

CITY OF FAIR OAKS RANCH CITY COUNCIL REGULAR MEETING

Thursday, May 01, 2025 at 6:30 PM

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

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

AGENDA

OPEN MEETING

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

CITIZENS and GUEST FORUM

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

3. Citizens to be heard

PRESENTATIONS

4. Municipal Clerks Week Proclamation

Gregory C. Maxton, Mayor

5. Police Week and Peace Officers Memorial Day Proclamation

Gregory C. Maxton, Mayor

6. Lemonade Day Proclamation

Gregory C. Maxton, Mayor

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

Gregory C. Maxton, Mayor

CONSENT AGENDA

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

8. Approval of the April 17, 2025 Regular City Council meeting minutes

Christina Picioccio, TRMC, City Secretary

- [9.](#) Approval of the second reading of an ordinance amending the budget for the fiscal year beginning October 1, 2024, and ending September 30, 2025

Summer Fleming, CGFO, Director of Finance

- [10.](#) Approval of the second reading of an ordinance of the City Council of the City Fair Oaks Ranch, Texas amending the Fair Oaks Ranch Code of Ordinances, Chapter 12 Traffic and Vehicles, Article 12.01 General Provisions, Section 12.01.002 Stop and Yield Signs by establishing a four-way stop intersection at Battle Intense, High Eschelon, and Hansel Drive

Carole Vanzant, CPM, Assistant City Manager

- [11.](#) Approval of the second reading of an ordinance of the City Council of the City of Fair Oaks Ranch, Texas, amending Chapter 1 General Provisions, Article 1.08 Boards, Commissions, and Committees, Section 1.08.001 Municipal Development District Board of Directors of the City of Fair Oaks Ranch Code of Ordinances

Laura Koerner, Council Member, Place 4
Scott M. Huizenga, ICMA-CM, City Manager

- [12.](#) Approval of a resolution authorizing the execution of an agreement with Clark Construction of Texas, Inc. for mill and overlay road construction, expenditure of the required funds, and execution of all applicable documents by the City Manager

Clayton Hoelscher, Procurement Manager

- [13.](#) Approval of a resolution authorizing the execution of an agreement with Intermountain Slurry Seal, Inc. for micro-surfacing, expenditure of the required funds, and execution of all applicable documents by the City Manager

Clayton Hoelscher, Procurement Manager

- [14.](#) Approval of a resolution authorizing the execution of a purchase order with Chastang Ford for a Ford F-450, expenditure of the required funds, and execution of all applicable documents by the City Manager

Clayton Hoelscher, Procurement Manager

CONSIDERATION/DISCUSSION ITEMS

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

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

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

Carole Vanzant, CPM, Assistant City Manager
Julie Lovelace, Accounting Manager

- [17.](#) Consideration and possible action approving a resolution authorizing a Utility Service Agreement between the City of Fair Oaks Ranch, Texas and AD Acquisitions, LLC regarding water and wastewater services for an 80.69-acre parcel of land at 29850 Ralph Fair Road, a portion of the Corley Tract, and execution of all applicable documents by the City Manager
Grant Watanabe, P.E., CFM, Director of Public Works and Engineering Services

WORKSHOP

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

Summer Fleming, CGFO, Director of Finance

REQUESTS AND ANNOUNCEMENTS

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

CONVENE INTO EXECUTIVE SESSION

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

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

22. Case No. 22-090-451; Vincent A. Caldarola, MD vs. City of Fair Oaks Ranch, Texas
23. Discussion related to possible terms and conditions necessary to resolve disputes that have been the subject of ongoing litigation with the development commonly known as Boerne Ranch Estates, LLC, aka Fair Oaks Meadows

RECONVENE INTO OPEN SESSION

Discussion and possible action on items discussed in Executive Session

ADJOURNMENT

Signature of Agenda Approval: s/Gregory C. Maxton

Gregory C. Maxton, Mayor

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

As per Texas Government Code 551.045, said Notice was posted by 6:30 PM, April 28, 2025 and remained so posted continuously for at least 72 hours before said meeting was convened. A quorum of various boards, committees, and commissions may attend the City Council meeting

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

PROCLAMATION

City of Fair Oaks Ranch

Office of the Mayor

WHEREAS, The Office of the Professional Municipal Clerk is the oldest among public servants, and a vital part of local government; and

WHEREAS, The Office of the Professional Municipal Clerk provides the professional link between the citizens, the local governing bodies, and agencies of government at other levels; and

WHEREAS, Professional Municipal Clerks have pledged to be ever mindful of their neutrality and impartiality, rendering equal service to all; and

WHEREAS, Professional Municipal Clerks serve as the information center for local government and community, managing, preserving, and providing city records to its citizens, thus ensuring a transparent open government; and

WHEREAS, Professional Municipal Clerks prepare, post, and advertise notices of the agenda for all official public meetings of City Council, Boards and Commissions; and

WHEREAS, Professional Municipal Clerks administer municipal elections according to established election schedules in accordance with all laws, the City Charter, Texas Election Code, regulations, and standards; and

WHEREAS, Professional Municipal Clerks maintain the seal of the City and affix the seal to all appropriate documents; and

WHEREAS, it is most appropriate that we recognize the accomplishments of the Office of the Professional Municipal Clerk.

NOW THEREFORE, I, Gregory C. Maxton, Mayor of the City of Fair Oaks Ranch, do recognize the week of May 4 through May 10, 2025, as Professional Municipal Clerks Week, and further extend appreciation to our Professional Municipal Clerks, Christina Picioccio and Amanda Valdez and to all Professional Municipal Clerks for the vital services they perform and their exemplary dedication to the communities they represent.

WITNESS MY HAND AND SEAL THIS 1st DAY OF MAY 2025.

Gregory C. Maxton, Mayor

Christina Picioccio, TRMC
City Secretary

PROCLAMATION
City of Fair Oaks Ranch
Office of the Mayor

WHEREAS, the Congress and President of the United States have designated May 15, 2025, as Peace Officers Memorial Day, and the week in which it falls as Police Week; and

WHEREAS, the members of the Fair Oaks Ranch Police Department play an essential role in safeguarding the rights and freedoms of the citizens of the City of Fair Oaks Ranch; and

WHEREAS, it is important that all citizens know and understand the problems, duties and responsibilities of their police department, and that members of our police department recognize their duty to serve the people by safeguarding life and property, by protecting them against violence or disorder, and by protecting the innocent against deception and the weak against oppression or intimidation; and

WHEREAS, the police department of the City of Fair Oaks Ranch has grown to be modern and scientific law enforcement agency which unceasingly provides a vital public service.

NOW, THEREFORE, I, Mayor Gregory C. Maxton call upon all citizens of the City of Fair Oaks Ranch and upon all patriotic, civil and educational organizations to observe the week of May 11th – May 17th, 2025, as Police Week with appropriate ceremonies in which all of our people may join in commemorating police officers, past and present, who by their faithful and loyal devotion to their responsibilities have rendered a dedicated service to their communities and, in doing so, have established for themselves an enviable and enduring reputation for preserving the rights and security of all citizens.

I FURTHER call upon all citizens of Fair Oaks Ranch to observe May 15th, as Peace Officers Memorial Day to honor those peace officers who, through their courageous deeds, have lost their lives or have become disabled in the performance of duty.

WITNESS MY HAND AND SEAL THIS 1st DAY OF MAY 2025

Gregory C. Maxton, Mayor

Christina Picioccio, TMCA
City Secretary

PROCLAMATION
City of Fair Oaks Ranch
Office of the Mayor

WHEREAS, in 2007, Prepared 4 Life, a non-profit organization, launched the “Lemonade Day” program to educate and equip young people with entrepreneurial skills; and

WHEREAS, Lemonade Day is a free, community-wide educational event providing children with the opportunity to learn and apply entrepreneurial thinking and create a foundation for success in the global economy by operating lemonade stands throughout the area; and

WHEREAS, Lemonade Day exists to infuse today’s youth with the spirit of enterprise, teaching the basic business and entrepreneurial skills necessary to become successful, contributing members of their communities; and

WHEREAS, Lemonade Day has a core philosophy of Spend, Save, and Share that is implemented by teaching children how to start, own and operate a business, learn goal setting, develop a business plan, establish a budget, seek investors, provide customer service and give back to the community; and

WHEREAS, Lemonade Day offers opportunities for families, businesses, schools, youth organizations, faith-based communities, neighborhoods, institutes of higher learning, and government agencies to unite for a common purpose – to train the next generation of entrepreneurs; and

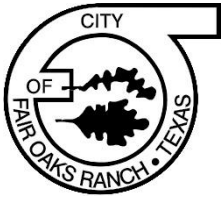
WHEREAS, selected and organized groups of children will be allowed to operate their Lemonade Day businesses in public areas.

NOW THEREFORE, by the power vested in me as Mayor of the City of Fair Oaks Ranch, Texas, I, hereby proclaim May 3, 2025, as “Lemonade Day in Fair Oaks Ranch” and the citizens of Fair Oaks Ranch are encouraged to participate in Lemonade Day activities to contribute to the success of this event.

WITNESS MY HAND AND SEAL THIS 1st DAY OF MAY 2025.

Gregory C. Maxton, Mayor

Christina Picioccio, TRMC,
City Secretary



CITY OF FAIR OAKS RANCH CITY COUNCIL REGULAR MEETING

Thursday, April 17, 2025 at 6:30 PM

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

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

MINUTES

OPEN MEETING

1. Roll Call - Declaration of a Quorum

Council Present: Mayor Maxton and Council Members: Stroup, Rhoden, Olvera, Koerner, Parker and Swarek

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

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

CITIZENS and GUEST FORUM

3. Citizens to be heard.

Resident Mary Kay Brond asked the City Council to consider a City-level measure requiring registration of landscape companies and the adoption of minimum performance standards. She explained that she has raised this concern with her HOA over the past ten years without resolution.

Resident Kevin Cox spoke in opposition of the proposed gateway monument and described it as financially irresponsible. He further requested that, if approved, a sign be displayed at the site indicating the total cost of the project.

Rachel Dominguez and Miguel Cantu, representing the Executive Board of the Alamo Chapter of Texas Municipal Clerks, presented Deputy City Secretary Amanda Valdez with a plaque and gifts in recognition of her service as Chapter President.

CONSENT AGENDA

Council Member Parker asked to remove Item 8 from the consent agenda for discussion.

Council Member Olvera asked to remove Item 6 from the consent agenda for discussion.

4. **Approval of the April 3, 2025 Regular City Council meeting minutes**
5. **Approval of the second reading of an ordinance amending the City of Fair Oaks Ranch Code of Ordinances, Chapter 3 Building Regulations, Article 3.03 Building Code, Article 3.04 Residential Code, Article 3.05 Energy Code, Article 3.06 Plumbing, Article 3.07 Electricity, Article 3.08 Mechanical Code, Article 3.09 Fuel Gas Code, Article 3.11 Swimming Pools and Spas, and Chapter 5 Fire Prevention and Protection, Article 5.02 Fire Code**
6. **Approval of a resolution authorizing the execution of an agreement with Perdue Brandon Fielder Collins & Mott, L.L.P. for the collection of delinquent utility accounts and execution of all applicable documents by the City Manager**

7. **Approval of the first reading of an ordinance of the City Council of the City of Fair Oaks Ranch, Texas, amending the Fair Oaks Ranch Code of Ordinances Chapter 12 Traffic and Vehicles, Article 12.01 General Provisions, Section 12.01.002 Stop and Yield Signs by establishing a four-way stop intersection at Battle Intense, High Eschelon, and Hansel Drive**
8. **Approval of the first reading of an ordinance of the City Council of the City of Fair Oaks Ranch, Texas, amending the Fair Oaks Ranch Code of Ordinances Chapter 12 Traffic and Vehicles, Article 12.01 General Provisions, Section 12.01.003 Prima Facie Speed Limit by reducing the maximum speed limit on No Le Hache between Fair Oaks Parkway and Dietz Elkhorn to 25 miles per hour**

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

VOTE: 7 - 0; Motion Passed.

CONSIDERATION/DISCUSSION ITEMS

6. **Approval of a resolution authorizing the execution of an agreement with Perdue Brandon Fielder Collins & Mott, L.L.P. for the collection of delinquent utility accounts and execution of all applicable documents by the City Manager**

MOTION: Made by Council Member Olvera, seconded by Council Member Rhoden, to approve a resolution authorizing the execution of an agreement with Perdue Brandon Fielder Collins & Mott, L.L.P. for the collection of delinquent utility accounts and execution of all applicable documents by the City Manager.

VOTE: 7 - 0; Motion Passed.

8. **Approval of the first reading of an ordinance of the City Council of the City of Fair Oaks Ranch, Texas, amending the Fair Oaks Ranch Code of Ordinances Chapter 12 Traffic and Vehicles, Article 12.01 General Provisions, Section 12.01.003 Prima Facie Speed Limit by reducing the maximum speed limit on No Le Hache between Fair Oaks Parkway and Dietz Elkhorn to 25 miles per hour**

MOTION 1: Made by Council Member Swarek, seconded by Council Member Olvera, to approve the first reading of an ordinance amending the City of Fair Oaks Ranch Code of Ordinances, Chapter 12 Traffic and Vehicles, Article 12.01 General Provisions, Section 12.01.003 Prima Facie Speed Limit by reducing the maximum speed limit on No Le Hache between Fair Oaks Parkway and Dietz Elkhorn to 25 miles per hour.

VOTE 1: 3 - 4; Motion Failed.
Council Members Stroup, Rhoden, Koerner, and Parker voted Nay

MOTION 2: Made by Council Member Koerner, seconded by Council Member Stroup, to refer this item back to the Transportation Safety Advisory Committee.

VOTE 2: 6 - 1; Motion Passed.
Council Member Olvera voted Nay

Meeting Recess due to live stream technical issues: 7:13 PM

Meeting Resumed: 7:30 PM

9. Consideration and possible action approving a resolution authorizing execution of a Chapter 377 project funding agreement with the Fair Oaks Ranch Municipal Development District, and execution of all applicable documents by the City Manager

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

VOTE: 7 - 0; Motion Passed.

10. Approval of a resolution authorizing the execution of an agreement with AAA Time Saver Services for the construction of a gateway feature monument

MOTION: Made by Council Member Rhoden, seconded by Council Member Olvera, to approve a resolution authorizing the City Manager to execute an agreement with AAA Time Saver Services for the construction of a gateway feature monument in an amount not to exceed \$199,840.00.

VOTE: 7 - 0; Motion Passed.

11. Consideration and possible action approving an amendment to the Municipal Development District Budget for the fiscal year beginning October 1, 2024, and ending September 30, 2025

MOTION: Made by Council Member Olvera, seconded by Council Member Swarek, to approve an amendment to the Municipal Development District budget for the fiscal year beginning October 1, 2024, and ending September 30, 2025.

VOTE: 7 - 0; Motion Passed.

12. Consideration and possible action approving the first reading of an ordinance amending the budget for the fiscal year beginning October 1, 2024, and ending September 30, 2025

MOTION: Made by Council Member Swarek, seconded by Council Member Parker, to approve the first reading of an ordinance amending the budget for the fiscal year beginning October 1, 2024, and ending September 30, 2025.

VOTE: 7 - 0; Motion Passed.

13. Consideration and possible action approving a resolution adopting the proposed benchmark organizations for the FY 2024-25 Compensation and Benefits Study

MOTION: Made by Council Member Rhoden, seconded by Council Member Stroup, to approve a resolution adopting the proposed benchmark target recommendations as presented for the FY 2024-25 Comprehensive Compensation and Benefits Study and future market comparisons.

VOTE: 7 - 0; Motion Passed.

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

MOTION: Made by Council Member Koerner, seconded by Council Member Rhoden, to approve a resolution amending the City of Fair Oaks Ranch's Personnel Policies as proposed, with the additional change to Section 8.09.02 to increase employee voting leave from one hour to two hours.

VOTE: 7 - 0; Motion Passed.

15. Consideration and possible action to approve the first reading of an ordinance of the City Council of the City of Fair Oaks Ranch, Texas, amending Chapter 1 General Provisions, Article 1.08 Boards, Commissions, and Committees, Section 1.08.001 Municipal Development District Board of Directors of the City of Fair Oaks Ranch Code of Ordinances

MOTION: Made by Council Member Stroup, seconded by Council Member Koerner, to approve the first reading of an ordinance amending the City of Fair Oaks Ranch Code of Ordinances, Chapter 1 General Provisions, Article 1.08 Boards, Commissions, and Committees, Section 1.08.001 Municipal Development District Board of Directors.

VOTE: 7 - 0; Motion Passed.

WORKSHOP

16. FY 2025-26 Strategic Action Plan

Jim Williams, Assistant City Manager, led a workshop with the Council outlining the plan and proposed changes from staff. Council Member Koerner suggested holding a work session to develop a new Strategic Plan, similar to the one conducted during the previous review, in which Council and staff spent a full day working on the plan at an offsite location.

REQUESTS AND ANNOUNCEMENTS

17. Announcements and reports by Mayor and Council Members.

Council Member Rhoden invited residents to visit Spotted Deer on April 26, 2025, from 10:00 AM to 11:30 AM to discuss City-related matters with him.

Council Member Stroup reminded everyone that Early Voting in the City's general election begins next week. Mayor Maxton expanded on the election by detailing that Election Day is Saturday, May 3, 2025. Early voting takes place from April 22-29, 2025. During Early Voting, all registered Fair Oaks residents can vote in the Public Safety Training Room of the Police Station or the Kendall County Courthouse Annex. On Election Day Fair Oaks all registered residents can vote in the Public Safety Training Room of the Police Station or Boerne City Hall.

The Mayor also reminded everyone that City Hall will be closed Friday, April 18, 2025 in observance of Good Friday. Mayor Maxton also announced that National Volunteer Recognition Week is April 20-26, 2025 and explained how the City was founded by volunteers and still relies on volunteers to serve on Council and other Committees, Commissions and Boards. He asked that everyone recognize those individuals for the impact they make on our community. Lastly, Mayor Maxton asked for recognition of the City's Administrative Professionals during National Administrative

Professional Day on April 23, 2025. He encourages everyone to recognize Kimberly Corbin, Audra Duran, Brianna Lopez, Yvonne Medina, Jennifer Koontz, Rachel Brown, and Amanda Wade for the exceptional service they provide to residents of our City.

18. Announcements by the City Manager.

N/A

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

N/A

CONVENE INTO EXECUTIVE SESSION

City Council did not convene into closed session regarding:

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

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

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

RECONVENE INTO OPEN SESSION

N/A

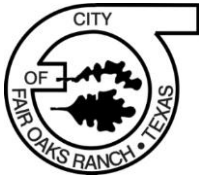
ADJOURNMENT

Mayor Maxton adjourned the meeting at 8:51 PM.

ATTEST:

Gregory C. Maxton, Mayor

Christina Picioccio, TRMC, City Secretary



CITY COUNCIL CONSENT ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Approval of the second reading of an ordinance amending the budget for the fiscal year beginning October 1, 2024, and ending September 30, 2025

DATE: May 1, 2025

DEPARTMENT: Finance

PRESENTED BY: Consent Item: Summer Fleming, CGFO, Director of Finance

INTRODUCTION/BACKGROUND:

On April 3, 2025, City Council approved a resolution authorizing execution of a Purchase and Sale Agreement with the City of Boerne for the acquisition of real property for a total purchase price of \$543,628.80 plus applicable closing costs. A corresponding budget appropriation is required to fund this expenditure.

Additionally, on April 17, 2025, City Council approved a resolution authorizing execution of a project funding agreement with the Fair Oaks Ranch Municipal Development District for an awarded grant in the amount of \$224,840 for the design and construction of a gateway monument, and a resolution authorizing the execution of a construction contract with AAA Time Saver Services in the amount of \$199,840 for the construction of the gateway monument.

This budget amendment is required to appropriate funds for the cost of the construction contract and corresponding revenue to record the awarded grant from the MDD.

The first reading of this ordinance was approved by City Council on April 17, 2025.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

The purchase of land for an above-ground storage tank serves a public purpose and provides for the health, safety, and general welfare of the Fair Oaks Ranch citizens. The construction of a gateway monument will enhance the entryway into the City and establish a strong visual identity promoting civic pride and supporting the beautification of the City.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The proposed budget amendment will increase appropriations in the Water Capital Fund by \$543,628.80. Funds for the purchase of land associated with the above-ground water storage facility are reserved from contribution-in-aid and impact fees collected. The amendment will also increase appropriations in the Strategic Projects Fund by \$199,840 for the construction of a gateway monument and increase corresponding grant revenues by \$224,840 awarded for the project.

LEGAL ANALYSIS:

Approved as to form.

RECOMMENDATION/PROPOSED MOTION:

Consent Item: I move to approve the second reading of an ordinance amending the budget for the fiscal year beginning October 1, 2024, and ending September 30, 2025.

AN ORDINANCE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS, AMENDING THE BUDGET OF THE CITY OF FAIR OAKS RANCH, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024, AND ENDING SEPTEMBER 30, 2025

WHEREAS, on April 3, 2025, City Council approved a resolution authorizing execution of a Purchase and Sale Agreement with the City of Boerne for the purchase of real property in conjunction with the construction of an above-ground water storage facility in the amount of \$543,628.80 plus all closing costs associated with the transaction; and,

WHEREAS, on April 17, 2025, City Council approved a resolution authorizing execution of a Chapter 377 project funding agreement with the Fair Oaks Ranch Municipal Development District in the amount of \$224,840.00 for the design and construction of a Gateway Monument, and,

WHEREAS, on April 17, 2025, City Council approved a Resolution authorizing the execution of a construction contract with AAA Time Saver Services in the amount of \$199,840.00 for the construction of a Gateway Monument, and,

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

WHEREAS, the City Council finds the budget amendment as detailed in **Exhibit A** is warranted to fund the agreements as authorized by City Council.

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

- Section 1.** The City Secretary is hereby directed to file this ordinance as an amendment to the original budget and the Director of Finance is hereby directed to amend the original budget with the amendments listed in the attached **Exhibit A**.
- Section 2.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.
- Section 3.** It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance be severable, and, if any phrase, clause, sentence, paragraph, or section of this ordinance shall be declared invalid by judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, or sections of this ordinance and the remainder of this ordinance shall be enforced as written.
- Section 4.** That it is officially found, determined, and declared that the meeting at which this ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 5. The provisions of this ordinance shall be cumulative of all ordinances not repealed by this ordinance and ordinances governing or regulating the same subject matter as that covered herein.

Section 6. If any provision of this ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this ordinance would have been enacted without such invalid provision.

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

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

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

PASSED and APPROVED on first reading by the City Council of the City of Fair Oaks Ranch, Texas, on this 17th day of April 2025.

PASSED, APPROVED, and ADOPTED on second and final reading by the City Council of the City of Fair Oaks Ranch, Texas, on reading this 1st day of May 2025.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, TRMC
City Secretary

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

**PROPOSED BUDGET AMENDMENTS
CITY OF FAIR OAKS RANCH
FISCAL YEAR 10/1/2024 - 9/30/2025**

Proposed Increases to Budgeted Expenditures

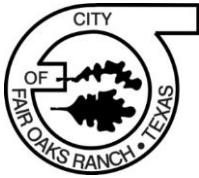
<u>Dep't</u>	<u>Acct #</u>	<u>Acct Name</u>	<u>Item</u>	<u>Amount</u>
Water Utility	22-504-101	Elevated Storage Tank	Land acquisition for elevated storage tank	\$ 543,629
SAP	02-506-105	Gateway Monument	Construction of Gateway Monument	\$ 199,840
Total Proposed Expenditure Increases				\$ 743,469

Proposed Increases to Budgeted Revenues

	<u>Acct #</u>	<u>Acct Name</u>	<u>Reason for Budget Surplus</u>	<u>Amount</u>
Revenue	01-400-930	Grants & Contributions	Grant funds awarded by the MDD	\$ 224,840
Total Proposed Revenue Increases/Expenditure Decreases				\$ 224,840

Transfers Required Between Funds

<u>Acct #</u>	<u>Acct Name</u>	<u>Item</u>	<u>Amount</u>
Total Net Transfers between Funds			\$ -



CITY COUNCIL CONSENT ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Approval of the second reading of an ordinance of the City Council of the City Fair Oaks Ranch, Texas amending the Fair Oaks Ranch Code of Ordinances, Chapter 12 Traffic and Vehicles, Article 12.01 General Provisions, Section 12.01.002 Stop and Yield Signs by establishing a four-way stop intersection at Battle Intense, High Eschelon, and Hansel Drive

DATE: May 1, 2025

DEPARTMENT: Public Works

PRESENTED BY: Consent Item: Carole Vanzant, CPM, Assistant City Manager

INTRODUCTION/BACKGROUND:

Chapter 12, Section 12.01.002 of the City Code of Ordinances provides for the placement of traffic-control signs in the city. Stop and yield signs provide enhanced safe and efficient intersections for vehicles and pedestrians.

In 2024, the City Council established the Transportation Safety Advisory Committee ("TSAC") to assist in the continuance of the city's quality of life through a citizen-government partnership that promotes safe and secure public roads and walks. The TSAC rules of procedures, section 5.1 states TSAC shall review transportation safety issues related to public transportation infrastructure that has been properly submitted to the Committee either by Fair Oaks Ranch citizens or by the City, and after due consideration and affirmative Committee vote, recommend action for City Council consideration.

- January 2024 - the City received a request from a resident requesting the intersection of Battle Intense, High Eschelon, and Hansel Drive as a four-way stop due to the intersection being used by children, golf carts, runners, and cyclists, the speed of vehicles on Battle Intense from Fair Oaks Parkway, drivers on Hansel Drive being unaware that the intersection is not a four-way stop, and due to steep streets.
- February 2025 - After reviewing and discussing the request, TSAC made an affirmative vote recommending the intersection of Battle Intense, High Eschelon, and Hansel Drive as a four-way stop due to area resident's support, the intersection being offset, and the special conditions listed in the February 2024 Battle Intense, High Eschelon, and Hansel Drive Intersection Analysis.
- March 2025 - The TSAC Chair and Assistant City Manager provided the City Council with a presentation of the request and recommendation. After discussing, the Council directed the preparation of an ordinance establishing a four-way stop intersection at Battle Intense, High Eschelon, and Hansel Drive.
- April 17, 2025 - The City Council approved the first reading of an ordinance establishing a four-way stop intersection at Battle Intense, High Eschelon, and Hansel Drive.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

- Provides for the continued improvement of the residents' quality of life relative to transportation safety.
- Provides for a citizen-government partnership.
- Meets the City's Strategic Action Plan pillars of Reliable and Sustainable Infrastructure and Responsible Growth.
- Complies with the City Council directive of March 20, 2025.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

\$250 for the purchase and installation of a stop sign on Battle Intense at High Eschelon.

LEGAL ANALYSIS:

Ordinance approved as to form.

RECOMMENDATION/PROPOSED MOTION:

Consent Item: I move to approve the second reading of an ordinance amending the City of Fair Oaks Ranch Code of Ordinances, Chapter 12 Traffic and Vehicles, Article 12.01 General Provisions, Section 12.01.002 Stop and Yield signs establishing a four-way stop intersection at Battle Intense, High Eschelon, and Hansel Drive.

AN ORDINANCE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS, AMENDING THE FAIR OAKS RANCH CODE OF ORDINANCES CHAPTER 12 TRAFFIC AND VEHICLES, ARTICLE 12.01 GENERAL PROVISIONS, SECTION 12.01.002 STOP AND YIELD SIGNS BY ESTABLISHING A FOUR-WAY STOP INTERSECTION AT BATTLE INTENSE, HIGH ESCHOLON, AND HANSEL DRIVE, PROVIDING FOR REPEALING, SAVINGS, AND SEVERABILITY CLAUSES, AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, Chapter 12, Section 12.01.002 of the City of Fair Oaks Ranch Code of Ordinances provides for the placement of traffic-control signs in the City of Fair Oaks Ranch, and

WHEREAS, stop signs provide enhanced safe and efficient intersections for vehicles and pedestrians, and

WHEREAS, in January 2024, the City received a resident request establishing the intersection of Battle Intense, High Eschelon, and Hansel Drive as a four-way stop, and

WHEREAS, on February 26, 2025, after reviewing and discussing the request, the Fair Oaks Ranch Transportation Safety Advisory Committee ("TSAC") made an affirmative Committee vote to recommend adding a stop sign on Battle Intense at the intersection of High Eschelon due to area residents' support, the intersection being offset, and the special conditions in the February 2024 Intersection Analysis of Battle Intense, Hansel and High Eschelon; and

WHEREAS, pursuant the TSAC Rules of Procedure, after due consideration and an affirmative Committee vote, recommended actions are advanced to the City Council for consideration; and

WHEREAS, on March 20, 2025, after reviewing the TSAC recommendation, the City Council directed the preparation of an ordinance placing a stop sign on Battle Intense at the intersection of High Eschelon; and

WHEREAS, the City Council finds for the safety of city residents establishing a four-way stop intersection at Battle Intense, High Eschelon, and Hansel Drive is warranted.

