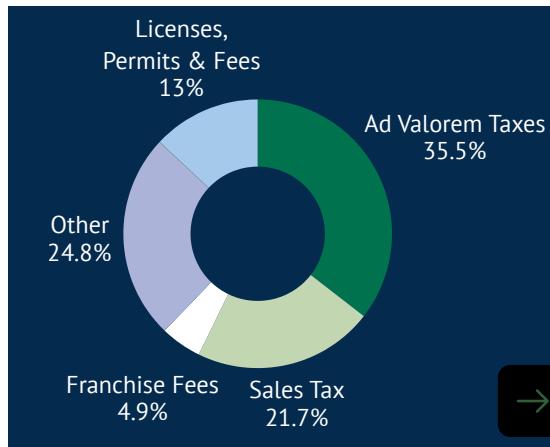
### CITY OF LEON VALLEY MISSION STATEMENT

The City of Leon Valley is committed to protecting the quality of life, safety, and liberty for all its citizens while prioritizing fiscal responsibility, resiliency, sustainability, and economic development.



# Financial Highlights

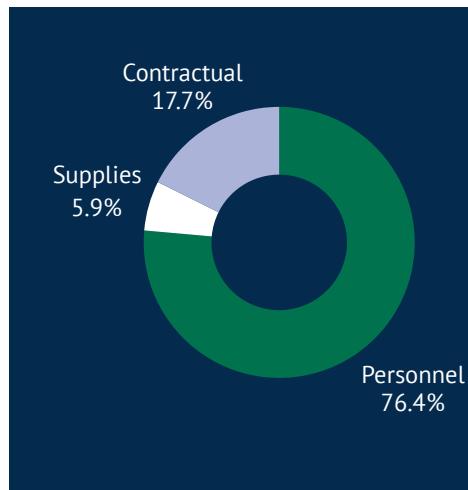
In FY 2025, the City of Leon Valley maintained a balanced budget while investing in infrastructure, public safety, and community quality of life. Revenues exceeded forecasts by 6%, enabling the completion of key capital projects and improved service delivery across departments.



Revenue

**\$15,843,319**

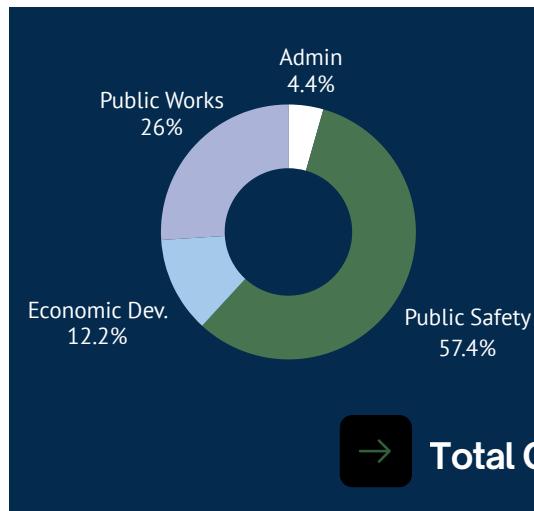
The City of Leon Valley collected a total of \$15.8 million in FY 2025 revenues. The largest sources included Ad Valorem Taxes (35.5%), Sales Tax (21.7%), and Other Revenues (24.8%), reflecting a healthy mix of property - and consumption-based income.



Expenses

**\$13,094,510**

Operating expenditures for FY 2025 totaled approximately \$14.0 million, with the majority allocated to Personnel Services (76.4%), followed by Contractual Services (17.7%) and Supplies (5.9%). Spending remained in line with strategic goals focused on service delivery, staffing, and operational efficiency.



Total Capital Outlay

**\$1,074,953**

The City invested over \$1.07M in capital projects during FY 2025. The largest share supported Public Safety (57.4%), including critical infrastructure maintenance. Notable investments were also made in Public Works (26%), Economic Development (12.2%), and Administrative equipment (4.4%), aligning with long-term capital improvement priorities.

# General Fund Expenditures

In FY 2025, the City of Leon Valley allocated the majority of its General Fund to Public Safety (52%), followed by Public Works (21%) and Administrative Services (17%). Personnel costs made up 71% of total spending, reflecting the City's investment in essential staffing and operations. Contractual services and capital outlay combined for nearly a quarter of total expenditures, funding key projects and service agreements.



Scan the QR Code to discover more financial information!



**\$7,382,118 (52%)**

## Public Safety

Supports Police and Fire services, ensuring community safety and emergency response readiness.

**\$564,760 (4%)**

## Planning & Zoning

Land development, inspections and permitting for residential and commercial property.

**\$2,990,676 (21%)**

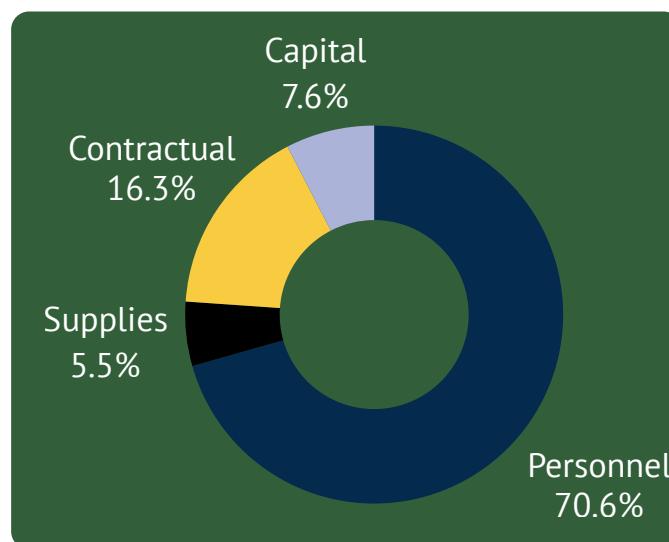
## Public Works

Covers street maintenance, parks infrastructure repairs, and facility upkeep to maintain city services.

**\$2,367,477 (17%)**

## Administrative Services

Includes Finance, City Management, IT, and support services that keep city operations running smoothly.



## Spend Analysis

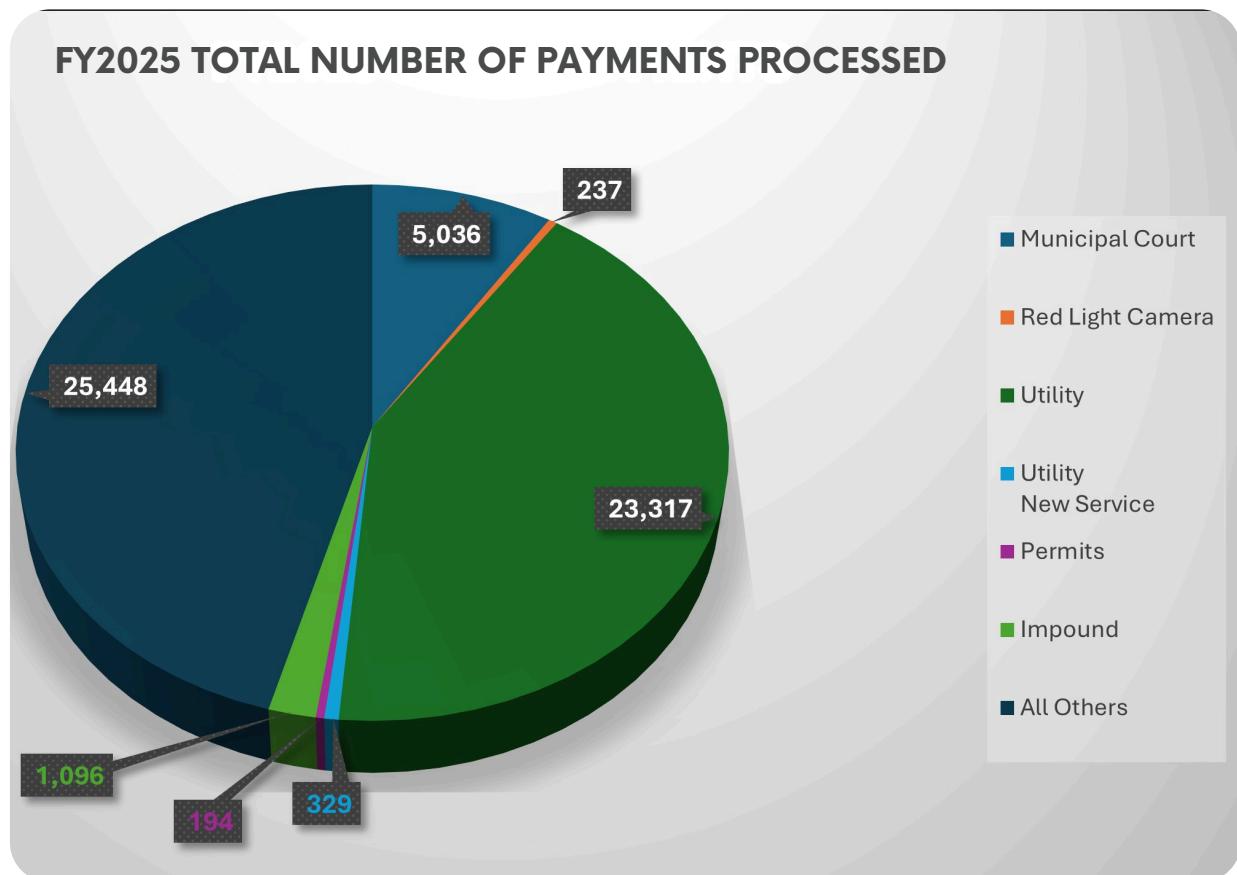
As shown in the chart, most of the City's FY 2025 General Fund was spent on personnel costs (71%), with additional allocations to contractual services, capital improvements, and operating supplies. These investments reflect Leon Valley's priority on maintaining service levels and funding operational needs across departments.

# Municipal Court

The Municipal Court implements the highest standards of professionalism and ethics by adhering to the Judicial Code of Conduct and Criminal Code of Procedures. Our priority is providing efficient customer service, which is conducted in person, by email, online, and by phone.

## FY 25 Highlights

- Enhanced our technological operations by implementing a phone payment IVR system. The added payment option helped customers without transportation and/or internet access.
- Hundreds of judgments are electronically signed by the Judge in real time within seconds within our InCode software.
- Telephone interpreter service was retained with the ability to have an interpreter in approximately 9 seconds for less spoken languages such as Swahili and Pashto.
- TMCEC requires clerks to annually complete a minimum of 16 hours for Court Clerk certifications to remain active. Court Clerk Certification (CCC) may reach Level 3. Currently, we have one CCC1 and two CCC2 with a collective total of 68 training hours.



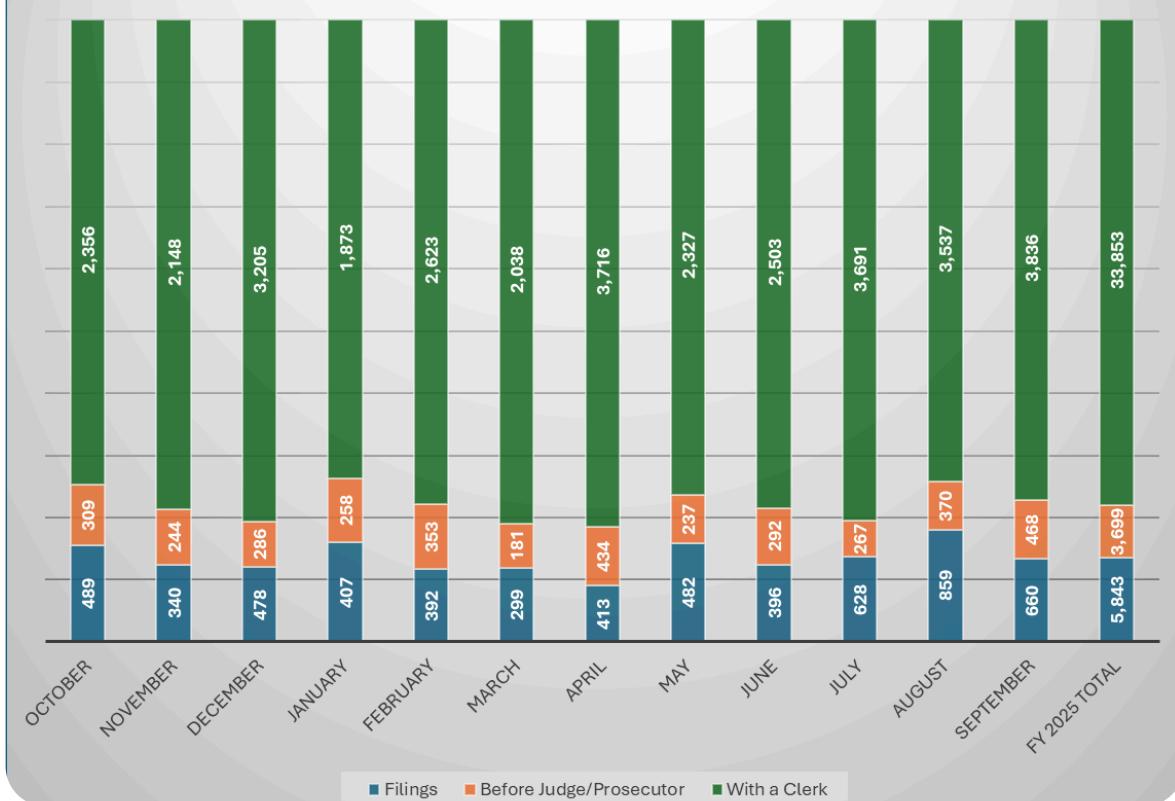
**Total Transactions**



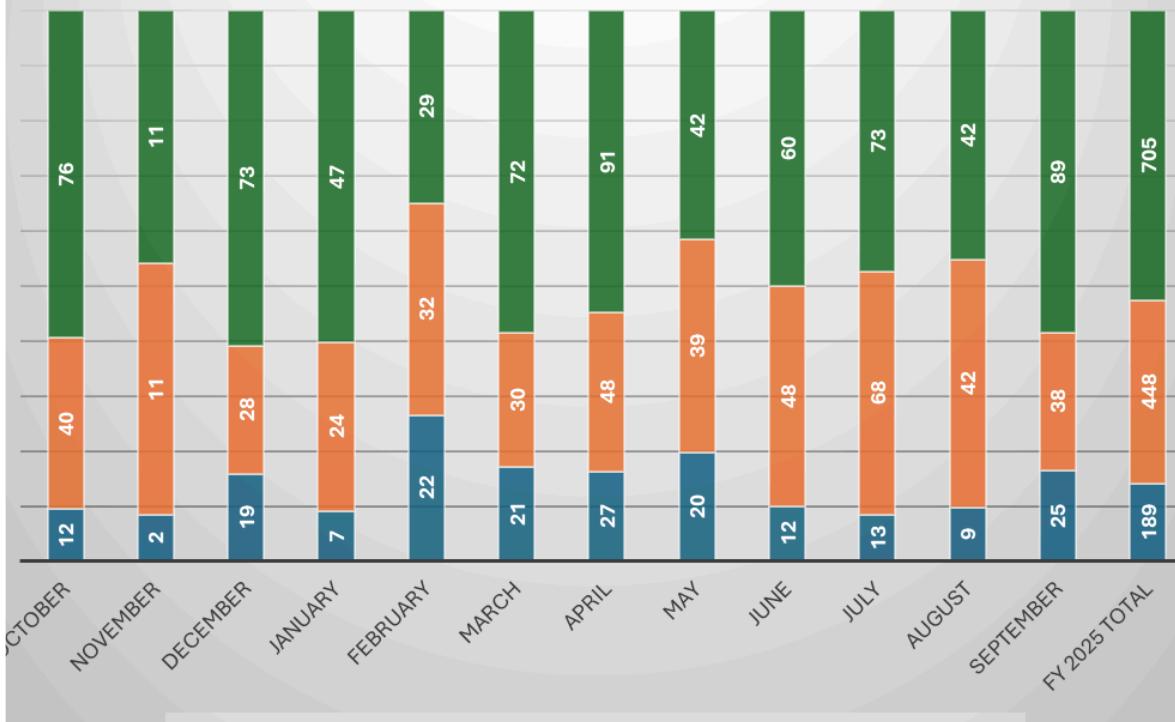
**55,657**

# FY25 Court Cases

## TOTALS FOR CASES PROCESSED



## TOTALS FOR CASES DISMISSED



# City Secretary

The Office of the City Secretary continued to ensure governmental transparency, manage official records, supported the City Council and Manager, and facilitated public access to information, acting as a vital link between citizens and the city's legislative and administrative processes by handling elections, public notices, and legal compliance.

## FY 25 Highlights

- 31 Agendas/Minutes Prepared
- 30 Ordinances Processed – 13 were Codified
- 36 Resolutions Adopted
- 08 Public Notices Published in a Timely Manner

## Legal and Administrative Documents Processed

- 17 subpoenas
- 4 grand jury summonses
- 9 crime victim division requests
- 1 Defense Counterintelligence & Security Agency request
- 5 affidavits for Fire/EMS records
- 1 STAT – Transplant/South Texas Blood Bank request
- 3 police records certifications
- 17 notary services for citizens

## Additional Highlights

- Successfully conducted the May 3, 2025, General Election
- Maintained the City's Contract Inventory
- Managed MuniDocs for public document access
- 48 hours of professional training completed
- Awarded three scholarships used to offset training costs
- Recipient of the 2025–2026 TMCA Achievement of Excellence Award

### Records Management

**17 new boxes stored**

**137 boxes destroyed**

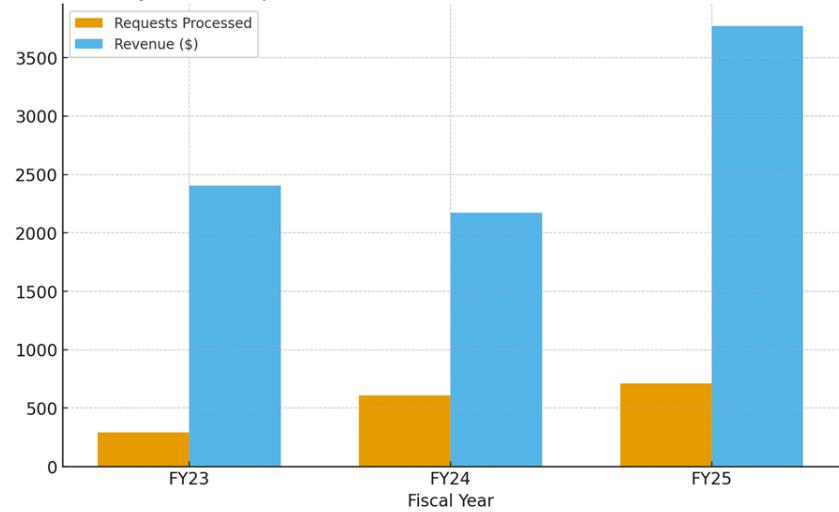
### Open Records Request

**711 Processed**

### Citywide Garage Sale

**72 Participating Residents**

Year-by-Year Comparison: Records Processed and Revenue Collected



# Human Resources

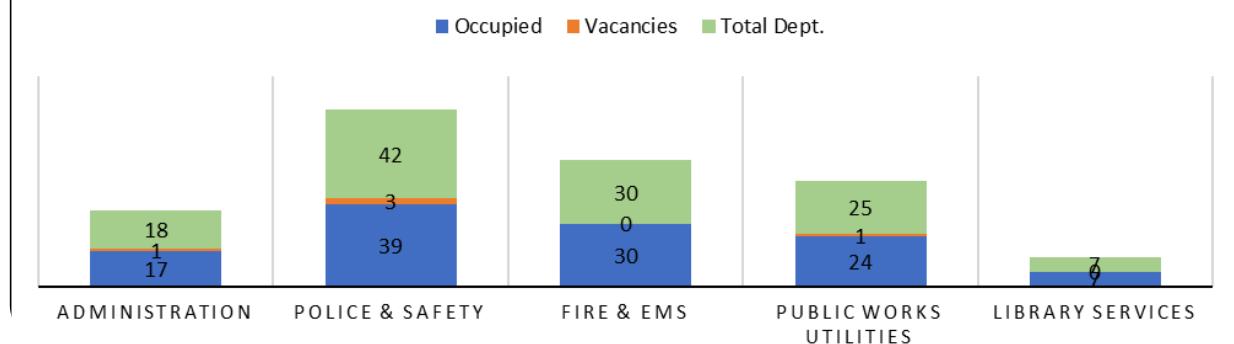
Processed 177 Applications

The Human Resources Department continued to provide strategic, professional, competent, responsible, and quality Human Resources Services through teamwork, promoting positive processes and a cohesive culture in the City's management of employment issues.