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

Section 1. The Fair Oaks Ranch Code of Ordinances Chapter 12 Traffic and Vehicles, Article 12.01 General Provisions, Section 12.01.002 is hereby amended establishing a four-way stop intersection at Battle Intense, High Eschelon, and Hansel Drive as show in **Exhibit A**.

Section 2. That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.

Section 3. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance be severable, and, if any phrase, clause, sentence, paragraph, or section of this ordinance shall be declared invalid by judgment or decree of any court of competent jurisdiction, such invalidity shall not

affect any of the remaining phrases, clauses, sentences, paragraphs, or sections of this ordinance and the remainder of this ordinance shall be enforced as written.

- Section 4.** That it is officially found, determined, and declared that the meeting at which this ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.
- Section 5.** The provisions of this ordinance shall be cumulative of all ordinances not repealed by this ordinance and ordinances governing or regulating the same subject matter as that covered herein.
- Section 6.** If any provision of this ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this ordinance would have been enacted without such invalid provision.
- Section 7.** All ordinances, or parts thereof, which are in conflict or inconsistent with any provision of this ordinance are hereby repealed to the extent of such conflict, and the provisions of this ordinance shall be and remain controlling as to the matters ordained herein.
- Section 8.** This ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.
- Section 9.** This ordinance shall take effect immediately from and after its second reading, passage and any publication requirements as may be required by governing law.

PASSED and APPROVED on first reading by the City Council of the City of Fair Oaks Ranch, Texas, on this 17th of April 2025.

PASSED, APPROVED, and ADOPTED on second and final reading by the City Council of the City of Fair Oaks Ranch, Texas, on reading this 1st day of May 2025.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, TRMC
City Secretary

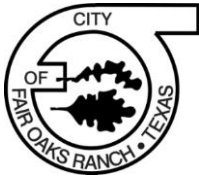
Denton Navarro Rodriguez Bernal Santee & Zech
P.C., City Attorney

EXHIBIT A

Chapter 12 Traffic and Vehicles; Article 12.01 General Provisions; Section 12.01.002 is hereby amended as follows:

[Deletions shown as strikethrough and Additions shown as underscore]:

<i>Non-Private Subdivision</i>		
<i>Through Street</i>	<i>Stop Sign Street</i>	<i>Yield Sign Street</i>
Battle Intense	Hansel Drive (x2)	
Battle Intense	High Eschelon	
<u>High Eschelon</u>	<u>Battle Intense</u>	Battle Intense
<u>Hansel Drive</u>	<u>Battle Intense</u>	



CITY COUNCIL CONSENT ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Approval of the second reading of an ordinance of the City Council of the City of Fair Oaks Ranch, Texas, amending Chapter 1 General Provisions, Article 1.08 Boards, Commissions, and Committees, Section 1.08.001 Municipal Development District Board of Directors of the City of Fair Oaks Ranch Code of Ordinances

DATE: May 1, 2025

DEPARTMENT: Administration

PRESENTED BY: Consent Item: Laura Koerner, Council Member, Place 4
Scott M. Huizenga, ICMA-CM, City Manager

INTRODUCTION/BACKGROUND:

This item is a new version of an ordinance amending the composition of the Municipal Development District (MDD) Board of Directors. A previous version of this ordinance was approved on first reading but postponed indefinitely on the second reading. The MDD Board met on April 9, 2025, and adopted a revised recommendation for City Council consideration. The updated ordinance:

- Removes place designations for board seats.
- Limits membership to no more than two City Council members and one FORHA board member.
- Clarifies how to handle board members whose affiliation changes during a term.
- Reflects input directly from the MDD Board in Exhibit A.

Background and History

The MDD was established in 2011 with the purpose of providing a stimulus of economic growth within the City. The citizens of Fair Oaks Ranch approved a 0.5-cent tax to be added to the municipal sales tax as a funding source. In August 2011 the City Council created a Board of Directors (the “board”) to manage and control the District as a separate political subdivision of the City.

The current board composition consists of seven (7) Directors, each of whom shall be appointed by the City Council. Two (2) Directors shall be persons who are members of the City Council, and one (1) Director shall be a person who is a member of the City’s Homeowner’s Board of Directors. Each Director shall be appointed to a place as follows:

- (A) Place one: City Councilmember.
- (B) Place two: City Councilmember.
- (C) Place three: Member of the City’s Homeowner’s Board of Directors.
- (D) Place four: At-large.

(E) Place five: At-large.

(F) Place six: At-large.

(G) Place seven: At-large.

Each Director shall be appointed for a two (2) year staggered term to begin October 1st and end on September 30th of the second year. A Director shall serve until a successor is appointed. Any Director may be removed by the City Council at any time without cause.

The existing ordinance assigns board members to specific place designations, including two City Council members and one FORHA Board member. However, this rigid structure has created practical challenges:

- Term alignment between Council, FORHA, and MDD appointees often causes discrepancies;
- Confusion arises when a board member's status changes mid-term (e.g., a resident becomes a council member after appointment as an at-large member).

On April 3 the City Council postponed the second reading of the previously proposed ordinance indefinitely to allow the MDD Board time to reevaluate the structure. The MDD subsequently approved revised Rules of Procedure on April 9 and recommended updates to the ordinance. These updates are incorporated into the attached ordinance via Exhibit A. The board recommendation is attached as depicted in Exhibit A of the ordinance. The primary recommendations include the following changes.

- No more than two MDD directors shall be City Council members and no more than one director shall be a board member of the Fair Oaks Ranch Homeowners' Association.
- The Council may allow a director to complete their term or appoint a replacement if the director no longer serves in their appointed capacity as a council member or a FORHA director.
- The Council may allow a director to complete their term or appoint a replacement if the director is subsequently elected to the City Council or the FORHA board.
- The ordinance removes place designations to remove potential conflicts when a director's status as a council member or a FORHA director changes.

The proposed draft represents a substantive change from the previous ordinance that the City Council passed on first reading and subsequently postponed.

City Council approved the first reading of this ordinance on April 17, 2025.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

- Complies with Texas Local Government Code Chapter 377 Municipal Development Districts
- Clarifies conflicts created by misaligned term dates and role transitions
- Provides practical governance flexibility while preserving representation

LONGTERM FINANCIAL & BUDGETARY IMPACT:

Not Applicable

LEGAL ANALYSIS:

Approved as to form.

RECOMMENDATION/PROPOSED MOTION:

Consent Item: I move to approve the second reading of an ordinance amending the City of Fair Oaks Ranch Code of Ordinances, Chapter 1 General Provisions, Article 1.08 Boards, Commissions, and Committees, Section 1.08.001 Municipal Development District Board of Directors.

AN ORDINANCE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS, AMENDING CHAPTER 1 GENERAL PROVISIONS, ARTICLE 1.08 BOARDS, COMMISSIONS, AND COMMITTEES, SECTION 1.08.001 MUNICIPAL DEVELOPMENT DISTRICT BOARD OF DIRECTORS OF THE CITY OF FAIR OAKS RANCH CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY AND REPEALING CLAUSES; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, Texas Local Government Code Chapter 377 provides for the creation and governance of Municipal Development Districts (MDD), to include the appointment of directors, and

WHEREAS, section 1.08.001 of the City of Fair Oaks Ranch Code of Ordinances (City Code) provides for the creation and composition of the MDD Board of Directors, and

WHEREAS, the MDD board met on April 9, 2025, and discussed proposed changes to the MDD's rules of procedure, including recommendations on board composition, and

WHEREAS, at the April 9, 2025, meeting, the MDD board voted to request that City Council amend Section 1.08.001 of City Code to change the MDD board composition as set forth in Exhibit A, attached.

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

- Section 1.** Chapter 1 General Provisions, Article 1.08 Boards, Commissions, and Committees, Section 1.08.001 Municipal Development District Board of Directors is hereby amended as set forth in the attached **Exhibit A**.
- Section 2.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this ordinance for all purposes and are adopted as a part of the judgment and findings of the Council.
- Section 3.** It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance be severable, and, if any phrase, clause, sentence, paragraph, or section of this ordinance shall be declared invalid by judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, or sections of this ordinance and the remainder of this ordinance shall be enforced as written.
- Section 4.** That it is officially found, determined, and declared that the meeting at which this ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.
- Section 5.** The provisions of this ordinance shall be cumulative of all ordinances not repealed by this ordinance and ordinances governing or regulating the same subject matter as that covered herein.

Section 6. If any provision of this ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City hereby declares that this ordinance would have been enacted without such invalid provision.

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

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

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

PASSED and APPROVED on first reading by the City Council of the City of Fair Oaks Ranch, Texas, on this 17th day of April 2025.

PASSED, APPROVED, and ADOPTED on second and final reading by the City Council of the City of Fair Oaks Ranch, Texas, on this 1st day of May 2025.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, TRMC
City Secretary

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

EXHIBIT A

Chapter 1 "General Provisions;" Article 1.08 "Boards, Commissions, and Committees", Section 1.08.001 "Municipal Development District Board of Directors" is hereby amended as follows:

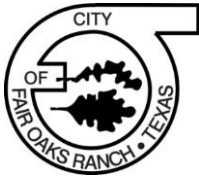
[Deletions shown as strikethrough and additions shown as underscore]

Sec. 1.08.001 - Municipal Development District Board of Directors

- (a) Creation of Board of Directors. A Board of Directors (the "board") which is hereby created which shall manage and control the district. The board shall exercise all of the powers of the district subject to the restrictions imposed by law and any duly and properly enacted bylaws adopted by the board.
- (b) Composition and terms of office.
- (1) The board shall consist of seven (7) Directors, each of whom shall be appointed by the City Council by resolution. Each of the Directors shall be a resident of the ~~City or a resident of the City's extraterritorial jurisdiction.~~ district. No more than two (2) Directors shall be persons who are members of the City Council and no more than one (1) Director shall be a person who is a member of ~~City's Homeowner's~~ the Fair Oaks Ranch Homeowners Association Board of Directors.
 - ~~(A) Place one: City Councilmember.~~
 - ~~(B) Place two: City Councilmember.~~
 - ~~(C) Place three: Member of the City's Homeowner's Board of Directors.~~
 - ~~(D) Place four: At large.~~
 - ~~(E) Place five: At large.~~
 - ~~(F) Place six: At large.~~
 - ~~(G) Place seven: At large.~~
 - (2) Each Director shall be appointed for a two (2) year staggered term to begin on October 1st and end on September 30th of the second year. A Director shall serve until a successor is appointed.
 - (3) If a Director appointed in their capacity as a member of the City Council or the Fair Oaks Ranch Homeowners Association Board of Directors no longer serves in that capacity, the City Council may allow the individual to complete the remainder of their term or appoint a replacement to serve the unexpired term.
 - (4) If a Director is subsequently elected to the City Council or the Fair Oaks Ranch Homeowners Association Board of Directors, the Council may allow the individual to complete their term or appoint a replacement to serve the unexpired term.

~~(5) (3)~~ Any Director may be removed from the board by the City Council at any time without cause.

- (c) Annual budget. The fiscal year of the district shall commence on October 1st of each year and end on September 30th of the following year. The board's budget shall be approved by the City Council no later than the City Council's ~~regular~~ last September council meeting.
- (d) Annual audit. The district's financial books, records, accounts, and financial statements shall be audited at least once each fiscal year by an outside, independent auditing and accounting firm at the expense of the district. A copy of the final audit shall be filed with the City Secretary no later than March 30th of the following fiscal year for which the audit is performed for.



CITY COUNCIL CONSENT ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Approval of a resolution authorizing the execution of an agreement with Clark Construction of Texas, Inc. for mill and overlay road construction, expenditure of the required funds, and execution of all documents by the City Manager

DATE: May 1, 2025

DEPARTMENT: Finance

PRESENTED BY: Consent Item: Clayton Hoelscher, Procurement Manager

INTRODUCTION/BACKGROUND:

The City budgeted \$900,000 for various street maintenance projects this fiscal year. This agenda item covers the mill and overlay component of the program.

The City is utilizing an Interlocal Agreement for this purchase. The City has an Interlocal Agreement with Bexar County, allowing the City to take advantage of the bid pricing the County receives. The lowest bidding contractor from the Bexar County competitive bid was Clark Construction of Texas, Inc. This year's plans include approximately 3,900 square yards of mill and overlay construction.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

- Supports Priority 3.4 of the Strategic Action Plan to Enhance and Ensure Continuity of Reliable Roadway Improvement Initiatives
- Utilizing the pricing from the Interlocal Agreements and Purchasing Cooperative allows the City to take advantage of pricing that was received for larger quantity projects
- Complies with Competitive Procurement Requirements

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The City budgeted \$900,000 for this year's Street Maintenance and Repair Program. This agreement will cover the mill and overlay component of the program. The cost for this work is \$111,199.03, with 5% contingency in the amount of \$5,559.95, for a total cost of \$116,758.98.

LEGAL ANALYSIS:

The Contractor will be required to sign and adhere to the City's Standard Construction Agreement prior to the commencement of work. A copy is attached.

RECOMMENDATION/PROPOSED MOTION:

Consent Item: I move to approve a resolution authorizing the execution of an agreement with Clark Construction of Texas, Inc., expenditure of the required funds, and execution of all applicable documents by the City Manager.

A RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH CLARK CONSTRUCTION OF TEXAS, INC. FOR MILL AND OVERLAY ROAD CONSTRUCTION, EXPENDITURE OF THE REQUIRED FUNDS, AND EXECUTION OF ALL APPLICABLE DOCUMENTS BY THE CITY MANAGER

WHEREAS, the City of Fair Oaks Ranch (the “City”) included funds in FY 2024-25 for the Street Maintenance Program, and

WHEREAS, the cost for the mill and overlay component of the program is \$116,758.98, and

WHEREAS, Chapter 791 of the Texas Government Code allows local governments to enter into Interlocal Agreements with other local governments or state agencies, and

WHEREAS, the City previously executed an Interlocal Agreement with Bexar County which allows the City to utilize existing pricing, and

WHEREAS, the City Council of the City of Fair Oaks Ranch supports this purchase and authorizes the execution of an agreement with Clark Construction of Texas, Inc. **(Exhibit A)**.

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

- Section 1** The City Council hereby authorizes the City Manager to execute an agreement with Clark Construction of Texas, Inc. for mill and overlay road construction, to expend required funds up to \$116,758.98 including contingency, and to execute any and all applicable documents to effectuate this resolution.
- Section 2.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the Council.
- Section3.** If any provision of this resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this resolution would have been enacted without such invalid provision.
- Section 4.** That it is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.
- Section 5.** All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this resolution are hereby repealed to the extent of such conflict, and the provision of this resolution shall be and remain controlling as to the matters resolved herein.

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

PASSED, APPROVED, and ADOPTED on this 1st day of May 2025.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, TRMC
City Secretary

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

CITY OF FAIR OAKS RANCH
CONSTRUCTION AGREEMENT

THE STATE OF TEXAS §
 §
 KENDALL COUNTY §

This Construction Agreement ("Agreement") is made and entered by and between the City of Fair Oaks Ranch, Texas, (the "City") a Texas municipality, and Clark Construction of Texas, Inc. ("Contractor").

Section 1. Duration. This Agreement shall become effective upon the date of the final signature affixed hereto and shall remain in effect until satisfactory completion of the Scope of Work unless terminated as provided for in this Agreement.

Section 2. Scope of Work.

(A) Contractor shall perform the Work as more particularly described in the Scope of Work attached hereto as Exhibit "A". The work as described in the Scope of Work constitutes the "Project".

(B) The Quality of Work provided under this Agreement shall be of the level of quality performed by Contractors regularly rendering this type of service.

(C) The Contractor shall perform its Work for the Project in compliance with all statutory, regulatory and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.

(D) The Contractor may rely upon the accuracy of reports and surveys provided to it by the City except when defects should have been apparent to a reasonably competent Contractor or when it has actual notice of any defects in the reports and surveys.

Section 3. Compensation.

(A) The Contractor shall be paid in the manner set forth in Exhibit "A" and as provided herein.

(B) *Billing Period:* The Contractor may submit monthly, or less frequently, an invoice for payment based on the estimated completion of the described tasks and approved work schedule. Subject to Chapter 2251, Texas Government Code (the "Prompt Payment Act"), payment is due within thirty (30) days of the City's receipt of the Contractor's invoice. Interest on overdue payments shall be calculated in accordance with the Prompt Payment Act.

(C) *Reimbursable Expenses:* Any and all reimbursable expenses related to the Project shall be included in the scope of Work (Exhibit A) and accounted for in the total contract amount.

Section 4. Time of Completion.

The prompt completion of the Work under the Scope of Work relates is critical to the City. Unnecessary delays in providing Work under a Scope of Work shall be grounds for dismissal of the Contractor and termination of this Agreement without any or further liability to the City other than a prorated payment for necessary, timely, and conforming work done by Contractor prior to the time of termination. The Project shall be completed for inspection and acceptance by the City on or before September 30, 2025.

Section 5. Insurance.

Before commencing work under this Agreement, Contractor shall obtain and maintain the liability insurance provided for below throughout the term of the Project plus an additional two years. Contractor shall provide evidence of such insurance to the City. Such documentation shall meet the requirements noted in Exhibit B.

Contractor shall maintain the following limits and types of insurance:

Workers Compensation Insurance: Contractor shall carry and maintain during the term of this Agreement, workers compensation and employers' liability insurance meeting the requirements of the State of Texas on all the Contractor's employees carrying out the work involved in this contract.

General Liability Insurance: Contractor shall carry and maintain during the term of this Agreement, general liability insurance on a per occurrence basis with limits of liability not less than \$1,000,000 for each occurrence and for fire damage. For Bodily Injury and Property Damage, coverage shall be no less than \$1,000,000. As a minimum, coverage for Premises, Operations, Products and Completed Operations shall be \$2,000,000. This coverage shall protect the public or any person from injury or property damages sustained by reason of the Contractor or its employees carrying out the work involved in this Agreement. The general aggregate shall be no less than \$2,000,000.

Automobile Liability Insurance: Contractor shall carry and maintain during the term of this Agreement, automobile liability insurance with either a combined limit of at least \$1,000,000 per occurrence for bodily injury and property damage or split limits of at least \$1,000,000 for bodily injury per person per occurrence and \$1,000,000 for property damage per occurrence. Coverage shall include all owned, hired, and non-owned motor vehicles used in the performance of this contract by the Contractor or its employees.

Subcontractor: In the case of any work sublet, the Contractor shall require subcontractor and independent contractors working under the direction of either the Contractor or a

subcontractor to carry and maintain the same workers compensation and liability insurance required of the Contractor.

Qualifying Insurance: The insurance required by this Agreement shall be written by non-assessable insurance company licensed to do business in the State of Texas and currently rated "B+" or better by the A.M. Best Companies. All policies shall be written on a "per occurrence basis" and not a "claims made" form.

Evidence of such insurance shall be attached as Exhibit "C".

Section 6. Miscellaneous Provisions.

(A) *Subletting.* The Contractor shall not sublet or transfer any portion of the work under this Agreement, or any Scope of Work issued pursuant to this Agreement unless specifically approved in writing by the City, which approval shall not be unreasonably withheld. Subcontractors shall comply with all provisions of this Agreement and the applicable Scope of Work. The approval or acquiescence of the City in the subletting of any work shall not relieve the Contractor of any responsibility for work done by such subcontractor.

(B) *Compliance with Laws.* The Contractor shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts, administrative, or regulatory bodies in any matter affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Contractor shall furnish the City with satisfactory proof of compliance.

(C) *Independent Contractor.* Contractor acknowledges that Contractor is an independent contractor of the City and is not an employee, agent, official or representative of the City. Contractor shall not represent, either expressly or through implication, that Contractor is an employee, agent, official or representative of the City. Income taxes, self-employment taxes, social security taxes and the like are the sole responsibility of the Contractor.

(D) *Non-Collusion.* Contractor represents and warrants that Contractor has not given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any person as an inducement to or in order to obtain the work to be provided to the City under this Agreement. Contractor further agrees that Contractor shall not accept any gift, bonus, commission, money, or other consideration from any person (other than from the City pursuant to this Agreement) for any of the Work performed by Contractor under or related to this Agreement. If any such gift, bonus, commission, money, or other consideration is received by or offered to Contractor, Contractor shall immediately report that fact to the City and, at the sole option of the City, the City may elect to accept the consideration for itself or to take the value of such consideration as a credit against the compensation otherwise owing to Contractor under or pursuant to this Agreement.

(E) *Force Majeure*. If the performance of any covenant or obligation to be performed hereunder by any party is delayed as a result of circumstances which are beyond the reasonable control of such party (which circumstances may include, without limitation, pending litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not of limitation, severe rain storms or below freezing temperatures, or tornados] labor action, strikes or similar acts, moratoriums or regulations or actions by governmental authorities), the time for such performance shall be extended by the amount of time of such delay, but no longer than the amount of time reasonably occasioned by the delay. The party claiming delay of performance as a result of any of the foregoing force majeure events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a force majeure event causing such delay and the other party shall not otherwise be aware of such force majeure event, the claiming party shall not be entitled to avail itself of the provisions for the extension of performance contained in this subsection.

(F) In the case of any conflicts between the terms of this Agreement and wording contained within the Scope of Work, this Agreement shall govern. The Scope of Work is intended to detail the technical scope of Work, fee schedule, and contract time only and shall not dictate Agreement terms.

Section 7. Termination.

(A) This Agreement may be terminated:

- (1) By the mutual agreement and consent of both Contractor and City;
- (2) By either party, upon the failure of the other party to fulfill its obligations as set forth in either this Agreement or a Scope of Work issued under this Agreement;
- (3) By the City, immediately upon notice in writing to the Contractor, as consequence of the failure of Contractor to perform the Work contemplated by this Agreement in a timely or satisfactory manner;
- (4) By the City, at will and without cause upon not less than thirty (30) days written notice to the Contractor.

(B) If the City terminates this Agreement pursuant to subsection 7(A)(2) or (3), above, the Contractor shall not be entitled to any fees or reimbursable expenses other than the fees and reimbursable expenses then due and payable as of the time of termination and only then for those Work that have been timely and adequately performed by the Contractor considering the actual costs incurred by the Contractor in performing work to date of termination, the value of the work that is nonetheless usable to the City, the cost to the City of employing another Contractor to complete the work required and the time required to do so, and other factors that affect the value to the City of the work performed

at time of termination. In the event of termination not the fault of the Contractor, the Contractor shall be compensated for all basic, special, and additional Work actually performed prior to termination, together with any reimbursable expenses then due.

Section 8. Indemnification. Contractor agrees to indemnify and hold the City of Fair Oaks Ranch, Texas and all of its present, future and former agents, employees, officials and representatives harmless in their official, individual and representative capacities from any and all claims, demands, causes of action, judgments, liens and expenses (including attorney's fees, whether contractual or statutory), costs and damages (whether common law or statutory), costs and damages (whether common law or statutory, and whether actual, punitive, consequential or incidental), of any conceivable character, for injuries to persons (including death) or to property (both real and personal) created by, arising from or in any manner relating to the Work or goods performed or provided by Contractor – expressly including those arising through strict liability or under the constitutions of the United States.

Section 9. Notices. Any notice required or desired to be given from one party to the other party to this Agreement shall be in writing and shall be given and shall be deemed to have been served and received (whether actually received or not) if (i) delivered in person to the address set forth below; (ii) deposited in an official depository under the regular care and custody of the United States Postal Service located within the confines of the United States of America and sent by certified mail, return receipt requested, and addressed to such party at the address hereinafter specified; or (iii) delivered to such party by courier receipted delivery. Either party may designate another address within the confines of the continental United States of America for notice, but until written notice of such change is actually received by the other party, the last address of such party designated for notice shall remain such party's address for notice.

Section 10. No Assignment. Neither party shall have the right to assign that party's interest in this Agreement without the prior written consent of the other party.

Section 11. Severability. If any term or provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable term or provision, there shall be added automatically to this Agreement a legal, valid or enforceable term or provision as similar as possible to the term or provision declared illegal, invalid or unenforceable.

Section 12. Waiver. Either City or the Contractor shall have the right to waive any requirement contained in this Agreement that is intended for the waiving party's benefit, but, except as otherwise provided herein, such waiver shall be effective only if in writing executed by the party for whose benefit such requirement is intended. No waiver of any breach or violation of any term of this Agreement shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or of a different type of breach or violation.

Section 13. Governing Law; Venue. This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Kendall County, Texas such that exclusive venue for any action arising out of this Agreement shall be in Kendall County, Texas.

Section 14. Paragraph Headings; Construction. The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the negotiation and preparation of this Agreement and this Agreement shall not be construed either more or less strongly against or for either party.

Section 15. Binding Effect. Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal and legal representatives, successors and assigns.

Section 16. Gender. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires.

Section 17. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 18. Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

Section 19. Entire Agreement. It is understood and agreed that this Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements or understandings between the parties relating to the subject matter. No oral understandings, statements, promises or inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed or terminated orally.

Section 20. Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between the parties, it being expressly understood and agreed that no provision contained in this Agreement nor any act or acts of the parties hereto shall be deemed to create any relationship between the parties other than the relationship of independent parties contracting with each other solely for the purpose of effecting the provisions of this Agreement.

Section 21. Right To Audit. City shall have the right to examine and audit the books and records of Contractor with regards to the work described in Exhibit A, or any subsequent changes, at any reasonable time. Such books and records will be maintained

in accordance with generally accepted principles of accounting and will be adequate to enable determination of: (1) the substantiation and accuracy of any payments required to be made under this Agreement; and (2) compliance with the provisions of this Agreement.

22. Dispute Resolution. In accordance with the provisions of Subchapter I, Chapter 271, TEX. LOCAL GOV'T CODE, the parties agree that, prior to instituting any lawsuit or other proceeding arising from a dispute under this agreement, the parties will first attempt to resolve the dispute by taking the following steps: (1) A written notice substantially describing the nature of the dispute shall be delivered by the dissatisfied party to the other party, which notice shall request a written response to be delivered to the dissatisfied party not less than 5 days after receipt of the notice of dispute. (2) If the response does not reasonably resolve the dispute, in the opinion of the dissatisfied party, the dissatisfied party shall give notice to that effect to the other party whereupon each party shall appoint a person having authority over the activities of the respective parties who shall promptly meet, in person, in an effort to resolve the dispute. (3) If those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person, in an effort to resolve the dispute.

23. Disclosure of Business Relationships/Affiliations; Conflict of Interest Questionnaire. Contractor represents that it is in compliance with the applicable filing and disclosure requirements of Chapter 176 of the Texas Local Government Code.

24. Boycott Israel. The City may not enter into a contract with a company for goods and services unless the contract contains a written verification from the company; (i) it does not Boycott Israel; and (ii) will not Boycott Israel during the term of the contract. (Texas government code chapter 2270) by entering this agreement, Professional verifies that it does not Boycott Israel, and agrees that during the term of the agreement will not Boycott Israel as that term is defined in the Texas Government Code Section 808.001, as amended.

25. Energy Company Boycotts. Contractor represents and warrants that: (1) it does not, and will not for the duration of the contract, boycott energy companies or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Contractor shall promptly notify City.

26. Firearm Entities and Trade Association Discrimination. Contractor verifies that: (1) it does not, and will not for the duration of the contract, have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Contractor shall promptly notify City.

27. Sales Tax. The City qualifies as an exempt agency under the Texas Limited Sales, Excise and Use Tax Act (the "Tax Act") and is not subject to any State or City sales taxes on materials incorporated into the project. Labor used in the performance of this contract is also not subject to State or City sales taxes. The City will provide an exemption certificate to the Contractor. The Contractor must have a sales tax permit issued by the Comptroller of Public Accounts and shall issue a resale certificate complying with the Tax Act, as amended, when purchasing said materials. The Contractor is responsible for any sales taxes applicable to equipment purchases, rentals, leases, consumable supplies which are not incorporated into the services to be provided under this Contract, tangible personal property purchased for use in the performance of this Contract and not completely consumed, or other taxable services used to perform this Contract, or other taxes required by law in connection with this Contract.

28. Compliance with Laws, Charter, Ordinances. Contractor, its agents, employees and subcontractors must comply with all applicable federal and state laws, the ordinances of the City of Fair Oaks Ranch, and with all applicable rules and regulations promulgated by local, state and national boards, bureaus and agencies. Contractor must obtain all necessary permits, bonds and licenses that are required in completing the work contracted for in this agreement.

29. Liquidated Damages. Contractor hereby acknowledges that the award of the contract includes the requirement to timely commence the work on the Project in accordance with the fully executed Contract. Contractor hereby further agrees to pay to City as liquidated damages the applicable sum quoted below, for each calendar day in excess of the time set forth for completion of the Project. Time of completion is of the essence for the Project.

For each day that any work shall remain uncompleted after the time specified in the Contract, or the increased time granted by the City, or as equitably increased by additional work or materials ordered after the Contract is executed, the sum per day given in the following schedule, unless otherwise specified in the special provisions, shall be deducted from the monies due from the City:

AMOUNT OF CONTRACT	AMOUNT OF LIQUIDATED DAMAGES
Less than \$25,000.00	\$100.00 Per Day
\$25,000.00 to \$99,999.99	\$150.00 Per Day
\$100,000.00 to \$499,999.99	\$200.00 Per Day
\$500,000.00 to \$1,000,000.00	\$250.00 Per Day
More than \$1,000,000.00 (sliding scale)	\$350 Per Day first 30 days; \$400 Per Day 31-60 days; \$500 Per Day 90 days and beyond

The sum of money thus deducted for such delay, failure or non-completion is not to be considered as a penalty, but shall be deemed, taken and treated as reasonable liquidated damages, per day that the default shall continue after the time stipulated in the Contract for completing the work. The said amounts are fixed and agreed upon because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages that the City in such event would sustain; and said amounts are agreed to be the amounts of damages which the City would sustain and which shall be retained from the monies due, or that may become due, under the Contract; and if said monies be insufficient to cover the amount owing, then the surety shall pay any additional amounts due. Notwithstanding the foregoing, in the event that the actual damages incurred by the City exceed the amount of liquidated damages, the City shall be entitled to recover its actual damages.

30. Warranty

The Contractor shall provide a warranty covering defect of material and workmanship for one calendar year following final completion of the Project.

31. Retainage

For each progress payment made prior to Final Completion of the Work, the City may withhold retainage in the amount of 10%. Retainage will be released upon achievement of Final Completion and acceptance by the City.

EXECUTED on _____.

CITY:

CONTRACTOR:

By: _____

By: _____

Name: Scott M. Huizenga

Name: _____

Title: City Manager

Title: _____

ADDRESS FOR NOTICE:

CITY

CONTRACTOR

City of Fair Oaks Ranch
Attn: Scott M. Huizenga
7286 Dietz Elkhorn
Fair Oaks Ranch, TX 78015

Clark Construction of Texas, Inc.
5140 Gibbs Sprawl Road
San Antonio, TX 78219

Exhibit “A”

SCOPE OF SERVICES

EXHIBIT A

Item #12.



5140 Gibbs Sprawl Road
San Antonio, Texas 78219
Phone: (210) 661-6785 Fax: (210) 661-6421

We hereby submit the following proposal for your consideration:

Owner **Fair Oaks Ranch**
County **Kendall**
Project **Pavement Restoration**

April 4, 2025

Clark Construction of Texas, Ltd. Proposes to:

The Price below includes all labor and materials to complete the scope of work

Clark Construction is not liable for any subgrade failures or drainage issues. If ponding and subgrade failures arise during construction a price for extra work must be negotiated. All surveying and grades to be determined by the Owner.

Pricing includes one Mobilization. Additional Mobilizations = \$ 5,500/ EA

All work not covered by a specific pay item or stated as subsidiary will be billed as time & equipment force account (cost plus) word.

THIS UNIT PRICE IS ONLY ALLOWED WHEN ABLE TO WORK MULTIPLE STREETS IN ONE WORKING DAY (SUN RISE TO SUNSET)

The Placement of 2" TY D HMAC is figured on going both sides of Fair Oaks PKWY(Limits: Windermere DR to Dietz Elkhorn Rd) and All Crossover's within the limits

Additional Notes: No retanage (0%) to be held.

Exclusions: Taxes, Railroad Insurance, Engineering, Messages Boards, Association Dues, Permits or License, Water, Surveying, Stationing.

ACP TY D, PG 64-22 Approximate Tonnage required: 800 Tons (Contract# 442 - Event 969) Contract Price/Ton = \$ 62.91

Item:	DESC	Description	Quantity	Unit	\$/Unit	
		Mobilization	1.00	LS	\$ 55,000.00	\$ 55,000.00
		HMAC PLACEMENT(0"- 4") (HMAC furnished by BCPW)	3,912.44	SY	\$ 7.70	\$ 30,125.82
		PLANE ASPH CONC PAV(0" TO 4")	3,912.44	SY	\$ 5.24	\$ 20,501.21
		TACK COAT	1,393.00	GAL	\$ 4.00	\$ 5,572.00

Total: \$ 111,199.03

THIS PRICES DOES NOT INCLUDE TAXES, BOND OR ASSOCIATION DUES.

We Propose hereby to furnish material and labor - complete in accordance with above specifications, for the sum of:

dollars (\$111,199.03)

Payment to be made as follows:

will bill accordingly to the applicable units performed monthly. General to pay 3 days after receiving TxDOT estimate

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and w

Authorized
Signature

Note: This proposal may be
withdrawn by us if not accepted within 10 days.

Acceptance of Proposal - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature

Date of Acceptance

Exhibit "B"

REQUIREMENTS FOR ALL INSURANCE DOCUMENTS

The Contractor shall comply with each and every condition contained herein. The Contractor shall provide and maintain the minimum insurance coverage set forth below during the term of its agreement with the City. Any Subcontractor(s) hired by the Contractor shall maintain insurance coverage equal to that required of the Contractor. It is the responsibility of the Contractor to assure compliance with this provision. The City of Fair Oaks Ranch accepts no responsibility arising from the conduct, or lack of conduct, of the Subcontractor.

INSTRUCTIONS FOR COMPLETION OF INSURANCE DOCUMENT

With reference to the foregoing insurance requirements, Contractor shall specifically endorse applicable insurance policies as follows:

1. The City of Fair Oaks Ranch shall be named as an additional insured with respect to General Liability and Automobile Liability **on a separate endorsement.**
2. A waiver of subrogation in favor of The City of Fair Oaks Ranch shall be contained in the Workers Compensation and all liability policies and must be provided **on a separate endorsement.**
3. All insurance policies shall be endorsed to the effect that The City of Fair Oaks Ranch will receive at least thirty (30) days written notice prior to cancellation or non-renewal of the insurance.
4. All insurance policies, which name The City of Fair Oaks Ranch as an additional insured, must be endorsed to read as primary and non-contributory coverage regardless of the application of other insurance.
5. **Chapter 1811 of the Texas Insurance Code, Senate Bill 425 82(R) of 2011, states that the above endorsements cannot be on the certificate of insurance. Separate endorsements must be provided for each of the above.**
6. All insurance policies shall be endorsed to require the insurer to immediately notify The City of Fair Oaks Ranch of any material change in the insurance coverage.
7. All liability policies shall contain no cross-liability exclusions or insured versus insured restrictions.
8. Required limits may be satisfied by any combination of primary and umbrella liability insurances.
9. Contractor may maintain reasonable and customary deductibles, subject to approval by The City of Fair Oaks Ranch.
10. Insurance must be purchased from insurers having a minimum AmBest rating of B+.
11. All insurance must be written on forms filed with and approved by the Texas Department of Insurance. (ACORD 25 2010/05). Coverage must be written on an occurrence form.
12. Contractual Liability must be maintained covering the Contractors obligations contained in the contract. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent and shall contain provisions

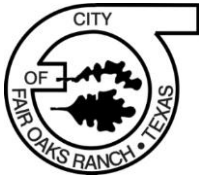
- representing and warranting all endorsements and insurance coverages according to requirements and instructions contained herein.
13. Upon request, Contractor shall furnish The City of Fair Oaks Ranch with certified copies of all insurance policies.
 14. A valid certificate of insurance verifying each of the coverages required above shall be issued directly to the City of Fair Oaks Ranch within ten (10) business days after contract award and prior to starting any work by the successful Contractor's insurance agent of record or insurance company. Also, prior to the start of any work and at the same time that the Certificate of Insurance is issued and sent to the City of Fair Oaks Ranch, all required endorsements identified in sections A, B, C and D, above shall be sent to the City of Fair Oaks Ranch. The certificate of insurance and endorsements shall be sent to:

City of Fair Oaks Ranch
Attn: Clayton Hoelscher, Procurement Manager
Email: choelscher@fairoaksranchtx.org
7286 Dietz Elkhorn
Fair Oaks Ranch, Texas 78015

Exhibit “C”

EVIDENCE OF INSURANCE

To be obtained prior to contract execution.



CITY COUNCIL CONSENT ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Approval of a resolution authorizing the execution of an agreement with Intermountain Slurry Seal, Inc. for micro-surfacing, expenditure of the required funds, and execution of all applicable documents by the City Manager

DATE: May 1, 2025

DEPARTMENT: Finance

PRESENTED BY: Consent Item: Clayton Hoelscher, Procurement Manager

INTRODUCTION/BACKGROUND:

The City budgeted \$900,000 for various street maintenance projects this fiscal year. This agenda item covers the micro-surfacing component of the program. This application is also known as slurry seal.

The City is utilizing an Interlocal Agreement for this purchase. The City has an Interlocal Agreement with Bexar County, allowing the City to take advantage of the bid pricing the County receives. The lowest bidding contractor from the Bexar County competitive bid was Intermountain Slurry Seal, Inc. This year's plans include 8,100 square yards of micro-surfacing treatment.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

- Supports Priority 3.4 of the Strategic Action Plan to Enhance and Ensure Continuity of Reliable Roadway Improvement Initiatives
- Utilizing the pricing from the Interlocal Agreements and Purchasing Cooperative allows the City to take advantage of pricing that was received for larger quantity projects
- Complies with Competitive Procurement Requirements

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The City budgeted \$900,000 for this year's Street Maintenance and Repair Program. This agreement will cover the micro-surfacing component of the program. The cost for micro-surfacing is \$52,700.00 with contingency in the amount of \$8,000.00, for a total cost of \$60,700.00

LEGAL ANALYSIS:

The Contractor will be required to sign and adhere to the City's Standard Construction Agreement prior to the commencement of work. A copy is attached.

RECOMMENDATION/PROPOSED MOTION:

Consent Item: I move to approve a resolution authorizing the execution of an agreement with Intermountain Slurry Seal, Inc., expenditure of the required funds, and execution of all applicable documents by the City Manager.

A RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH INTERMOUNTAIN SLURRY SEAL, INC. FOR MICRO-SURFACING, EXPENDITURE OF THE REQUIRED FUNDS, AND EXECUTION OF ALL APPLICABLE DOCUMENTS BY THE CITY MANAGER

WHEREAS, the City of Fair Oaks Ranch (the “City”) included funds in FY 2024-25 for the Street Maintenance Program, and

WHEREAS, the cost for the micro-surfacing component of the program is \$60,700.00, and

WHEREAS, Chapter 791 of the Texas Government Code allows local governments to enter into Interlocal Agreements with other local governments or state agencies, and

WHEREAS, the City previously executed an Interlocal Agreement with Bexar County which allows the City to utilize existing pricing, and

WHEREAS, the City Council of the City of Fair Oaks Ranch supports this purchase and authorizes the execution of an agreement with Intermountain Slurry Seal, Inc. **(Exhibit A)**.

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

- Section 1** The City Council hereby authorizes the City Manager to execute an agreement with Intermountain Slurry Seal, Inc. for micro-surfacing, to expend required funds up to \$60,700.00, including contingency, and to execute any and all applicable documents to effectuate this resolution.
- Section 2.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the Council.
- Section3.** If any provision of this resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this resolution would have been enacted without such invalid provision.
- Section 4.** That it is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.
- Section 5.** All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this resolution are hereby repealed to the extent of such conflict, and the provision of this resolution shall be and remain controlling as to the matters resolved herein.

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

PASSED, APPROVED, and ADOPTED on this 1st day of May 2025.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, TRMC
City Secretary

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

CITY OF FAIR OAKS RANCH
CONSTRUCTION AGREEMENT

THE STATE OF TEXAS §
 §
 KENDALL COUNTY §

This Construction Agreement ("Agreement") is made and entered by and between the City of Fair Oaks Ranch, Texas, (the "City") a Texas municipality, and Intermountain Slurry Seal Inc. ("Contractor").

Section 1. Duration. This Agreement shall become effective upon the date of the final signature affixed hereto and shall remain in effect until satisfactory completion of the Scope of Work unless terminated as provided for in this Agreement.

Section 2. Scope of Work.

(A) Contractor shall perform the Work as more particularly described in the Scope of Work attached hereto as Exhibit "A". The work as described in the Scope of Work constitutes the "Project".

(B) The Quality of Work provided under this Agreement shall be of the level of quality performed by Contractors regularly rendering this type of service.

(C) The Contractor shall perform its Work for the Project in compliance with all statutory, regulatory and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.

(D) The Contractor may rely upon the accuracy of reports and surveys provided to it by the City except when defects should have been apparent to a reasonably competent Contractor or when it has actual notice of any defects in the reports and surveys.

Section 3. Compensation.

(A) The Contractor shall be paid in the manner set forth in Exhibit "A" and as provided herein.

(B) *Billing Period:* The Contractor may submit monthly, or less frequently, an invoice for payment based on the estimated completion of the described tasks and approved work schedule. Subject to Chapter 2251, Texas Government Code (the "Prompt Payment Act"), payment is due within thirty (30) days of the City's receipt of the Contractor's invoice. Interest on overdue payments shall be calculated in accordance with the Prompt Payment Act.

(C) *Reimbursable Expenses:* Any and all reimbursable expenses related to the Project shall be included in the scope of Work (Exhibit A) and accounted for in the total contract amount.

Section 4. Time of Completion.

The prompt completion of the Work under the Scope of Work relates is critical to the City. Unnecessary delays in providing Work under a Scope of Work shall be grounds for dismissal of the Contractor and termination of this Agreement without any or further liability to the City other than a prorated payment for necessary, timely, and conforming work done by Contractor prior to the time of termination. The Project shall be completed for inspection and acceptance by the City on or before September 30, 2025.

Section 5. Insurance.

Before commencing work under this Agreement, Contractor shall obtain and maintain the liability insurance provided for below throughout the term of the Project plus an additional two years. Contractor shall provide evidence of such insurance to the City. Such documentation shall meet the requirements noted in Exhibit B.

Contractor shall maintain the following limits and types of insurance:

Workers Compensation Insurance: Contractor shall carry and maintain during the term of this Agreement, workers compensation and employers' liability insurance meeting the requirements of the State of Texas on all the Contractor's employees carrying out the work involved in this contract.

General Liability Insurance: Contractor shall carry and maintain during the term of this Agreement, general liability insurance on a per occurrence basis with limits of liability not less than \$1,000,000 for each occurrence and for fire damage. For Bodily Injury and Property Damage, coverage shall be no less than \$1,000,000. As a minimum, coverage for Premises, Operations, Products and Completed Operations shall be \$2,000,000. This coverage shall protect the public or any person from injury or property damages sustained by reason of the Contractor or its employees carrying out the work involved in this Agreement. The general aggregate shall be no less than \$2,000,000.

Automobile Liability Insurance: Contractor shall carry and maintain during the term of this Agreement, automobile liability insurance with either a combined limit of at least \$1,000,000 per occurrence for bodily injury and property damage or split limits of at least \$1,000,000 for bodily injury per person per occurrence and \$1,000,000 for property damage per occurrence. Coverage shall include all owned, hired, and non-owned motor vehicles used in the performance of this contract by the Contractor or its employees.

Subcontractor: In the case of any work sublet, the Contractor shall require subcontractor and independent contractors working under the direction of either the Contractor or a

subcontractor to carry and maintain the same workers compensation and liability insurance required of the Contractor.

Qualifying Insurance: The insurance required by this Agreement shall be written by non-assessable insurance company licensed to do business in the State of Texas and currently rated "B+" or better by the A.M. Best Companies. All policies shall be written on a "per occurrence basis" and not a "claims made" form.

Evidence of such insurance shall be attached as Exhibit "C".

Section 6. Miscellaneous Provisions.

(A) *Subletting.* The Contractor shall not sublet or transfer any portion of the work under this Agreement, or any Scope of Work issued pursuant to this Agreement unless specifically approved in writing by the City, which approval shall not be unreasonably withheld. Subcontractors shall comply with all provisions of this Agreement and the applicable Scope of Work. The approval or acquiescence of the City in the subletting of any work shall not relieve the Contractor of any responsibility for work done by such subcontractor.

(B) *Compliance with Laws.* The Contractor shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts, administrative, or regulatory bodies in any matter affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations. When required, the Contractor shall furnish the City with satisfactory proof of compliance.

(C) *Independent Contractor.* Contractor acknowledges that Contractor is an independent contractor of the City and is not an employee, agent, official or representative of the City. Contractor shall not represent, either expressly or through implication, that Contractor is an employee, agent, official or representative of the City. Income taxes, self-employment taxes, social security taxes and the like are the sole responsibility of the Contractor.

(D) *Non-Collusion.* Contractor represents and warrants that Contractor has not given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any person as an inducement to or in order to obtain the work to be provided to the City under this Agreement. Contractor further agrees that Contractor shall not accept any gift, bonus, commission, money, or other consideration from any person (other than from the City pursuant to this Agreement) for any of the Work performed by Contractor under or related to this Agreement. If any such gift, bonus, commission, money, or other consideration is received by or offered to Contractor, Contractor shall immediately report that fact to the City and, at the sole option of the City, the City may elect to accept the consideration for itself or to take the value of such consideration as a credit against the compensation otherwise owing to Contractor under or pursuant to this Agreement.

(E) *Force Majeure*. If the performance of any covenant or obligation to be performed hereunder by any party is delayed as a result of circumstances which are beyond the reasonable control of such party (which circumstances may include, without limitation, pending litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not of limitation, severe rain storms or below freezing temperatures, or tornados] labor action, strikes or similar acts, moratoriums or regulations or actions by governmental authorities), the time for such performance shall be extended by the amount of time of such delay, but no longer than the amount of time reasonably occasioned by the delay. The party claiming delay of performance as a result of any of the foregoing force majeure events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a force majeure event causing such delay and the other party shall not otherwise be aware of such force majeure event, the claiming party shall not be entitled to avail itself of the provisions for the extension of performance contained in this subsection.

(F) In the case of any conflicts between the terms of this Agreement and wording contained within the Scope of Work, this Agreement shall govern. The Scope of Work is intended to detail the technical scope of Work, fee schedule, and contract time only and shall not dictate Agreement terms.

Section 7. Termination.

(A) This Agreement may be terminated:

- (1) By the mutual agreement and consent of both Contractor and City;
- (2) By either party, upon the failure of the other party to fulfill its obligations as set forth in either this Agreement or a Scope of Work issued under this Agreement;
- (3) By the City, immediately upon notice in writing to the Contractor, as consequence of the failure of Contractor to perform the Work contemplated by this Agreement in a timely or satisfactory manner;
- (4) By the City, at will and without cause upon not less than thirty (30) days written notice to the Contractor.

(B) If the City terminates this Agreement pursuant to subsection 7(A)(2) or (3), above, the Contractor shall not be entitled to any fees or reimbursable expenses other than the fees and reimbursable expenses then due and payable as of the time of termination and only then for those Work that have been timely and adequately performed by the Contractor considering the actual costs incurred by the Contractor in performing work to date of termination, the value of the work that is nonetheless usable to the City, the cost to the City of employing another Contractor to complete the work required and the time required to do so, and other factors that affect the value to the City of the work performed

at time of termination. In the event of termination not the fault of the Contractor, the Contractor shall be compensated for all basic, special, and additional Work actually performed prior to termination, together with any reimbursable expenses then due.

Section 8. Indemnification. Contractor agrees to indemnify and hold the City of Fair Oaks Ranch, Texas and all of its present, future and former agents, employees, officials and representatives harmless in their official, individual and representative capacities from any and all claims, demands, causes of action, judgments, liens and expenses (including attorney's fees, whether contractual or statutory), costs and damages (whether common law or statutory), costs and damages (whether common law or statutory, and whether actual, punitive, consequential or incidental), of any conceivable character, for injuries to persons (including death) or to property (both real and personal) created by, arising from or in any manner relating to the Work or goods performed or provided by Contractor – expressly including those arising through strict liability or under the constitutions of the United States.

Section 9. Notices. Any notice required or desired to be given from one party to the other party to this Agreement shall be in writing and shall be given and shall be deemed to have been served and received (whether actually received or not) if (i) delivered in person to the address set forth below; (ii) deposited in an official depository under the regular care and custody of the United States Postal Service located within the confines of the United States of America and sent by certified mail, return receipt requested, and addressed to such party at the address hereinafter specified; or (iii) delivered to such party by courier receipted delivery. Either party may designate another address within the confines of the continental United States of America for notice, but until written notice of such change is actually received by the other party, the last address of such party designated for notice shall remain such party's address for notice.

Section 10. No Assignment. Neither party shall have the right to assign that party's interest in this Agreement without the prior written consent of the other party.

Section 11. Severability. If any term or provision of this Agreement is held to be illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable term or provision, there shall be added automatically to this Agreement a legal, valid or enforceable term or provision as similar as possible to the term or provision declared illegal, invalid or unenforceable.

Section 12. Waiver. Either City or the Contractor shall have the right to waive any requirement contained in this Agreement that is intended for the waiving party's benefit, but, except as otherwise provided herein, such waiver shall be effective only if in writing executed by the party for whose benefit such requirement is intended. No waiver of any breach or violation of any term of this Agreement shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or of a different type of breach or violation.

Section 13. Governing Law; Venue. This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Kendall County, Texas such that exclusive venue for any action arising out of this Agreement shall be in Kendall County, Texas.

Section 14. Paragraph Headings; Construction. The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the negotiation and preparation of this Agreement and this Agreement shall not be construed either more or less strongly against or for either party.

Section 15. Binding Effect. Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal and legal representatives, successors and assigns.

Section 16. Gender. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires.

Section 17. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 18. Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

Section 19. Entire Agreement. It is understood and agreed that this Agreement contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements or understandings between the parties relating to the subject matter. No oral understandings, statements, promises or inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed or terminated orally.

Section 20. Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between the parties, it being expressly understood and agreed that no provision contained in this Agreement nor any act or acts of the parties hereto shall be deemed to create any relationship between the parties other than the relationship of independent parties contracting with each other solely for the purpose of effecting the provisions of this Agreement.

Section 21. Right To Audit. City shall have the right to examine and audit the books and records of Contractor with regards to the work described in Exhibit A, or any subsequent changes, at any reasonable time. Such books and records will be maintained

in accordance with generally accepted principles of accounting and will be adequate to enable determination of: (1) the substantiation and accuracy of any payments required to be made under this Agreement; and (2) compliance with the provisions of this Agreement.

22. Dispute Resolution. In accordance with the provisions of Subchapter I, Chapter 271, TEX. LOCAL GOV'T CODE, the parties agree that, prior to instituting any lawsuit or other proceeding arising from a dispute under this agreement, the parties will first attempt to resolve the dispute by taking the following steps: (1) A written notice substantially describing the nature of the dispute shall be delivered by the dissatisfied party to the other party, which notice shall request a written response to be delivered to the dissatisfied party not less than 5 days after receipt of the notice of dispute. (2) If the response does not reasonably resolve the dispute, in the opinion of the dissatisfied party, the dissatisfied party shall give notice to that effect to the other party whereupon each party shall appoint a person having authority over the activities of the respective parties who shall promptly meet, in person, in an effort to resolve the dispute. (3) If those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person, in an effort to resolve the dispute.

23. Disclosure of Business Relationships/Affiliations; Conflict of Interest Questionnaire. Contractor represents that it is in compliance with the applicable filing and disclosure requirements of Chapter 176 of the Texas Local Government Code.

24. Boycott Israel. The City may not enter into a contract with a company for goods and services unless the contract contains a written verification from the company; (i) it does not Boycott Israel; and (ii) will not Boycott Israel during the term of the contract. (Texas government code chapter 2270) by entering this agreement, Professional verifies that it does not Boycott Israel, and agrees that during the term of the agreement will not Boycott Israel as that term is defined in the Texas Government Code Section 808.001, as amended.

25. Energy Company Boycotts. Contractor represents and warrants that: (1) it does not, and will not for the duration of the contract, boycott energy companies or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Contractor shall promptly notify City.

26. Firearm Entities and Trade Association Discrimination. Contractor verifies that: (1) it does not, and will not for the duration of the contract, have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Contractor shall promptly notify City.

27. Sales Tax. The City qualifies as an exempt agency under the Texas Limited Sales, Excise and Use Tax Act (the "Tax Act") and is not subject to any State or City sales taxes on materials incorporated into the project. Labor used in the performance of this contract is also not subject to State or City sales taxes. The City will provide an exemption certificate to the Contractor. The Contractor must have a sales tax permit issued by the Comptroller of Public Accounts and shall issue a resale certificate complying with the Tax Act, as amended, when purchasing said materials. The Contractor is responsible for any sales taxes applicable to equipment purchases, rentals, leases, consumable supplies which are not incorporated into the services to be provided under this Contract, tangible personal property purchased for use in the performance of this Contract and not completely consumed, or other taxable services used to perform this Contract, or other taxes required by law in connection with this Contract.

28. Compliance with Laws, Charter, Ordinances. Contractor, its agents, employees and subcontractors must comply with all applicable federal and state laws, the ordinances of the City of Fair Oaks Ranch, and with all applicable rules and regulations promulgated by local, state and national boards, bureaus and agencies. Contractor must obtain all necessary permits, bonds and licenses that are required in completing the work contracted for in this agreement.

29. Liquidated Damages. Contractor hereby acknowledges that the award of the contract includes the requirement to timely commence the work on the Project in accordance with the fully executed Contract. Contractor hereby further agrees to pay to City as liquidated damages the applicable sum quoted below, for each calendar day in excess of the time set forth for completion of the Project. Time of completion is of the essence for the Project.

For each day that any work shall remain uncompleted after the time specified in the Contract, or the increased time granted by the City, or as equitably increased by additional work or materials ordered after the Contract is executed, the sum per day given in the following schedule, unless otherwise specified in the special provisions, shall be deducted from the monies due from the City:

AMOUNT OF CONTRACT	AMOUNT OF LIQUIDATED DAMAGES
Less than \$25,000.00	\$100.00 Per Day
\$25,000.00 to \$99,999.99	\$150.00 Per Day
\$100,000.00 to \$499,999.99	\$200.00 Per Day
\$500,000.00 to \$1,000,000.00	\$250.00 Per Day
More than \$1,000,000.00 (sliding scale)	\$350 Per Day first 30 days; \$400 Per Day 31-60 days; \$500 Per Day 90 days and beyond

The sum of money thus deducted for such delay, failure or non-completion is not to be considered as a penalty, but shall be deemed, taken and treated as reasonable liquidated damages, per day that the default shall continue after the time stipulated in the Contract for completing the work. The said amounts are fixed and agreed upon because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages that the City in such event would sustain; and said amounts are agreed to be the amounts of damages which the City would sustain and which shall be retained from the monies due, or that may become due, under the Contract; and if said monies be insufficient to cover the amount owing, then the surety shall pay any additional amounts due. Notwithstanding the foregoing, in the event that the actual damages incurred by the City exceed the amount of liquidated damages, the City shall be entitled to recover its actual damages.

30. Warranty

The Contractor shall provide a warranty covering defect of material and workmanship for one calendar year following final completion of the Project.

31. Retainage

For each progress payment made prior to Final Completion of the Work, the City may withhold retainage in the amount of 10%. Retainage will be released upon achievement of Final Completion and acceptance by the City.

EXECUTED on _____.

CITY:

CONTRACTOR:

By: _____

By: _____

Name: Scott M. Huizenga

Name: _____

Title: City Manager

Title: _____

ADDRESS FOR NOTICE:

CITY

CONTRACTOR

City of Fair Oaks Ranch
Attn: Scott M. Huizenga
7286 Dietz Elkhorn
Fair Oaks Ranch, TX 78015

Intermountain Slurry Seal Inc.
Attn: Kevin Harris
520 North 400 West
North Salt Lake, UT 84054

Exhibit “A”

SCOPE OF SERVICES



520 North 400 West, North Salt Lake, UT 84054

Phone (801) 532-8200 | Fax (801) 526-6198

ESTIMATE**Contractor:** Town of Fair Oaks Ranch**Project Number:** N/A**Project Name:** 2025 Micro-surfacing**Date:** 3.28.25**Letting Time:** N/A**Contractor:** Intermountain Slurry Seal**Contact:** Kevin Harris**Phone:** 682.229.0843**Fax:****Email:** kevin.harris@gcinc.com

Item #	Description	Quantity	Unit	Unit Price	Total
1	* Furnish & Install Ty III Micro-surfacing	122	TON	\$ 350.00	\$ 42,700.00
2	Traffic Control	1	LS	\$ 10,000.00	\$ 10,000.00
3	Contingency	1	LS	\$ 8,000.00	\$ 8,000.00
	*Secured through an Inter-local Agreement with the Bexar County Contract No.: 1148-1				\$ 60,700.00

Quote is for Labor, Equipment, and Materials for Micro-surfacing Only**NOTES:**

- * Micro-surfacing to be placed in one lift at a rate of 30 lbs/SY (Composite) for 8,100 SY. (City Area)
- * Contingency used to account for any additional field measured area above the Google areas or change of limits. Google Earth measures 8,900 SY for the likimits requested.
- * Work to performed using Truck Mount pavers or continuous paver.
- * Work to scheduled while Intermountain addresses the Texstar project in Fair Oaks Ranch this season.
- * It is recommended that the streets be checked for any patching needs and patched accordingly by the City.
- * City to provide a staging area for micro-surfacing operations.
- * City to ensure tree limbs are cut to a minimum vertical clearance of 12' prior to micro-surfacing operations.
- * Estimated to complete Micro-surfacing in 14 shift.
- * This project to be billed per TON of actual material placed at the specified rate in the field.
- * Traffic control for Mirco-surfacing operations only.
- * Street to be addressed with lane closures by using Cones and/or Folding barricades during paving operations.
- * ISS to provide 1 week notice prior to starting work, and must have a mutually agreed upon schedule.