## FY 2025 Highlights

- Administrative Controls: Updated the City's Personnel Policy and Disciplinary Manuals, along with additional procedural directives, to ensure the Mission of employees' conduct and actions are held accountable and to the highest professional and ethical standards.
- Benefits Management: As a result of a competitive health market, the City moved group insurance providers from Blue Cross Blue Shield (BCBS) to United Health Care (UHC); this change created approximately a 14% savings on premium costs. Human Resources worked with UHC to streamline compatibility with the Employee Navigator portal, to administer enrollments, terminations, and election of COBRA coverages.
- Recruitment & Retention Plan: Continuing the Police Cadet Tuition Sponsorship Program in return for a two-year retention commitment. Attended the First Responders Career Fair, San Antonio College of First Responders Academy, and John Marshall High School Career Preparation Fair. Conducted a salary survey to implement a Compensation Pay Plan Program that ensured fairness, transparency, and consistency in employee compensation; establishing a market average for positions based on the employees' years of service with a 2% spread.

### AVERAGE STAFFING LEVELS



During this fiscal year, the Human Resources Office received 177 employment applications for various positions; current staffing remains steady with 95.90% positions occupied and 4.10% vacant.

### Development, Initiatives & Collaborative Training:

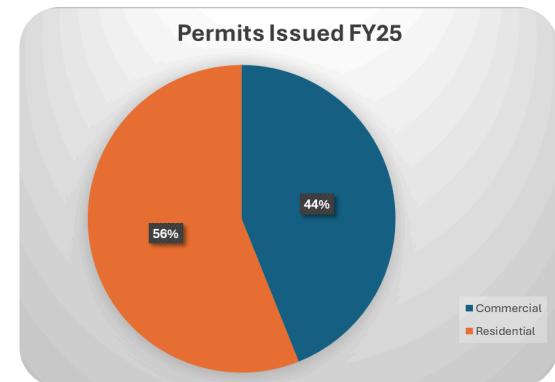
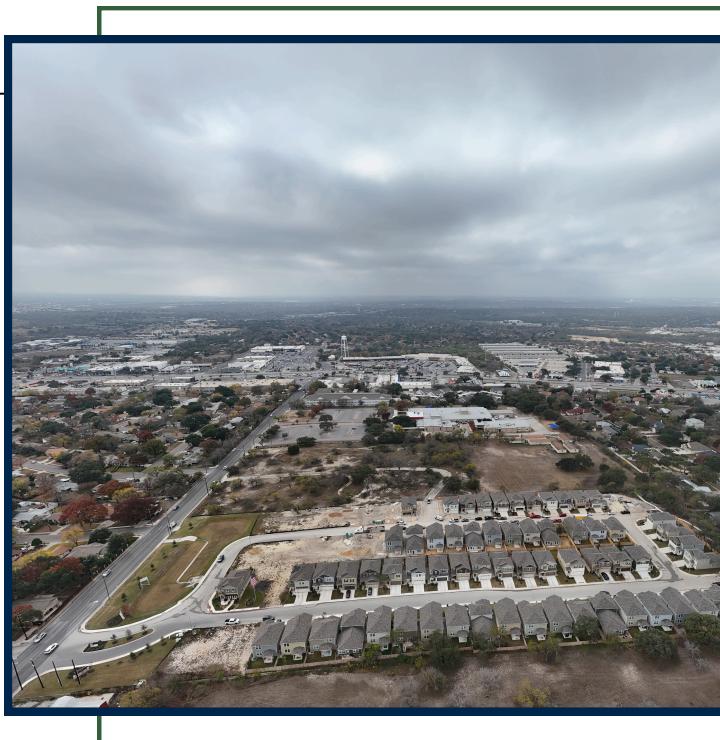
- Public Funds Investment Act Renewal Training
- CJIS Security Policy & Periodic Audit Review
- Financial Management, AAS Degree
- TMCCP Election Law Seminar
- Texas Municipal Clerks Recertification Graduation
- TML Public Information Act: Personnel Records
- Advanced FLSA Training: Firefighter Work Schedules
- TMCCP Municipal Budget Cycle Seminar
- Just FOIA Certificate of Completion: Power & General User Course
- Staff Sessions: Sexual & Other Unlawful Harassment Training
- Texas Municipal Human Resources Association Annual Conference

# Planning & Zoning

## FY 25 Highlights

- Continued work on removing Sustainability, Gateway, and Commercial/Industrial Overlay Zoning Districts from the Zoning Code, and incorporated standards into other portions of the Code
- Updated Zoning map
- Customized permitting software
- Updated permit and other forms used by the department
- Updated fee schedule for permits
- Managed Sawyer Road PDD Application
- Managed large development projects Seneca Trails, Senna, & Trilogy

1,504 Permits Issued



# Economic Development

## FY 25 Highlights



- Provided \$205,000 in Economic Development Grants to support redevelopment projects throughout Leon Valley.
- Awarded a grant to redevelop the abandoned Pilgrim's Laundromat located across from City Hall.
- Entered into a Chapter 380 Agreement to demolish and redevelop the former Wei Kee Restaurant, creating a new multi-tenant shopping center that will include Little Caesars.
- Oversaw the installation of Google Fiber in all City facilities to enhance connectivity and operations.
- Facilitated 158 meetings with local businesses to support retention, expansion, and new investment.
- Hosted 9 grand openings, welcoming a variety of new businesses — including a local market, a high-tech automotive collision repair center, Texas Homes' new housing development, a physical therapy clinic, and several other vibrant additions to the community.



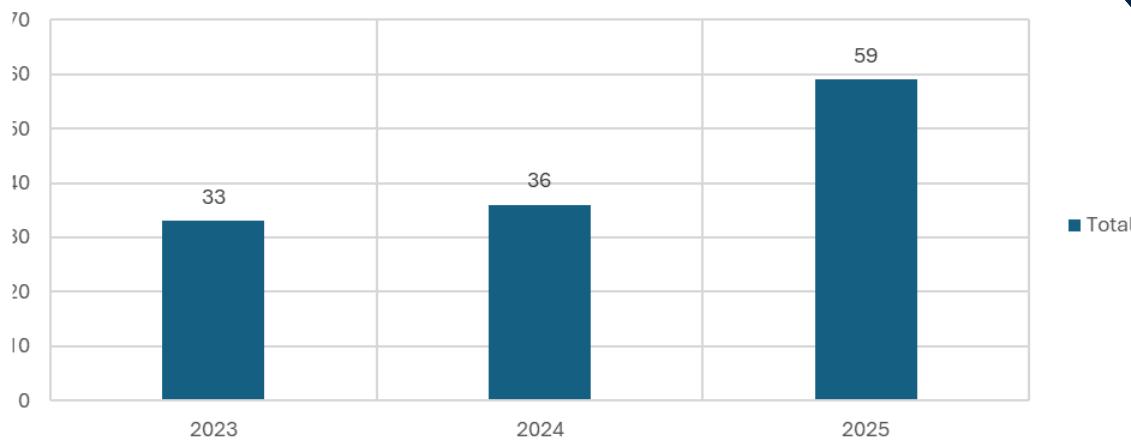
# Animal Control & Code Compliance

## Animal Control FY 25 Highlights

- Started a microchip program in July- 31 dogs microchipped in 3 months.
- Recorded a 3-year high intake of 59 dogs and completed 13 cat TNRs.
- Partnered with rescues, local veterinarians, new vendors, and other municipalities to ensure all dogs leaving the City of Leon Valley are microchipped, rabies vaccinated and altered.
- Achieved No-Kill Shelter designation.
- Held a vaccine drive, providing vaccinations for approximately 75 dogs.
- Conducted 12 dog bite investigations.



City of Leon Valley Dog intake



## Code Compliance FY 25 Highlights

- Managed and resolved over 2,000 code-related cases.
- Removed 61 bandit signs from public rights-of-way.
- Handling 101 noise complaints, junk accumulation, and sanitation issues.



# Police



## Dear Citizens of Leon Valley,

The past fiscal year has been a period of significant growth and transition for the Leon Valley Police Department. We remain dedicated to providing professional, compassionate, and dependable police service to everyone in our community.

This year, our internal focus has been on building a strong and stable police team. We welcomed an experienced Assistant Chief and Lieutenant to reinforce leadership and commitment, promoted two Corporals to recognize internal excellence, and continued hiring and training new patrol officers dedicated to serving our community. Through focused instruction in de-escalation, crisis response, and community engagement, we have strengthened our team's ability to serve the residents of Leon Valley with professionalism and integrity.

Our officers have maintained a strong presence in the community, working diligently to prevent crime and enhance safety. Their dedication and adaptability reflect the collective spirit of this department and the community we are honored to protect.

Looking ahead, we remain committed to developing our personnel, maximizing our resources, and advancing our goals of transparency, accountability, and collaboration. With the continued support of our residents, businesses, Council, staff, and visitors, we look forward to a year of continued progress.

Thank you for your trust and partnership as we continue to serve the Leon Valley community.

Sincerely,

David Gonzalez

## Leon Valley Chief of Police



# CALLS FOR SERVICE



20,380

# Police

## DEA Task Force FY 25 Highlights

- Arrests - 90
- Seized Firearms - 66
- Clandestine Laboratories - 7
- Seized Assets - \$3,413,849

### Seized Drugs

- Heroin - 25 kg
- Cocaine - 150 kg
- Methamphetamine - 350 kg
- Marijuana - 5 kg
- Synthetic Marijuana- 132 kg
- Fentanyl - 25 kg

## DEA HIDTA TASK FORCE

- Arrests - 85
- Seized Firearms - 12
- Seized Assets - \$1,150,149

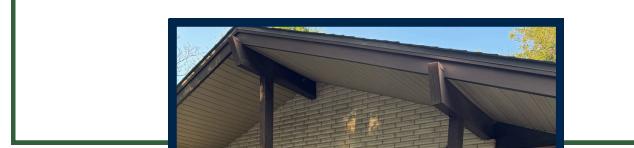
### Seized Drugs

- Cocaine - 62 kg
- Methamphetamine - 123 kg
- Marijuana - 328 kg

## Property Room

**Audit - 100% Accountability**

**Property Destruction by Court Order - 3**



# Police

## Criminal Investigation



Cases reviewed by CID **2,090**

Cases Assigned to Detective for Follow-up **379**

Cases Filed with DA's office **171**

## Impound

**Vehicles Towed - 641**

**Auctions Held - 3**

**Disposition of Vehicles - 72**

**Auctioned - 70  
Salvage Sales - 2**

**Auction Vehicle Revenue - \$104,609**

**January 2025 - \$44,056  
June 2025 - \$46,283  
September 2025 - \$14,270**

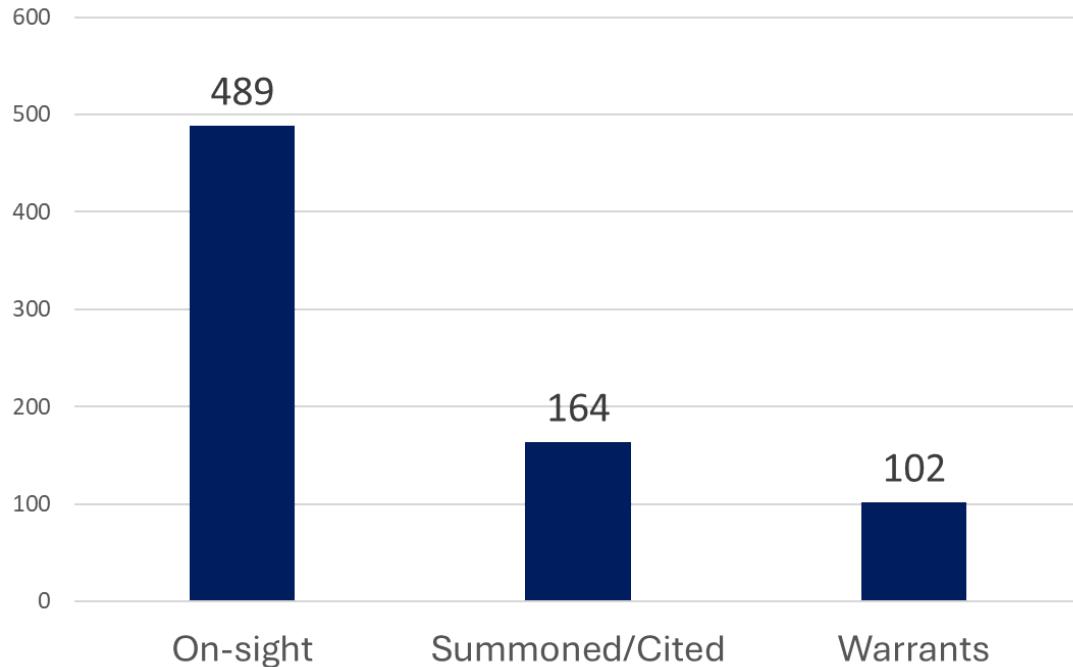
**Salvaged Vehicle Revenues - \$73**

**Vehicles Commissioned for City Use - 0**

# Police



## Arrests by Disposition



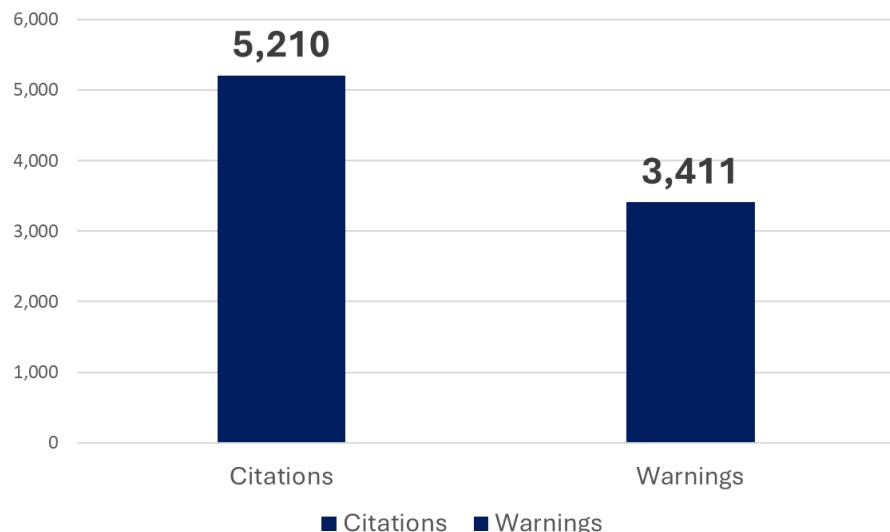
## Crash Reports



873

## Traffic Enforcement

### Traffic Enforcement



## Total Enforcement



8,621

# Police

## Officer Development

- Departmental Training Hours - 5,940
- Evidence Collection & Preservation Crime Scene Investigation - 120 Hours
- Intermediate Courses - 730 Hours
- Leadership, Ethics & Peer Support - 290 Hours
- Less Lethal (Chemical, ECD, Impact) - 490 Hours
- ALERRT Training - 704 Hours
- Investigations - 651 Hours
- Field Training - 1,377 Hours
- Instructor Development - 112 Hours



## Certification Level

|                     |           |
|---------------------|-----------|
| <b>Probationary</b> | <b>4</b>  |
| <b>Basic</b>        | <b>10</b> |
| <b>Intermediate</b> | <b>5</b>  |
| <b>Advanced</b>     | <b>6</b>  |
| <b>Master</b>       | <b>21</b> |



## Community Engagement & Partnerships

- LV Night Out
- Halloween
- LV Library Haunted House
- Driggers Elementary Trunk or Treat
- LV Elementary Trunk or Treat
- Earthwise Living Day Event
- Arbor Day Tree Adoption
- Blue Santa Project
- Marshall HS Partnership
- Special Olympics
- Big Rig Petting Zoo
- LV Elementary Fiesta Parade
- LV Library Carnival
- LV 4<sup>th</sup> of July

# Fire & EMS

The Fire Department continued to prevent and/or minimize the loss of life and property within the corporate limits of the City and managed control over fires, sudden medical emergencies and natural and man-made disasters.



## Fire Department FY 25 Highlights

- The Fire Department once again received exemplary scores through the Texas Commission on Fire Protection and the Texas Department of State Health Services during its most recent inspections.
- Delivered the 2024 Dodge chassis in August to Frazer in Houston to begin the ambulance build.
- Completed upgrading and automating our flood warning system. These flood warning system upgrades will allow remote activation and/or automatic siren activation once water levels meet designated thresholds.
- Updated our Flood Emergency Response Plan and ensured all our flood warning systems, flood sirens, and street barricades are in good working order. All residents are encouraged to visit Bexarflood.org and sign up for flood and high-water alerts.
- Replaced the fire station alerting system. This is the system that alerts the entire station of an emergency call. This system activates lights, strobe lights and announces the call. This system integrates the phone system, alerting system and our emergency call button at the front door.
- Sponsored 4 blood drives for the South Texas Blood and Tissue Center.
- Residents and guests were encouraged to dispose of unused or old prescription medications through our SUDS medication disposal program. This system allows you to place these medications in a secure envelope and mail them in for disposal. The entire system is free of charge. These envelopes are located at the fire station, city hall, library, conference center and the community center. The Fire Department does not accept medication for disposal.

# Fire & EMS

## Fire Department FY 25 Highlights

- Delivered three barrels full of school supplies to our elementary school. These school supplies were all donated by individuals and local businesses wanting to help some of our less fortunate students.
- Completed annual testing and maintenance of fire hydrants throughout the city. This testing is vital to ensure that in the event of emergencies, the fire department will have a reliable water supply.
- Preventive maintenance completed on all electronic flood gates.
- Conducted fire prevention education for all elementary schools and daycares in the City of Leon Valley for Fire Prevention Week in October.
- Year-round Smoke Detector replacement program.
- Host area EMS students to complete state-required ride-out hours. (We currently host San Antonio College, John Marshall High School, Thomas Edison High School, Somerset High School, U.S. Air Force Pararescue, and U.S. Army Medics).
- Managing and collecting food for the Blessing Box. We collected over 2000 lbs. of food.
- Fire Department Chiefs and personnel are involved as mentors for John Marshall EMS Students.
- Continuing to assist the instructors at John Marshall High School with EMS training as well as State skills testing for their students.
- Managed Project Cool, handed out 25 fans to area citizens.
- Participated in LV National Night Out.
- Yearly Santa Run through the neighborhoods during the month of December.