EXCLUSIONS:

- * Pavement Markings, Temporary Pavement Markings, Striping Layout, Pavement Marking and Tab Removal, Crack Sealing, Patching, Heavy Debris Removal, Noise Permits and Herbicide application.

Estimate valid for 30 days.**Please review, sign and return VIA fax to (972)353.6275 or e-mail to kevin.harris@gcinc.com**_____
Authorized Signature_____
Date

Exhibit "B"

REQUIREMENTS FOR ALL INSURANCE DOCUMENTS

The Contractor shall comply with each and every condition contained herein. The Contractor shall provide and maintain the minimum insurance coverage set forth below during the term of its agreement with the City. Any Subcontractor(s) hired by the Contractor shall maintain insurance coverage equal to that required of the Contractor. It is the responsibility of the Contractor to assure compliance with this provision. The City of Fair Oaks Ranch accepts no responsibility arising from the conduct, or lack of conduct, of the Subcontractor.

INSTRUCTIONS FOR COMPLETION OF INSURANCE DOCUMENT

With reference to the foregoing insurance requirements, Contractor shall specifically endorse applicable insurance policies as follows:

1. The City of Fair Oaks Ranch shall be named as an additional insured with respect to General Liability and Automobile Liability **on a separate endorsement.**
2. A waiver of subrogation in favor of The City of Fair Oaks Ranch shall be contained in the Workers Compensation and all liability policies and must be provided **on a separate endorsement.**
3. All insurance policies shall be endorsed to the effect that The City of Fair Oaks Ranch will receive at least thirty (30) days written notice prior to cancellation or non-renewal of the insurance.
4. All insurance policies, which name The City of Fair Oaks Ranch as an additional insured, must be endorsed to read as primary and non-contributory coverage regardless of the application of other insurance.
5. **Chapter 1811 of the Texas Insurance Code, Senate Bill 425 82(R) of 2011, states that the above endorsements cannot be on the certificate of insurance. Separate endorsements must be provided for each of the above.**
6. All insurance policies shall be endorsed to require the insurer to immediately notify The City of Fair Oaks Ranch of any material change in the insurance coverage.
7. All liability policies shall contain no cross-liability exclusions or insured versus insured restrictions.
8. Required limits may be satisfied by any combination of primary and umbrella liability insurances.
9. Contractor may maintain reasonable and customary deductibles, subject to approval by The City of Fair Oaks Ranch.
10. Insurance must be purchased from insurers having a minimum AmBest rating of B+.
11. All insurance must be written on forms filed with and approved by the Texas Department of Insurance. (ACORD 25 2010/05). Coverage must be written on an occurrence form.
12. Contractual Liability must be maintained covering the Contractors obligations contained in the contract. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent and shall contain provisions

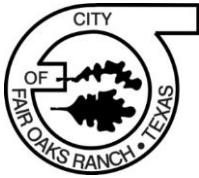
- representing and warranting all endorsements and insurance coverages according to requirements and instructions contained herein.
13. Upon request, Contractor shall furnish The City of Fair Oaks Ranch with certified copies of all insurance policies.
 14. A valid certificate of insurance verifying each of the coverages required above shall be issued directly to the City of Fair Oaks Ranch within ten (10) business days after contract award and prior to starting any work by the successful Contractor's insurance agent of record or insurance company. Also, prior to the start of any work and at the same time that the Certificate of Insurance is issued and sent to the City of Fair Oaks Ranch, all required endorsements identified in sections A, B, C and D, above shall be sent to the City of Fair Oaks Ranch. The certificate of insurance and endorsements shall be sent to:

City of Fair Oaks Ranch
Attn: Clayton Hoelscher, Procurement Manager
Email: choelscher@fairoaksranchtx.org
7286 Dietz Elkhorn
Fair Oaks Ranch, Texas 78015

Exhibit “C”

EVIDENCE OF INSURANCE

To be obtained prior to contract execution.



CITY COUNCIL CONSENT ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Approval of a resolution authorizing the execution of a purchase order with Chastang Ford for a Ford F-450, expenditure of the required funds, and execution of all applicable documents by the City Manager

DATE: May 1, 2025

DEPARTMENT: Finance

PRESENTED BY: Consent Item: Clayton Hoelscher, Procurement Manager

INTRODUCTION/BACKGROUND:

The City has funds allocated in the FY 2024-25 Budget for the purchase of a Ford F-450 to support operations within the Wastewater Utility. It is a replacement for an existing vehicle as part of the Equipment Replacement Fund budget. The purchase includes the base package outfitted with specialized equipment for utility maintenance including a service body and light package. The City intends to purchase this vehicle through Chastang Ford by utilizing the BuyBoard Purchasing Cooperative. As a member of the purchasing co-op, the City can utilize pricing that has been competitively bid on a larger scale. This also fulfills the City's competitive procurement requirements.

The City previously ordered this vehicle through a different vendor, who was unable to fulfill the order. That order has been cancelled. Chastang Ford, a vendor with a reliable track record of vehicle deliveries to the City, will fulfill the new order.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

- Supports 3.2 of the Strategic Action Plan to Enhance and Ensure Continuity of Reliable Wastewater Resources.
- Utilizing the purchasing cooperative allows the City to take advantage of pricing competitively bid on a larger scale.
- Complies with procurement requirements.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The City has \$82,570.15 encumbered in Account 05-502-152 through the purchase order issued previously to a different vendor. The cost of this purchase is \$80,769.00.

LEGAL ANALYSIS:

Legal has reviewed and approved the resolution as to form.

RECOMMENDATION/PROPOSED MOTION:

Consent Item: I move to approve a resolution authorizing the execution of a Purchase Order with Chastang Ford for a Ford F-450 in the amount of \$80,769.00, expenditure of the required funds, and execution of all applicable documents by the City Manager.

A RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS AUTHORIZING THE EXECUTION OF A PURCHASE ORDER WITH CHASTANG FORD FOR A FORD F-450; EXPENDITURE OF THE REQUIRED FUNDS; AND EXECUTION OF ALL APPLICABLE DOCUMENTS BY THE CITY MANAGER

WHEREAS, the City previously allocated funds for the purchase of a Ford F-450 for the City of Fair Oaks Ranch Wastewater Utility, and

WHEREAS, the cost to purchase this vehicle is \$80,769.00, and

WHEREAS, Section 271.102 of the Texas Government Code allows local governments to enter into Cooperative Purchasing Programs with other local governments of the State or with local Cooperative Organizations, and

WHEREAS, the City is a member of, and can utilize pricing from, the BuyBoard Cooperative Purchasing Program to make this purchase, and

WHEREAS, the City Council of the City of Fair Oaks Ranch supports this purchase and authorizes the execution of a Purchase Order with Chastang Ford (**Exhibit A**).

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

- Section 1** The City Council hereby authorizes the City Manager to execute a Purchase Order with Chastang Ford for a Ford F-450, to expend required funds up to \$80,769.00 and to execute any and all applicable documents to effectuate this resolution.
- Section 2.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the Council.
- Section 3.** If any provision of this resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this resolution would have been enacted without such invalid provision.
- Section 4.** That it is officially found, determined and declared that the meeting at which this resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.
- Section 5.** All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this resolution are hereby repealed to the extent of such conflict, and the provision of this resolution shall be and remain controlling as to the matters resolved herein.

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

PASSED, APPROVED, and ADOPTED on this 1st day of May 2025.

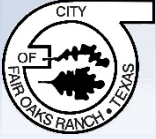
Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, TRMC
City Secretary

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



Purchase Order

City of Fair Oaks Ranch

PURCHASE ORDER # 04172025CH

7286 Dietz Elkhorn, Fair Oaks Ranch, TX 78015
 Phone 210-698-0900 Fax 210-698-3565
 acctspayable@fairoaksranchtx.org

Note: Please send all invoicing to ACCTS
 PAYABLE (acctspayable@fairoaksranchtx.org)

VENDOR: CHASTANG FORD
 6200 N. Loop East
 Houston, Tx 77026

SHIP TO: City of Fair Oaks Ranch
 7286 Dietz Elkhorn
 Fair Oaks Ranch, TX 78015
 210-698-0900

ITEM #	DESCRIPTION	QUANTITY	UNIT PRICE	EXTENDED PRICE
	2025 F450; 4WD 10 Speed Automatic Transmission Exterior Color - Oxford White Service Body, Liftgate Warranty: Basic - 36 months/36,000 miles Basic, Powertrain - 60 months/60,000 miles;	1	\$80,769.00	\$80,769.00
Quote:	BuyBoard Quote # fairo25x4h			
			TOTAL:	\$80,769.00

Authorized By: _____

Date: _____

TERMS AND CONDITIONS**DELIVERY DATE**

The delivery date shall be no later than the timeframe and/or date stipulated in the purchase order.

PRICE

The price to be paid by the City may not be higher than the amount included in the order.

PAYMENT TERMS

All payment terms shall be Net 30, and payments shall be made on approved invoices in accordance with the Texas Prompt Payment Act. The vendor shall not invoice for items until they have been accepted and approved by the City of Fair Oaks Ranch.

TAXES

The City of Fair Oaks Ranch is exempt from Federal and State Sales taxes.

RIGHT OF INSPECTION

City shall have the right to inspect the goods upon delivery before accepting them. Contractor shall be responsible for all charges for the return to Contractor of any goods rejected as being nonconforming under the specifications.

F.O.B. DESTINATION

This Order shall be processed as Freight On Board (F.O.B.) Destination, to the address specified in the order. The City will not assist with unloading equipment. The City of Fair Oaks Ranch assumes no liability for goods damaged while in transit and or delivered in a damaged or unacceptable condition. It shall be the responsibility of the vendor to handle all claims with carriers. In the event items are damaged in transit or arrive damaged to the City of Fair Oaks Ranch, the vendor shall ship replacement items immediately upon notification by the City of damage at no additional charge, and shall coordinate the shipment(s),

TITLE AND RISK OF LOSS

The title and risk of loss of goods shall not pass to the City of Fair Oaks Ranch until the City receives and takes possession of the goods at the point(s) of delivery, after inspection and acceptance of goods.

MODIFICATIONS

This agreement can be modified only by written agreement by both parties.

BOYCOTTING ISRAEL PROHIBITED

The City may not enter into a contract with a company for goods and services unless the contract contains a written verification from the company; (i) it does not Boycott Israel; and (ii) will not Boycott Israel during the term of the contract. (Texas government code chapter 2270) by entering this agreement, the vendor verifies that it does not Boycott Israel, and agrees that during the term of the agreement will not Boycott Israel as that term is defined in the Texas Government Code Section 808.001, as amended.



Prepared by: Ed Miller

03/31/2025

Chastang Ford | 6200 N. Loop East Houston Texas | 770261936

2025 F-450 Chassis 4x4 SD Super Cab 168" WB DRW XL (X4H)

Price Level: 525 | Quote ID: fairo25x4h

As Configured Vehicle

Code	Description	MSRP
Base Vehicle		
X4H	Base Vehicle Price (X4H)	\$60,785.00
Packages		
650A	Order Code 650A <i>Includes:</i> - Engine: 7.3L 2V DEVCT NA PFI V8 Gas - Transmission: TorqShift 10-Speed Automatic <i>Includes SelectShift, selectable drive modes: normal, tow/haul, eco, slippery roads and off-road and transmission power take-off provision.</i> - GVWR: 16,500 lb Payload Package - Tires: 225/70Rx19.5G BSW A/P - Wheels: 19.5" x 6" Argent Painted Steel <i>Hub covers/center ornaments not included.</i> - HD Vinyl 40/20/40 Split Bench Seat <i>Includes center armrest, cupholder, storage, 2-way adjustable driver/passenger headrests and driver's side manual lumbar.</i> - Radio: AM/FM Stereo w/MP3 Player <i>Includes 6 speakers.</i> - SYNC 4 Communication & Entertainment System <i>Includes enhanced voice recognition, 911 Assist, 8" LCD center stack screen, AppLink and 1 smart-charging USB port.</i>	N/C
Powertrain		
99N	Engine: 7.3L 2V DEVCT NA PFI V8 Gas	STD
44G	Transmission: TorqShift 10-Speed Automatic <i>Includes SelectShift, selectable drive modes: normal, tow/haul, eco, slippery roads and off-road and transmission power take-off provision.</i>	Included
X8L	Limited Slip w/4.88 Axle Ratio	\$395.00
STDGV	GVWR: 16,500 lb Payload Package	Included
Wheels & Tires		
TGJ	Tires: 225/70Rx19.5G BSW A/P	Included
64Z	Wheels: 19.5" x 6" Argent Painted Steel <i>Hub covers/center ornaments not included.</i>	Included

Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.

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Prepared by: Ed Miller

03/31/2025

Chastang Ford | 6200 N. Loop East Houston Texas | 770261936

2025 F-450 Chassis 4x4 SD Super Cab 168" WB DRW XL (X4H)

Price Level: 525 | Quote ID: fairo25x4h

As Configured Vehicle (cont'd)

Code	Description	MSRP
512	Spare Tire & Wheel Required in Rhode Island. <i>Excludes carrier.</i> <i>Includes:</i> - 6-Ton Hydraulic Jack	\$350.00

Seats & Seat Trim

A	HD Vinyl 40/20/40 Split Bench Seat <i>Includes center armrest, cupholder, storage, 2-way adjustable driver/passenger headrests and driver's side manual lumbar.</i>	Included
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Other Options

PAINT	Monotone Paint Application	STD
168WB	168" Wheelbase	STD
STDRD	Radio: AM/FM Stereo w/MP3 Player <i>Includes 6 speakers.</i> <i>Includes:</i> - SYNC 4 Communication & Entertainment System <i>Includes enhanced voice recognition, 911 Assist, 8" LCD center stack screen, AppLink and 1 smart-charging USB port.</i>	Included
61J	6-Ton Hydraulic Jack	Included
86M	Dual 68 AH/65 AGM Battery	\$210.00
67B	410 Amp Dual Alternators <i>Includes 250 Amp + 160 Amp.</i>	\$115.00
59H	Center High-Mounted Stop Lamp (CHMSL)	\$100.00
872	Rear View Camera & Prep Kit <i>Pre-installed content includes cab wiring and frame wiring to the rear most cross member. Upfitters kit includes camera with mounting bracket, 20' jumper wire and camera mounting/aiming instructions.</i>	\$515.00

Fleet Options

WARANT	Fleet Customer Powertrain Limited Warranty	N/C
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03/31/2025

Chastang Ford | 6200 N. Loop East Houston Texas | 770261936

2025 F-450 Chassis 4x4 SD Super Cab 168" WB DRW XL (X4H)

Price Level: 525 | Quote ID: fairo25x4h

As Configured Vehicle (cont'd)

Code	Description	MSRP
	Requires valid FIN code.	
	<i>Ford is increasing the 5-year 60,000-mile limited powertrain warranty to 5-years, 100,000 miles. Only Fleet purchasers with a valid Fleet Identification Number (FIN code) will receive the extended warranty. When the sale is entered into the sales reporting system with a sales type fleet along with a valid FIN code, the warranty extension will automatically be added to the vehicle. The extension will stay with the vehicle even if it is subsequently sold to a non-fleet customer before the expiration. This extension applies to both gas and diesel powertrains. Dealers can check for the warranty extension on eligible fleet vehicles in OASIS. Please refer to the Warranty and Policy Manual section 3.13.00 Gas Engine Commercial Warranty. This change will also be reflected in the printed Warranty Guided distributed with the purchase of every new vehicle.</i>	
Emissions		
425	50-State Emissions System	STD
Exterior Color		
Z1_01	Oxford White	N/C
Interior Color		
AS_03	Medium Dark Slate w/HD Vinyl 40/20/40 Split Bench Seat	N/C
Upfit Options		
BuyBoard	Buy Board Fee CONTRACT 724-23	\$400.00
	CONTRACT 724-23	
UPFIT INT	FLOOR PLAN INTEREST DURING UPFIT	\$2,865.00
HARBOR	INSTALL A 9' service body/ headache rack / amber beacon / 4 corner strobes	\$17,487.00
	8' SERVICE BODY WITH STAINLESS STEEL FLIP UP TOPS MASTER LOCKS TRAILER PLUG INSTALL OEN REAR CAMERA	
SUBTOTAL		\$83,222.00
Destination Charge		\$2,095.00
TOTAL		\$85,317.00

Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.

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Prepared by: Ed Miller
03/31/2025

Chastang Ford | 6200 N. Loop East Houston Texas | 770261936

2025 F-450 Chassis 4x4 SD Super Cab 168" WB DRW XL (X4H)

Price Level: 525 | Quote ID: fairo25x4h

Pricing Summary - Single Vehicle

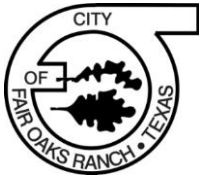
		MSRP
<i>Vehicle Pricing</i>		
Base Vehicle Price		\$60,785.00
Options		\$1,685.00
Colors		\$0.00
Upfitting		\$20,752.00
Fleet Discount		\$0.00
Fuel Charge		\$0.00
Destination Charge		\$2,095.00
Subtotal		\$85,317.00
<i>Pre-Tax Adjustments</i>		
Code	Description	MSRP
01 flt	DISCOUNT AND CONCESSION	-\$4,548.00
Total		\$80,769.00

Customer Signature

Acceptance Date

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Note: Prices and content availability as shown are subject to change and should be treated as estimates only. Actual base vehicle, package and option pricing may vary from this estimate because of special local pricing, availability or pricing adjustments not reflected in the dealer's computer system. See salesperson for the most current information.



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

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

DATE: May 1, 2025

DEPARTMENT: Administration

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

INTRODUCTION/BACKGROUND:

The City last updated its personnel policies in 2006. Staff recently initiated a review of the City's Personnel Policies Manual and identified priority sections for updates. This resolution, if adopted, will amend Chapters 3, 4 and 10 and Section 11.09 Reporting Accidents, Incidents or Injuries. The proposed comprehensive changes are summarized below and presented in **Exhibit A**, attached.

Chapter 3 Hiring Practices

- Updates the preamble policy statement to comply with the minimum EEOC requirements and adds a policy statement that the City will apply its EEO policy to all aspects of employment
- Updates the pre-employment medical screening policy to match current practice
- Updates the nepotism policy to include addition of disclosure requirements and clarification on how employee/family supervisory conflicts will be addressed
- Updates the posting of vacancies policy to match current practice
- Deletes selection from eligibility lists as a recruitment method
- Improves language regarding acceptance of applications when an employment vacancy does not exist
- Improves pre-employment testing language to match current practice
- Adds standards for employment eligibility determination based on pre-employment driving record checks
- Adds adverse decision notification requirements to be in compliance with the Fair Credit Reporting Act
- Updates pre-employment verification language to match current practice
- Updates new employee orientation and in-processing policy to match current practice
- Improves language on service credit determinations when there are breaks in City employment

Chapter 4 Types of Employment

- Clarifies work hours and benefits eligibility for the City's three distinct categories of employees: Regular Full Time, Regular Part Time, and Temporary
- Updates the City's "at-will" employment policy to match Texas' at-will employment law
- Updates the initial introductory period to match current practice of six months and at the same time clarify supervisory responsibilities during the employee's introductory period
- Updates the dismissal procedures for an employee in the introductory period to involve the Human Resources Department

Chapter 10 Health and Safety

- Updates the City's general health and safety policy statement to more closely align with OSHA's general duty clause, which requires employers to keep workplaces free from recognized hazards and their respective harms
- Removes the burden of accepting safety risk from the employee to a shared burden between the supervisory chain and employee
- Adds specific supervisory safety responsibilities such as: requirements for supervisors to identify and assess workplace hazards; ensuring safety inspections and preventative maintenance is conducted; ensuring employees wear appropriate protective equipment and clothing; a requirement to pause work and remedy job hazards when new safety issues are identified; and a requirement for supervisors to report mishaps and incidents to the Human Resources Department
- Clarifies employee safety responsibilities and requires employees to immediately report all on-the-job accidents
- Adds clarifying language that describes the City's current workers' compensation administration practices
- Adds procedures for supervisors and employees on when and how to seek medical care for an on-the-job injury
- Updates language to match current practice on how the City covers the difference between a workers' compensation benefit and the employee's base wage
- Adds clarifying language on accrual and use of leave benefits during a workers' compensation absence
- Clarifies language to match the current practice of FMLA and workers' compensation running concurrently
- Adds clarifying language on how employees will reimburse the City for workers' compensation payments issued before the insurance carrier issues payments
- Adds clarifying language that matches current practice on return-to-work rules after a workers' compensation absence
- Includes a comprehensive update to the City's drug and alcohol-free workplace policy
- Directs mandatory post-accident drug and alcohol testing and the criteria that triggers the testing

- Adds evaluation criteria for supervisors to consider when considering a reasonable suspicion drug and alcohol test, and requires Human Resources Department involvement in making that determination
- Adds a general policy statement regarding the City's compliance with ADA and other legal protections regarding employees participating in treatment programs for alcohol or drug abuse.

Section 11.09 Reporting Accidents, Incidents or Injuries

- Addresses an inconsistency between Chapter 10 and 11. Changes post-accident drug and alcohol testing from discretionary to mandatory (11.09.03)

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

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

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

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

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

LONGTERM FINANCIAL & BUDGETARY IMPACT:

None

LEGAL ANALYSIS:

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

Policy Chapters 3, 4 and 10 were reviewed by the City Attorney's office.

RECOMMENDATION/PROPOSED MOTION:

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

A RESOLUTION

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

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

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

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

WHEREAS, the City wishes to amend Chapter 3 Hiring Practices, 4 Types of Employment, Chapter 10 Health and Safety, and Section 11.09 Reporting Accidents, Incident or Injuries, and

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

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

- Section 1.** The City Council hereby adopts the amended sections and changes to outdated terms in the City of Fair Oaks Ranch Personnel Policies Manual, as presented in Exhibit A.
- Section 2.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.
- Section 3.** If any provision of this resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this resolution would have been enacted without such invalid provision.
- Section 4.** That it is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.
- Section 5.** All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this resolution are hereby repealed to the extent of such conflict, and the provision of this resolution shall be and remain controlling as to the matters resolved herein.
- Section 6.** This resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.
- Section 7.** This resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED, APPROVED, and ADOPTED on this 1st day of May 2025.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, TRMC
City Secretary

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

3.00 HIRING PRACTICES

3.01 EQUAL EMPLOYMENT OPPORTUNITY

3.01.01 The City is an Equal Employment Opportunity Employer. The City does not discriminate against any employee or applicant in employment decisions based on race, color, religion, sex (including pregnancy, sexual orientation, and gender identity), national origin, age (40 or older), disability, veteran status, genetic information, or any other protected status in accordance with applicable federal, state, and local laws. This policy applies to all aspects of employment, including recruitment, hiring, training, promotion, compensation, benefits, discipline and termination.

3.01.02 Job vacancies are filled based on qualifications, merit, and business need.

3.02 MEDICAL EXAMINATIONS

3.02.01 Successful applicants for employment will be required, as a condition of employment, to take a medical examination after a conditional offer of employment but before commencement of duties. The purpose of this examination is to determine whether the candidate can perform the essential functions of the job, with or without reasonable accommodation. If the examination reveals that the candidate is unable to perform the essential job functions safely, even with reasonable accommodation, the conditional offer may be withdrawn.

3.02.02 Employees may be required to take a medical examination for other reasons when the examination is job-related or consistent with business necessity such as employee exposure to toxic conditions, an ADA accommodation request or if an employee is not able to perform the essential functions of their job.

3.02.03 All records relating to a medical condition, medical testing, or drug testing of an employee or prospective employee are maintained separately from employee personnel files. These medical files are confidential and are not released to anyone unless a "need to know" has been clearly established. (U.S. Americans with Disabilities Act of 1990; Sec. 12112.d.3.B).

3.03 EMPLOYMENT OF RELATIVES (NEPOTISM)

3.03.01 Nepotism is the showing of favoritism toward a relative. The practice of nepotism in hiring employees or awarding contracts is forbidden by the City.

3.03.02 No person related within the second degree by affinity (*marriage*), or within the third degree by consanguinity (*blood*) to the City Council, shall be appointed to any office, position or other services to the City. This prohibition does not apply to any individual who has been continuously employed by the City for at least one (1) year prior to the election of a related city official.

3.03.03 Employees may not directly supervise or be supervised by a member of their

immediate family (spouse, child, stepchild, adopted child, parent, sibling, grandparent, grandchild, or anyone living in the same household as the applicant or employee). If a marriage or cohabitation places employees in violation of this policy, they will immediately disclose the matter to the Human Resources Department and mutually decide which one is to resign or if available, request reassignment. If both employees fail to make an election within thirty (30) calendar days of the disclosure, the City Manager will decide who to transfer or terminate based on the following factors:

1. Job performance history,
2. Disciplinary history,
3. Alignment of skills with organizational need, and
4. Workforce shortages in other job classifications.

3.04 AGE REQUIREMENTS

3.04.01 Individuals under the age of 16 will not be employed with the City. Individuals under the age of 18 will not be employed in any occupation that is considered hazardous, including jobs that involve heavy machinery, exposure to toxic substances, extreme temperatures, working at heights, working in confined spaces or any other duties deemed dangerous under federal or state labor laws.

3.04.02 Individuals under the age of 18 must have a signed Minor's Release Form from their lawful parent or guardian on file in the employee's personnel file prior to the first date of employment (U.S. Fair Labor Standards Act, 1938).

3.04.03 Other age limitations may apply as required by state or federal law.

3.05 VACANCIES

3.05.01 Department Heads will notify Human Resources when a job vacancy occurs or is projected in their department. The Department Head will create or will review and update the existing job description prior to posting for recruitment.

3.05.02 All vacant positions will be publicly posted on the City's online recruitment portal, accessible through the City's website. Internal recruitments will be announced internally by posting on the City's intranet portal and breakroom bulletin boards. All candidates must submit their applications through the City's online recruitment portal.

3.05.03 Appointments will be made to qualified individuals and will be made on the basis of merit and qualification factors identified in the job description such as skill, knowledge, education, experience, and ability to perform the specific job.

3.06 METHODS OF RECRUITMENT

3.06.01 The City will use any of the following methods for recruiting and selecting individuals to fill vacancies:

1. Promotion from within,
2. Lateral transfer from within,

3. Internal announcement and competitive consideration of applications for employment, or
4. Public announcement and competitive consideration of applications for employment.

Department Heads will determine the method of selection to be used in filling each vacancy.

3.06.02 All job vacancies, whether posted internally or externally, will remain open for a minimum of five consecutive business days before any offer of employment is extended.

3.06.02 Current employees will not be discouraged from applying for vacancies which they believe themselves to be qualified.

3.06.03 The City will not recruit, nor will it accept, applications for employment unless a specific vacancy exists and a recruitment announcement has been posted.

3.06.04 Except for appointments reserved to the City Council by statute or ordinance, the City Manager has the authority to place individuals for City employment.

3.07 PRE-EMPLOYMENT TESTING

In addition to pre-employment drug screening and specialized tests for licensed police employees, the City may administer pre-employment screening tests to candidates as allowable by law and consistent with this policy and the required knowledge, skills and abilities identified in the job description.

3.10 PRE-EMPLOYMENT DRIVING RECORD AND CREDIT CHECK

3.10.01 Consistent with Chapter 11 Use of City Property, prospective City employees required to drive a vehicle or operate machinery or equipment as an essential function of their job will submit to a driving record check. The City will pay for the driving record check.

3.10.02 Driving offenses such as a recent DUI, reckless driving, hit-and-run, driving with a suspended license, and felony offenses involving a vehicle may lead to disqualification of employment.

3.10.03 Police department candidates and all other candidates for positions that involve handling money or managing finances are subject to a pre-employment credit check. A credit check authorization form must be signed by the applicant being considered for these positions.

3.10.04 Candidates will be notified of any adverse decisions in compliance with the Fair Credit Reporting Act.

3.11 VERIFICATION OF EMPLOYMENT ELIGIBILITY

Upon offer and acceptance of employment a new employee will be required to fill out and submit a Form I-9, Employment Eligibility Verification, to include presentation of acceptable documentation establishing their identity and employment authorization within three business days of commencing employment. Failure to complete and file the I-9 form by the close of the third business day of employment with the Human Resources Department will result in the employee not being able to continue working for the City.

3.12 DISQUALIFICATION

An applicant will be disqualified for employment if they:

1. Do not meet the minimum qualifications required to perform the job duties,
2. Knowingly made a false statement on the application form,
3. Committed fraud during the selection process,
4. Are not legally permitted to hold the position,
5. Have not provided proof of employment eligibility or legal work status in the United States,
6. Have offered or attempted to offer money, service, or any other thing of value to secure an advantage in the selection process, or
7. Are not able to perform the essential functions of the position, with or without reasonable accommodation.

3.13 NEW EMPLOYEE ORIENTATION/IN PROCESSING

3.13.01 New employees must report to the Human Resources Department before reporting to their work center on their first day of employment. Human Resources staff will coordinate a report time with the new employee on their first day. Employees will fill out employment forms, receive a briefing on employee benefits and pay procedures and be shown where the City's Personnel Policies are electronically stored. Employees will read and acknowledge their understanding of City Personnel Policies within two weeks of employment.

3.13.02 Before new employees begin performing their job duties, they will be given a work center orientation by their supervisor and if necessary, assigned a trainer. The orientation shall address job performance standards, personal conduct standards, procedures for recording work time, a building facilities tour, an orientation to work center hazards and safety procedures, and introduction to other city employees and chain of command.

3.13.03 New employees will be given up to six months to acclimate to the job and work center. Supervisors will closely monitor job performance and immediately inform the new employee of any shortcoming in job performance or personal conduct.

3.14 PRIOR SERVICE WITH CITY

New employees who have previously worked for the City will start with a length of service of zero. After completing 24 consecutive months of uninterrupted service, their total length of service will be adjusted to include all prior months of service. At that point, they will begin accruing leave and other benefits based on their combined service time.

4.00 TYPES OF EMPLOYMENT

4.01 CATEGORIES

4.01.01 The City has three categories of employment:

Regular Full-Time: Regular full-time employees are individuals employed to authorized, permanent positions where the employee is scheduled to work, on average, more than 32 hours per work week. Regular full-time employees are eligible for all employee benefit programs offered by the City.

Regular Part-Time: Regular part-time employees are individuals employed to authorized, permanent positions and will be scheduled on average to work no more than 32 hours per week. Regular part-time employees are paid for holidays based on the prorated number of hours they would have worked if the holiday had been a regular workday. Regular part-time employees may be eligible to participate in the TMRS retirement program if their actual hours worked in a calendar year exceeds 1000 hours. Regular part-time employees are not eligible for any other benefits.

Temporary: Temporary employees are individuals hired to meet seasonal demands or complete specific projects for a defined period. Their employment may not exceed 1000 hours within a calendar year. Temporary employees are not eligible for benefits.

4.01.02 The City is an "at-will" employer. Both the City and the employee may terminate the employment relationship at any time, for any reason, with or without notice unless there is a specific agreement in place that dictates otherwise.

4.02 INITIAL EMPLOYMENT PERIOD

4.02.01 All new regular employees will serve an initial six-month employment period. This period allows for close observation of performance, provides support for adjustment to job responsibilities, and may result in dismissal if work standards are not met.

4.02.02 If a supervisor recommends dismissal of an employee in their initial employment period, the supervisor will coordinate this action with Human Resources and their Department Head and forward the recommendation to the City Manager for approval.

4.02.03 At the end of the six-month initial employment period, the supervisor will evaluate the employee using the City's Performance Evaluation form. If this period ends within 60 days of the City's regular evaluation cycle, the supervisor may choose not to conduct an annual evaluation.

10.00 HEALTH AND SAFETY

10.01 GENERAL

The City is committed to providing a healthy and safe working environment for its employees which includes identifying workplace hazards and taking preventive or corrective action to reduce harm.

10.02 SUPERVISORY RESPONSIBILITIES

10.02.01 Supervisors are responsible for identifying, documenting and assessing workplace and job-specific hazards.

10.02.02 Supervisors are responsible for ensuring that safety inspections and preventative maintenance are complete and up to date on City vehicles and equipment. Supervisors will keep a record of all inspections and maintenance on City vehicles and equipment in accordance with the City's record retention policies.

10.02.03 Supervisors will conduct safety training for employees on the identified hazards to ensure employees take proper precautions and follow safe work practices. Training will be conducted during the employee on-boarding process, when new hazards are identified, or as needed as part of ongoing safety efforts.

10.02.04 Supervisors will ensure employees wear appropriate protective clothing and equipment necessary for the work tasks.

10.02.05 Supervisors will require employees to immediately stop work until job-related hazards can be mitigated to an acceptable risk.

10.02.06 Supervisors will forward mishap or incident reports and all supplemental documentation up their chain of command who then will forward to Human Resources as soon as practicable.

10.03 EMPLOYEE RESPONSIBILITIES

10.03.01 Employees are responsible for conducting their work activities in a manner that prioritizes their own health and safety, as well as that of their co-workers.

10.03.02 Employees will report every on-the-job accident, no matter how minor, to their supervisor immediately.

10.03.03 Employees will wear safety equipment and take safety precautions as required by their supervisor. Employees who refuse to wear the required safety equipment or follow safety instructions will be subject to disciplinary action.

10.03.04 Employees shall report immediately to a supervisor any conditions that increase the risk of accident or injury to employees or visitors.

10.04 WORKERS' COMPENSATION

The Texas Workers Compensation Act requires the City to pay certain benefits to employees who are injured or develop illnesses on the job. The City provides workers' compensation insurance coverage for its employees. This insurance pays medical expenses and a portion of lost wages due to a work-related injury. The City's workers' compensation insurance provider is responsible for making compensability determinations, as well as keeping and transmitting records necessary to process claims. The City and their insurance carrier will administer workers' compensation claims in accordance with the law and this policy.

10.04.01 Employees who suffer a work-related injury should seek medical attention as soon as practicable from a medical provider that is in the City's workers' compensation carrier's health plan network. If an injury or illness is or becomes a medical emergency, employees should call 911 or seek care at the nearest emergency room. Human Resources will publish and maintain a list of in-network medical providers.

10.04.02 In the event of a verified workers' compensation claim, the City will cover 100% of the employee's lost wages during the initial seven (7) day absence resulting from the work-related injury or illness. During this period, the employee will be placed on paid administrative leave.

10.04.03 The City will supplement workers' compensation payments by covering a portion of the difference between the workers' compensation benefits received and the employee's regular base wage for up to 12 weeks or until Maximum Medical Improvement (MMI) is reached, whichever comes first. The employee's regular base wage will be determined by the insurance carrier according to their calculation methodology. The maximum weekly payment the City will make to supplement workers' compensation payments will be 30% of the employee's regular base wage not to exceed 30% of Texas' maximum weekly Temporary Income Benefits (TIBs).

10.04.04 For the period of compensation coverage, the City will continue to cover its portion of the premiums for health, dental, or life insurance, as selected by the employee, in the same manner as prior to the absence. The employee remains responsible for their portion of the premiums.

10.04.05 Employees will not accrue vacation or sick leave, nor will they be eligible for additional holiday pay while receiving workers compensation supplemental payments.

10.04.06 After the 12-week period in which the City covers the difference between an employee's compensation and their base wage, employees who continue receiving workers' compensation and have not reached MMI may use accrued sick leave or vacation leave to supplement their earnings, provided they remain eligible for continued employment under FMLA or other protected status.

10.04.07 When an employee sustains a work-related injury or illness that qualifies as a

serious health condition under the Family and Medical Leave Act (FMLA), the City will designate the leave as FMLA and workers compensation will run concurrently. Employees must comply with all FMLA and workers' compensation requirements including providing necessary medical documentation and follow return-to-work rules.

10.04.08 The City will make every effort to prevent financial hardship for employees with an approved worker's compensation claim due to missed or delayed insurance payments. If the City issues payments to employees in advance of insurance coverage, the employee will reimburse the City for the covered amounts.

10.04.09 Once employees are medically cleared by a physician to return to work, either in a full or limited capacity, they must report to work on the next business day. Failure to do so will be considered an unexcused absence in accordance with Chapter 8 Leave.

10.04.10 Return to Work. Before returning to work, an employee must provide the Human Resources Department with a written statement from an appropriate physician confirming their release and specifying the type(s) of work they can perform, along with any limitations. The Human Resources Department will assess the employee's physical condition to determine whether they can resume their previous duties. If the employee is unable to perform their prior duties, and no suitable vacancy or alternative position is available despite reasonable placement efforts, the employee will be separated and compensated for any authorized accrued benefits.

10.04.11 Light Duty Assignment During Workers' Compensation Absence. If an employee on workers' compensation absence is released by their doctor for light duty, the City will evaluate the employee's position and available alternative assignments to determine whether a suitable light duty role is available for an interim period. If no appropriate light duty assignment is available, the employee will be placed on inactive status until they receive full medical clearance from their doctor and workers' compensation to return to their previous position. Employees approved for light duty may be assigned to a different department and required to perform tasks outside their current job classification.

10.05 DRUG AND ALCOHOL-FREE WORKPLACE

10.05.01 The City is committed to maintaining a drug and alcohol-free workplace. Employees are prohibited from using, possessing, distributing, or being under the influence of alcohol, illegal drugs, or unauthorized controlled substances while on duty, on City premises, or when representing the City. This policy is designed to comply with all applicable laws, respect employees' privacy rights, and provide necessary support for those seeking assistance with substance-abuse related issues.

10.05.02 Privacy and Confidentiality. The City respects the privacy of its employees and will handle all matters related to drug and alcohol testing, treatment, and accommodations with strict confidentiality. Information regarding drug or alcohol testing results or participation in a rehabilitation program will only be disclosed to authorized personnel on

a need-to-know basis or as required by law.

10.05.03 Mandatory Post-Accident Drug and Alcohol Testing. Employees involved in workplace accidents that result in injury requiring medical attention, property damage, or where there is reasonable suspicion of impairment will be required to undergo drug and alcohol testing. Testing will be conducted as soon as possible following the accident. Employees will be on paid administrative leave status while awaiting the results of post-accident drug and alcohol testing. Employees who refuse testing or fail to cooperate will be subject to disciplinary action, up to and including termination.

10.05.04 Reasonable Suspicion Drug and Alcohol Testing. If a supervisor has reasonable suspicion to believe that an employee is under the influence of drugs or alcohol while on duty, they must immediately document the observed behavior or circumstance and notify the Human Resources Department. Reasonable suspicion must be based on specific, articulable facts, such as:

1. Observable signs of impairment (e.g., slurred speech, unsteady movements),
2. Erratic or unusual behavior,
3. The odor of alcohol or drugs,
4. Possession of drugs, drug paraphernalia, or alcohol, or
5. Reliable reports or admission of use.

The Human Resources Department, after reviewing the documented observations, may proceed with testing. Employees who refuse testing or fail to cooperate will be subject to disciplinary action, up to and including termination.

10.05.05 Compliance with ADA and Other Legal Protections. The City recognizes its obligations under the Americans with Disabilities Act (ADA) and other applicable laws. Employees recovering from substance use disorders may be eligible for reasonable accommodations if they are actively participating in a treatment program and are not currently engaging in the illegal use of drugs. Requests for accommodations will be considered on a case-by-case basis, in accordance with legal requirements.

10.05.06 Consequences of Policy Violations. Violations of this policy, including refusal to comply or cooperate with testing requirements or failure to complete required treatment programs, may result in disciplinary action, up to and including termination. Employees who believe they have a substance abuse problem are encouraged to seek help proactively before violations occur.

10.05.07 Employee Assistance and Support. The City encourages employees to seek help to address substance use issues through Employee Assistance Programs (EAPs) or other available resources. Employees who voluntarily seek assistance before a violation occurs may do so without fear of retaliation. However, seeking assistance will not exempt employees from compliance with workplace performance and safety standards.

10.06 PRE-EMPLOYMENT DRUG AND ALCOHOL TESTING

10.06.01 All prospective employees will undergo drug and alcohol testing as a condition

of employment. This policy applies to all candidates receiving a conditional offer of employment and is designed to comply with applicable federal, state, and local laws, including requirements for adverse action notifications.

10.06.02 Testing Requirements. All candidates who receive a conditional job offer must complete a drug and alcohol test at a designated testing facility. Failure to complete testing within the specified timeframe or refusal to submit to testing will result in the withdrawal of the conditional offer. Testing will screen for illegal drugs and controlled substances.

11.00 USE OF CITY RESOURCES**11.09 REPORTING ACCIDENTS, INCIDENTS OR INJURIES**

11.09.01 All workplace accidents or incidents shall be immediately reported to Human Resources. The City Manager shall maintain efficient accident and incident reporting systems and procedures.

11.09.02 Employees will get a police report for all accidents where they were involved in an incident or accident as a driver conducting city business which resulted in either: damage to a City-owned vehicle; damage to a non-City-owned vehicle; damage to City or personal property; or injuries to any vehicle occupant or bystander involved in the accident. Police reports will be forwarded to the Human Resources Department.

11.09.03 All workplace accidents, incidents or injuries causing property damage exceeding \$1,000 and and/or the filing of a workers compensation claim shall be investigated by the Accident Investigation Advisory Board. Drug and alcohol testing shall be performed on any employee involved in an accident in accordance with the Drug/Alcohol Tests policy.

3.00 HIRING PRACTICES

3.01 EQUAL EMPLOYMENT OPPORTUNITY

~~No discrimination will be allowed against any person in job structuring, recruitment, examination, selection, appointment, placement, training, upward mobility, discipline, or any other aspect of personnel administration based upon a person's race, age, religion, color, disability, national origin, sexual orientation, or gender.~~

~~3.02 PHYSICAL STANDARDS~~

~~3.0201 The City of Fair Oaks Ranch will not discriminate in its employment and personnel practices for any physical or mental disabilities and will adhere to the spirit and intent of the American With Disabilities Act. However, once an employment offer has been made, all employees will be required to have a physical examination, including drug testing, as a condition of employment with the cost of the physical examination paid by the City.~~

3.01.01 The City is an Equal Employment Opportunity Employer. The City does not discriminate against any employee or applicant in employment decisions based on race, color, religion, sex (including pregnancy, sexual orientation, and gender identity), national origin, age (40 or older), disability, veteran status, genetic information, or any other protected status in accordance with applicable federal, state, and local laws. This policy applies to all aspects of employment, including recruitment, hiring, training, promotion, compensation, benefits, discipline and termination.

3.01.02 Job vacancies are filled based on qualifications, merit, and business need.

3.02 MEDICAL EXAMINATIONS

3.02.01 Successful applicants for employment will be required, as a condition of employment, to take a medical examination after a conditional offer of employment but before commencement of duties. The purpose of this examination is to determine whether the candidate can perform the essential functions of the job, with or without reasonable accommodation. If the examination reveals that the candidate is unable to perform the essential job functions safely, even with reasonable accommodation, the conditional offer may be withdrawn.

3.02.02 Employees may be required to take a medical examination for other reasons when the examination is job-related or consistent with business necessity such as employee exposure to toxic conditions, an ADA accommodation request or if an employee is not able to perform the essential functions of their job.

~~3.0202~~ 3.02.03 All records relating to ~~the~~a medical condition, medical testing, or drug testing of an employee or prospective employee are maintained separately from employee personnel files. These medical files are confidential and are not released to anyone unless a "need to know" has been clearly established. (~~Legal reference:~~ U.S.

Americans with Disabilities Act of 1990; Sec. 12112.d.3.B).

3.03 EMPLOYMENT OF RELATIVES (NEPOTISM)

~~3.03.01~~ 3.03.01 Nepotism is the showing of favoritism toward a relative. The practice of nepotism in hiring ~~personnel~~employees or awarding contracts is forbidden by the City.

~~3.03.02~~ 3.03.02 No person related within the second degree by affinity (*marriage*), or within the third degree by consanguinity (*blood*) to the City Council, shall be appointed to any office, position or other services to the City ~~(See "Chart of Relationships" at end of this chapter).~~ This prohibition ~~shall~~does not apply ~~however,~~ to any ~~person~~individual who ~~shall~~have~~has~~ been continuously employed by the City for ~~a period of at least~~ one (1) year prior to the election of any related city official ~~so related to him or her~~.

~~3.03.03~~ 3.03.03 Employees may not directly supervise or be supervised by a member of their immediate family (~~defined as:~~ spouse, child, stepchild, adopted child, parent, sibling, grandparent, grandchild, ~~spouse of any of the foregoing,~~ or anyone living in the same household as the applicant or employee). ~~In the event that thelf a~~ marriage or cohabitation ~~of places~~ employees ~~places them~~ in violation of this policy, they will ~~be given~~immediately disclose the ~~opportunity~~matter to the Human Resources Department and mutually decide ~~between themselves~~ which ~~of them~~one is to resign or if available, request reassignment. If ~~the both~~ employees fail to make ~~this an~~ election within thirty (30) calendar days of the disclosure, the City ~~Administrator~~Manager will ~~determine which employee will be transferred~~decide who to transfer or ~~terminated~~terminate based on the following factors:

1. Job performance history,
2. Disciplinary history,
3. Alignment of skills with organizational need, and
4. Workforce shortages in other job classifications.

3.04 AGE REQUIREMENTS

~~Persons~~3.04.01 Individuals under ~~16 years of the~~ age of 16 will not be employed with the City. Individuals under the age of 18 will not be employed in any ~~full-time regular~~ position. ~~Persons under 18 years of age will not be hired in any hazardous occupation. Any prospective employee that is considered hazardous, including jobs that involve heavy machinery, exposure to toxic substances, extreme temperatures, working at heights, working in confined spaces or any other duties deemed dangerous under 18 years federal or state labor laws.~~

~~3.04.01~~ 3.04.02 Individuals under the age of age 18 must have a signed Minor's Release Form from their lawful parent or guardian on file in the employee's personnel file prior to the first date of employment (~~Legal reference: Child Labor Regulations, Subpart C, U.S. Fair Labor Standards Act of, 1938~~).

~~3.04.02~~ 3.04.03 Other age limitations ~~will~~may apply ~~only~~ as required by state or federal law ~~applicable to the City (Legal reference: U.S. Age Discrimination in Employment Act 1967).~~

3.05 VACANCIES

~~3.05.01~~ 3.05.01 Department Heads ~~shall~~will notify ~~the City Administrator~~Human Resources when a job vacancy occurs or is projected in their department. The Department Head will create or will review and update the existing job description ~~filed with the City Secretary to determine if it needs updating~~ prior to posting/publicizing the vacancy for recruitment.

~~3.05.02~~ When a job vacancy has been determined, copies of the applicable job description and City employment applications will be available at City Hall.

~~Vacancies are filled on the basis of merit, whether by promotion or by initial appointment. Selections of the best qualified persons are made only on the basis of occupational qualifications and job-related factors.~~ 3.05.02 All vacant positions will be publicly posted on the City's online recruitment portal, accessible through the City's website. Internal recruitments will be announced internally by posting on the City's intranet portal and breakroom bulletin boards. All candidates must submit their applications through the City's online recruitment portal.

~~3.05.03~~ 3.05.03 Appointments will be made to qualified individuals and will be made on the basis of merit and qualification factors identified in the job description such as skill, knowledge, education, experience, and ability to perform the specific job.

3.06 METHODS OF RECRUITMENT/~~PUBLIC POSITION ANNOUNCEMENTS~~

3.06.01 The City ~~has four~~will use any of the following methods ~~offer~~or recruiting and selecting ~~persons~~individuals to fill vacancies: ~~4)~~

1. promotion from within, ~~2)~~
2. lateral transfer from within, ~~3)~~ public
3. Internal announcement and competitive consideration of applications for employment, or
4. Public announcement and competitive consideration of applications for employment. ~~4) selection from a valid current eligibility list (applications for the same or similar position which was received within the last year). The City Administrator and Mayor~~

~~3.06.01~~ Department Heads will determine the method of selection to be used in filling each vacancy.

~~3.06.02~~ Job ~~3.06.02~~ All job vacancies ~~will be, whether~~ posted internally or externally, will remain open for a minimum of five consecutive business days ~~on the City Hall and Police Station employee bulletin boards prior to any external offerings before any offer of employment is extended.~~

~~3.06.03~~ 3.06.02 Current employees ~~may apply~~will not be discouraged from applying for positions for vacancies which they believe themselves to be qualified ~~as vacancies occur or new positions are established.~~

~~3.06.04~~ 3.06.03 The City ~~does will~~ not recruit, nor will it accept applications for employment unless a specific vacancy exists. ~~Persons wishing to apply for a job with the City when a specific vacancy does not exist will be informed of this policy and may return to file an application at any time an advertised vacancy exists for the position they are considering, and a recruitment announcement has been posted.~~

~~3.06.05~~ 3.06.04 Except for appointments reserved to the City Council by statute or ordinance, the City ~~Administrator~~Manager has the authority to ~~select and employ all city employees~~place individuals for City employment.

~~3.07~~ APPLICATION FOR PRE-EMPLOYMENT

~~Each applicant for employment is required to submit a written application on the City's official application form. The City may take appropriate inquiries to verify experience, character, and suitability of each applicant. Care will be taken to avoid discriminating or inappropriate questioning throughout the application process.~~

~~3.08~~ QUALIFICATIONS

~~The City maintains a job description which establishes the required knowledge, skills, and abilities for each staff position and the acceptable levels of experience and training for each. The job description sets forth the minimum acceptable qualifications to fill the position. The City Administrator may establish and periodically review an official job description. Job descriptions are filed with the City Secretary.~~

~~3.09~~3.07 TESTING

~~In addition to pre-employment drug screening and psychologicals~~specialized tests for ~~certified~~licensed police employees ~~and any other,~~ the City may administer pre-employment screening tests ~~that may be to candidates as allowable by law and consistent with this policy and the required by state law, the only performance tests administered for employment or promotion may be word processing and data entry tests, where applicable, or specifically~~knowledge, skills and abilities identified in the job-related tests (e.g., operating equipment, tabulating columns of numbers, writing samples, physical agility).description.

~~3.10~~ PRE-EMPLOYMENT DRIVING RECORD AND CREDIT CHECK

~~Every city employee who is~~3.10.01 Consistent with Chapter 11 Use of City Property, prospective City employees required to drive a vehicle or operate ~~a piece of equipment which requires a valid driver's license must maintain a safe~~machinery or equipment as an essential function of their job will submit to a driving record. ~~For this reason, the City will check a prospective employee's.~~ The City will pay for the driving record ~~prior to offering employment and the City may recheck an employee's~~check.

3.10.02 Driving offenses such as a recent DUI, reckless driving~~record as needed after~~

employment if the employee is required to operate vehicle or piece of equipment on city business, hit-and-run, driving with a suspended license, and felony offenses involving a vehicle may lead to disqualification of employment.

3.10.03 Police department candidates and all other candidates for positions that involve handling money or managing finances are subject to a pre-employment credit check. A credit check authorization form must be signed by the applicant being considered for these positions.

3.10.04 Candidates will be notified of any adverse decisions in compliance with the Fair Credit Reporting Act.

3.11 VERIFICATION OF EMPLOYMENT ELIGIBILITY-EMPLOYMENT

In order to comply with the Immigration Reform and Control Act of 1986, each employee is require to complete and sign an INS Form I-9 within three days of their first day of employment to provide proof of their identity and employment eligibility.

Upon offer and acceptance of employment a new employee will be required to fill out and submit a Form I-9, Employment Eligibility Verification, to include presentation of acceptable documentation establishing their identity and employment authorization within three business days of commencing employment. Failure to complete and file the I-9 form by the close of the third business day of employment with the Human Resources Department will result in the employee not being able to continue working for the City.

3.12 DISQUALIFICATION

An applicant will be disqualified for employment if they ~~do~~:

1. Do not meet the minimum qualifications ~~for performance of~~ required to perform the job ~~duties of the position involved, knowingly has,~~
2. Knowingly made a false statement on the application form, ~~has committed~~
3. Committed fraud during the selection process, ~~is~~
4. Are not legally permitted to hold the position, ~~does~~
5. Have not ~~provide~~ provided proof of ~~citizenship~~ employment eligibility or legal work status in the United States, ~~has~~
6. Have offered or attempted to offer money, service, or any other thing of value to secure an advantage in the selection process, or ~~is not able to perform the essential functions of the position, with or without reasonable accommodation.~~
7. Are not able to perform the essential functions of the position, with or without reasonable accommodation.

3.13 NEW EMPLOYEE ORIENTATION/IN PROCESSING

3.13.01 3.13.01 New employees must report to the ~~City Accountant~~ Human Resources Department before ~~or during~~ reporting to their work center on their first day of employment to. Human Resources staff will coordinate a report time with the new employee on their first day. Employees will fill out employment forms, ~~to discuss~~ receive a briefing on

employee benefits and pay procedures and ~~to receive be shown where~~ the City's Personnel Policies ~~which the employee is to~~are electronically stored. Employees will read and acknowledge their understanding of City Personnel Policies within two weeks of employment.

~~3.13.02~~ 3.13.02 Before ~~a new employee begin~~employees begin performing their job duties, they will be given ~~an~~a work center orientation by their ~~Department Head which will enable the new employee to understand better their job and the relationship of the job to the overall operation of the City.~~supervisor and if necessary, assigned a trainer. The orientation shall address, ~~at a minimum, the following topics: expected job performance standards of job performance and~~personal conduct standards, procedures for recording work time, a building facilities tour, an orientation to work center hazards and safety procedures, and introduction to other city employees; and supervisory relationships chain of command.

~~3.13.03~~ 3.13.03 New employees ~~shall~~will be given up to ~~three~~six months to acclimate to the ~~standards required to complete their assigned job. Department Heads are to~~job and work center. Supervisors will closely monitor job performance and immediately inform the new employee of any shortcoming in job performance or personal conduct ~~as they occur. Regular meetings shall be held between the employee and the Department Head so as to assess the employee's progress. All employees are "at-will" both during and after their initial three months period.~~

3.14 PRIOR SERVICE WITH CITY

~~Employees with prior service with the City, who are rehired will be treated as new hires, as far as benefits are concerned. However after two (2) years of continued service, after being rehired, any prior service will be bridged for benefit accruals of vacation and retirement. New employees who have previously worked for the City will start with a length of service of zero. After completing 24 consecutive months of uninterrupted service, their total length of service will be adjusted to include all prior months of service. At that point, they will begin accruing leave and other benefits based on their combined service time.~~

4.00 TYPES OF EMPLOYMENT

4.01 CATEGORIES

~~There are~~ 4.01.01 The City has three categories of employment ~~with the City of Fair Oaks Ranch::~~

Regular Full-Time: A regular ~~Regular~~ full-time ~~time~~ employees are individuals employed to authorized, permanent positions where the employee is ~~one who is employed to hold an authorized position that requires~~ scheduled to work, on the average, ~~a 40-hour~~ more than 32 hours per work week. Regular full-time employees are eligible for all employee benefit programs offered by the City.

Regular Part-Time: A regular ~~Regular~~ part-time ~~employee is one who is~~ employees are individuals employed to ~~hold~~ authorized, permanent positions ~~but does not exceed thirty-two hours work and will be scheduled on average to work no more than 32 hours per week. Regular part-time employees are paid for holidays based on the prorated number of daily scheduled hours, for holidays hours, they would have worked if such the holiday occurs during their normal work schedule. had been a regular workday. Regular part-time employees will not be afforded~~ time employees may be eligible to participate in the TMRS retirement program if their actual hours worked in a calendar year exceeds 1000 hours. Regular part-time employees are not eligible for any other benefits.

Temporary: Temporary ~~Employees are~~ employees are individuals hired ~~for to~~ meet seasonal demands or complete a specific projects ~~for a specified~~ defined period ~~of time. These. Their employment may not exceed 1000 hours within a calendar year. Temporary employees will~~ are not ~~be afforded any eligible for~~ benefits.

4.01.02 The City is an "at-will" employer. Neither length of employment nor categorization as any type of employee shall be construed as to create an expectation of continued employment. Both the City and the employee may terminate the employment relationship at any time, for any reason, with or without notice unless there is a specific agreement in place that dictates otherwise.

4.02 ~~INTRODUCTORY~~ INITIAL EMPLOYMENT PERIOD

4.02.01 All new regular employees are introductory for a ~~will~~ serve an initial six-month employment period ~~of ninety (90) days. The. This period will be used to closely observe the employee's work, to assist the employee in effectively adjusting to their work assignments, and to dismiss allows for close observation of performance, provides support for adjustment to job responsibilities, and may result in dismissal if work standards are not met.~~

~~4.02.01—4.02.02~~ If a supervisor recommends dismissal of an employee ~~whose performance does not meet the required work standards.~~

4.02.02 During the introductory ~~in their initial employment~~ period, the supervisor will

coordinate this action with Human Resources and their Department Head reports and forward the recommendation to the City Administrator on the employee's work, ability to perform the duties satisfactorily, attitude, habits, and dependability Manager for approval.

~~4.02.03 At any time during the introductory period, a new employee may be dismissed if, in the Department Head's opinion, with the concurrence of the City Administrator and with the Mayor's authorization, the employee is either unable or unwilling to perform his duties; or if the employee's dependability does not merit continuance of employment; or for other reasons as provided elsewhere in these policies.~~

4.02.04 4.02.03 At the end of the ~~three six-month~~ introductory initial employment period, the supervisor will evaluate the employee using the City's Performance Evaluation form. If this period, each new employee shall receive a personal ends within 60 days of the City's regular evaluation and interview by the Department Head cycle, the supervisor may choose not to conduct an annual evaluation.