## Run Totals

- **2,693 Service Calls**
- **4:27 AVG. Response Time**
- **1,037 Fire Marshall Services**
- **597 Fire Services / 8 FERP**
- **2,088 EMS Services**
- **6,540 Total Training Hours**
- **Responded to 294 Motor Vehicle Accidents**



# Public Works

## FY 25 Highlights

### Management and Administrative Activities

- Functioned as Staff Liaison to Park Commission, the MPO/TxDOT Technical Committee, Regional Water Resource Development Group (RWRDG), and the Bandera Road Groundwater Plume Superfund Site Community Advisory Group (CAG)
- Completed the East of Wurzbach Sewer Main Replacement Project
- Demolished the Leon Valley Community Pool facility
- Continued working with Northside Independent School District on traffic plans for John Marshall High School
- Awarded a grant from Bexar County CDBG for a sewer main replacement on Cammie Way
- Awarded a grant from the Bexar County ARPA fund for replacing the water main and constructing new driveway approaches on El Verde Road
- Performed oversight of the Planning and Zoning Department
- Updated water impact fees
- Continued working with City Engineer on the Huebner Creek Flood and Erosion Control Project Segment 1
- Worked with TxDOT on the engineering and design of the Leon Valley Huebner Creek Greenway Hike & Bike Trail Segment 2
- Completed Year 8 Street Maintenance Project on Wurzbach Road
- Created Capital Improvements Plan for the water and sewer system rehabilitation
- Updated water and sewer rates and tiers to fund the Capital Improvements Program
- Assured continuing education and training for all employees for department succession planning
- Applied for a grant from TxDOT for Segment 3 of the Leon Valley Greenway Hike & Bike Trail
- Applied for a grant to fund a Hike & Bike Trail Master Plan.
- Applied for a grant from CDBG Bexar County for a new sewer main along Locker Lane
- Installed new flood gates along Poss Road
- Worked with the developer to close Samaritan Drive and acquire right-of-way along Aids Drive
- Eminent domain proceedings started to acquire a portion of Zarzamora Creek
- Constructed dog kennel facility



# Public Works



## Grants

| Project                                               | Grantor                     | Amount Granted      |
|-------------------------------------------------------|-----------------------------|---------------------|
| <b>GRANTS AWARDED</b>                                 |                             |                     |
| East of Wurzbach Sewer Main Replacement               | Bexar County CDBG           | \$ 246,900          |
| Hike & Bike Trail Tree Planting                       | Bexar Branches Alliance     | 20,000              |
| Cammie Way Sewer Main Replacement                     | Bexar County CDBG           | 293,735             |
| Locker Lane Sewer Main Project                        | Bexar County CDBG           | 590,423             |
| Hike & Bike Trail Master Plan                         | TxDOT                       | 100,000             |
| El Verde Rd Water Main & Drainage Replacement Project | Bexar County ARPA           | 1,312,874           |
|                                                       | <i>Total Awarded Grants</i> | <i>2,563,932</i>    |
| <b>GRANTS PENDING</b>                                 |                             |                     |
| Hike & Bike Trail Segment 3                           | TxDOT                       | 868,217             |
| Huebner-Onion Natural Area Park trees                 | Bexar Branches Alliance     | 110,000             |
|                                                       | <i>Total Pending Grants</i> | <i>978,217</i>      |
|                                                       | <b>Total Grants</b>         | <b>\$ 3,542,149</b> |

## Operations

Highlights include monitoring EPA Plume Project, large-item pickups, sign and sidewalk repairs, road and sidewalk repairs, landscaping over 180 acres, grant management, and energy efficiency upgrades. Public Works also provided homeless encampment cleanup and event support citywide.

### Mowing Activities

| Area       | Type         | Acres         |
|------------|--------------|---------------|
| Mow Zone 1 | Facilities   | 15.46         |
|            | Parks        | 5.56          |
|            | ROW          | 8.69          |
| Mow Zone 2 | Facilities   | 1.17          |
|            | Parks        | 62.53         |
|            | ROW          | 6.2           |
| Mow Zone 3 | Facilities   | 3.79          |
|            | Parks        | 45.21         |
|            | ROW          | 71.24         |
|            | <b>Total</b> | <b>219.85</b> |

# Public Works

## Parks & Recreation

Replaced playground and court surfaces, seal coated Raymond Rimkus Park trail, operated Forest Oaks Pool, maintained Hike & Bike Trail Segment I and Huebner Creek, rebuilt Rimkus Park trail, installed new irrigation at the Old Mill Silo and The Ridge at Leon Valley Parks, and updated the Parks, Recreation, Trails, and Open Space Master Plan.



Park Pavilion Cleanups

161

### Pool Attendance and Revenue

| Type         | Attendees     | Revenue/Expense |
|--------------|---------------|-----------------|
| Memberships  | 1,566         | \$7,680.00      |
| Daily Passes | 5,774         | \$28,887.00     |
| Concessions  | N/A - sold    | \$8,438.00      |
| Concessions  | N/A - stocked | -\$1,868.00     |
| Total        | N/A           | \$43,137.00     |

Pool memberships include all types. Daily pass numbers include daycare buses.



# Public Works

## Water System Operations

Implemented capital improvements, maintained four storage tanks, updated GIS maps, conducted TCEQ water sampling, installed touch-read meters, replaced fire hydrants city-wide, replaced inoperable water valves, and managed conservation rebate programs.



## Sewer and Stormwater Systems

Performed CCTV inspections and jetting, repaired sewer lines, constructed drainage channel at Poss & Cherryleaf, street sweeping, maintained storm drains, and completed MS4 reporting and community outreach.

## Street Sweeping Activities

| Street Sweeping FY 2025 |                 |
|-------------------------|-----------------|
| Miles driven            | 43              |
| Debris Collected        | 127 cubic yards |

## Fleet and Facility Maintenance

Serviced over 150 city vehicles, maintained fuel systems and generators, managed oil recycling, assisted Police fleet, and procured new equipment.

## Street Maintenance

Utilized \$800,000 in Street Maintenance Tax funds for seal coating, overlays, curb repairs, ADA ramps, and signage replacement. Completed 2,502 linear feet of overlay on Wurzbach Road. This year, we started an in-house pavement marking program.

| Street Name   | Type of Maintenance | Linear Feet |
|---------------|---------------------|-------------|
| Wurzbach Road | Mill & Overlay      | 2,505       |

# Public Works

## Event Support Activities

| Private/Special Event Cleanup |                                                  |
|-------------------------------|--------------------------------------------------|
| Community Center              | 65 events, 2-3 hrs ea., 2-man Crew               |
| Conference Center             | 108 events, 2-3 hrs ea., 2-man Crew              |
| NW Senior's Club              | 50 setups, 1 hr, 2-man / 50 cleanup, 1 hr, 4-man |

## City Sponsored Event Setup/Break Down

- **Basura Bash**
- **Earthwise Living Day**
- **4<sup>th</sup> of July**
- **Arbor Day**
- **Movies in the Park**
- **Holiday Lighting Ceremony**
- **Holiday Decorating City Hall**
- **Trash 4 Treasure**
- **Coffee with the Council**
- **Breakfast with Santa**
- **AARP**
- **Town Hall City Council Meeting**
- **Police Training**
- **Bexar County Elections**
- **Yoga**
- **Library Events**

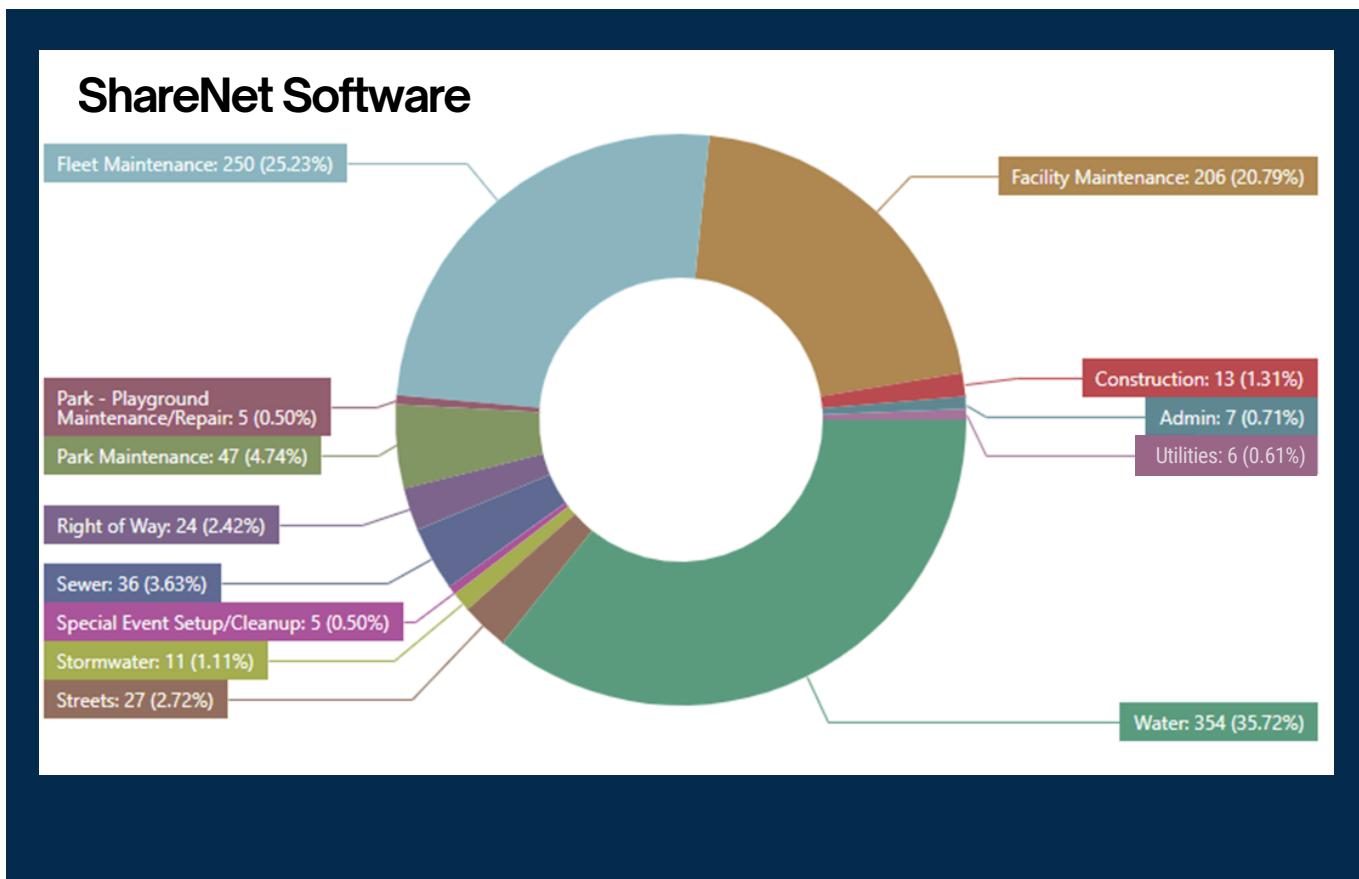


# Public Works

## Crew Activities by Category



All Crews respond to service requests for concerns such as fallen trees in roadways, signs knocked over or missing, facility repairs and maintenance, right-of-way cleanups, homeless camp cleanups, creek debris removal, potholes, sidewalk repairs, water and sewer main breaks, park maintenance, graffiti removal, fleet maintenance, etc. These are tracked and resolved in the Public Work's software system.



## GoGov Service Requests

**Sewer - 1**  
**Other - 3**  
**Solid Waste - 2**  
**ROW Maintenance - 12**  
**Trees - 8**  
**Water - 17**  
**Park Maintenance - 19**  
**Traffic Concerns - 12**  
**Storm Drain - 1**  
**Street Lighting - 7**

**82 Total Requests**



# Library



## FY 25 Highlights

Our growing number of visits and cardholders shows that the library remains a vital gathering space where people connect, learn, and feel seen.

- **44,709 visitors** an **11% increase** over FY24.
- **40,253 items borrowed**, **21% increase** in two years.
- **80 Summer Reading programs** with **10,034 attendees** (117% growth in one year).
- **16 robotics kits** → **64 participants weekly / 512 total in summer 2025.**

### Community Reach

**Value - \$974,276**

Estimated value of savings to patrons based on programs, checkouts, technology access, and services.

**New Library Cards - 602**

**Renewed Library Cards - 718**

**Access to Knowledge**

**Digital Access & Inclusion**

**Checkouts - 38,156**

**Computer Sessions - 1,021**  
**Wi-Fi Connections - 6,582**

**Literacy Starts Here**

When we support early literacy, we support families, futures, and the next generation of learners.

**Youth Programs - 157**

**Attendance - 10,915**  
**Youth Checkouts - 26,934**

### Summer Reading 2025

**COLOR OUR WORLD™**

| Age Group        | Programs | Attendance |
|------------------|----------|------------|
| Early Childhood  | 28       | 2,754      |
| Student Age      | 14       | 2,178      |
| YA               | 14       | 378        |
| Adult            | 13       | 52         |
| General/All Ages | 42       | 6,402      |
| Total            | 111      | 11,764     |

# Community Relations



FY 25 the Community Relations Department focused on building stronger connections with our residents, partners, and visitors. This year's achievements reflect teamwork, creativity, and a continued commitment to serving the Leon Valley community with energy and innovation. We're proud of the progress made in FY 25 and excited to keep the momentum going!

## FY 25 Highlights

- Conference Center Growth: Increased facility rentals, reflecting strong community demand and successful outreach.
- Expanded Digital Reach: Higher likes, views, and engagement across social media platforms, strengthening connections with residents.
- Community Events: Successfully planned and hosted multiple community events with strong attendance and positive feedback.
- Partnerships & Support: Expanded partnerships and increased support from local organizations and sponsors.
- Creative Engagement: Fiesta Medal Reels and other innovative content increased followers and boosted community engagement.
- Continued building and creating the City's Public Education Government channel to expand access to meetings, events, and community programming.

### Community Center Rentals

65

Follows



895 36%

200

150

100

50

0

Oct 1 Jan 9 Apr 19 Jul 28

— Facebook follows

— Facebook follows

### Conference Center Rentals

108

### Conference Center Rentals

Views 495.6K

3-second views 31.1K 529.9%

1-minute views 1.2K 76.4%

3-second views

1-minute views

495.6K 529.9%

31.1K 529.9%

1.2K 76.4%

Content interactions 6.5K 12.1%

Watch time

6.5K 12.1%

9d 3h 363.7%



Visits

2.5K 134.6%

600

400

200

0

Oct 1 Jan 9 Apr 19 Jul 28

— Instagram profile visits

— Instagram profile visits

Views

18.6K

Reach

7.3K 615.2%

Content interactions

626 100%



# Looking Ahead

As we transition into the Fiscal Year 2026 (October 1, 2025 – September 30, 2026), Leon Valley builds on the momentum of the previous year with a budget that reflects strategic planning, financial responsibility, and community-focused investment.



The adopted FY 26 budget demonstrates a continued commitment to delivering essential services, improving infrastructure, supporting public safety, and promoting long-term quality of life.

## Fiscal Responsibility & Stability

The FY 2026 budget was adopted with a total property tax rate of \$0.545040 per \$100 valuation, including maintenance and operations and debt service components. This tax rate supports ongoing services while maintaining fiscal discipline and transparency.

Through careful financial planning and community engagement, the City Council and City Manager aligned the budget with both current service demands, and long-term strategic goals approved by Council.

## Strategic Investments for the Future

### 1. Infrastructure Continuity

Leon Valley continues to prioritize critical infrastructure that supports public health and community growth:

- Continued support for water and sewer upgrades, ensuring reliable utility service.
- Street maintenance and transportation planning to improve connectivity and safety.
- Planned capital investments aligned with the City's multi-year Capital Improvements Plan.

These investments reflect Leon Valley's commitment to reliable infrastructure and sustainable growth.



# Looking Ahead

## 2. Sustainable Services & Efficiency

The FY 2026 budget funds the ongoing delivery of core City services, including:

- Public safety operations (police, fire, EMS)
- Parks and recreation programming
- Library services and community programs
- Municipal operations



This ensures that residents continue to receive high-quality, efficient public services without interruption.

## 3. Workforce Strength & Equity

Budget planning for FY 2026 incorporates steps toward a sustainable pay structure that supports recruitment, retention, and workforce equity in a competitive labor market — ensuring that Leon Valley can attract and retain skilled professionals across departments.

## 4. Fiscal Transparency & Community Engagement

The City maintained a transparent budgeting process with multiple public hearings and presentations to the City Council. Residents were provided opportunities to engage in discussions about the budget, tax rate, and service priorities prior to adoption.

This collaborative process strengthens accountability and ensures that budget decisions reflect community values.

## 5. Thoughtful Financial Planning

Looking ahead, the City's approach focuses on:

- Aligning revenue with long-term operating and capital needs
- Monitoring service rates and external cost pressures
- Building reserves and maintaining prudent fund balances

These practices enhance the City's ability to respond to unforeseen challenges while preserving financial flexibility.





# 2025 ANNUAL REPORT



# THANK YOU

**PHONE :**

210-684-1391

**ADDRESS :**

6400 El Verde Rd., Leon Valley, TX 78238

**WEBSITE :**

[www.leonvalleytexas.gov](http://www.leonvalleytexas.gov)





February 7, 2026

# Leon Valley Town Hall

**SH 16 (Bandera Road)**

**From I-410 to Loop 1604**

**Bexar County | CSJs 0291-10-099 & 0291-10-100**

**TxDOT San Antonio District**

# DRIVE *like* *a* TEXAN™

**Kind. Courteous. Safe.**

Next time you get behind the wheel, remember that a little kindness and courtesy go a long way to make our roads safer for everyone.



# VALUES TEXANS

## SHADE



### Kind

It's really that simple: treat others the way you want to be treated. Whether you're waving thanks behind the wheel or holding the door for a stranger, kindness matters.



### Courteous

Courtesy isn't just about being polite in person. It's about letting others merge, giving space, and practicing patience on the road.



### Safe

The most important part of any journey is making sure everyone arrives safely. Every driver, every passenger, every biker, every cyclist and every pedestrian.

## Project location

### Project limits

- SH 16 (Bandera Road) from I-410 to Loop 1604

### Project length

- Approximately 6.5 miles

### County

- Bexar

### Right of Way

- Approximately 7.7 acres of proposed right of way and drainage easement



## Project goals

### What are we trying to do?

- Improve mobility, safety and community connectivity
- Reduce congestion on the SH 16 (Bandera Road) corridor
- Accommodate bicyclists and pedestrians

## Proposed improvements

### What are we proposing?

- Expand existing four to six-lane divided road to an eight-lane parkway
- Convert 12 existing traditional signalized intersections to signalized restricted crossing U-turn (RCUT) intersections
- Add shared-use paths to both sides of the roadway for bicyclists and pedestrians

## Schematic & Environmental Timeline

90% Schematic  
(December 2024)

18.9 acres of proposed ROW/drainage easement, 246 ROW parcels, 9 displacements

Public Meeting  
(February 2025)

Summary on following slide

Draft Final Schematic  
(July 2025)

7.7 acres of proposed ROW/drainage easement, 123 ROW parcels, 3 displacements

Environmental Studies  
(On-Going)

Updating tech reports based on schematic revisions

Environmental Clearance  
(Spring 2026)

## Next Steps

ROW Mapping

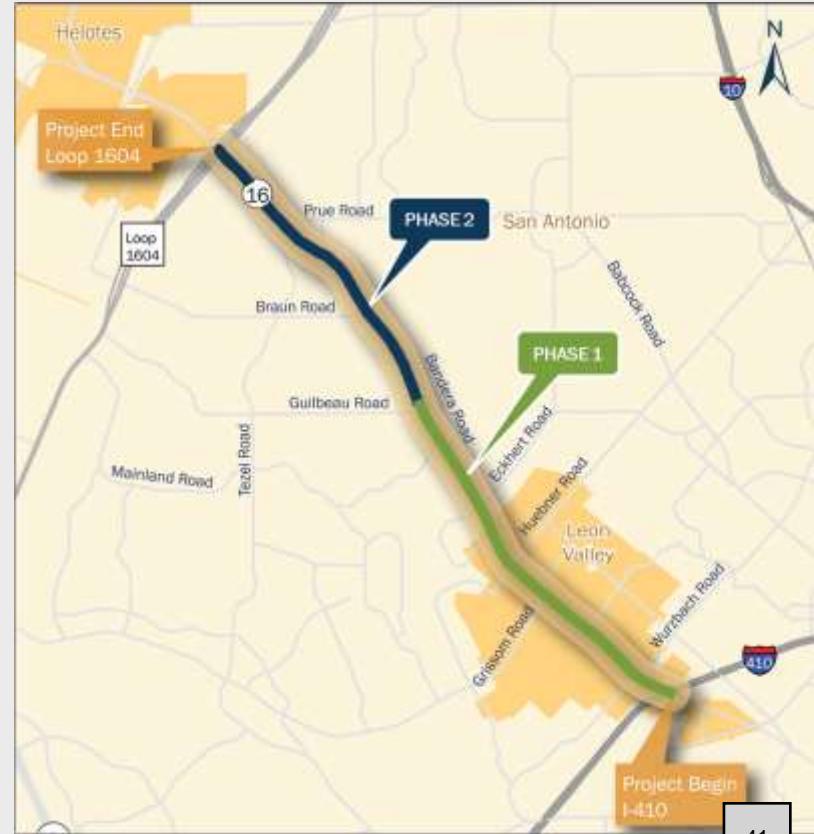
ROW Acquisition

Detailed Design – Phase 1

Utility Relocation – Phase 1

Tentative Construction Start – Phase 1

\*Note: All dates are contingent upon available funding.