~~Temporary employees are employed at will and may be dismissed without notice at any time during their employment, for any reason or no reason.~~

10.00 HEALTH AND SAFETY

~~10.01 SAFETY POLICY~~

~~10.01~~ It is the policy of the ~~GENERAL~~

The City is committed to make every effort to provide healthful providing a healthy and safe working conditions environment for all of its employees which includes identifying workplace hazards and taking preventive or corrective action to reduce harm.

~~10.02 SUPERVISORY RESPONSIBILITIES~~

10.02.01 Supervisors are responsible for identifying, documenting and assessing workplace and job-specific hazards.

10.02.02 Supervisors are responsible for ensuring that safety inspections and preventative maintenance are complete and up to date on City vehicles and equipment. Supervisors will keep a record of all inspections and maintenance on City vehicles and equipment in accordance with the City's record retention policies.

10.02.03 Supervisors will conduct safety training for employees on the identified hazards to ensure employees take proper precautions and follow safe work practices. Training will be conducted during the employee on-boarding process, when new hazards are identified, or as needed as part of ongoing safety efforts.

10.02.04 Supervisors will ensure employees wear appropriate protective clothing and equipment necessary for the work tasks.

10.02.05 Supervisors will require employees to immediately stop work until job-related hazards can be mitigated to an acceptable risk.

10.02.06 Supervisors will forward mishap or incident reports and all supplemental documentation up their chain of command who then will forward to Human Resources as soon as practicable.

~~10.02~~ 10.03 ~~EMPLOYEE RESPONSIBILITIES AND REPORTS~~

~~10.02.01~~ 10.03.01 Employees are responsible for conducting their work activities in a manner that ~~is protective of~~ prioritizes their own health and safety, as well as that of ~~other employees. When an individual accepts a position as an employee of the City, they are accepting the normal risk of physical harm or injury associated with that position~~ their co-workers.

~~10.02.02 An employee must~~ 10.03.02 Employees will report every on-the-job accident, no matter how minor, to their ~~Department Head immediately. The Department Head is responsible for filing all appropriate reports immediately with the City Administrator.~~ supervisor immediately.

~~10.02.03 It shall be the duty of all employees and the responsibility of all Department Heads to insure that all employees~~ 10.03.03 Employees will wear the appropriate safety equipment, and take safety precautions as required by their supervisor. Employees who refuse to wear ~~such~~the required safety equipment or follow safety instructions will be subject to disciplinary action.

~~10.02.04 Failure to report an on-the-job injury, no matter how minor, is grounds for disciplinary action.~~

~~10.02.05 It is the responsibility of all Department Heads to insure that safety inspections and timely preventive maintenance is completed on all City vehicles, City equipment, and on City-owned facilities. The Public Works Administrator and Police Chief shall keep a record of all preventative maintenance on vehicles and equipment.~~

~~10.03 EMPLOYEE SUGGESTIONS~~

~~10.03.01~~ 10.03.04 Employees shall report immediately to ~~their Department Heads~~a supervisor any conditions that ~~in their judgment threaten~~increase the health and safety ~~risk~~of accident or injury to employees or visitors.

~~10.04 Employees are encouraged to make suggestions to their Department Heads for improvements that would make~~WORKERS' COMPENSATION

~~10.03.02 The Texas Workers Compensation Act requires the City work place safe to pay certain benefits to employees who are injured or more healthful.~~

~~10.04 ON-THE-JOB INJURIES~~

~~10.04.01 Insurance develop illnesses on the job.~~ The City provides ~~Workers' Compensation Insurance for all of workers' compensation insurance coverage for~~ its employees. This insurance pays medical expenses and a ~~weekly payment if an employee is absent from work because of a bona fide, on-the-job, work portion of lost wages due to a work-related injury for more than five (5) working days.~~

~~10.04.02 Medical Attention. An employee who sustains a bona fide, on-the-job, work-related injury will seek medical attention immediately at a medical facility or doctor that accepts Texas Works' Compensation Claims. No reimbursement of medical claims will be made if an employee chooses to attend a non-TWC facility or doctor for treatment. The injured person may be accompanied by a City employee.~~

~~10.04.03 Compensation. If a bona fide, on-the-job, work-related injury occurred, the City will pay the employee's first weeks salary, before the insurance company begins their compensation payments. If the insurance company reimburses the employee for the first week, the employee will reimburse the City for that amount.~~

~~After one years continuous service by regular full-time employees, or at the discretion of the City Administrator or the Mayor, the City will pay the difference between Workers' Compensation Insurance payment and the employees regular salary up to three (3)~~

months.

~~For regular full time employees with less than one years continuous service and for employees on WC after three months who have sustained a bona fide, on-the-job, work-related injury which renders them unfit for performing their job duties, and have elected to receive Workers' Compensation payments, the employee may, at their option, use any accumulated vacation and/or sick leave time to provide additional City's workers' compensation above the Workers' Compensation payment in amounts which, when added to the Workers' Compensation payments, equal 100 percent of the employee's take-home pay (the employee's gross salary minus income tax and social security deductions).~~

~~10.04.04 An employee receiving Workers' Compensation payments does not accrue vacation or sick leave and is not entitled to receive either additional holiday pay or other benefits.~~

~~10.04.05 Injury leave begins on the first scheduled workday of disability and continues until the employee returns to work or his eligibility expires. Duration of injury leave will be consistent with the Worker's Compensation guidelines.~~

~~10.04.06 Termination of Injury Leave. Injury leave with pay may be terminated at any time, without prior notice, upon receipt of evidence that the employee, while released to return to work, has not done so.~~

~~10.04.07 Continuation of Group Insurance. The City will continue to pay the City's portion of the premium of health, dental or life insurance (as chosen by the employee) in the same manner as prior to the injury leave for a period of time not to exceed 90 days for an employee on injury leave. The employee insurance provider is responsible for the employee's portion of the chosen insurance. The employee must pay the City the employee's portion on the first of the month for that month's coverage. To continue insurance after the 90th day, unless the City extends the period, the employee must pay both the employee's and City's portion of the insurance premiums by the first of the month making compensability determinations, as well as keeping and transmitting records necessary to process claims. The City and their insurance carrier will administer workers' compensation claims in accordance with the law and this policy.~~

~~10.04.08 Exclusion. Injuries caused by willful intent and attempt to injure self or to unlawfully injure another, intoxication, acts of God except in certain limited circumstances (i.e., assigned official duty during a hurricane, lightening storm, etc.), or act of a third party for personal reasons are excluded specifically from coverage by injury leave with pay. (Legal reference: Workers Compensation Act, VTCS, Article 8308)~~

~~10.04.09 Reporting. While on leave because of a bona fide, on-the-job, work-related injury, the employee must provide a progress report to their Department Head on a monthly basis. Failure to do so or to contact the City Administrator on schedule is grounds for revoking the employee's leave and for taking disciplinary action.~~

Return to Service. A10.04.01 Employees who suffer a work-related injury should seek

medical attention as soon as practicable from a medical provider that is in the City's workers' compensation carrier's health plan network. If an injury or illness is or becomes a medical emergency, employees should call 911 or seek care at the nearest emergency room. Human Resources will publish and maintain a list of in-network medical providers.

10.04.02 In the event of a verified workers' compensation claim, the City will cover 100% of the employee's lost wages during the initial seven (7) day absence resulting from the work-related injury or illness. During this period, the employee will be placed on paid administrative leave.

10.04.03 The City will supplement workers' compensation payments by covering a portion of the difference between the workers' compensation benefits received and the employee's regular base wage for up to 12 weeks or until Maximum Medical Improvement (MMI) is reached, whichever comes first. The employee's regular base wage will be determined by the insurance carrier according to their calculation methodology. The maximum weekly payment the City will make to supplement workers' compensation payments will be 30% of the employee's regular base wage not to exceed 30% of Texas' maximum weekly Temporary Income Benefits (TIBs).

10.04.04 For the period of compensation coverage, the City will continue to cover its portion of the premiums for health, dental, or life insurance, as selected by the employee, in the same manner as prior to the absence. The employee remains responsible for their portion of the premiums.

10.04.05 Employees will not accrue vacation or sick leave, nor will they be eligible for additional holiday pay while receiving workers compensation supplemental payments.

10.04.06 After the 12-week period in which the City covers the difference between an employee's compensation and their base wage, employees who continue receiving workers' compensation and have not reached MMI may use accrued sick leave or vacation leave to supplement their earnings, provided they remain eligible for continued employment under FMLA or other protected status.

10.04.07 When an employee sustains a work-related injury or illness that qualifies as a serious health condition under the Family and Medical Leave Act (FMLA), the City will designate the leave as FMLA and workers compensation will run concurrently. Employees must comply with all FMLA and workers' compensation requirements including providing necessary medical documentation and follow return-to-work rules.

10.04.08 The City will make every effort to prevent financial hardship for employees with an approved worker's compensation claim due to missed or delayed insurance payments. If the City issues payments to employees in advance of insurance coverage, the employee will reimburse the City for the covered amounts.

10.04.09 Once employees are medically cleared by a physician to return to work, either in a full or limited capacity, they must report to work on the next business day. Failure to do so will be considered an unexcused absence in accordance with Chapter 8 Leave.

10.04.10 10.04.10 Return to Work. Before returning to work, an employee must provide the Human Resources Department with a written statement from an appropriate physician certifying that the employee has been released to return to work confirming their release and specifying the type(s) of work they are capable of performing as well as any limitation(s) must be received by the City before an employee may return to work. All employees on injury leave must return to work after approval of the employee's attending physician. Failure to return to work when directed will result in appropriate disciplinary action. The City will evaluate the employee's can perform, along with any limitations. The Human Resources Department will assess the employee's physical condition and to determine whether they can perform the resume their previous duties previously held. If the employee cannot is unable to perform their previous prior duties, or and no vacancy exists, or no other suitable vacancy or alternative position is available, and a despite reasonable effort has been made to place placement efforts, the employee in a suitable position, then they will be separated and paid compensated for any authorized accrued benefits.

10.04.11 10.04.11 Light Duty Assignment. During the course of an occupational disability leave of absence, if During Workers' Compensation Absence. If an employee on workers' compensation absence is released by their doctor for light duty, the employee's job or City will evaluate the employee's position and available alternative job assignment(s) will be evaluated for a determination of assignments to determine whether a positionsuitable light duty role is available in which the City can use the employee's limited services for an interim period of time. If no acceptable appropriate light duty assignment can be found is available, the employee will be placed on inactive status until released by the they receive full medical clearance from their doctor and Workers' Compensation workers' compensation to return to their previous job. An employee who is able to return to work in position. Employees approved for light duty status may be required assigned to work in a different department and required to perform duties not contained within tasks outside their current job classification.

10.05 SUBSTANCE ABUSE DRUG AND ALCOHOL-FREE WORKPLACE

10.05.01 The City is committed to maintaining a drug and alcohol-free workplace. Employees are prohibited from using, possessing, distributing, or being under the influence of alcohol, illegal drugs, or unauthorized controlled substances while on duty, on City premises, or when representing the City. This policy is designed to comply with all applicable laws, respect employees' privacy rights, and provide necessary support for those seeking assistance with substance-abuse related issues.

10.05.02 Privacy and Confidentiality. The City respects the privacy of its employees and will handle all matters related to drug and alcohol testing, treatment, and accommodations with strict confidentiality. Information regarding drug or alcohol testing results or participation in a rehabilitation program will only be disclosed to authorized personnel on a need-to-know basis or as required by law.

10.05.03 Mandatory Post-Accident Drug and Alcohol Testing. Employees involved in workplace accidents that result in injury requiring medical attention, property damage, or where there is reasonable suspicion of impairment will be required to undergo drug and alcohol testing. Testing will be conducted as soon as possible following the accident.

Employees will be on paid administrative leave status while awaiting the results of post-accident drug and alcohol testing. Employees who refuse testing or fail to cooperate will be subject to disciplinary action, up to and including termination.

10.05.04 Reasonable Suspicion Drug and Alcohol Testing. If a supervisor has reasonable suspicion to believe that an employee is under the influence of drugs or alcohol while on duty, they must immediately document the observed behavior or circumstance and notify the Human Resources Department. Reasonable suspicion must be based on specific, articulable facts, such as:

1. Observable signs of impairment (e.g., slurred speech, unsteady movements),
2. Erratic or unusual behavior,
3. The odor of alcohol or drugs,
4. Possession of drugs, drug paraphernalia, or alcohol, or
5. Reliable reports or admission of use.

The Human Resources Department, after reviewing the documented observations, may proceed with testing. Employees who refuse testing or fail to cooperate will be subject to disciplinary action, up to and including termination.

10.05.05 Compliance with ADA and Other Legal Protections. The City recognizes its obligations under the Americans with Disabilities Act (ADA) and other applicable laws. Employees recovering from substance use disorders may be eligible for reasonable accommodations if they are actively participating in a treatment program and are not currently engaging in the illegal use of drugs. Requests for accommodations will be considered on a case-by-case basis, in accordance with legal requirements.

10.05.06 Consequences of Policy Violations. Violations of this policy, including refusal to comply or cooperate with testing requirements or failure to complete required treatment programs, may result in disciplinary action, up to and including termination. Employees who believe they have a substance abuse problem are encouraged to seek help proactively before violations occur.

10.05.07 Employee Assistance and Support. The City encourages employees to seek help to address substance use issues through Employee Assistance Programs (EAPs) or other available resources. Employees who voluntarily seek assistance before a violation occurs may do so without fear of retaliation. However, seeking assistance will not exempt employees from compliance with workplace performance and safety standards.

10.0510.06 PRE-EMPLOYMENT DRUG AND ALCOHOL MISUSE TESTING

10.05.01 Scope and Intent. The City of Fair Oaks Ranch desires to establish itself as a drug/alcohol-free workplace. The City believes that it is in the best interest of the City and its
10.06.01 All prospective employees to maintain a work environment in which the health and safety of employees are protected and city business is conducted efficiently. In all instances where reference is made to alcohol, drugs, or other controlled substances, the references include inhalants.

10.05.02 All employees are subject to the provisions of this section and shall be administered in accordance with all applicable federal, state, and local laws and

regulations.

~~10.05.03—Responsibilities and Prohibitions. It is unlawful and prohibited in the workplace for employees to manufacture, distribute, dispense, possess, or use a controlled substance. In addition, the City prohibits employees from being under the influence of alcohol, drugs, or inhalants in the workplace or while on duty for the City. Employees who violate this policy will be subject to disciplinary action up to and including termination.~~

~~10.05.04—Each employee of the City will abide by the terms of this policy and will notify the City Administrator of any charges of a drug and/or alcohol law violation no later than the commencement of their next workday.~~

~~10.05.05—Any employee convicted of a drug and/or alcohol violation will be subject to serious disciplinary action up to and including immediate dismissal.~~

~~10.05.06—The City will make a good faith effort to continue to maintain a drug-free workplace through the implementation of this policy. Department Head responsibilities include communicating this policy to their employees, identifying any employee behavior which may indicate a violation of this policy, and reporting to the City Administrator when there's reason to believe this policy may have been violated.~~

~~10.05.07—Rehabilitation. An employee with an alcohol or substance abuse problem shall be referred to a rehabilitation facility. The employee is responsible for all charges associated with rehabilitation and must adhere to the requirements of the rehabilitation program. Any failure to adhere will result in discipline up to and including dismissal.~~

~~10.05.08—Return to Work. An employee with an alcohol and/or substance abuse problem may be returned to their position after having successfully completed a city-approved rehabilitation program. Any violation of this policy subsequent to completion of rehabilitation will result in immediate dismissal.~~

10.06 DRUG/ALCOHOL TESTS

~~10.06.01—All employees of the City are subject to~~undergo drug and alcohol ~~testing for drugs and/or alcohol—~~

Pre-as a condition of employment~~Testing. After extending an.~~ This policy applies to all candidates receiving a conditional offer of employment,~~the potential employee shall take a pre-employment drug test~~ and is designed to comply with applicable federal, state, and local laws, including requirements for adverse action notifications.

Post-accident Testing. At the discretion of the City Administrator, drug and alcohol testing shall be performed on any employee involved in an accident, if the accident results in damages to city property, the employee or another person having to seek medical attention, loss of human life, or the driver being given a citation for a moving violation as a result of an accident. Drug testing will be performed within 24 hours of an accident; alcohol testing will be performed within 2 hours of an accident, or as soon as reasonably possible thereafter. Failure to submit to the required testing will result in disciplinary action up to and including termination.

~~Reasonable Suspicion Testing. If reasonable suspicion exists, the Department Head must obtain concurrence of the City Administrator. An employee failing to submit to the required testing will result in disciplinary action up to and including termination.~~

~~10.06.01 An employee who tests positive for drugs shall be removed from duty immediately and, if not terminated, must be referred to a Substance Abuse professional for evaluation. If the employee refuses to be evaluated, the employee will be terminated immediately. An employee who is not terminated will be suspended without pay until the employee successfully passes a drug rehabilitation program and is cleared to return to work. 10.06.02~~
~~Testing Requirements. All candidates who receive a conditional job offer must complete a drug and alcohol test at a designated testing facility. Failure to complete testing within the specified timeframe or refusal to submit to testing will result in the withdrawal of the conditional offer. Testing will screen for illegal drugs and controlled substances.~~

11.00 USE OF CITY RESOURCES

11.09 REPORTING ACCIDENTS, INCIDENTS OR INJURIES

11.09.01 All workplace accidents or incidents shall be immediately reported to Human Resources. The City Manager shall maintain efficient accident and incident reporting systems and procedures.

11.09.02 Employees will get a police report for all accidents where they were involved in an incident or accident as a driver conducting city business which resulted in either: damage to a City-owned vehicle; damage to a non-City-owned vehicle; damage to City or personal property; or injuries to any vehicle occupant or bystander involved in the accident. Police reports will be forwarded to the Human Resources Department.

11.09.03 All workplace accidents, incidents or injuries causing property damage exceeding \$1,000 and and/or the filing of a workers compensation claim shall be investigated by the Accident Investigation Advisory Board. ~~At the discretion of the City Manager, d~~ Drug and alcohol testing shall be performed on any employee involved in an accident in accordance with the Drug/Alcohol Tests policy.



Personnel Policies Updates



Consideration:

Ch. 3 Hiring Practices

Ch. 4 Types of Employment

Ch. 10 Health and Safety

Sec. 11.09 Reporting Accidents, Incidents or Injuries

Jim Williams

Assistant City Manager

For Consideration



1. Ch. 3 Hiring Practices
2. Ch. 4 Types of Employment
3. Ch. 10 Health and Safety
4. Sec. 11.09 Reporting Accidents, Incidents or Injuries

Ch. 2 – Hiring Practices

1. Primary reasons for change:
 - General clean up to match current practices
 - Updates: EEO policy to match federal law
 - Clarifies: City hires and promotes based on qualifications, merit, and business needs

Ch. 2 – Hiring Practices



2. Other reasons:

- Adds improved guidance on pre-hire medical exams
- Adds objective criteria for the City Manager to consider when resolving immediate family supervisory conflicts (nepotism)
- Clarifies criteria that would disqualify a person under 18 years of age from working for the City

Ch. 2 – Hiring Practices



2. Other reasons:

- Adds internal competitive consideration as a method of recruitment
- Removes 'list keeping' as a method of recruitment
- Clarifies pre-employment driving record and credit check standards
- Updates I9 employment eligibility verification procedures to match federal law

Ch. 2 – Hiring Practices



2. Other reasons:

- Clarifiess new-hire onboarding expectations
- Clarifies service credit adjustments for prior-service employees

Ch. 4 – Types of Employment

1. Primary reasons for change:
 - Defines in more detail the 3 types of employees
 - Updates initial employment period time to match current practice
 - Clarifies when the first performance evaluation is due for employees ending their initial employment period

Ch. 10 – Health and Safety



1. Primary reasons for change:
 - Creates a shared responsibility for safety
 - Sets expectations and performance standards for supervisors as the front-line oversight for safety
 - Updates Workers' Compensation guidance to match current practice

Ch. 10 – Health and Safety



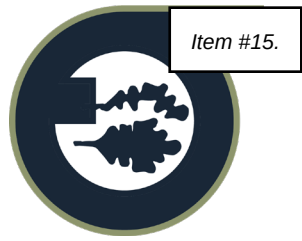
1. Primary reasons for change:
 - Adds a drug and alcohol-free workplace policy
 - Mandatory post-accident testing (matches Ch.11)
 - Reasonable suspicion standards
 - Articulates consequences for policy violation
 - Pre-employment testing standards

Section II.09 – Reporting Accidents

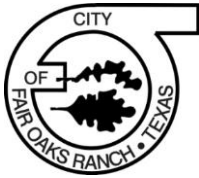


Reason for change:

- Removes discretionary decision to conduct post-accident drug and alcohol testing – it would be mandatory (consistent with Ch. 10)



Questions



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

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

DATE: May 1, 2025

DEPARTMENT: Public Works

PRESENTED BY: Carole Vanzant, CPM, Assistant City Manager
Julie Lovelace, Accounting Manager

INTRODUCTION/BACKGROUND:

In July 2024, the City Council established the Transportation Safety Advisory Committee ("TSAC") to assist in the Council in the continuance of the city's quality of life through a citizen-government partnership that promotes safe and secure public roads and walks. The TSAC rules of procedures state TSAC shall review transportation safety issues related to public transportation infrastructure that has been properly submitted to the Committee either by Fair Oaks Ranch citizens or by the City, and after due consideration and affirmative Committee vote, recommend action for City Council consideration.

- January 2025 – The City received a resident request to consider placing two radar feedback signs on the western end of Dietz Elkhorn Road between the four-way stop at Old Fredericksburg Road (for eastbound traffic) and the curve around the law firm property across from the Vantage Apartments (for westbound traffic). The request proposed that radar signage will help slow down the traffic in the area.
- February 5, 2025 – After reviewing and discussing the request, TSAC recommended the City place the two FY 2024-25 budgeted radar feedback signs on Dietz Elkhorn Road west.
- February 20, 2025 – The City Council concurred with TSAC's recommendation. The City Manager noted a resolution authorizing the placement of the signs for City Council's consideration and possible action would be placed on a future agenda.

A radar feedback sign is an interactive sign composed of a speed-measuring device and a message sign which displays the speed of approaching vehicles. Its purpose is to slow cars down by making drivers aware they are driving at a speed above the posted limit. They are used as a traffic calming device.

To determine the appropriate locations on Dietz Elkhorn Road west, the City conducted an in-house study of speed limits and vehicle counts on March 11 – 31 at the western end of Dietz Elkhorn Road west and from April 1 – 15 at the eastern end. The captured data shows:

- Daily average vehicle counts per location:
 - Western end 3,688
 - Eastern end 3,184

- Total average speed per location:
 - Western end 33.2 mph
 - Eastern end 35.3 mph
- 85th percentile of speed per location (the speed at or below which 85% of drivers will operate under free-flowing conditions. Traffic and Transportation Engineers use the 85th percentile speed as a guide to set the speed limit at a safe speed, minimizing crashes and promoting uniform traffic flow along a roadway).
 - Western end 40.2 mph
 - Eastern end 41.9 mph

Exhibit A provides additional details of these results.

Although more vehicles travel on the western end of Dietz Elkhorn Road west, speeding occurs more at the eastern end. The staff's recommendation is to place two radar feedback signs on the eastern end of Dietz Elkhorn Road west.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

- Priority 4.1 of the Strategic Action Plan is to Enhance and Ensure Continuity of Police Services.
- Reflects input from TSAC and citizens promoting transparency and responsive governance.
- Traffic calming devices preserve quality-of-life characteristics relative to transportation safety.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

- Two radar feedback signs are in this fiscal year's budget.
- Staff will present a prioritized list of radar feedback sign locations at a FY 2025-26 budget workshop as directed by the Council.

LEGAL ANALYSIS:

Approved as to form by City Attorney's office.

RECOMMENDATION/PROPOSED MOTION:

I move to approve a resolution authorizing the placement of the two radar feedback signs on Dietz Elkhorn Road west.

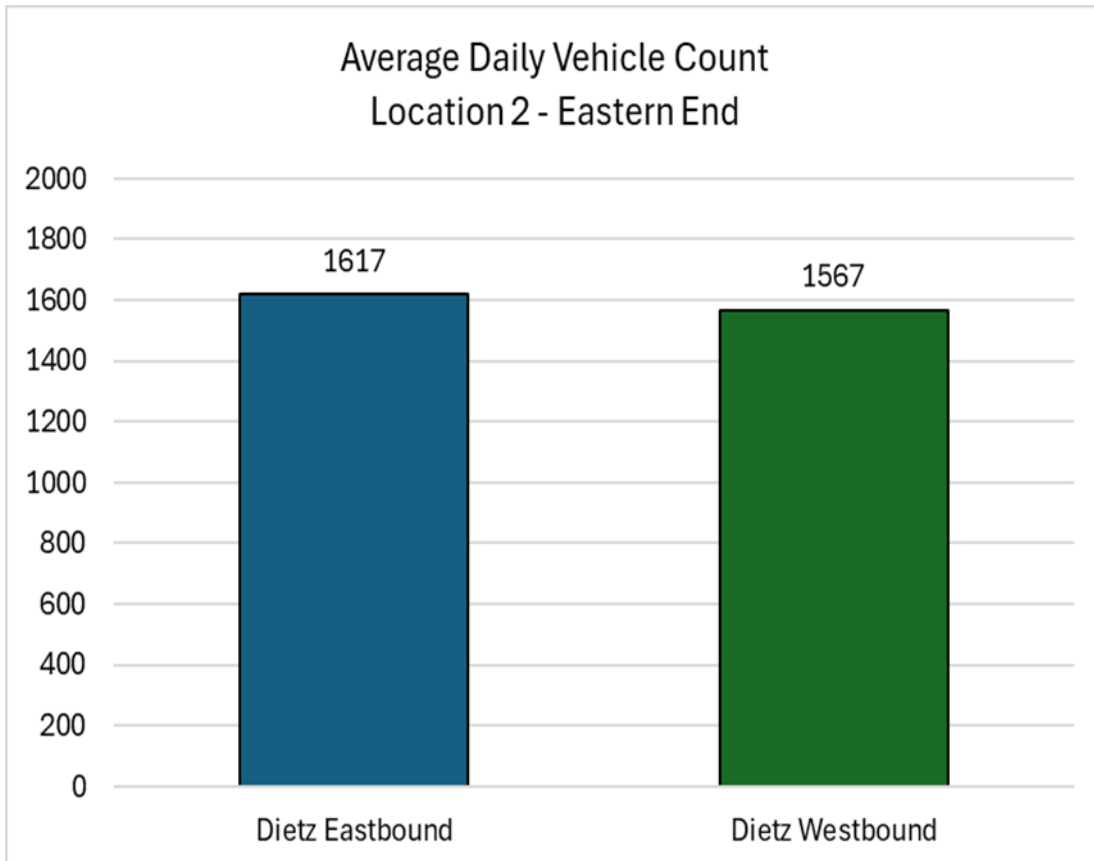
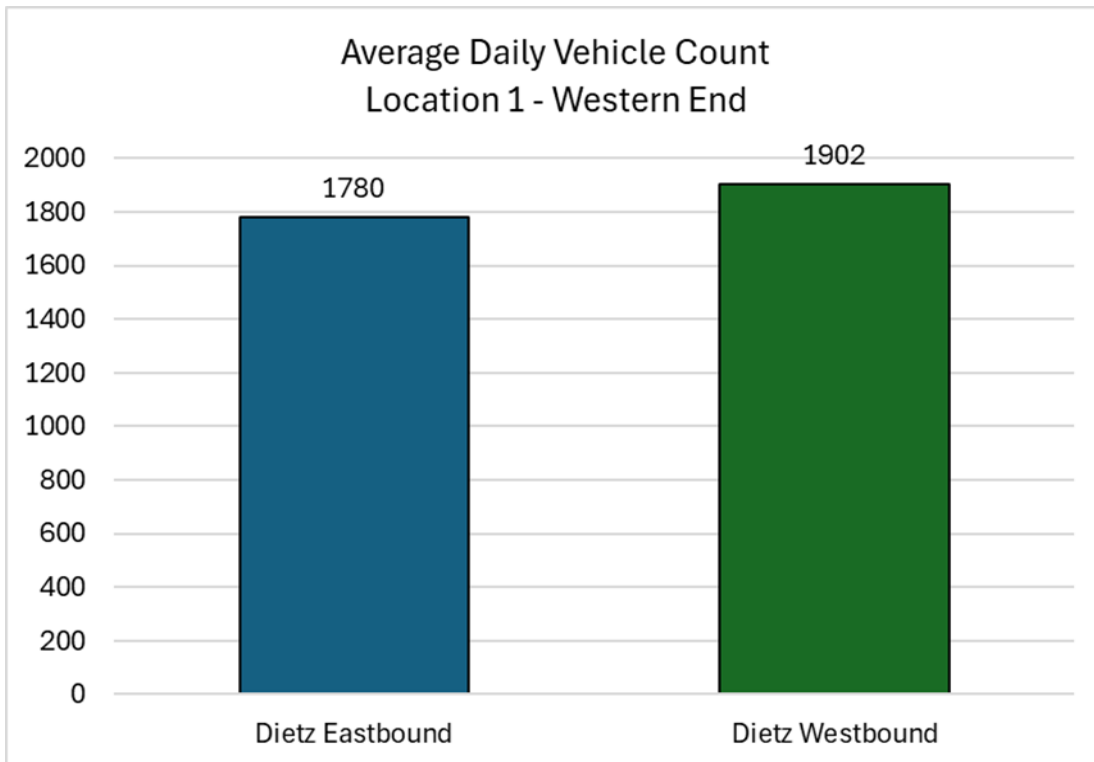
EXHIBIT A

EXHIBIT A

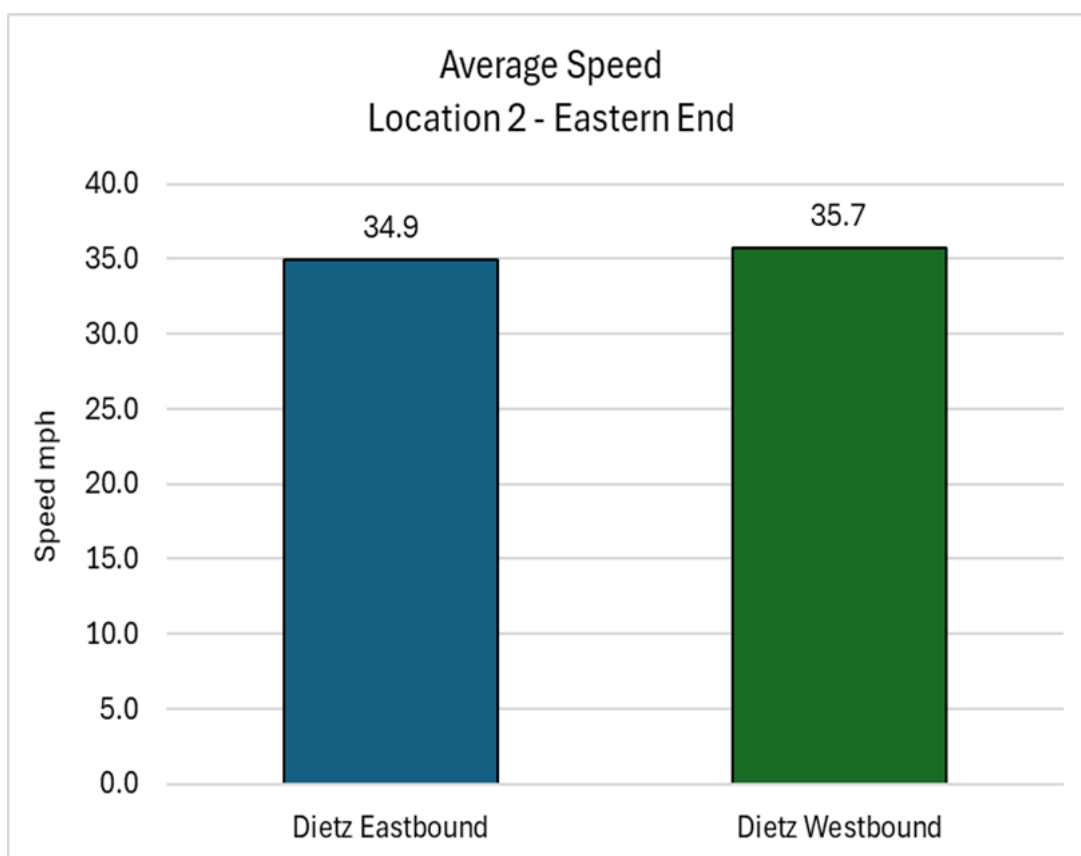
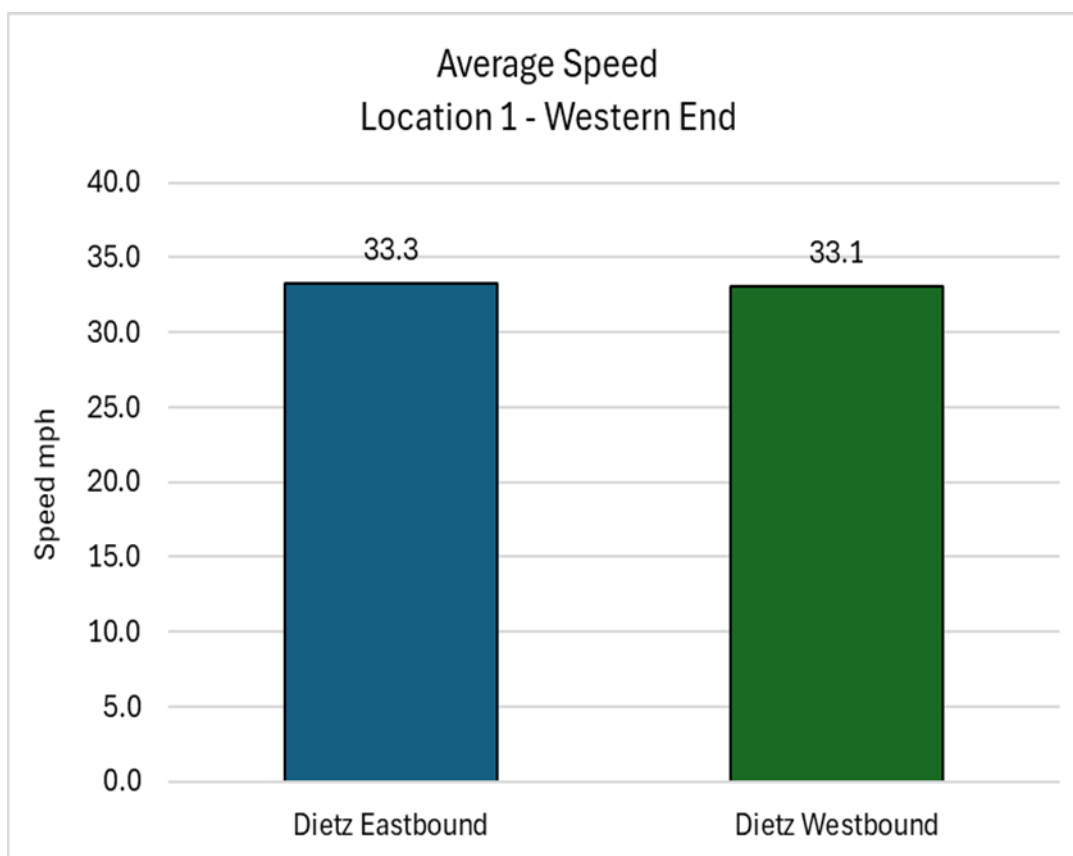


EXHIBIT A

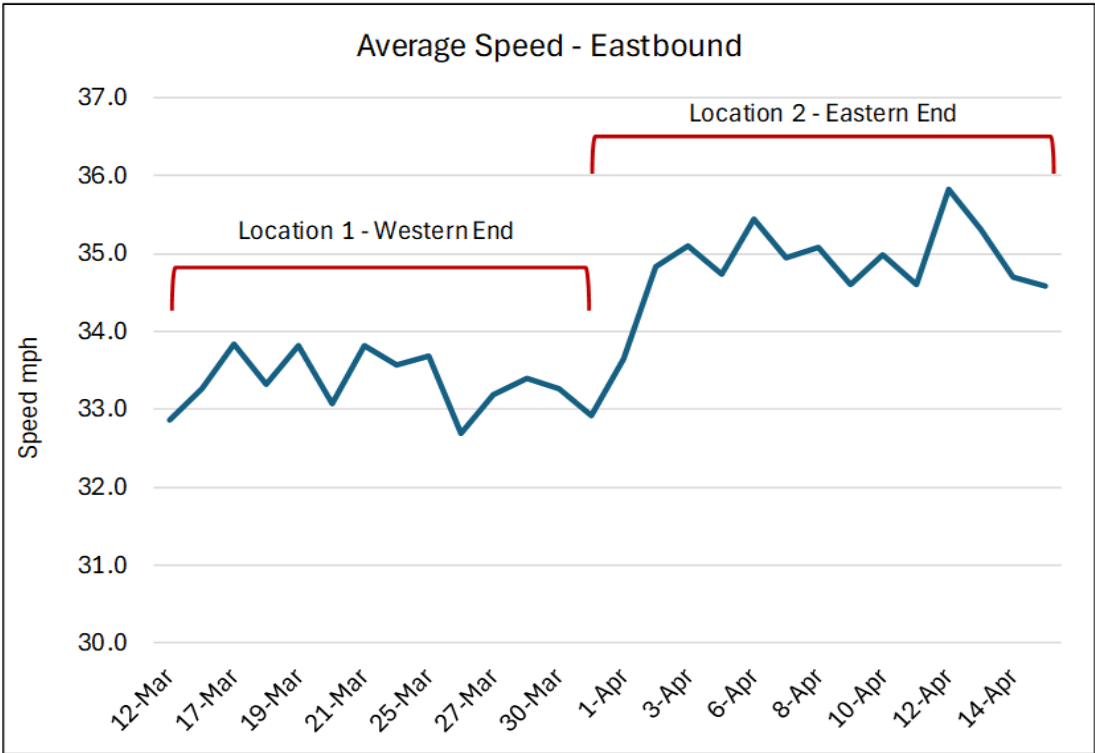
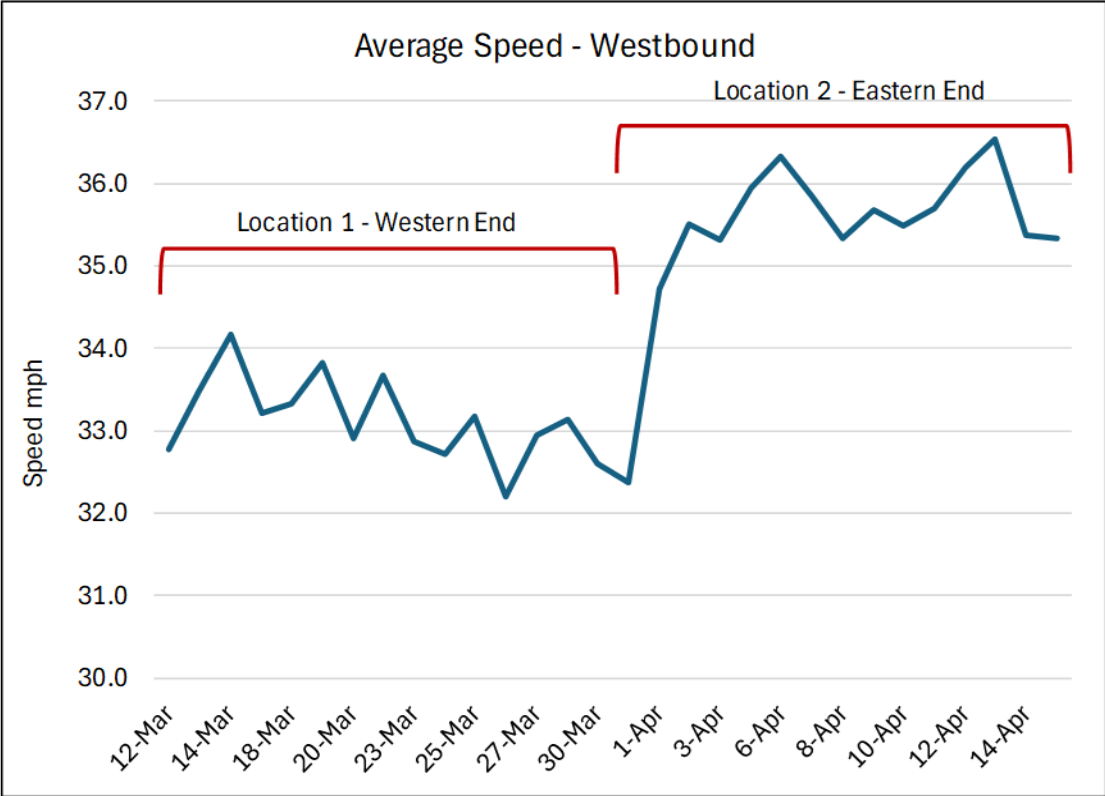
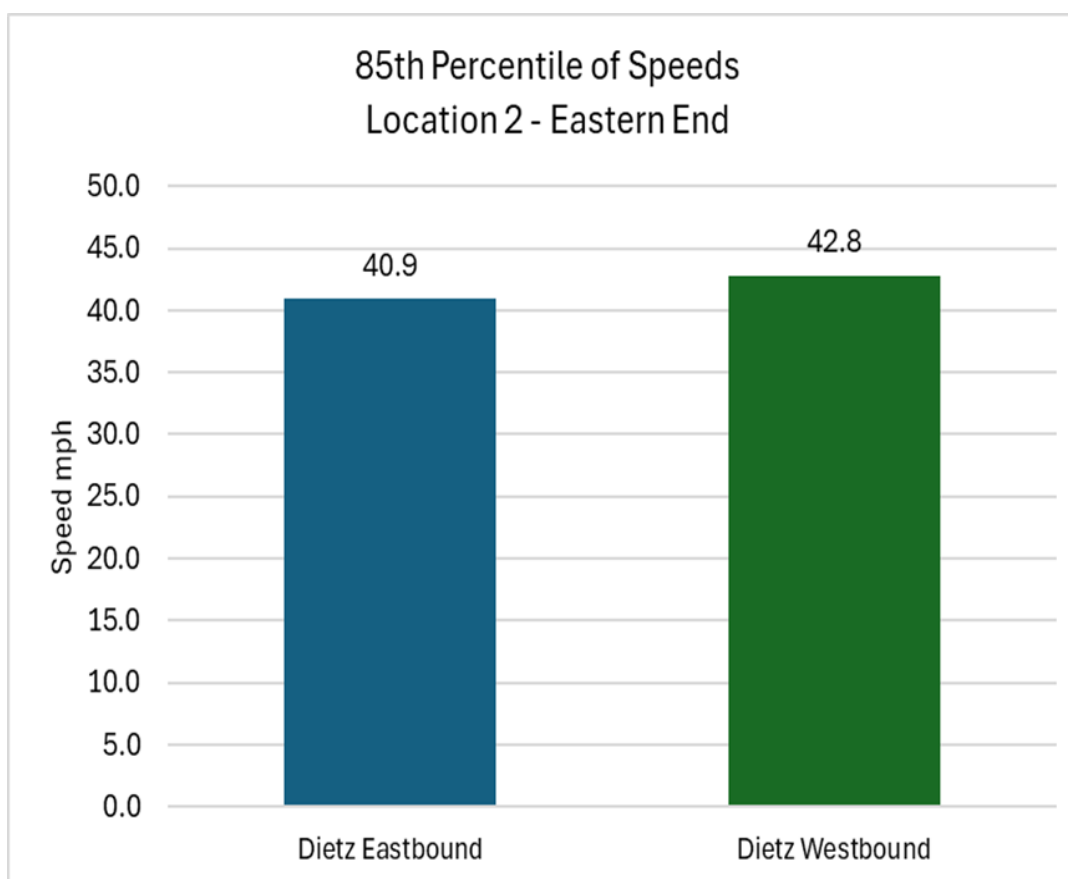
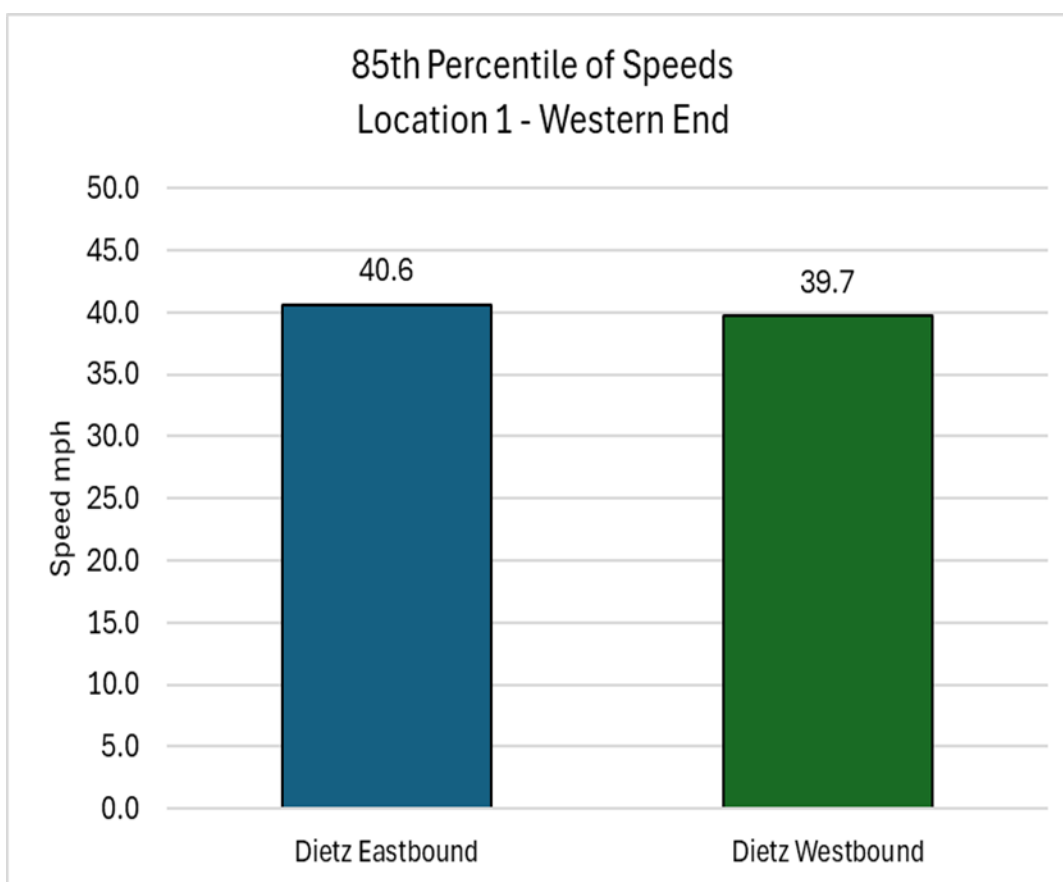


EXHIBIT A

A RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS AUTHORIZING THE PLACEMENT OF TWO RADAR FEEDBACK SIGNS ON DIETZ ELKHORN ROAD WEST; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, traffic radar feedback signs detect vehicle speeds and provide immediate, visual feedback, encouraging safer driving in school zones, neighborhoods, and other high-traffic areas, and

WHEREAS, the prima facie speed limit on Dietz Elkhorn Road west within the city limits is 35 mph; and

WHEREAS, the Transportation Safety Advisory Committee ("TSAC") received a citizen submittal requesting two radar feedback signs on the western end of Dietz Elkhorn Road to encourage driver adherence to the speed limit, and

WHEREAS, at the February 5, 2025 TSAC meeting the Committee recommended the placement of radar feedback signs on Dietz Elkhorn Road west, and

WHEREAS, on February 20, 2025, the City Council concurred with the TSAC recommendation to place two radar feedback signs on Dietz Elkhorn Road west, and

WHEREAS, to determine the best locations of radar signs, an in-house study was performed from March 11 – April 15, 2025 capturing traffic and speeds data; and

WHEREAS, for additional traffic safety in the City of Fair Oaks Ranch, the City Council finds the placement of two radar feedback signs on Dietz Elkhorn west is warranted.

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

- Section 1.** The City Council authorizes the placement of two radar feedback signs on Dietz Elkhorn Road west.
- Section 2.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.
- Section 3.** If any provision of this resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this resolution would have been enacted without such invalid provision.
- Section 4.** That it is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

- Section 5.** All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this resolution are hereby repealed to the extent of such conflict, and the provision of this resolution shall be and remain controlling as to the matters resolved herein.
- Section 6.** This resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.
- Section 7.** This resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED, APPROVED, and ADOPTED on this 1st day of May 2025.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, TRMC
City Secretary

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

Placement of Radar Feedback Signs on Dietz Elkhorn Road West

Carole Vanzant, Assistant City Manager
Julie Lovelace, Accounting Manager

BACKGROUND



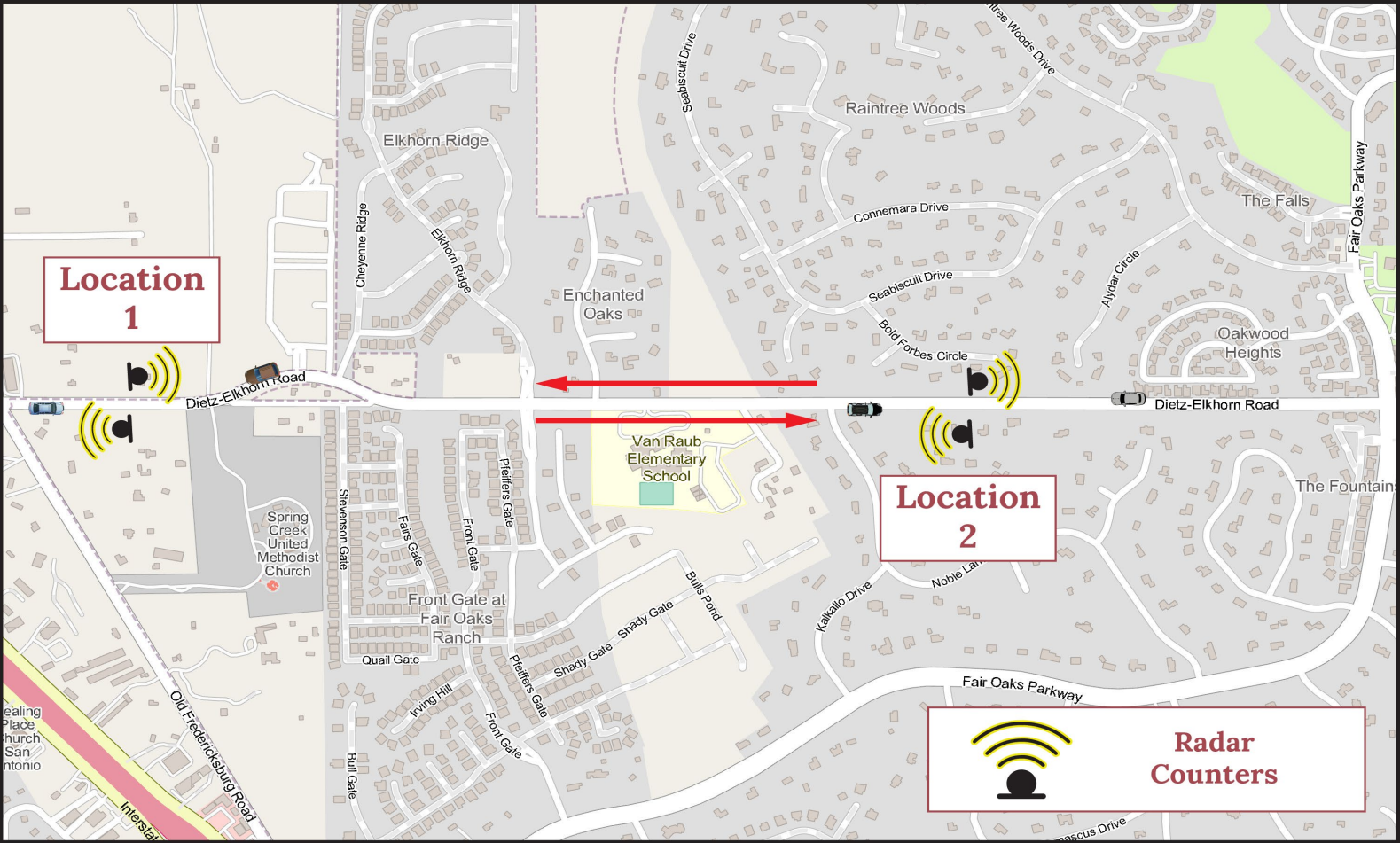
- January 2025 - Citizen request received to place two radar feedback signs on the western end of Dietz Elkhorn Road.
- February 5 - TSAC recommended the placement of two budgeted radar feedback signs on Dietz Elkhorn Road west.
- February 20 - City Council concurred with TSAC's recommendation. City Manager noted next steps:
 - Perform a study on vehicle numbers and speed limits utilizing radar counter signs.
 - Present data to City Council.
 - Present to City Council a resolution authorizing the placement of radar feedback signs.
- Radar data timeline:
 - March 11 – 31 western end of Dietz Elkhorn Road west.
 - April 1 – April 15 eastern end of Dietz Elkhorn Road west.

RADAR COUNTER LOCATIONS

MARCH 11 – APRIL 15

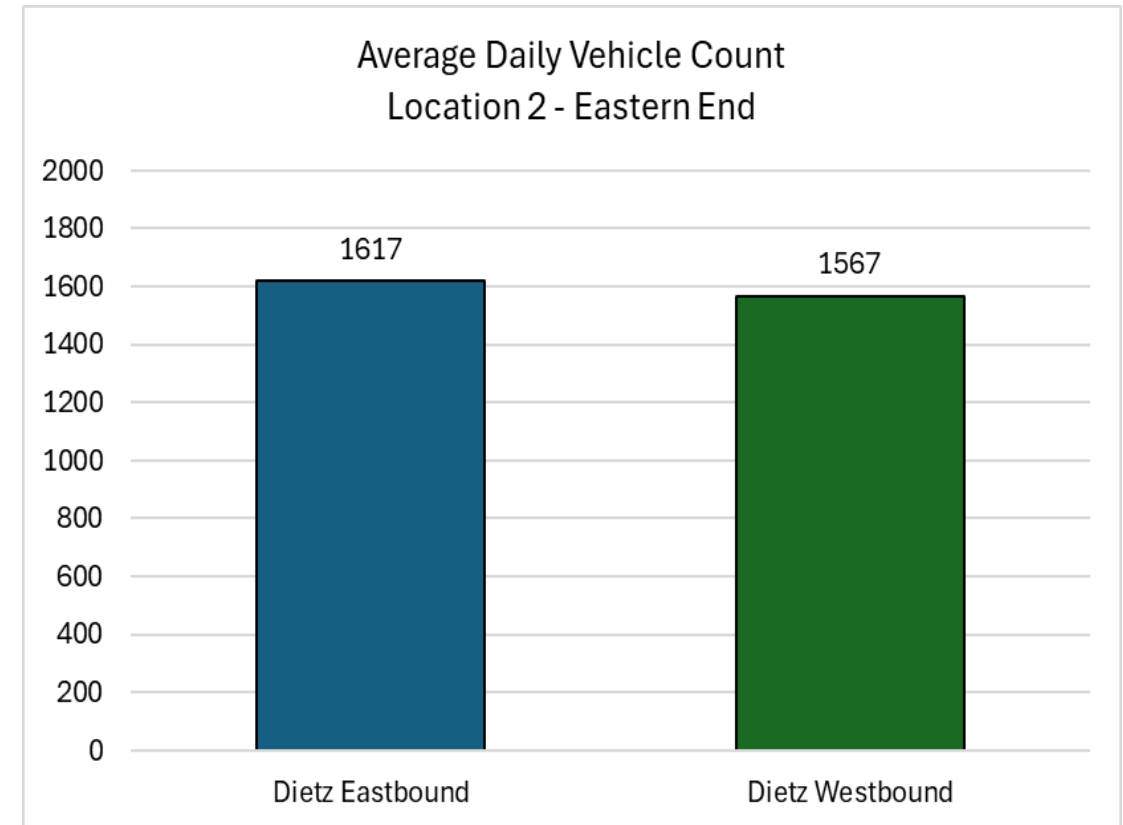
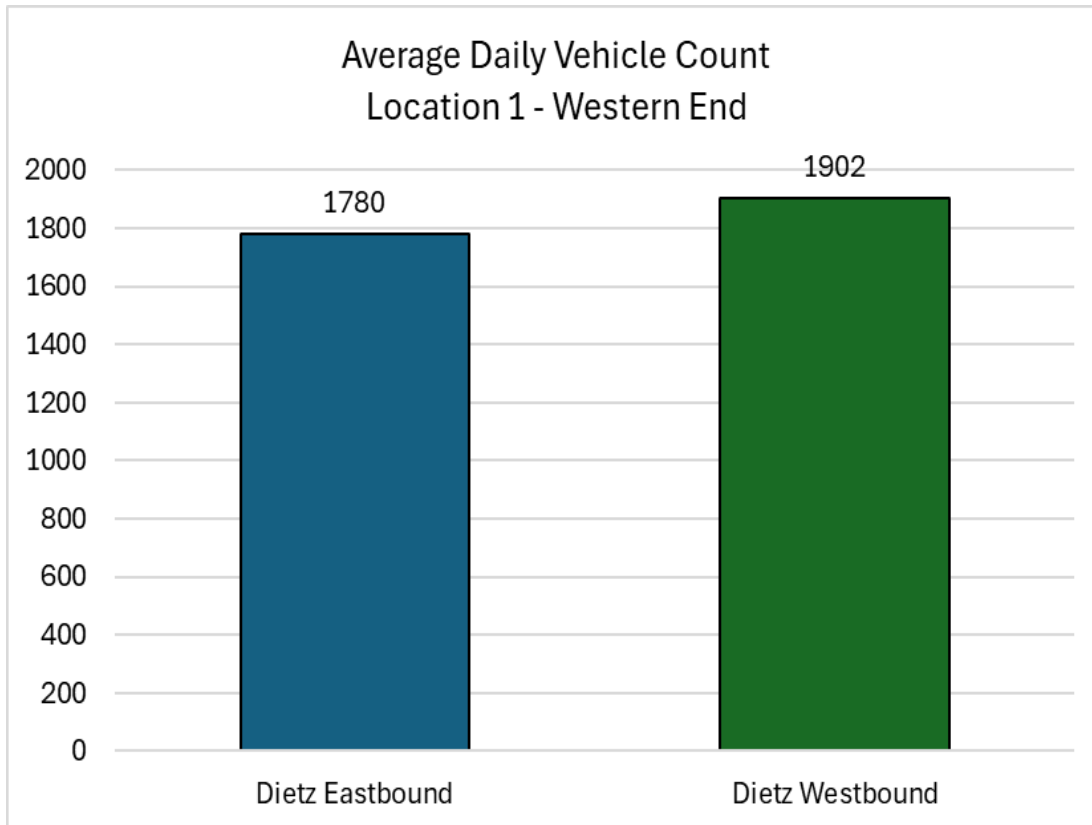