# Questions/Feedback

## TxDOT Project Manager

Scott Nelson, P.E., PTOE  
TxDOT San Antonio District  
4615 Northwest Loop 410  
San Antonio, Texas 78229-0928  
Phone: (210) 615-5876  
Email: [Scott.Nelson@txdot.gov](mailto:Scott.Nelson@txdot.gov)

# STATE OF TEXAS EMERGENCY ASSISTANCE REGISTRY (STEAR)

Presented By : Samantha Fabian  
STEAR Program Manager



# STEAR Timeline

at-a-glance

## TAR

Originally known as Transportation Assistance Registry (TAR), which was instituted following Hurricanes Katrina and Rita.

2005



## STEAR

TAR was replaced by the State of Texas Emergency Assistance Registry (STEAR)

2013



## SB 968

Enactment of Wellness Checks for the Medically Fragile.

2021



## NOT PARTICIPATING

Following SB 968, the STEAR program revised its enrollment policy, ending statewide open enrollment.

2021



## NEW DATABASE

Launch of the new database:  
<https://stear.texas.gov>

2024



# What is STEAR

The **STEAR** program is a free **registry** for Texans of any age who need additional assistance during an emergency event due to:

**Disability**

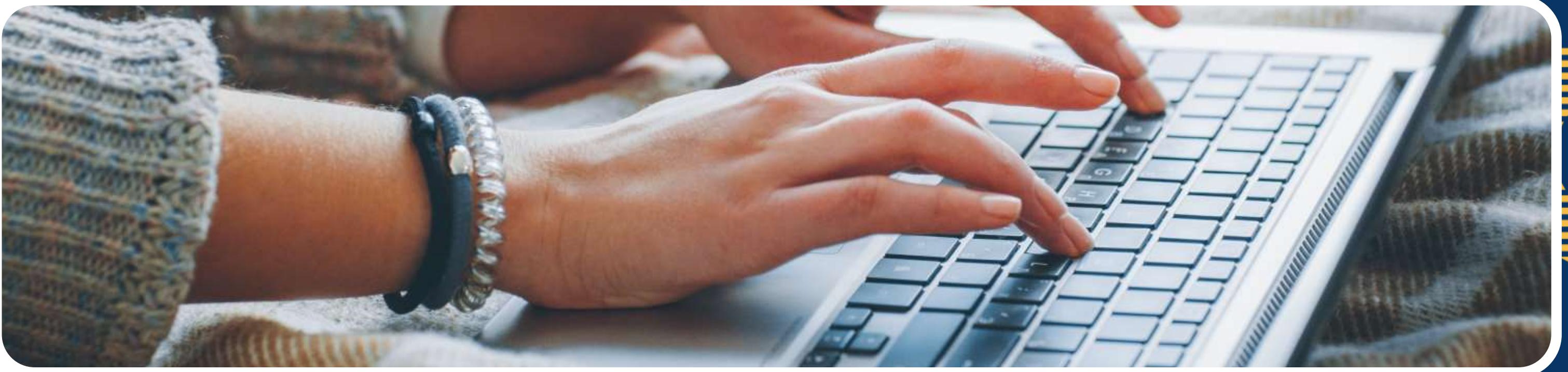
**Medically Fragile**

**Functional Needs**

**Requires Transportation Assistance**

STEAR registry information provides local **emergency planners and responders** with information about the needs of individuals in their community.



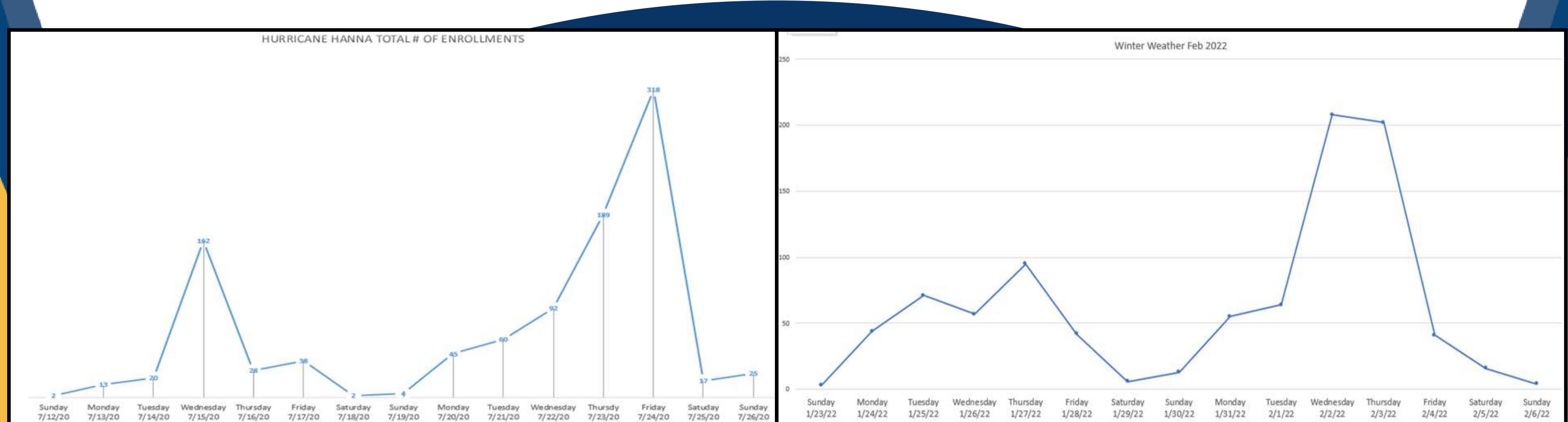


# The registry is **Voluntary**

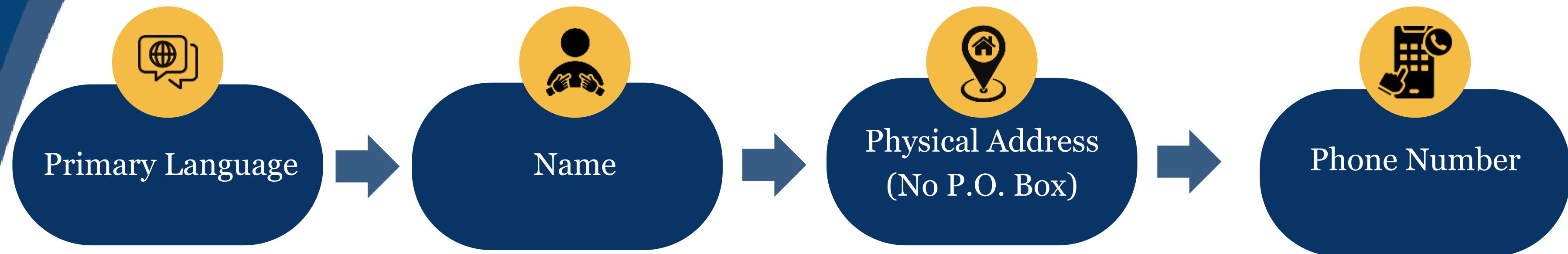
- Registering for STEAR **does not** guarantee you assistance in an emergency.
- By registering in STEAR you are consenting to sharing their information with first responders and other state agencies during a disaster.
- Texas Communities use the state registry in different ways, and available services vary by community.
- Contact your **local emergency management office** if you need information on how your community uses STEAR.

# Register Before Disaster Strikes!

Last-minute enrollments during a disaster may not immediately reach your local emergency management office.



# Required Information to Register



# Additional Questions Asked to Capture Vital Information for Local Emergency Planners and Responder

**Emergency Contact  
Information**

**Caregiver Information**

**Pets**

**Transportation  
Assistance**

**Communication  
Barriers**

**Functional Needs**

**Medically Fragile**

**Medical Needs**



# Ways to Get Registered

**Register online at [stear.texas.gov](http://stear.texas.gov)**



**To reach 2-1-1 using preferred video relay service call  
877-541-7905 and press option 4 to register**



**Registration PDF forms available at [stear.texas.gov](http://stear.texas.gov)**



# Over the Phone Enrollments

2-1-1 has assisted the State of Texas Emergency Assistance Registry with trained specialists who take sensitive information from the caller and fill out the form through the STEAR database.

2-1-1 continues to assist citizens with critical safety information such as disaster assistance which includes:

**Shelter Locations**

**Road Closures**

**Evacuation Routes**





# CAN A STEAR FORM BE FILLED OUT BY SOMEONE ELSE?

**With their permission, a family member or volunteer  
can register another individual through 2-1-1 or by  
registering online at [stear.texas.gov](http://stear.texas.gov)**



# Registrants must have an emergency plan of their own!

- Have a **plan**
- Have an emergency **communications plan** with everyone in your family, friends and neighbors
- Have an **emergency supplies kit**, and keep your contact list in a water-resistant container inside your kit
- Plan ahead for **accessible transportation** in case of need for evacuation
- If **medical equipment** that runs on electricity is used, learn what options are available in case of an outage.
- Visit: [Ready.gov](http://Ready.gov) for more information on how to stay prepared.

# STEAR

## STATE OF TEXAS EMERGENCY ASSISTANCE REGISTRY

The State of Texas offers Texans the option to register with the STEAR program, a FREE registry that provides local officials and emergency responders with information related to your needs during an emergency.

ANNUAL REGISTRATION FOR STEAR  
begins on January 1, 2025.

Register online at:  
[stear.tdem.texas.gov](http://stear.tdem.texas.gov), or call 2-1-1, or use  
your video phone relay option of choice.

MORE  
INFORMATION  
[TDEM.TEXAS.GOV/STEAR](http://TDEM.TEXAS.GOV/STEAR)



## REGISTRO PARA ASISTENCIA DE EMERGENCIA DEL ESTADO DE TEXAS

El estado de Texas ofrece a los texanos la opción de inscribirse en el programa STEAR, un registro GRATIS que proporciona al personal local de emergencia y planificación información relacionada con las necesidades que usted tenga durante una emergencia.

LA INSCRIPCIÓN ANUAL DE STEAR  
comienza el 1 de enero de, 2025.

Inscríbase por Internet en:  
[STEAR.tdem.texas.gov](http://STEAR.tdem.texas.gov) o marque el 2-1-1 o  
use la opción de relevo de video teléfono de elección.

PARA MÁS  
INFORMACIÓN, VISITE  
[TDEM.TEXAS.GOV/STEAR](http://TDEM.TEXAS.GOV/STEAR)



# Re-enrollment Reminders

Reminder will be sent to registrants every year  
to re-register by January 1st.



# Thank you, Questions?

**For More Information:**

**<https://steар.texas.gov/>**

**[steар@tdem.texas.gov](mailto:steар@tdem.texas.gov)**



# Investing in Tomorrow

---

1/24/2026

# Making Sense of the Budget

Your Family



COLV



# Making Sense of the Budget

- What is a budget
  - Basic Financial Plan
  - An illustration of how Leon Valley is accomplishing our priorities
- Budget Cycle for FY 26
  - October 1, 2025- September 31, 2026
  - Planning began January 1, 2025
- Council Approves
  - One Fiscal Year Operating Budget
  - Multi -Year Capital Budget & Plan

# Making Sense of the Budget

- Operating Budget
  - Immediate operations



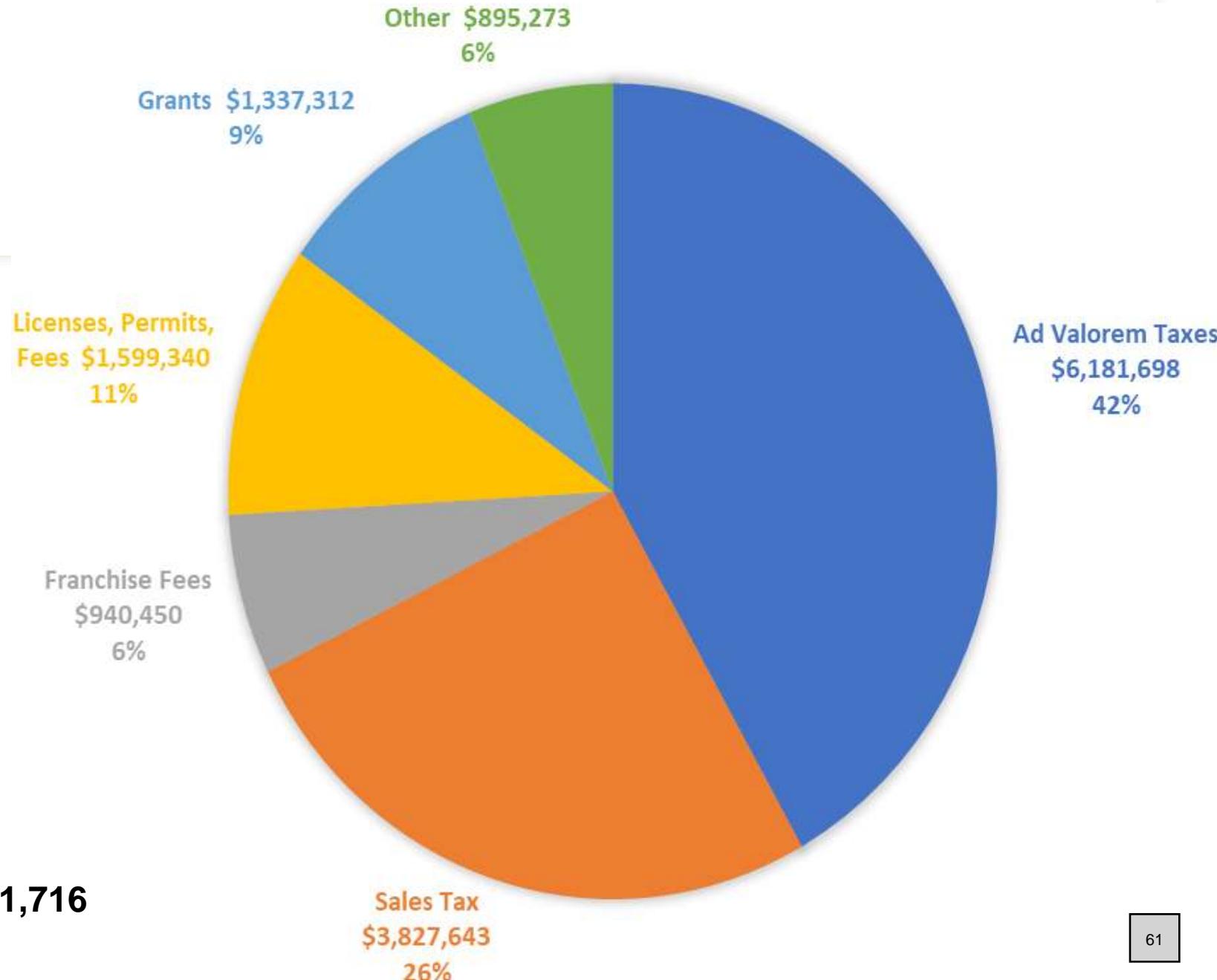
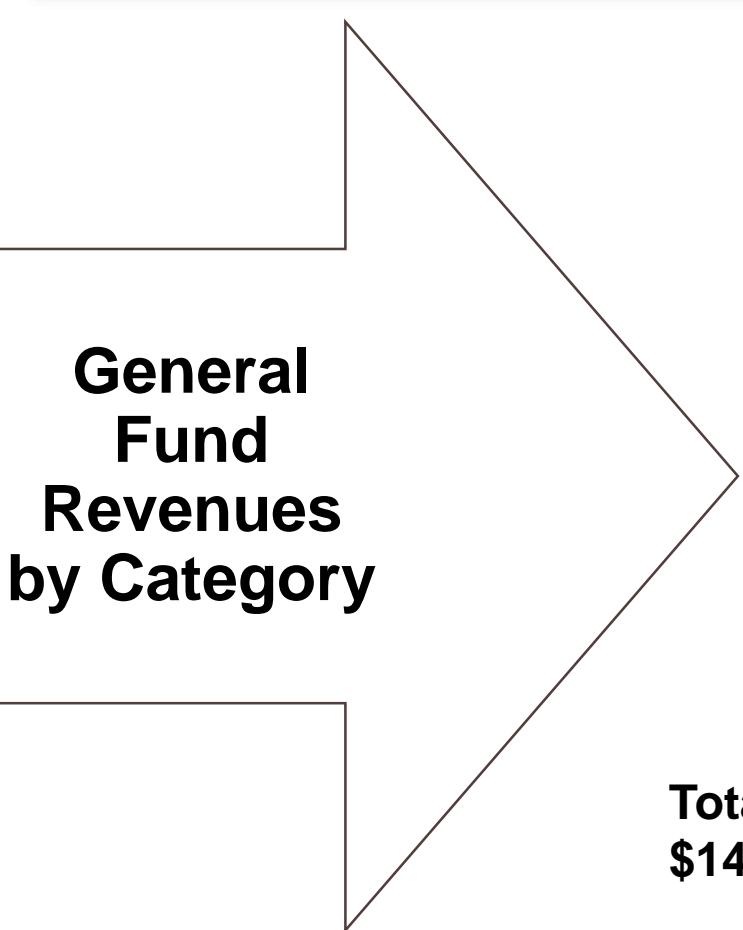
- Multi-Year Capital Plan
  - Investment in long-term assets that benefit the city over a longer period of time



# Making Sense of the Budget

- Funds
  - General Fund
  - Enterprise Fund – Water, Sewer and Storm Water
  - Red Light Camera
  - Debt Fund
  - Special Revenue Funds – Crime Control, Community & Conference Center, Street Main., Police Forfeiture, Child Safety, Court Tech, LEOSE, Grant

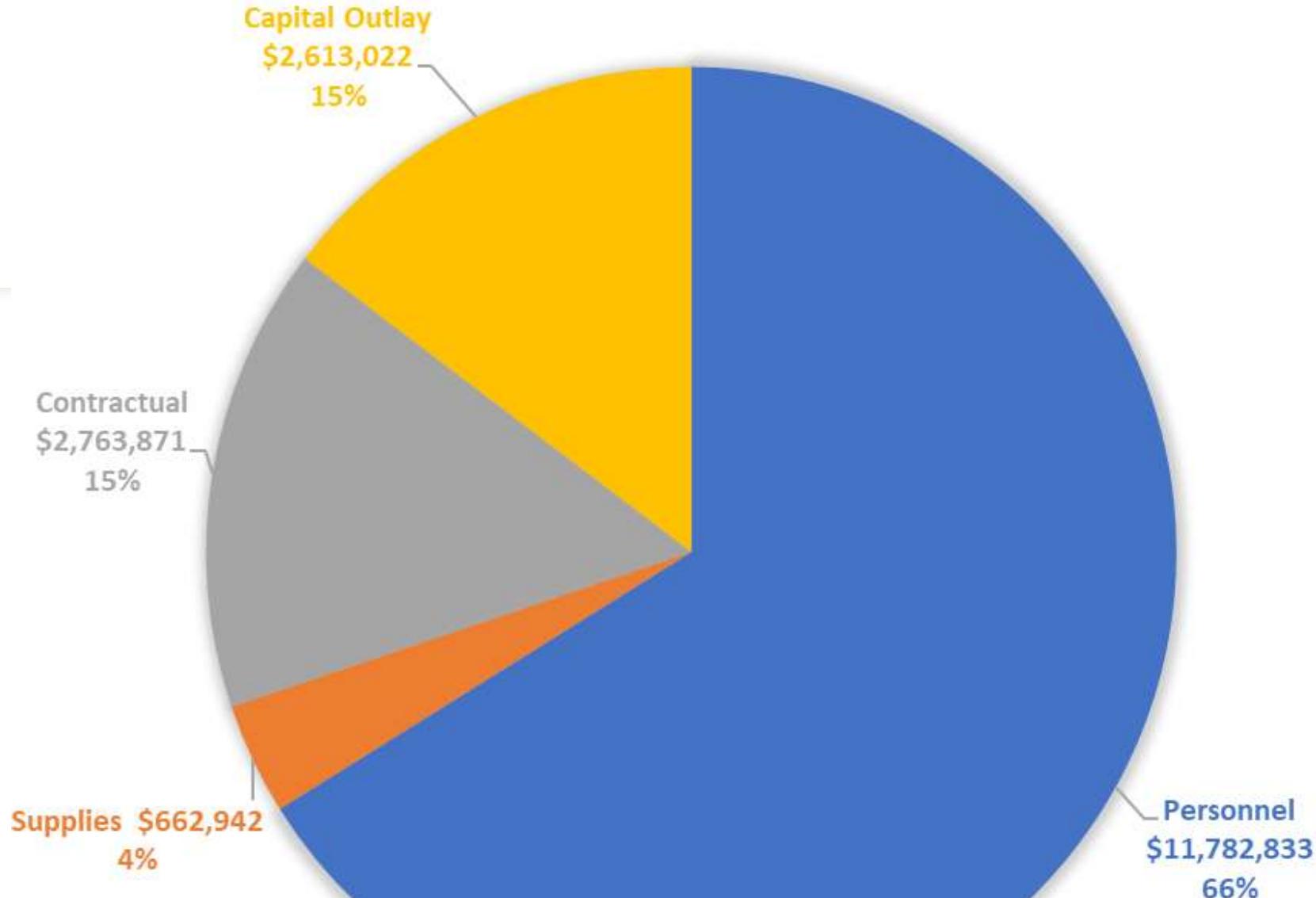
# Making Sense of the Budget



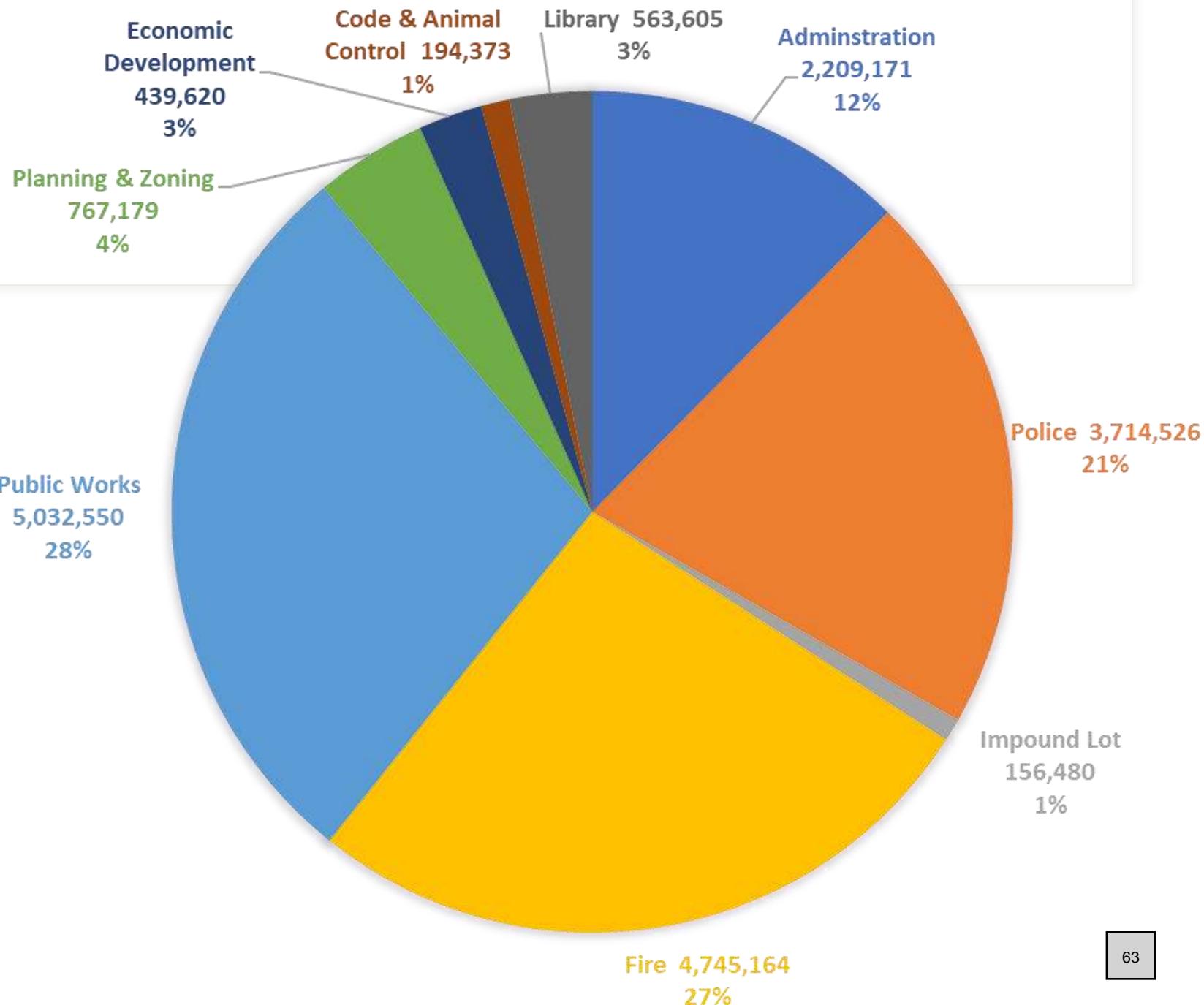
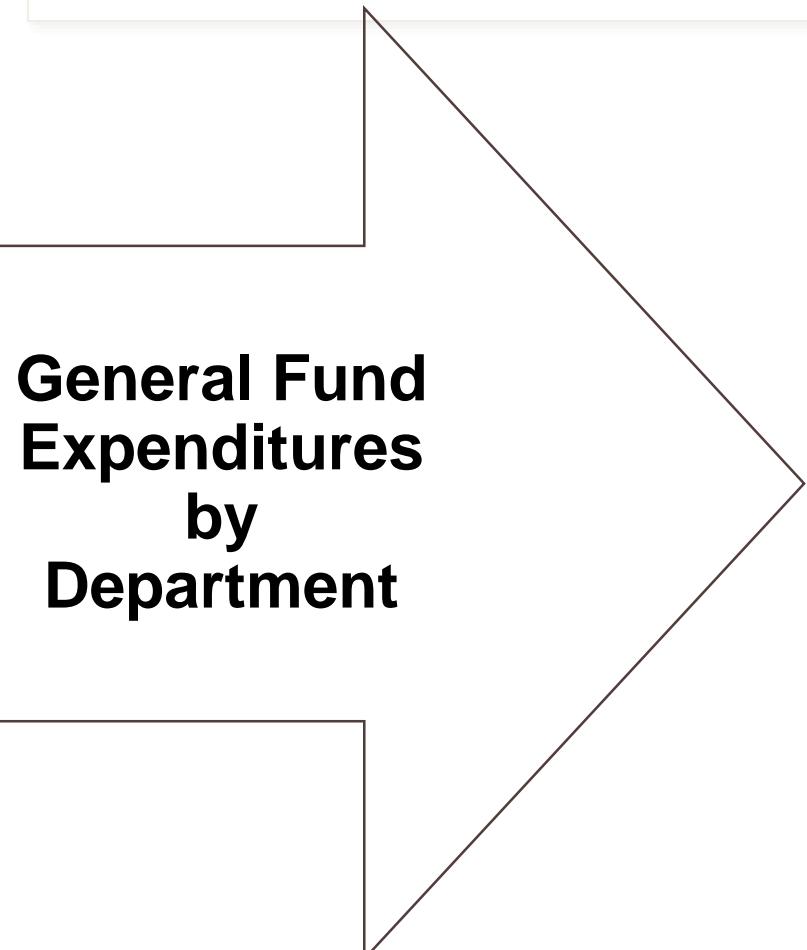
# Making Sense of the Budget

## General Fund Expenditures by Category

Total:  
\$17,822,668



# Making Sense of the Budget



**GENERAL FUND  
SUMMARY OF REVENUES AND EXPENDITURES**

| ACTUAL       | BUDGET       | ESTIMATED    | BUDGET       |
|--------------|--------------|--------------|--------------|
| 2023-2024    | 2024-2025    | 2024-2025    | 2025-2026    |
| \$ 5,337,667 | \$ 6,595,449 | \$ 6,595,449 | \$ 6,771,634 |

**BEGINNING FUND BALANCE**

**Revenues**

|                                |                   |                   |                   |                   |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| Ad Valorem Taxes               | 5,432,273         | 5,761,580         | 5,761,580         | 6,181,698         |
| Sales Taxes                    | 3,800,065         | 3,752,505         | 3,752,505         | 3,827,643         |
| Franchise Fees                 | 938,741           | 998,900           | 936,525           | 940,450           |
| Licenses, Permits, Fees, Fines | 1,474,893         | 1,590,635         | 1,543,165         | 1,599,340         |
| Grants                         | 358,662           | 1,342,068         | 81,756            | 1,337,312         |
| Other                          | 968,030           | 877,641           | 1,984,691         | 895,273           |
| <b>Total Revenues</b>          | <b>12,972,665</b> | <b>14,323,329</b> | <b>14,060,222</b> | <b>14,781,716</b> |

**Other Funding Sources**

|                                        |                  |                  |                  |                  |
|----------------------------------------|------------------|------------------|------------------|------------------|
| Transfer in-ARP Funds                  | -                | 360,286          | -                | 265,125          |
| Transfer-Personnel Shared Services     | 1,803,954        | 1,729,644        | 1,729,644        | 1,687,817        |
| Contractual Shared Services            | 138,129          | -                | -                | -                |
| Peg Fund Balance                       | -                | 229,000          | 42,000           | 4,000            |
| Tree Mitigation Fds (Sprinkler System) | -                | -                | -                | -                |
| <b>Total Other Financing Sources</b>   | <b>1,942,083</b> | <b>2,318,930</b> | <b>1,771,644</b> | <b>1,956,942</b> |

**TOTAL RESOURCES**

**Expenditures**

|                           |                   |                   |                   |                   |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
| Personnel Services        | 9,438,024         | 11,098,470        | 11,098,470        | 11,782,833        |
| Supplies                  | 752,488           | 858,016           | 858,016           | 662,942           |
| Contractual Services      | 2,654,656         | 3,236,698         | 3,036,654         | 2,763,871         |
| Capital Outlay            | 418,331           | 3,322,789         | 662,541           | 2,613,022         |
| <b>Total Expenditures</b> | <b>13,263,499</b> | <b>18,515,973</b> | <b>15,655,681</b> | <b>17,822,668</b> |

**Other Financing Uses**

|                                     |                |          |          |          |
|-------------------------------------|----------------|----------|----------|----------|
| Transfer to Enterprise Fund         | 316,863        | -        | -        | -        |
| Transfer to Street Maintenance Fund | 76,603         | -        | -        | -        |
| <b>Total Other Financing Uses</b>   | <b>393,466</b> | <b>-</b> | <b>-</b> | <b>-</b> |

**TOTAL EXPENDITURES**

|                            |                     |                     |                     |                     |
|----------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>ENDING FUND BALANCE</b> | <b>\$ 6,595,449</b> | <b>\$ 4,721,735</b> | <b>\$ 6,771,634</b> | <b>\$ 5,687,624</b> |
|----------------------------|---------------------|---------------------|---------------------|---------------------|

**ASSIGNED FUND BALANCE**

|                                             |          |          |          |              |
|---------------------------------------------|----------|----------|----------|--------------|
| Future Capital Purchase                     | -        | -        | -        | 200,000      |
| Ambulance                                   | -        | -        | -        | 200,000      |
| Dedicated Grant - Pool                      | -        | -        | -        | 75,0         |
| SCBA                                        | -        | -        | -        | 475,0        |
| <b>FUTURE CAPITAL PURCHASE FUND BALANCE</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>475,0</b> |

|                                  |                     |                     |                     |                     |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>TOTAL ENDING FUND BALANCE</b> | <b>\$ 6,595,449</b> | <b>\$ 4,721,735</b> | <b>\$ 6,771,634</b> | <b>\$ 5,212,624</b> |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|

# Making Sense of the Budget

## Budget Recap

|                      |                                 |
|----------------------|---------------------------------|
| New .545040 Tax Rate |                                 |
| 347,483              | Total Over (Under) Expenditures |
| (297,898)            | 3 fire fighters                 |
| (13,760)             | Library employee                |
| (30,000)             | bunker gear for 3 fire fighters |
| (2,250)              | Uniforms and Boots              |
| 3,575                |                                 |

|             |                         |
|-------------|-------------------------|
| 16,738,658  | Total Resources         |
| (1,260,312) | Hike and Bike Grant     |
| (265,125)   | ARP Funds               |
| 15,213,221  | Total Operating Revenue |

|            |                              |
|------------|------------------------------|
| 11,782,833 | Personnel Services           |
| 662,942    | Supplies                     |
| 2,763,871  | Contractual Services         |
| 15,209,646 | Total Operating Expenditures |

3,575 Total Over (Under) Expenditures

**Ambulance**  
lead time is est. 600 days

This is New



# Making Sense of the Budget

|                      | FY 26 Capital      | Grant       | City's Obligation |
|----------------------|--------------------|-------------|-------------------|
| PD - Gym Equipment   | \$6,600            |             |                   |
| FD -Ambulance        | \$265,125          |             |                   |
| PW - ATV             | \$15,000           |             |                   |
| PW - Concrete Grinde | \$12,000           |             |                   |
| PW- Trailer          | \$7,000            |             |                   |
| PW - H&B II          | \$2,173,297        | \$1,260,312 | \$912,985         |
| PW- Lawnmower 60'    | \$15,000           |             |                   |
| Merry Go Round       | \$20,000           |             |                   |
| Veteran Monument     | \$24,000           |             |                   |
| Pool Replastering    | \$75,000           |             |                   |
| <b>TOTAL</b>         | <b>\$2,613,022</b> |             |                   |

Without the H & B II, the City  
Spent \$439,725 on Capital

# Capital Fund Reserve

What Is It?



How Do We Earn It?

Why Do We Have It?

# What is the Capital Reserve Fund?

- A municipal capital fund reserve is a dedicated savings account that can be used in times of emergency, and it can also be used to cover operating expenses (shortfalls). AND
- This dedicated savings is for large, planned public infrastructure projects or significant asset purchases (like roads, buildings, major equipment) that aren't covered by the annual budget, allowing governments to save money over time for specific purposes, ensuring funds are used responsibly for future capital needs rather than daily operating costs.

# How Do We Earn It?

- Planned Approach
  - The council could agree every year to set aside a percentage of revenue or a flat amount to be placed in the capital fund reserve for future needs
  - Leon Valley has not been able to do this because, typically, our revenues barely cover our current Fiscal Year operating expenses.
    - This year was different; they set aside \$475,000.
      - \$200,000 Ambulance
      - \$200,000 Pool
      - \$75,000 SCBA

# How Do We Earn It?

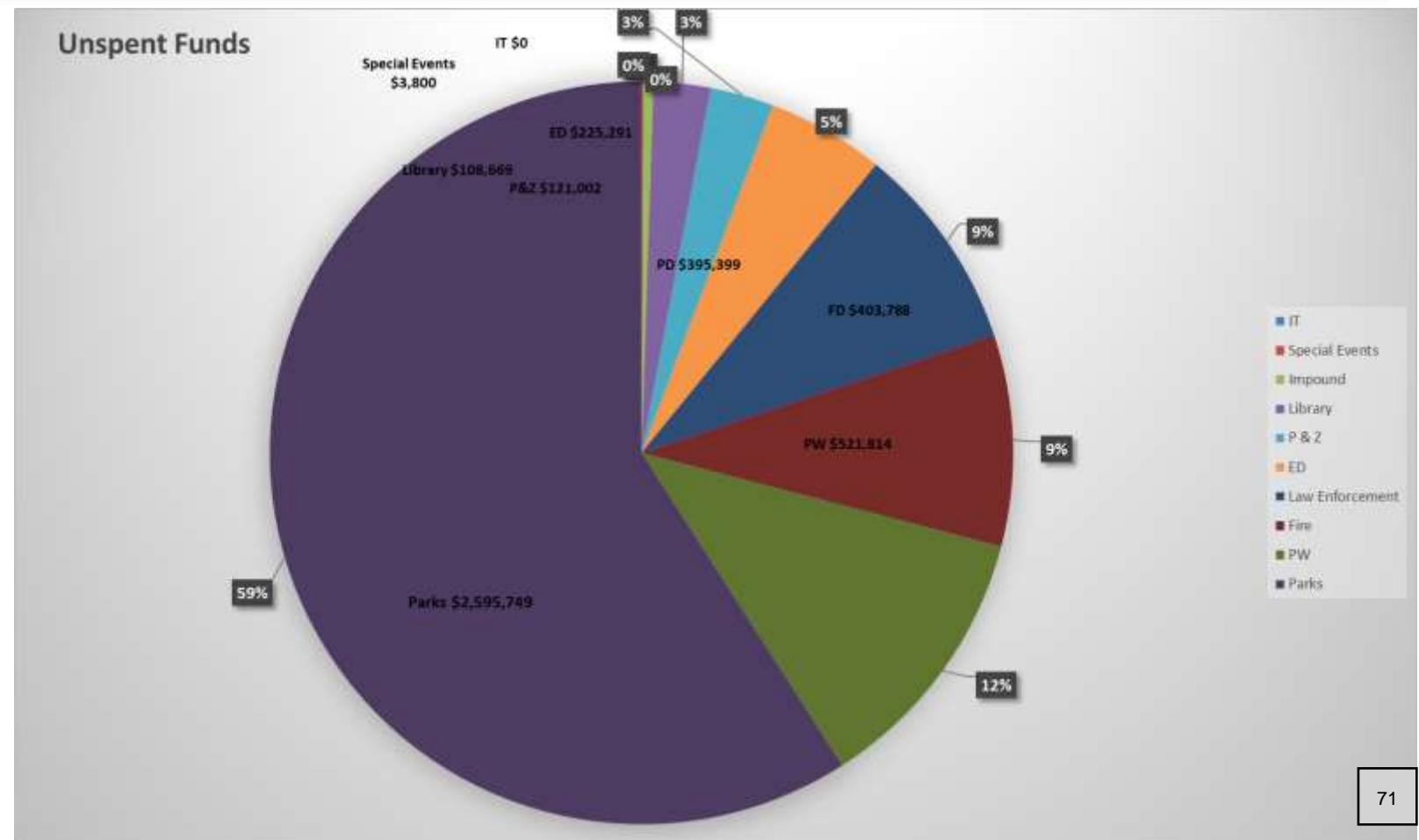
- Budget Surplus
  - Revenue projections were higher than anticipated
    - Sale of land, grant proceeds, increased user fees
  - Expenditures are lower than anticipated
    - Project costs came in under
    - Direction changes and/or the project is not completed
    - The Departments come in under budget on their operating expenses
    - Personnel – Employee Turnover “Vacancy Savings”

# Unfilled Positions “Vacancy Savings”

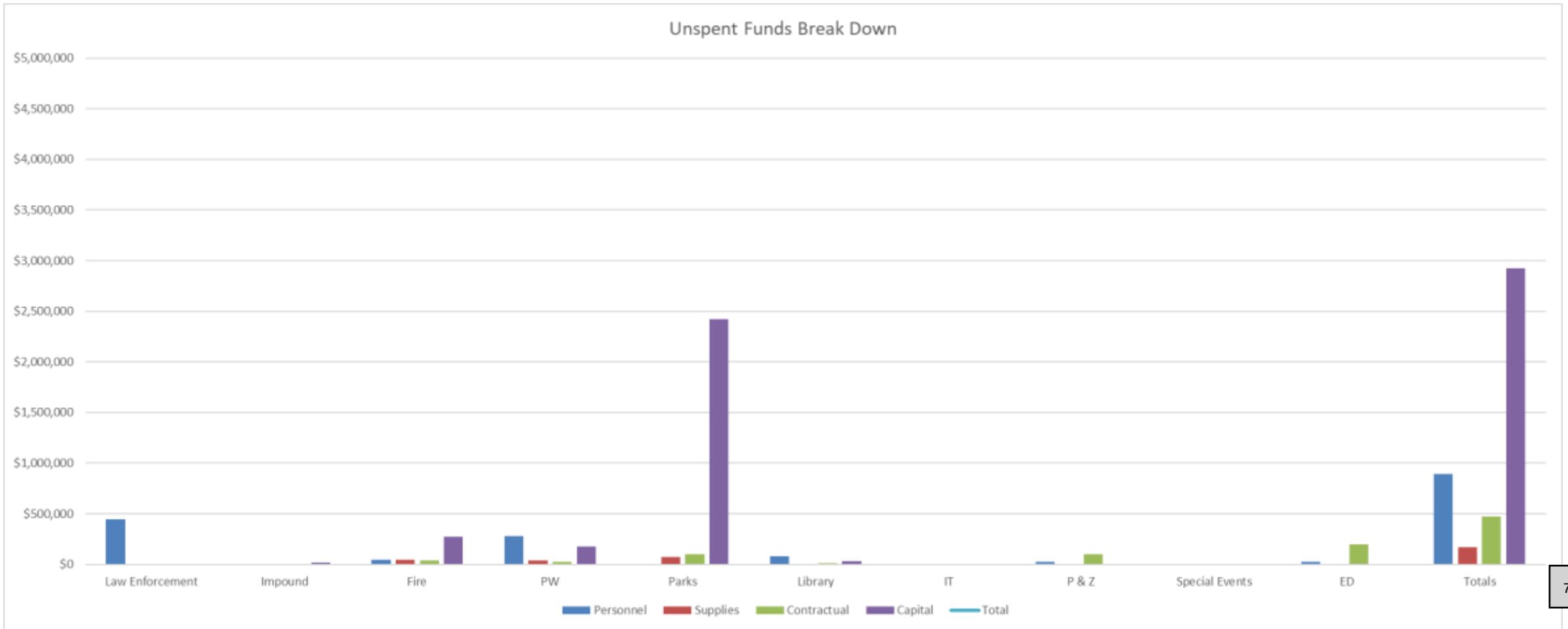
- Around 2005, the City would budget 3% -10% personnel turnover or Vacancy Saving. This stopped around 2014.
  - Not budgeting 100% for all your positions
    - Pros
      - Balance a budget
      - Lessens surplus
    - Cons
      - Hiring freeze
      - Short-staffed
  - The idea is that you would hit the number naturally. The fact is, you have to hold positions before you hire to ensure that you meet the projected number.

# How Do We Earn It? FY 24 CAFR

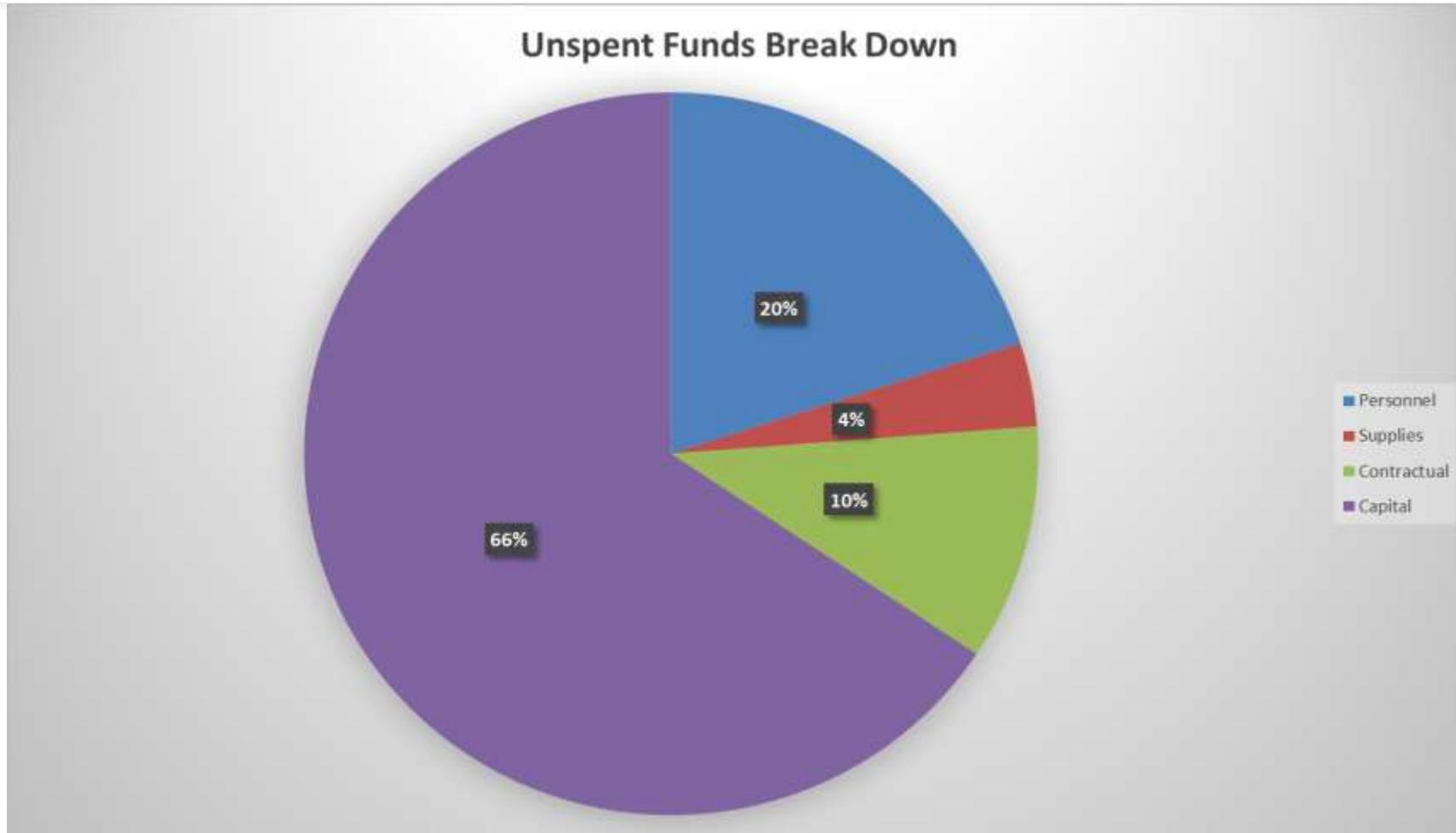
|                 | Unspent Funds |
|-----------------|---------------|
| IT              | \$0           |
| Special Events  | \$3,800       |
| Impound         | \$18,929      |
| Library         | \$108,669     |
| P & Z           | \$121,002     |
| ED              | \$225,291     |
| Law Enforcement | \$395,399     |
| Fire            | \$403,788     |
| PW              | \$521,814     |
| Parks           | \$2,595,749   |
| Total           | \$4,394,441   |



# How Do We Earn It? FY 24 CAFR



# How Do We Earn It? FY 24 CAFR



# How Do We Earn It? FY 24 CAFR

|                 | Unspent Funds |
|-----------------|---------------|
| IT              | \$0           |
| Special Events  | \$3,800       |
| Impound         | \$18,929      |
| Library         | \$108,669     |
| P & Z           | \$121,002     |
| ED              | \$225,291     |
| Law Enforcement | \$395,399     |
| Fire            | \$403,788     |
| PW              | \$521,814     |
| Parks           | \$2,595,749   |
| Total           | \$4,394,441   |

- The City's Reserve Fund Increased by \$4million?

**NO**

- Rollover - where unspent funds from a city's operating or capital budget are carried forward from one fiscal year to the next.
- Examples
  - Fire Station Tech \$41,850
  - Council Chambers - \$114,060
  - Master Plan - \$250,000
  - H & B II - \$2,173,297 (**\$912,985**)

# How Do We Earn It? History

| Fiscal Year         | 2005        | 2006        | 2007        | 2008        | 2009        | 2010        | 2011        | 2012        | 2013        | 2014        | 2015        | 2016        | 2017        | 2018        | 2019        | 2020        | 2021        | 2022        | 2023        | 2024        | 2025        |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Fund Ending | \$2,490,428 | \$2,544,748 | \$2,557,994 | \$2,713,567 | \$3,930,887 | \$3,066,450 | \$2,352,296 | \$2,400,386 | \$2,456,717 | \$2,756,058 | \$2,779,498 | \$3,567,496 | \$3,508,662 | \$3,359,401 | \$4,370,549 | \$3,784,196 | \$3,361,144 | \$4,525,392 | \$5,919,097 | \$6,832,000 | \$8,325,209 |
| Fund Balance        |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |             |

| Average General Fund Reserve | Average General Fund Reserve |
|------------------------------|------------------------------|
| <b>FY 05-20</b>              | <b>FY 21-25</b>              |
| <b>\$3,039,958.31</b>        | <b>\$5,792,568.40</b>        |

| Fiscal Year | 2005      | 2006     | 2007     | 2008      | 2009        | 2010              | 2011      | 2012    | 2013      | 2014      | 2015     | 2016      | 2017      | 2018      | 2019        | 2020              | 2021     | 2022        | 2023      | 2024        | 2025    |
|-------------|-----------|----------|----------|-----------|-------------|-------------------|-----------|---------|-----------|-----------|----------|-----------|-----------|-----------|-------------|-------------------|----------|-------------|-----------|-------------|---------|
| Net Change  | \$184,993 | \$53,676 | \$12,142 | \$219,389 | \$1,246,794 | <b>-\$924,772</b> | \$110,833 | \$5,577 | \$336,666 | \$299,351 | \$49,179 | \$785,188 | \$477,976 | \$214,218 | \$1,412,993 | <b>-\$967,242</b> | \$80,430 | \$1,617,245 | \$899,760 | \$1,257,782 | Unknown |

| Average Net Change  | Average Net Change  |
|---------------------|---------------------|
| <b>FY 05-20</b>     | <b>FY 21-24</b>     |
| <b>\$224,836.94</b> | <b>\$963,804.25</b> |

# How Do We Earn It? History

Where did it come  
from?



**\$3,000,000**

*Magic Number*

SAVE MONEY!



# Why Do We Have it?

---

- Emergencies (shortfall)
  - Natural Disaster
  - Revenue projections not met
- GFOA Recommendation
  - 2 months of operating revenues
  - COLV has 6 months total

|                    |                                                    |
|--------------------|----------------------------------------------------|
| \$6,766,199        | Capital Reserve Fund <small>as of 2/5/2026</small> |
| \$ 475,000         | Future Capital Purchase Fund                       |
| <u>\$1,250,000</u> | Emergency Fund                                     |
| <u>\$8,491,199</u> | Estimated Total                                    |

So why \$3 million? It used to represent 3 months in the early 2000's, now its \$1,267,000, you would need \$3,801,000 for 3 months

# Why Do We Have It?

**FUTURE NEEDS**

# Why Do We Have It?

| Project Name                                    | FY27         | FY28        | FY29        | FY30        | FY31        | FY32         | FY33         | FY34         | FY35         | FY36         |
|-------------------------------------------------|--------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
| <b>Total Capital per FY</b>                     | \$2,073,500  | \$936,700   | \$1,389,000 | \$1,262,500 | \$1,118,500 | \$2,149,500  | \$929,500    | \$245,500    | \$582,000    | \$2,153,100  |
| <b>Capital Fund Balance (No Revenue Growth)</b> | \$ 7,241,199 | \$5,167,699 | \$4,230,999 | \$2,841,999 | \$1,579,499 | \$460,999    | -\$1,688,501 | -\$2,618,001 | -\$2,863,501 | -\$3,445,501 |
| Annual Revenue Increase Assumption              | \$300,000    | \$300,000   | \$300,000   | \$300,000   | \$300,000   | \$300,000    | \$300,000    | \$300,000    | \$300,000    | \$300,000    |
| <b>Capital Fund Balance With Revenue Growth</b> | \$5,467,699  | \$4,530,999 | \$3,141,999 | \$1,879,499 | \$760,999   | -\$1,388,501 | -\$2,318,001 | -\$2,563,501 | -\$3,145,501 | -\$5,298,601 |



*Don't Freak Out*

| Project Name                                    | FY27                | Project Name                                         | FY28               |
|-------------------------------------------------|---------------------|------------------------------------------------------|--------------------|
| Police - Detective Vehicle (1 w/equip)          | \$68,000            |                                                      |                    |
| Police - Gym Equipment - Universal Trainer      | \$6,500             |                                                      |                    |
| Fire - Stretcher                                | \$50,000            |                                                      |                    |
| Fire - Gear Extractor                           | \$12,000            | PW- Roof Kinman House                                | \$8,500            |
| Fire - Rescue Air Bags                          | \$30,000            | PW - Exterior Painting Kinman House                  | \$10,000           |
| Fire - Thermal Imaging Camera (3)               | \$30,000            | Fire - Automatic Bay Doors - Repair                  | \$25,000           |
| Fire - Covered Parking for City Vehicles/Equip  | \$20,000            | CC - Exterior Painting 6427                          | \$25,000           |
| Fire - Extron Server                            | \$15,000            | CC - Exterior Painting 6421                          | \$25,000           |
| Fire - Ambulance with Power Load System - M159B | \$425,000           | Police - Gym Equipment - Pro-Stepper                 | \$6,200            |
| Fire - Brush Truck R159                         | \$200,000           | Fire - Breathing Air Compressor                      | \$100,000          |
| Fire - Support Truck S159                       | \$85,000            | Fire - SCBA's (30)                                   | \$325,000          |
| PW - M14 F150 Pick-Up 1/2 Ton                   | \$65,000            | PW - M6A Case Loader Backhoe                         | \$150,000          |
| PW - M3 Ford F-150                              | \$65,000            | PW - M15 Chevrolet Silverado 2500                    | \$60,000           |
| PW - FO Pool                                    | \$800,000           | PW - C26 Concrete Load Pro                           | \$80,000           |
| PW - Exterior Painting City Hall                | \$70,000            | Animal/Code - Animal Control Truck                   | \$75,000           |
| Fire - Exterior Painting                        | \$50,000            | Animal/Code - Animal Control Repurpose Pick Up Truck | \$15,000           |
| Library - Flooring Carpet Tiles                 | \$70,000            | Library - A/C Unit                                   | \$12,000           |
| Library - A/C Unit repair                       | \$12,000            | Library - Adult & YA Tables & Seating                | \$20,000           |
| <b>Total Capital per FY</b>                     | <b>\$2,073,500</b>  | <b>Total Capital per FY</b>                          | <b>\$936,700</b>   |
| <b>Capital Fund Balance (No Revenue Growth)</b> | <b>\$ 7,241,199</b> |                                                      | <b>\$4,230,999</b> |
| Annual Revenue Increase Assumption              | \$300,000           | Annual Revenue Increase Assumption                   | \$300,000          |
| <b>Capital Fund Balance With Revenue Growth</b> | <b>\$5,467,699</b>  | <b>Capital Fund Balance With Revenue Growth</b>      | <b>\$4,530,999</b> |

| Project Name                                    | FY29               | Project Name                                       | FY30               |
|-------------------------------------------------|--------------------|----------------------------------------------------|--------------------|
| Library - Exterior Painting                     | \$30,000           | CC - AC System 6427                                | \$50,000           |
| CC - Flooring 6427                              | \$20,000           | Fire - Water Heater Replacement                    | \$10,000           |
| Police - Patrol Vehicle (1 w/equip)             | \$68,000           | PW - AC System Repair 6429                         | \$12,000           |
| Police - Gym Equipment - Misc.                  | \$5,000            | CC - Water Heater Replacement 6421                 | \$5,000            |
| Impound - Lot Maintenance - Sealcoat/Striping   | \$10,000           | PW - AC System (AC Technical/HTC) City Hall Repair | \$150,000          |
| Fire - Stretcher                                | \$50,000           | IT - Meraki 48 port Switch (1) - Library           | \$6,500            |
| Fire - Extraction Tools (3)                     | \$150,000          | Police - Mobile Digital Terminals                  | \$65,000           |
| Fire - DW Camera System                         | \$25,000           | Fire - Cardiac Monitors (5)                        | \$250,000          |
| Fire - Ambulance with Power Load System - M159A | \$425,000          | Fire - Generator for EMS (2)                       | \$14,000           |
| PW - C21 International Water Truck              | \$100,000          | Fire - Mechanical CPR Device (4)                   | \$80,000           |
| PW - C20 Southwest Gooseneck Trailer            | \$75,000           | Fire - Vehicle Assistant Fire Chief                | \$85,000           |
| PW - C22 Cart-Away Concrete Mixer Trailer       | \$20,000           | Fire - DFM Vehicle - DFM 159                       | \$85,000           |
| PW - C23 Doosan Forklift                        | \$40,000           | PW - M16 Chevy Silverado 1/2 Ton                   | \$60,000           |
| PW - C19 Asphalt Zipper                         | \$115,000          | PW - C12A Doosan Compressor                        | \$30,000           |
| Parks - Silo Park Pavilion                      | \$15,000           | PW - C18 Ingersoll Rand Roller                     | \$50,000           |
| Parks - Silo Park Playscape                     | \$50,000           | PW - M22 Chevrolet Silverado                       | \$65,000           |
| Parks - Old Mill Pavilion                       | \$16,000           | Parks - RRP Playground Equipment Natural Area      | \$50,000           |
| Parks - Old Mill Park Playscape                 | \$50,000           | Parks - RRP Shade Structures                       | \$180,000          |
| Parks - RRP Multi-purpose play structure        | \$125,000          | Parks - Silo Fitness Equipment                     | \$15,000           |
| <b>Total Capital per FY</b>                     | <b>\$1,389,000</b> | <b>Total Capital per FY</b>                        | <b>\$1,262,500</b> |
|                                                 | <b>\$2,841,999</b> |                                                    | <b>\$1,579,499</b> |
| Annual Revenue Increase Assumption              | \$300,000          | Annual Revenue Increase Assumption                 | \$300,000          |
| <b>Capital Fund Balance With Revenue Growth</b> | <b>\$3,141,999</b> | <b>Capital Fund Balance With Revenue Growth</b>    | <b>\$1,879,499</b> |

| Project Name                                    | FY31               | Project Name                                    | FY32                |
|-------------------------------------------------|--------------------|-------------------------------------------------|---------------------|
| Library - AC System Replacement                 | \$60,000           |                                                 |                     |
| PW - Water Heater Replacement Kinman House      | \$5,000            |                                                 |                     |
| PW - AC System Kinman House                     | \$15,000           |                                                 |                     |
| Library - Water Heater Replacement              | \$5,000            | IT - Meraki 48 port Switch (1) - Police         | \$6,500             |
| Fire - AC System                                | \$50,000           | Police - Detective Vehicle (1 w/equip)          | \$68,000            |
| CC - AC System 6421                             | \$50,000           | Fire - SCBA's (3)                               | \$35,000            |
| IT - Meraki 48 port Switch (1) - Public Works   | \$6,500            | Fire - Engine E159A                             | \$1,500,000         |
| IT - Data center Server - All                   | \$27,000           | Parks - Ridge Park fitness equipment            | \$15,000            |
| Fire - Stretcher                                | \$50,000           | Parks - Ridge Park Pavilion                     | \$15,000            |
| Fire - Ambulance with Power Load System - M159C | \$425,000          | Parks - Ridge Park Playscape                    | \$50,000            |
| PW - C10A Leeboy Motor Grader                   | \$100,000          | PW - C25 International Dump Truck               | \$100,000           |
| PW - M21 Ford F 350 Truck Flatbed               | \$45,000           | PW - C26 Concrete Load Pro                      | \$80,000            |
| PW - C25 International Dump Truck               | \$100,000          | PW - Car washing Equipment                      | \$10,000            |
| PW - C26 Concrete Load Pro                      | \$80,000           | PW - Traffic Signal System - Huebner/Evers      | \$150,000           |
| PW - Car washing Equipment                      | \$10,000           | Library - Flooring                              | \$25,000            |
| Parks - Old Mill fencing                        | \$40,000           | Fire - Emergency Generator                      | \$35,000            |
| Library - Children's Furniture Update           | \$25,000           | PW - Emergency Generator                        | \$35,000            |
| PW - Old Mill Pavillion                         | \$25,000           | PW - Ridge Park Pavillion                       | \$25,000            |
| <b>Total Capital per FY</b>                     | <b>\$1,118,500</b> | <b>Total Capital per FY</b>                     | <b>\$2,149,500</b>  |
|                                                 | <b>\$460,999</b>   |                                                 | <b>-\$1,688,501</b> |
| Annual Revenue Increase Assumption              | \$300,000          | Annual Revenue Increase Assumption              | \$300,000           |
| <b>Capital Fund Balance With Revenue Growth</b> | <b>\$760,999</b>   | <b>Capital Fund Balance With Revenue Growth</b> | <b>-\$1,388,501</b> |

| Project Name                                    | FY33                | Project Name                                    | FY34                |
|-------------------------------------------------|---------------------|-------------------------------------------------|---------------------|
| IT - Meraki 48 port Switch (1) - Fire           | \$6,500             | IT - Meraki 48 port Switch (1) - City Hall      | \$6,500             |
| Police - Patrol Vehicle (1 w/equip)             | \$68,000            | Police - Gym Equipment - Treadmill              | \$7,000             |
| Fire - Stretcher                                | \$50,000            | Fire - Generator and ATS                        | \$35,000            |
| Fire - Ambulance with Power Load System - M159D | \$425,000           | PW - C14 Ford F350 Flatbed                      | \$75,000            |
| Fire - Fire Chief Truck                         | \$85,000            | PW - C16 Broce Broom                            | \$70,000            |
| PW - ST01 Onan generator                        | \$115,000           | CC - Ceiling Fans - exterior 6421               | \$5,000             |
| PW - M24 GMC 2500 Supercab 4x2                  | \$65,000            | PW - Water Heater Replacement (City Hall)       | \$10,000            |
| PW - M21 Ford F 350 Truck Flatbed               | \$70,000            | PW - Traffic Signal Hubner and Evers            | \$37,000            |
| CC - Water Heater Replacement 6427              | \$5,000             |                                                 |                     |
| PW - Water Heater Replacement 6429              | \$5,000             |                                                 |                     |
| PW - Water Heater Replacement (PD)              | \$10,000            |                                                 |                     |
| PW - Silos Pavillion                            | \$25,000            |                                                 |                     |
| <b>Total Capital per FY</b>                     | <b>\$929,500</b>    | <b>Total Capital per FY</b>                     | <b>\$245,500</b>    |
|                                                 | <b>-\$2,618,001</b> |                                                 | <b>-\$2,863,501</b> |
| Annual Revenue Increase Assumption              | \$300,000           | Annual Revenue Increase Assumption              | \$300,000           |
| <b>Capital Fund Balance With Revenue Growth</b> | <b>-\$2,318,001</b> | <b>Capital Fund Balance With Revenue Growth</b> | <b>-\$2,563,501</b> |

| Project Name                                    | FY35                | Project Name                                    | FY36                |
|-------------------------------------------------|---------------------|-------------------------------------------------|---------------------|
| Police - Gym Equipment - Universal Trainer      | \$7,000             | Police - Patrol Vehicle (1 w/equip)             | \$68,000            |
| Impound - Lot Maintenance - Sealcoat/Striping   | \$10,000            | Police - Mobile Digital Terminals               | \$70,000            |
| Fire - Stretcher                                | \$50,000            | Police - Gym Equipment - Pro-Stepper            | \$6,500             |
| Fire - Fire Station Alerting                    | \$30,000            | Fire - Engine E159B                             | \$1,500,000         |
| Fire - Flood Siren Server                       | \$30,000            | Fire - Utility Terrain Vehicle                  | \$35,000            |
| Fire - One Rain Server                          | \$30,000            | PW - Pavillion Raymond Repairs                  | \$10,000            |
| PW - Traffic Signal System - Wurzbach           | \$150,000           | PW - ATV (2 seater)                             | \$15,000            |
| PW - M27 Kubota tractor & shredder              | \$60,000            | PW - Concrete grinder walk behind               | \$12,000            |
| Parks - Lawnmower 60"                           | \$15,000            | PW - Equipment trailer                          | \$7,000             |
| Parks - Veterans Park Monument                  | \$24,000            | PW - M12 Bobcat                                 | \$50,000            |
| Parks - Pool Repairs - Replastering             | \$75,000            | PW - C30 Custom Trailer                         | \$30,600            |
| Library - A/C Unit                              | \$24,000            | P&Z - Comprehensive Master Plan update          | \$75,000            |
| PW - Emergency Generator 6429                   | \$35,000            | Library - A/C Unit                              | \$24,000            |
| Library - Ceiling Fans - exterior               | \$5,000             | Parks - Hike & Bike Trail Segment II            | \$250,000           |
| PW - Traffic Signal Exchange                    | \$37,000            |                                                 |                     |
| <b>Total Capital per FY</b>                     | <b>\$582,000</b>    | <b>Total Capital per FY</b>                     | <b>\$2,153,100</b>  |
|                                                 | <b>-\$3,445,501</b> |                                                 | <b>-\$5,598,601</b> |
| Annual Revenue Increase Assumption              | \$300,000           | Annual Revenue Increase Assumption              | \$300,000           |
| <b>Capital Fund Balance With Revenue Growth</b> | <b>-\$3,145,501</b> | <b>Capital Fund Balance With Revenue Growth</b> | <b>-\$5,298,601</b> |

# Why Do We Have It?

| Project Name                                    | FY27         | FY28        | FY29        | FY30        | FY31        | FY32         | FY33         | FY34         | FY35         | FY36         |              |
|-------------------------------------------------|--------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Total Capital per FY</b>                     | \$2,073,500  | \$936,700   | \$1,389,000 | \$1,262,500 | \$1,118,500 | \$2,149,500  | \$929,500    | \$245,500    | \$582,000    | \$2,153,100  |              |
| <b>Capital Fund Balance (No Revenue Growth)</b> | \$ 7,241,199 | \$5,167,699 | \$4,230,999 | \$2,841,999 | \$1,579,499 | \$460,999    | -\$1,688,501 | -\$2,618,001 | -\$2,863,501 | -\$3,445,501 | -\$5,598,601 |
| Annual Revenue Increase Assumption              | \$300,000    | \$300,000   | \$300,000   | \$300,000   | \$300,000   | \$300,000    | \$300,000    | \$300,000    | \$300,000    | \$300,000    |              |
| <b>Capital Fund Balance With Revenue Growth</b> | \$5,467,699  | \$4,530,999 | \$3,141,999 | \$1,879,499 | \$760,999   | -\$1,388,501 | -\$2,318,001 | -\$2,563,501 | -\$3,145,501 | -\$5,298,601 |              |



*Don't Freak Out*

# Selective Purchasing

| Project Name                             | FY27         | FY28        | FY29        | FY30        | FY31        | FY32        | FY33        | FY34        | FY35      | FY36       |
|------------------------------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------|------------|
| Senerio                                  | \$800,000    | \$800,000   | \$800,000   | \$800,000   | \$800,000   | \$800,000   | \$800,000   | \$800,000   | \$800,000 | \$800,000  |
| Total Capital per FY                     | \$800,000    | \$800,000   | \$800,000   | \$800,000   | \$800,000   | \$800,000   | \$800,000   | \$800,000   | \$800,000 | \$800,000  |
| Capital Fund Balance (No Revenue Growth) | \$ 7,241,199 | \$6,441,199 | \$5,641,199 | \$4,841,199 | \$4,041,199 | \$3,241,199 | \$2,441,199 | \$1,641,199 | \$841,199 | \$41,199   |
| Annual Revenue Increase Assumption       | \$300,000    | \$300,000   | \$300,000   | \$300,000   | \$300,000   | \$300,000   | \$300,000   | \$300,000   | \$300,000 | \$300,000  |
| Capital Fund Balance With Revenue Growth | \$6,741,199  | \$5,941,199 | \$5,141,199 | \$4,341,199 | \$3,541,199 | \$2,741,199 | \$1,941,199 | \$1,141,199 | \$341,199 | -\$458,801 |

# What if we only had the Average in Capital?

| Project Name                                    | FY27         | FY28      | FY29         | FY30         | FY31         | FY32         | FY33         | FY34         | FY35         | FY36         |              |
|-------------------------------------------------|--------------|-----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Total Capital per FY</b>                     | \$2,073,500  | \$936,700 | \$1,389,000  | \$1,262,500  | \$1,118,500  | \$2,149,500  | \$929,500    | \$245,500    | \$582,000    | \$2,153,100  |              |
| <b>Capital Fund Balance (No Revenue Growth)</b> | \$ 3,039,958 | \$966,458 | \$29,758     | -\$1,359,242 | -\$2,621,742 | -\$3,740,242 | -\$5,889,742 | -\$6,819,242 | -\$7,064,742 | -\$7,646,742 | -\$9,799,842 |
| Annual Revenue Increase Assumption              | \$300,000    | \$300,000 | \$300,000    | \$300,000    | \$300,000    | \$300,000    | \$300,000    | \$300,000    | \$300,000    | \$300,000    |              |
| <b>Capital Fund Balance With Revenue Growth</b> | \$1,266,458  | \$329,758 | -\$1,059,242 | -\$2,321,742 | -\$3,440,242 | -\$5,589,742 | -\$6,519,242 | -\$6,764,742 | -\$7,346,742 | -\$9,499,842 |              |

| Project Name                                    | FY27         | FY28        | FY29        | FY30      | FY31       | FY32         | FY33         | FY34         | FY35         | FY36         |              |
|-------------------------------------------------|--------------|-------------|-------------|-----------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Senerio</b>                                  | \$800,000    | \$800,000   | \$800,000   | \$800,000 | \$800,000  | \$800,000    | \$800,000    | \$800,000    | \$800,000    | \$800,000    |              |
| <b>Total Capital per FY</b>                     | \$800,000    | \$800,000   | \$800,000   | \$800,000 | \$800,000  | \$800,000    | \$800,000    | \$800,000    | \$800,000    | \$800,000    |              |
| <b>Capital Fund Balance (No Revenue Growth)</b> | \$ 3,039,958 | \$2,239,958 | \$1,439,958 | \$639,958 | -\$160,042 | -\$960,042   | -\$1,760,042 | -\$2,560,042 | -\$3,360,042 | -\$4,160,042 | -\$4,960,042 |
| Annual Revenue Increase Assumption              | \$300,000    | \$300,000   | \$300,000   | \$300,000 | \$300,000  | \$300,000    | \$300,000    | \$300,000    | \$300,000    | \$300,000    |              |
| <b>Capital Fund Balance With Revenue Growth</b> | \$2,539,958  | \$1,739,958 | \$939,958   | \$139,958 | -\$660,042 | -\$1,460,042 | -\$2,260,042 | -\$3,060,042 | -\$3,860,042 | -\$4,660,042 |              |



# Other Things To Consider

# Why Do We Have It? – Other Not in your Capital

| Project Name                                      | FY27        | FY28        | FY29      | FY30        | FY31      | FY32 | FY33 | FY34 | FY35 | FY36 |
|---------------------------------------------------|-------------|-------------|-----------|-------------|-----------|------|------|------|------|------|
| Items removed from Capital                        |             |             |           |             |           |      |      |      |      |      |
| Police - Property Room                            | \$1,750,000 |             |           |             |           |      |      |      |      |      |
| Police - Radios                                   |             | \$1,000,000 |           |             |           |      |      |      |      |      |
| Library - Kitchen Update                          |             | \$25,000    |           |             |           |      |      |      |      |      |
| Library - All Shelving                            |             |             | \$300,000 |             |           |      |      |      |      |      |
| Library - Front Door Replacement                  |             |             |           | \$30,000    |           |      |      |      |      |      |
| Impound - Lot Expansion                           |             |             |           |             | \$100,000 |      |      |      |      |      |
| PW- Building                                      | \$2,000,000 |             |           |             |           |      |      |      |      |      |
| Library - Annex                                   | \$300,000   |             |           |             |           |      |      |      |      |      |
| PW - Park Bathroom #1 (near playground)           | \$150,000   |             |           |             |           |      |      |      |      |      |
| PW - Roof Park Bathroom 1                         | \$7,500     |             |           |             |           |      |      |      |      |      |
| PW - Park Bathroom #2 (near community garden)     | \$15,000    |             |           |             |           |      |      |      |      |      |
| PW - Park Bathrrom #2 Roof                        | \$7,500     |             |           |             |           |      |      |      |      |      |
| PW - Link Meadow /Partial Linkwood ST Reconstruct | \$1,858,838 |             |           |             |           |      |      |      |      |      |
| PW- H & B III                                     |             |             |           | \$1,000,000 |           |      |      |      |      |      |
| PW - Erosion/ Flood Natural Area Project          |             | \$3,000,000 |           |             |           |      |      |      |      |      |
| PW- Crystal Hills Parking lot                     |             |             |           |             | \$820,000 |      |      |      |      |      |
| CC -Conference Center Restrooms                   | \$160,000   |             |           |             |           |      |      |      |      |      |
|                                                   | \$6,248,838 | \$4,025,000 | \$300,000 | \$1,030,000 | \$920,000 | \$0  | \$0  | \$0  | \$0  | \$0  |

# Why Do We Have It? – Other Large Expenses

## Non-Capital

| Project Name                      | FY27             | FY28             | FY29             | FY30             | FY31             | FY32             | FY33             | FY34             | FY35             | FY36             |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Finance - Incode 10 Migration     | \$63,720         |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| CM - Lions Roar Newsletter        | \$40,650         | \$40,650         | \$40,650         | \$40,650         | \$40,650         | \$40,650         | \$40,650         | \$40,650         | \$40,650         | \$40,650         |
| IT - Incode (Tyler Technologies)  | \$75,000         | \$75,000         | \$75,000         | \$75,000         | \$75,000         | \$75,000         | \$75,000         | \$75,000         | \$75,000         | \$75,000         |
| IT - GoGov                        | \$19,500         | \$19,500         | \$19,500         | \$19,500         | \$19,500         | \$19,500         | \$19,500         | \$19,500         | \$19,500         | \$19,500         |
| IT - MO365                        | \$29,000         | \$29,000         | \$29,000         | \$29,000         | \$29,000         | \$29,000         | \$29,000         | \$29,000         | \$29,000         | \$29,000         |
| IT - Civic Plus (Municode)        | \$18,000         | \$18,000         | \$18,000         | \$18,000         | \$18,000         | \$18,000         | \$18,000         | \$18,000         | \$18,000         | \$18,000         |
| IT - JustFOIA                     | \$6,500          | \$6,500          | \$6,500          | \$6,500          | \$6,500          | \$6,500          | \$6,500          | \$6,500          | \$6,500          | \$6,500          |
| Police - Axon in Car Cameras      | \$38,000         | \$38,000         | \$38,000         | \$38,000         |                  |                  |                  |                  |                  |                  |
| Police - Axon Body Worn Cameras   | \$21,000         | \$21,000         | \$21,000         | \$21,000         |                  |                  |                  |                  |                  |                  |
| Police - Axon Taser               | \$20,000         | \$20,000         | \$20,000         | \$20,000         |                  |                  |                  |                  |                  |                  |
| Police - Flock Safety Cameras     | \$50,000         | \$50,000         | \$50,000         | \$50,000         |                  |                  |                  |                  |                  |                  |
| Police - Report Management System | \$10,000         | \$10,000         | \$10,000         | \$10,000         |                  |                  |                  |                  |                  |                  |
| Police - Duty Firearm Replacement |                  | \$35,000         |                  |                  |                  |                  |                  |                  |                  |                  |
| Police - Desk/Laptop Computers    |                  | \$40,000         |                  |                  |                  |                  |                  |                  |                  |                  |
| P&Z - Permitting Software         | \$6,600          | \$6,600          | \$6,600          | \$6,600          | \$6,600          | \$6,600          | \$6,600          | \$6,600          | \$6,600          | \$6,600          |
| P&Z - Engineering Service         | \$75,000         | \$75,000         | \$75,000         | \$75,000         | \$75,000         | \$75,000         | \$75,000         | \$75,000         | \$75,000         | \$75,000         |
| P&Z - Attorney                    | \$15,000         | \$15,000         | \$15,000         | \$15,000         | \$15,000         | \$15,000         | \$15,000         | \$15,000         | \$15,000         | \$15,000         |
| P&Z - Health Inspections          | \$20,000         | \$20,000         | \$20,000         | \$20,000         | \$20,000         | \$20,000         | \$20,000         | \$20,000         | \$20,000         | \$20,000         |
| P&Z - Building Inspections        | \$100,000        | \$100,000        | \$100,000        | \$100,000        | \$100,000        | \$100,000        | \$100,000        | \$100,000        | \$100,000        | \$100,000        |
|                                   | <b>\$607,970</b> | <b>\$619,250</b> | <b>\$544,250</b> | <b>\$544,250</b> | <b>\$405,250</b> | <b>\$405,250</b> | <b>\$405,250</b> | <b>\$405,250</b> | <b>\$405,250</b> | <b>\$405,250</b> |

# Why Do We have It? Other Funds

- Assigned Funds – intended use, which can be established by the city council. It's directed to the City Manager by the council, usually via ordinance.
- Restricted Funds –They are governed by externally enforceable restrictions.

|                                       | AUDITED FUND<br>BALANCES AS OF<br>09/30/24 | FY 25<br>REVENUE | FY 25<br>EXPENDITURES | UNAUDITED<br>09/30/25 FUND<br>BALANCES |
|---------------------------------------|--------------------------------------------|------------------|-----------------------|----------------------------------------|
| <b>Assigned:</b>                      |                                            |                  |                       |                                        |
| Economic Development                  | 925,274                                    | 366,310          | 351,141               | 940,443                                |
| Tree Mitigation                       | 391,475                                    |                  |                       | 391,475                                |
| <b>Restricted:</b>                    |                                            |                  |                       |                                        |
| Public, Educational and Governmental  | 332,800                                    | -                | -                     | 332,800                                |
| Other                                 | 7,237                                      | -                | -                     | 7,237                                  |
| Red Light Camera Traffic Safety       | 944,822                                    | 2,007,315        | 2,277,092             | 675,045                                |
| Debt Service                          | 577,210                                    | 585,236          | 581,200               | 581,246                                |
| Street Maintenance                    | 1,751,192                                  | 749,742          | 1,102,726             | 1,398,208                              |
| Crime Control and Prevention District | 738,579                                    | 363,381          | 283,824               | 818,136                                |
| Federal Police Forfeitures            | 1,046,275                                  | 163,783          | 215,598               | 994,460                                |
| Community Center                      | 294,008                                    | 165,924          | 161,561               | 298,371                                |
| Grants                                | 9,838                                      | 5,444            | 4,146                 | 11,136                                 |
| Child Safety                          | 78,603                                     | 19,584           | 6,211                 | 91,976                                 |
| State Police Forfeiture               | 11,757                                     | 531              |                       | 12,288                                 |
| Building Security                     | 89,701                                     | 18,061           | -                     | 107,762                                |
| Court Technology                      | 61,966                                     | 15,074           | -                     | 77,040                                 |

**City of Leon Valley  
Monthly Financial  
Sept 2025**

# Why Do We have It? Example

Had you not had a reserve fund balance of \$944,822, the money would have to come from the General Fund reserve.

## Red Light Cameras (RLC)

| REVENUE                | Target Percentage 100% |                         |              |                         |               |  |
|------------------------|------------------------|-------------------------|--------------|-------------------------|---------------|--|
|                        | FY 2025<br>Budget      | FY 2025<br>Y-T-D ACTUAL |              | FY 2024<br>Y-T-D Actual |               |  |
| Red Light Camera Fines | \$ 2,080,051           | \$ 1,829,440            | 88.0%        | \$ 2,116,767            | 111.7%        |  |
| Late Fees/Court Costs  | 200,000                | 147,734                 | 73.9%        | 187,588                 | 93.8%         |  |
| Interest Income        | 37,740                 | 30,072                  | 79.7%        | 42,329                  | 169.3%        |  |
| Miscellaneous Revenue  | -                      | 70                      | 0.0%         | (1,436)                 | 0.0%          |  |
| Transfers in           | -                      | -                       | 0.0%         | -                       | 0.0%          |  |
| <b>Total Revenues</b>  | <b>\$ 2,317,791</b>    | <b>\$ 2,007,315</b>     | <b>86.6%</b> | <b>\$ 2,345,249</b>     | <b>110.6%</b> |  |

## EXPENDITURES

(\$310,476) From budgeted to Actual

(337,934)

### *Red Light Cameras (Tier 1)*

|                         |                     |                     |              |                     |              |
|-------------------------|---------------------|---------------------|--------------|---------------------|--------------|
| Personnel (6 employees) | \$ 664,154          | \$ 633,035          | 95.3%        | \$ 595,027          | 92.7%        |
| Supplies                | 8,550               | 3,089               | 36.1%        | 1,781               | 56.6%        |
| Contractual             | 907,820             | 786,346             | 86.6%        | 847,154             | 95.5%        |
| Transfers               | 370,264             | 370,264             | 100.0%       | 342,558             | 100%         |
| <b>Total Tier One</b>   | <b>\$ 1,950,788</b> | <b>\$ 1,792,734</b> | <b>91.9%</b> | <b>\$ 1,786,520</b> | <b>95.3%</b> |

### *Traffic Safety (Tier 2)*

|                         |                   |                   |              |                   |              |
|-------------------------|-------------------|-------------------|--------------|-------------------|--------------|
| Personnel (2 employees) | \$ 217,831        | \$ 167,956        | 77.1%        | \$ 192,964        | 64.7%        |
| Supplies                | 37,725            | 33,515            | 88.8%        | 7,417             | 75.7%        |
| Contractual             | 78,983            | 47,787            | 60.5%        | 57,046            | 105.7%       |
| Capital Outlay          | 244,465           | 235,099           | 96.2%        | 433,625           | 73.2%        |
| <b>Total Tier Two</b>   | <b>\$ 579,004</b> | <b>\$ 484,358</b> | <b>83.7%</b> | <b>\$ 691,053</b> | <b>72.4%</b> |

## UNAUDITED

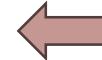
|                                                     |                  |                                                              |
|-----------------------------------------------------|------------------|--------------------------------------------------------------|
| RLC Fines Revenue                                   | 1,829,440        |                                                              |
| RLC Expenditures (Personnel, Supplies, Contractual) | (1,422,470)      |                                                              |
| RLC Share Personnel YTD                             | <u>(370,264)</u> |                                                              |
|                                                     | 36,706           | Of this 50% goes to the city the other 50% goes to the state |
| City 50% Revenue (Loss)                             | 18,353           |                                                              |
| Late Fees Revenue (City keeps 100%)                 | 147,734          |                                                              |
| Interest Income Revenue (City keeps 100%)           | 30,141           |                                                              |
| Traffic Safety Expenditures                         | 196,228          | City Revenue Portion                                         |
|                                                     | (484,358)        |                                                              |
|                                                     | (288,130)        | Total Net Fund Revenue (Loss)                                |

# Why Do We Have It?

- It gives us a plan
- Limits surprises
  - 2008 Water Well - CO
  - 2009 FD Truck – CO
- How about bonds?
  - We don't have enough money to do everything, so bonds are an option
  - Just remember, it raises your property taxes

|           |         |
|-----------|---------|
| Tax Rate: | .545040 |
| M&O:      | .497818 |
| I&S:      | .047222 |

This is your debt service  
Fire Truck, Water Well, City Hall



# What Have We Been Hearing?



CITY OF LEON VALLEY  
BALANCE SHEET – GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2024

# Let Me Explain?

|                                       | AUDITED FUND<br>BALANCES AS OF<br>09/30/24 | FY25<br>REVENUE | FY25<br>EXPENDITURES | UNAUDITED<br>09/30/25 FUND<br>BALANCES |
|---------------------------------------|--------------------------------------------|-----------------|----------------------|----------------------------------------|
| Unassigned                            | 6,832,000                                  | 15,241,717      | 14,038,091           | 8,035,626                              |
| Committed for Disaster Emergencies    | 1,000,000                                  | 250,000         | -                    | 1,250,000                              |
| <b>Assigned:</b>                      |                                            |                 |                      |                                        |
| Economic Development                  | 925,274                                    | 366,310         | 351,141              | 940,443                                |
| Tree Mitigation                       | 391,475                                    |                 |                      | 391,475                                |
| <b>Restricted:</b>                    |                                            |                 |                      | -                                      |
| Public, Educational and Governmental  | 332,800                                    | -               | -                    | 332,800                                |
| Other                                 | 7,237                                      | -               | -                    | 7,237                                  |
| Red Light Camera Traffic Safety       | 944,822                                    | 2,007,315       | 2,277,092            | 675,045                                |
| Debt Service                          | 577,210                                    | 585,236         | 581,200              | 581,246                                |
| Street Maintenance                    | 1,751,192                                  | 749,742         | 1,102,726            | 1,398,208                              |
| Crime Control and Prevention District | 738,579                                    | 363,381         | 283,824              | 818,136                                |
| Federal Police Forfeitures            | 1,046,275                                  | 163,783         | 215,598              | 994,460                                |
| Community Center                      | 294,008                                    | 165,924         | 161,561              | 298,371                                |
| Grants                                | 9,838                                      | 5,444           | 4,146                | 11,136                                 |
| Child Safety                          | 78,603                                     | 19,584          | 6,211                | 91,976                                 |
| State Police Forfeiture               | 11,757                                     | 531             |                      | 12,288                                 |
| Building Security                     | 89,701                                     | 18,061          | -                    | 107,762                                |
| Court Technology                      | 61,966                                     | 15,074          | -                    | 77,040                                 |

|                                                                                   | General<br>Fund      | Red Light<br>Camera<br>Fund | Capital<br>Projects<br>Fund |
|-----------------------------------------------------------------------------------|----------------------|-----------------------------|-----------------------------|
| <b>ASSETS</b>                                                                     |                      |                             |                             |
| Cash and Cash Equivalents                                                         | \$ 716,692           | \$ 532,093                  | \$ -                        |
| Investments                                                                       | 8,683,810            | 906,782                     | -                           |
| Accounts Receivable (net of allowances):                                          |                      |                             |                             |
| Taxes                                                                             | 195,034              | -                           | -                           |
| Special Assessment                                                                | -                    | -                           | -                           |
| Other                                                                             | 242,030              | -                           | -                           |
| Due from Other Governments                                                        | 666,327              | -                           | -                           |
| Inventories                                                                       | 4,883                | -                           | -                           |
| <b>TOTAL ASSETS</b>                                                               | <b>\$ 10,508,776</b> | <b>\$ 1,438,875</b>         | <b>\$ -</b>                 |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b>           |                      |                             |                             |
| <i>Liabilities:</i>                                                               |                      |                             |                             |
| Accounts Payable                                                                  | \$ 260,349           | \$ 490,856                  | \$ -                        |
| Accrued Expenditures                                                              | 287,533              | 3,197                       | -                           |
| Deposit Payable                                                                   | 7,066                | -                           | -                           |
| Unearned Revenues                                                                 | 265,125              | -                           | -                           |
| <i>Total Liabilities</i>                                                          | <b>\$20,073</b>      | <b>494,053</b>              | <b>-</b>                    |
| <i>Deferred inflows of Resources:</i>                                             |                      |                             |                             |
| Unavailable Revenues - Taxes                                                      | 195,034              | -                           | -                           |
| <i>Total Deferred Inflows of Resources</i>                                        | <b>195,034</b>       | <b>-</b>                    | <b>-</b>                    |
| <i>Fund Balances:</i>                                                             |                      |                             |                             |
| Nonspendable:                                                                     |                      |                             |                             |
| Inventory                                                                         | 4,883                | -                           | -                           |
| Restricted for:                                                                   |                      |                             |                             |
| Public, Educational and Governmental                                              | 332,800              | -                           | -                           |
| Red Light Camera Traffic Safety                                                   | -                    | 944,822                     | -                           |
| Debt Service                                                                      | -                    | -                           | -                           |
| Street Maintenance                                                                | -                    | -                           | -                           |
| Crime Control and Prevention District                                             | -                    | -                           | -                           |
| Federal Police Forfeitures                                                        | -                    | -                           | -                           |
| Other                                                                             | 7,237                | -                           | -                           |
| Committed for Disaster Emergencies                                                | 1,000,000            | -                           | -                           |
| Assigned for:                                                                     |                      |                             |                             |
| Tree Mitigation and Replacement                                                   | 391,475              | -                           | -                           |
| Economic Development                                                              | 925,274              | -                           | -                           |
| Unassigned                                                                        | 6,832,000            | -                           | -                           |
| <i>Total Fund Balances</i>                                                        | <b>9,493,669</b>     | <b>944,822</b>              | <b>-</b>                    |
| <b>TOTAL LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES<br/>AND FUND BALANCES</b> |                      |                             |                             |
|                                                                                   | <b>\$ 10,508,776</b> | <b>\$ 1,438,875</b>         | <b>\$ -</b>                 |

See accompanying notes to basic financial statements.

# What Have We Been Hearing?

MONDAY, APRIL 28, 2008 **LEON VALLEY NEWS** 25¢

YOUR #1 SOURCE FOR LOCAL NEWS

## CITY OF LEON VALLEY HAS \$17 MILLION IN RESERVE!

Could Massive Cash Hoard Lead to Lower Property Taxes?



A MOUNTAIN OF MONEY: Leon Valley's \$17 million reserve could lead to lower property taxes.

### CITY COUNCIL CONSIDERING TAX CUTS AFTER BUILDING \$17 MILLION SURPLUS

BY TOM TRACEY

LEON VALLEY - Tax relief could be on the horizon for Leon Valley homeowners as city officials reveal a staggering \$17 million sitting in the city's reserve fund.

"Thanks to careful financial management, we have saved up a massive \$17 million in our reserve fund," Mayor Leon told the sold the press. "This puts us in a strong position to consider reducing property taxes and easing the financial burden on our residents."



A MOUNTAIN OF MONEY: Leon Valley's \$17 million reserve could lead to lower property taxes.

new election that has tom increasing tax relief to families. "This puts the city in a small and city growing community."

### HOW DID LEON VALLEY ACCUMULATE THIS MUCH?

- City officials attribute the impressive \$17 million reserve to 1-7.
- Unexpectedly high revenue from sales taxes and property values.
- New businesses increasing city tax revenues.

### KEY IDEAS ON THE TABLE

- Lowering property tax rates
- Issuing rebates to local homeowners
- Funding necessary infrastructure improvements
- Maintaining a significant emergency fund for emergencies

# Let Me Explain?

|                                       | AUDITED FUND BALANCES AS OF 09/30/24 | FY25 REVENUE | FY25 EXPENDITURES | UNAUDITED 09/30/25 FUND BALANCES |
|---------------------------------------|--------------------------------------|--------------|-------------------|----------------------------------|
| Unassigned                            | 6,832,000                            | 15,241,717   | 14,038,091        | 8,035,626                        |
| Committed for Disaster Emergencies    | 1,000,000                            | 250,000      | -                 | 1,250,000                        |
| <b>Assigned:</b>                      |                                      |              |                   |                                  |
| Economic Development                  | 925,274                              | 366,310      | 351,141           | 940,443                          |
| Tree Mitigation                       | 391,475                              |              |                   | 391,475                          |
| <b>Restricted:</b>                    |                                      |              |                   | -                                |
| Public, Educational and Governmental  | 332,800                              | -            | -                 | 332,800                          |
| Other                                 | 7,237                                | -            | -                 | 7,237                            |
| Red Light Camera Traffic Safety       | 944,822                              | 2,007,315    | 2,277,092         | 675,045                          |
| Debt Service                          | 577,210                              | 585,236      | 581,200           | 581,246                          |
| Street Maintenance                    | 1,751,192                            | 749,742      | 1,102,726         | 1,398,208                        |
| Crime Control and Prevention District | 738,579                              | 363,381      | 283,824           | 818,136                          |
| Federal Police Forfeitures            | 1,046,275                            | 163,783      | 215,598           | 994,460                          |
| Community Center                      | 294,008                              | 165,924      | 161,561           | 298,371                          |
| Grants                                | 9,838                                | 5,444        | 4,146             | 11,136                           |
| Child Safety                          | 78,603                               | 19,584       | 6,211             | 91,976                           |
| State Police Forfeiture               | 11,757                               | 531          |                   | 12,288                           |
| Building Security                     | 89,701                               | 18,061       | -                 | 107,762                          |
| Court Technology                      | 61,966                               | 15,074       | -                 | 77,040                           |

These funds can't be used for anything other than their intended purpose

# Why Don't We Just Use Reserve & Decrease the Tax Rate?

Short Answer: Using reserves for day-to-day costs solves a short-term problem but creates a long-term crisis.

Think of the reserve fund like a **family emergency savings account**.

- You don't use it for:
  - Groceries
  - Electricity
  - Gas
- You do use it for:
  - job loss
  - roof replacement
  - medical emergency
  - one-time big purchases

Why Cities Don't Use Reserves for Operating Costs

- Operating costs never stop
  - Police salaries
  - Fire protection
  - Utilities
- If a city uses reserves to pay them:
  - Year 1: taxes stay low
  - Year 2: reserves are smaller
  - Year 3: reserves run out
    - Then taxes have to jump even higher than if they'd been raised gradually.

# Why Don't We Just Use Reserve & Decrease the Tax Rate?

It hides the real cost of running the city

- Reserves can make a budget look balanced when it isn't.
- That's risky because:
  - The city appears solvent when it's not
  - Future councils inherit the problem
  - Residents lose trust when taxes suddenly spike

Credit ratings depend on reserves

- Cities borrow money for roads, buildings, and recreational equipment.
- If reserves drop:
  - Credit rating falls
  - Interest rates go up
  - Projects cost continue to rise
  - That hurts taxpayers more than a small tax rate today

# Bond Rating

Leon Valley's  
Current Bond  
Rating



| FEATURES               | MOODY'S              | S&P                 | FITCH               |
|------------------------|----------------------|---------------------|---------------------|
| Best Quality           | Aaa                  | AAA                 | AAA                 |
| High Quality           | Aa1<br>Aa2<br>Aa3    | AA+<br>AA<br>AA-    | AA+<br>AA<br>AA-    |
| Upper Medium Quality   | A1<br>A2<br>A3       | A+<br>A<br>A-       | A+<br>A<br>A-       |
| Medium Grade Quality   | Baa1<br>Baa2<br>Baa3 | BBB+<br>BBB<br>BBB- | BBB+<br>BBB<br>BBB- |
| Sub-prime (Junk Bonds) | Ba1<br>Ba2<br>Ba3    | BB+<br>BB<br>BB-    | BB+<br>BB<br>BB-    |
| Substantial Risk       | B1<br>B2<br>B3       | B+<br>B<br>B-       | B+<br>B<br>B-       |
| In Default             | Caa1<br>Caa2<br>Caa3 | CCC+<br>CCC<br>CCC- | CCC+<br>CCC<br>CCC- |
|                        | Ca<br>C<br>C         | CC<br>C<br>D        | CC<br>C<br>D        |

Estimated Personal  
Credit Comparison to  
Bond Rating

|     |     |
|-----|-----|
| 751 | 850 |
| 721 | 750 |
| 660 | 720 |
| 620 | 659 |
| 300 | 619 |

\*Credit Scores are viewed differently by creditors and this graph is for an approximate comparison and not meant to be used as a credit guide

# Are you Sure?

City of West Covina, California — Reserves Dwindled. The City of West Covina repeatedly used its general fund reserves to support regular city operations instead of relying on sustainable revenues. Over several years, this depleted the reserve balance from about \$20.5 M to \$9.9 M, and the city faced rising costs with insufficient cash to absorb shocks. Auditors identified this as a high financial risk, and warned of potential cuts to services or long-term instability if trends continued.

Chicago, Illinois — Reserve Drawdowns & Rating Downgrade. During the 2000s, Chicago leadership drew down reserve funds to mask recurring budget shortfalls instead of balancing the budget structurally. In 2010, credit-rating agency Fitch downgraded the city's bonds partly because reserves were being used to fill operating gaps and pension obligations were underfunded. This made borrowing more expensive and weakened long-term fiscal health.

New York City Fiscal Crisis of the 1970s. In the mid-1970s, New York faced a severe fiscal crisis that nearly forced the city into bankruptcy. Among the many causes were drawing down reserves and capital allocations to cover operating expenses when tax revenues declined sharply. This left NYC unable to meet obligations and borrow freely until state and federal intervention occurred

# Are you Sure?

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HOUSTON, LOCAL

**Houston City Council Approves \$7 Billion 'Balanced' Budget**

The budget uses city reserves to close a \$107 million shortfall.

**Here's the Real Reason Houston Is Going Broke**

Houston's fiscal problems are less critical than other major cities with large budget shortfalls—yet, their mayor is correct when he said his city is broke, that the financial approach of the city is clearly not working. Here's why.

Charles Marohn | Apr 1, 2024



(Source: Flickr/David Hough and Bowen.)

In 2025, the Houston City Council approved a \$7 billion budget that relied on about \$107 million from reserve funds to close a shortfall instead of raising property taxes. This technically balanced the budget, but it masked a structural deficit (ongoing spending > revenue).

The core of the problem is the way many cities prepare their budgets. Cities use cash accounting, which is different from accrual accounting. To oversimplify, cash accounting ignores promises and long-term liabilities that cities make, focusing only on the amount of cash coming in and going out. When the mayor of Houston says his city is “broke,” he doesn’t mean that they have lots of future promises and lack the capacity to meet them. That has long been the case, but that’s not what he’s saying. He’s saying they are running out of cash.

# Conclusion: Investing in Tomorrow

- The City's reserve funds are not extra or unused money.
- Reserves come from one-time events, careful spending, and project timing, not over-taxation
- Reserve funds protect essential services during emergencies and revenue shortfalls **AND**
- They allow the City to plan for large future needs without sudden tax increases
- Using reserves for daily operations creates long-term financial risk
- Responsible budgeting means preparing today to avoid crises tomorrow