Western
End

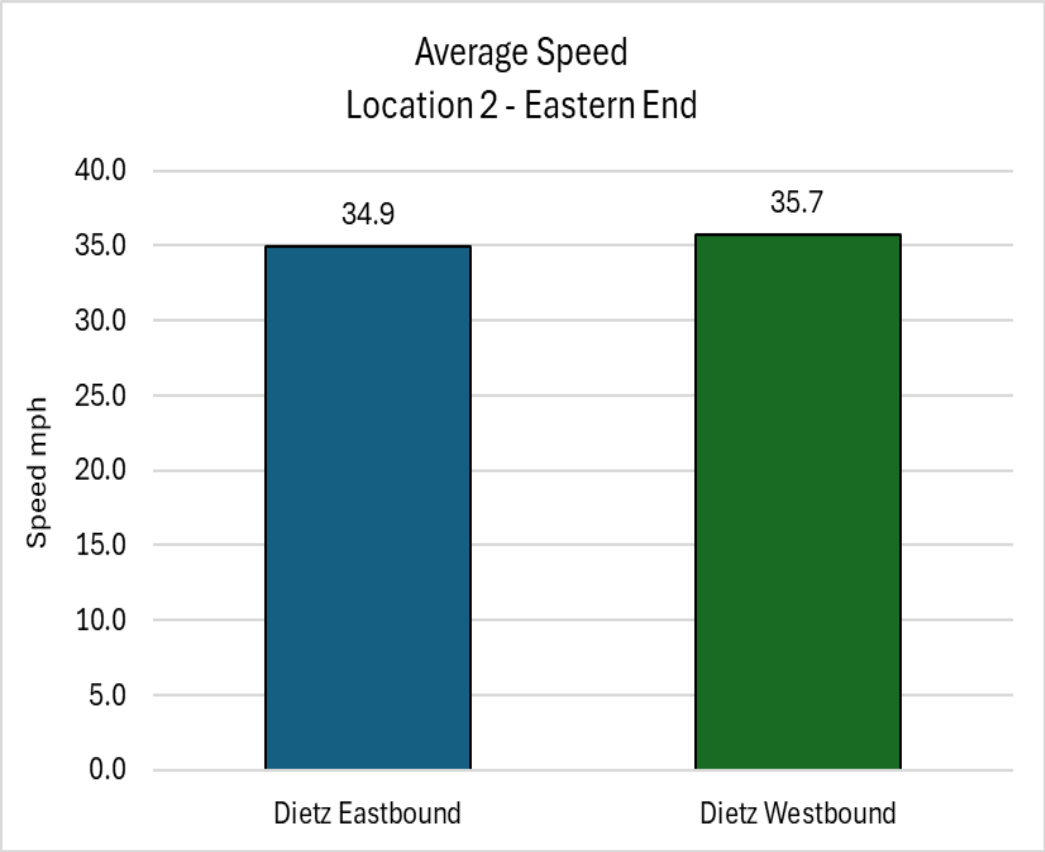
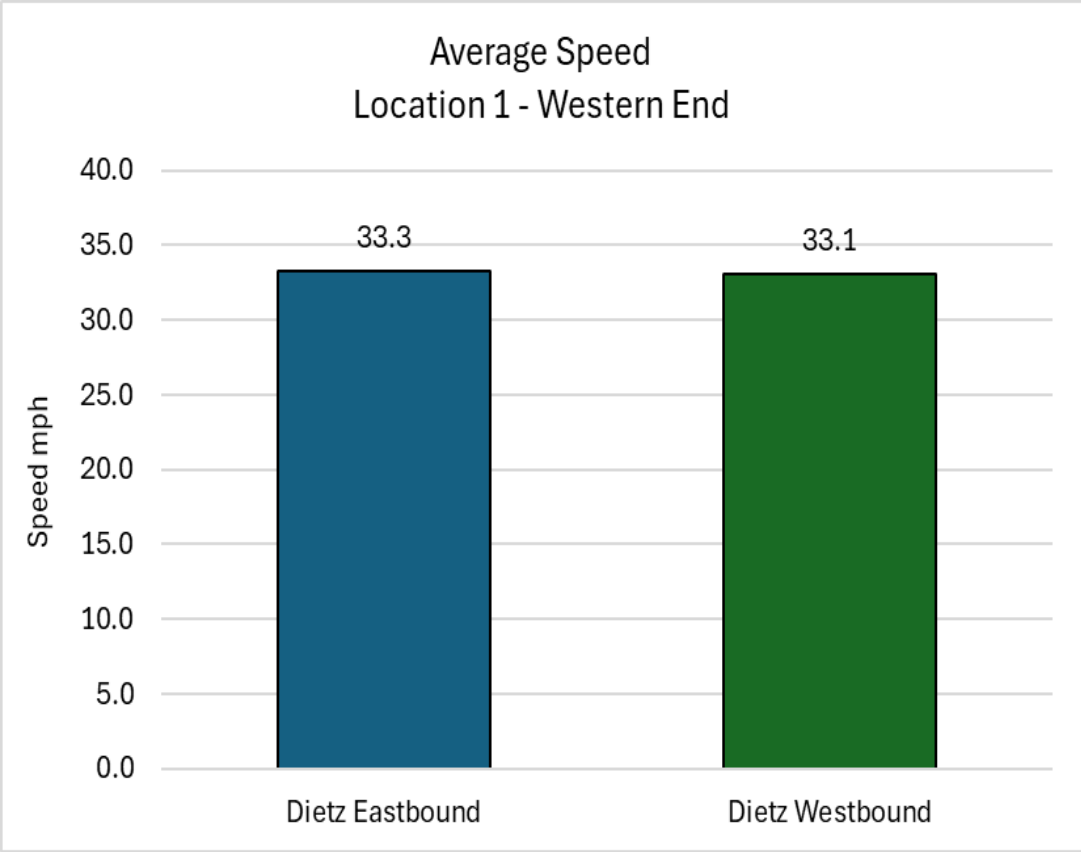


Eastern
End

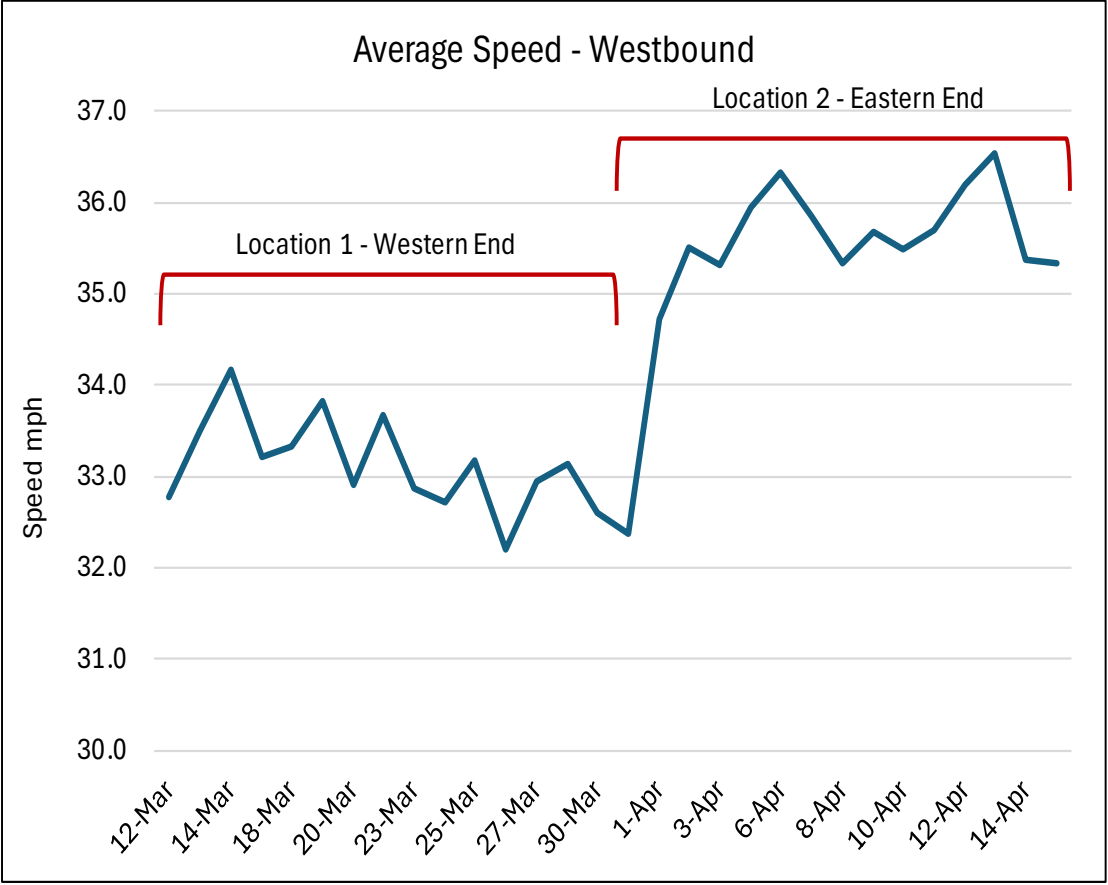
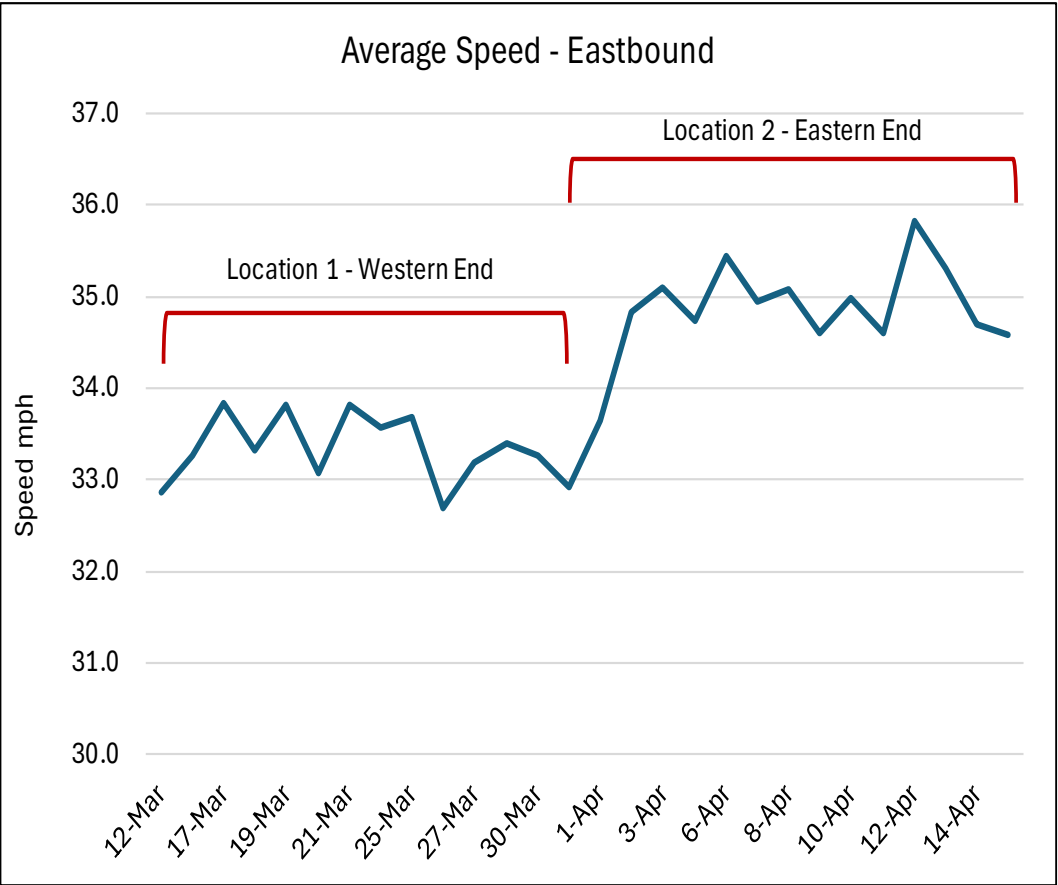
AVERAGE DAILY VEHICLE COUNTS



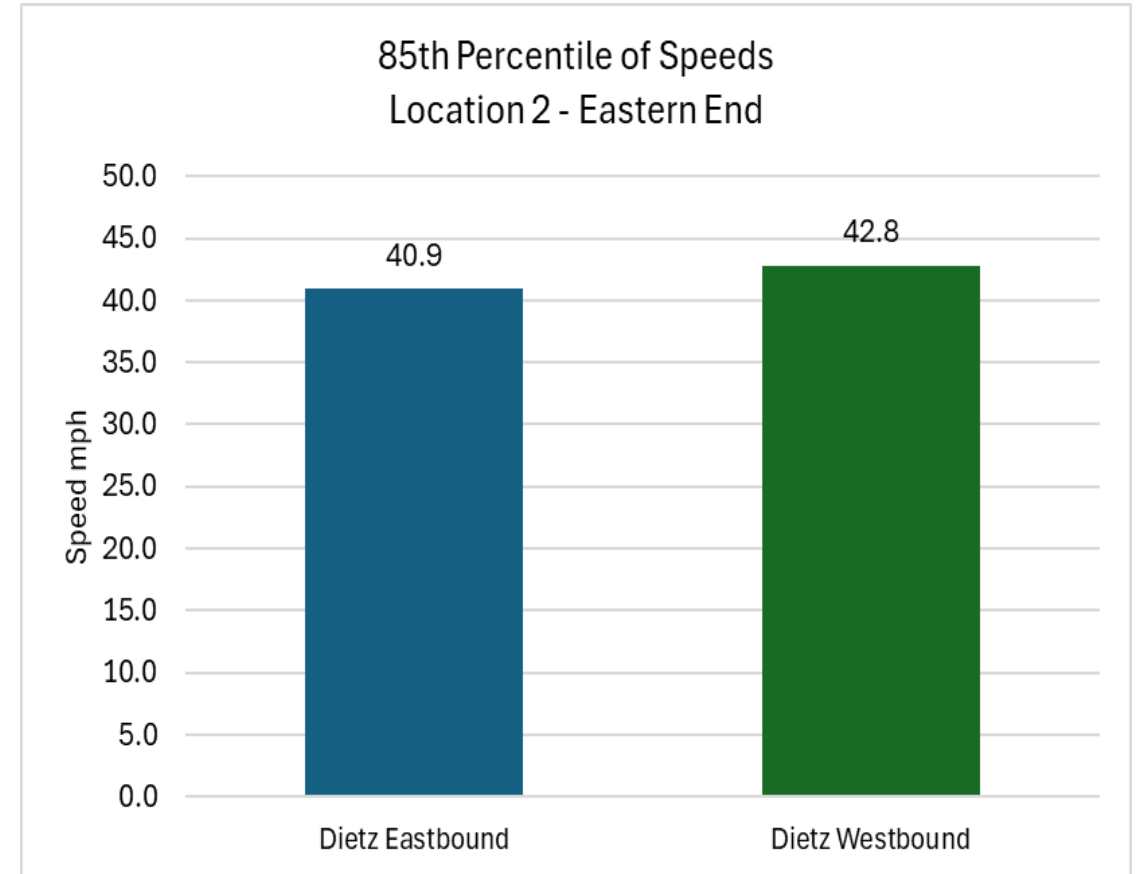
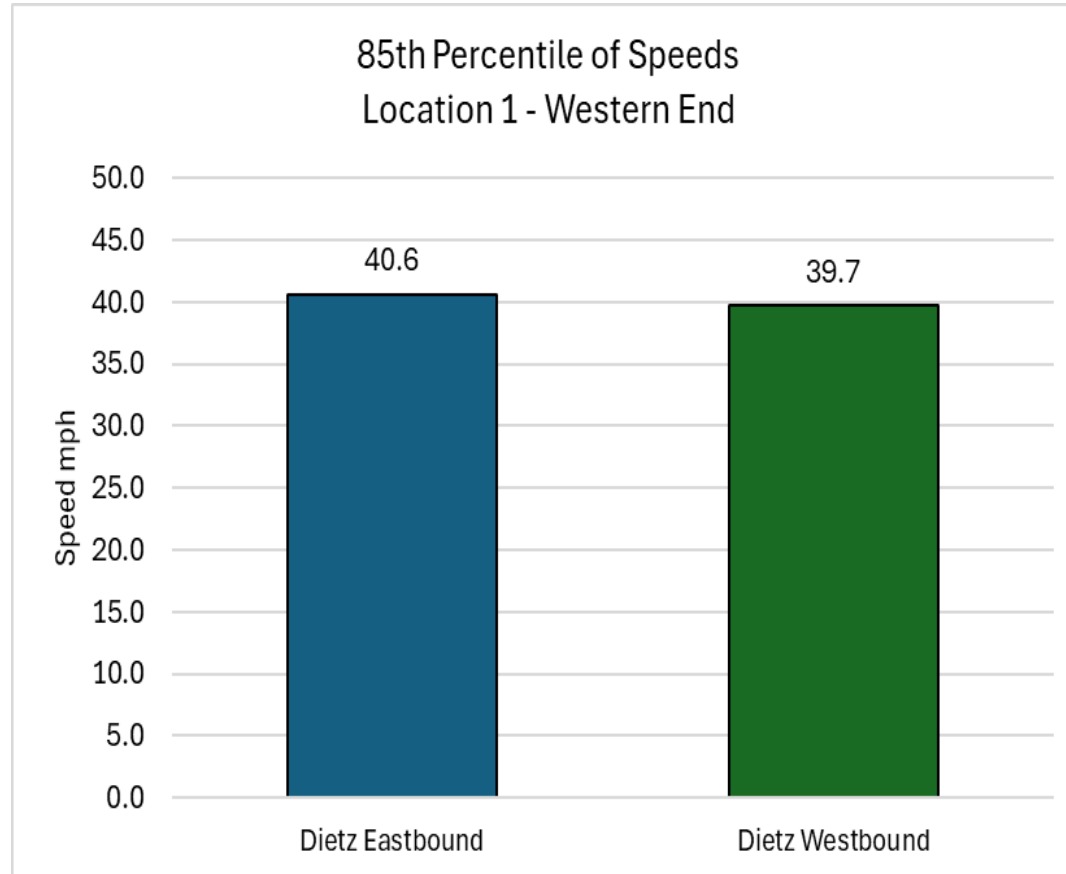
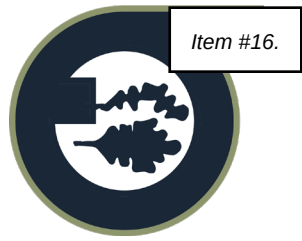
TOTAL AVERAGE SPEED



DAILY AVERAGE SPEED



85th Percentile of Speeds



IN SUMMARY

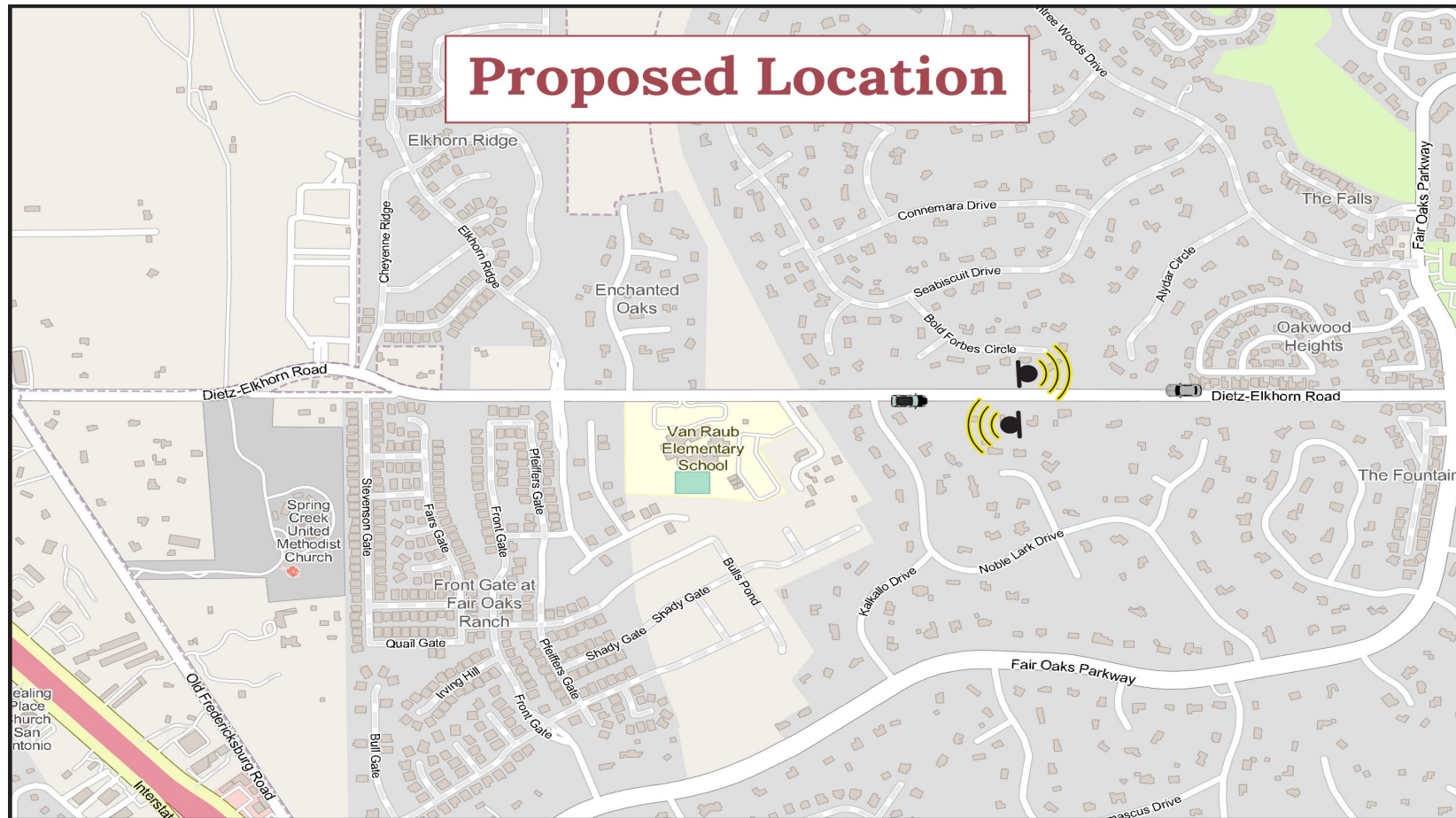


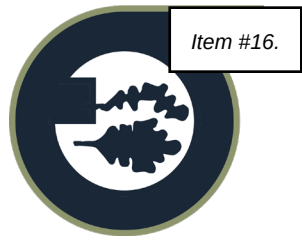
- I. Radar counts captured March 11 – April 15
 - 1. Average daily vehicle counts
 - 2. Total average speeds
 - 3. Daily Average speed
 - 4. 85th percentile of speed
- II. Data shows
 - 1. More vehicles travel on western end
 - 2. More drivers travel over the speed limit on **eastern** end
 - 3. 85th percentile of speed is over 35 mph
- III. Radar feedback signs are used as a traffic calming device

STAFF'S RECOMMENDATION

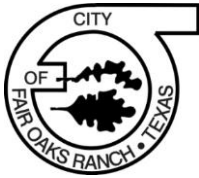


Place two radar feedback signs on eastern end of Dietz Elkhorn Road west





QUESTIONS?



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

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

DATE: May 1, 2025

DEPARTMENT: Public Works

PRESENTED BY: Grant Watanabe, P.E., Director of Public Works and Engineering Services

INTRODUCTION/BACKGROUND:

The 80.69-acre parcel of land at 29580 Ralph Fair Road is a portion of a 160-acre undeveloped tract, known as the Corley Tract, within the City of Fair Oaks Ranch. The current zoning for this property includes Neighborhood Residential, Mixed Use Village, and Logistics. Importantly, this tract is not located within any entity's Certificate of Convenience and Necessity (CCN), which is also referred to as a certificated service area.

On August 30, 2024, Athena Domain, LLC, on behalf of owner Century Oaks, LLC, submitted a formal request for incorporation of the parcel into the City's Water and Wastewater CCN. Staff conducted an analysis of the developer's proposed Master Development Plan (**Exhibit A**), which consists of 20 single-family residential units, 216 townhomes, and four Mixed Use Village lots, to calculate estimated water consumption and wastewater generation. The City currently contracts with the Guadalupe-Blanco River Authority (GBRA) to reserve 1,850 acre-feet of which 1,344 acre-feet is currently delivered to City water plants for distribution. The remaining reserved amount is adequate to serve the proposed development, fulfill existing Water Supply Agreement commitments, and other potential developments over the next decade and beyond. In addition, the wastewater treatment plant is capable of serving the proposed development and other future developments without exceeding the TCEQ permitted capacity.

On October 17, 2024, the City Council approved a resolution to incorporate the 80.69-acre parcel into the City's water and wastewater CCN, contingent on the approval of a Master Development Plan reflecting a maximum of 139 LUEs (water) and 137 LUEs (wastewater), in alignment with the City's Water, Wastewater and Reuse Master Plan.

On December 5, 2024, the City Council, upon recommendation from the Planning and Zoning Commission, approved the Master Development Plan with a condition that the developer enter into a Utility Service Agreement with the City to memorialize the number of units, LUEs, related fees and any cost-sharing arrangements for off-site infrastructure necessary to serve the development.

The Utility Service Agreement (USA) is attached as **Exhibit B**. A summary of the terms and conditions is provided below:

- Term:
 - Seven (7) years, unless extended by mutual agreement between the City and Developer
 - If development starts within seven (7) years, the term automatically extends to 15 years or the date of conveyance of all lots, whichever occurs earlier
- Water Capacity
 - City shall provide water service for 139 LUEs
 - Builders shall pay the current impact fee of \$8,670.33 per LUE at the time construction permits are pulled for each residential unit or commercial building (total of \$1,205,175.87)
 - Developer shall pay the City a one-time water replacement charge (\$57,475) at the time of Phase 1 Final Plat approval to offset the cost of obtaining future water supply
 - Developer shall pay a monthly water reservation fee if the Phase 1 Final Plat is not submitted within 18 months of the effective date of the agreement to cover the City's cost of reserving water from GBRA.
 - Developer is responsible for costs associated with on-site water infrastructure
- Wastewater Capacity
 - City shall provide wastewater service for 137 LUEs
 - Builders shall pay the current impact fee of \$6,068.64 per LUE at the time construction permits are pulled for each residential unit or commercial building (total of \$831,403.68)
 - Developer is responsible for all costs associated with on-site wastewater infrastructure
- Off-site Infrastructure
 - Developer is responsible for all costs to extend the 8-inch water main and 8-inch sewer main from The Arbors to the development
 - Developer is responsible for all costs to upgrade the Cojak Circle manhole and install a new 12-inch sewer main between the manhole and WWTP
 - Developer and City to cost-share construction of a new 12-inch water main from the Elmo Davis water plant to the development (25% Developer and 75% City)
- CCN Incorporation
 - Upon execution of the USA, the City shall complete all required steps to file with the Public Utility Commission of Texas to incorporate the parcel into its CCNs

The USA is expected to benefit both the City and Developer. For the Developer, it secures water and wastewater service for the proposed development since the parcel is not located in any entity's CCN. For the City, the full cost of the Cojak Circle manhole and sewer upgrade project, and a portion of the cost to extend water infrastructure to the eastern side of the City will be covered by the Developer. The City budgeted \$650,000 for the Cojak Circle project which can be redirected towards the large WWTP Phase 1 Expansion project, and the 12-inch water main from Elmo Davis will increase system resiliency by looping the water system so that the Arbors and other nearby areas are served by at least two distribution lines and not subject to a single point of failure.

Should the USA be approved, advertisement for the Dietz Elkhorn Road (East) Reconstruction project will be postponed for approximately three months while the Developer completes

construction documents for the 12-inch water main project. Both projects will be joint-bid and awarded to the same contractor to ensure coordination of construction activities. This approach avoids trenching through the new road to install the water line shortly after it is constructed.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

- Supports Priority 2.1 of the Strategic Action Plan to Manage the Physical Development of the City in accordance with the Comprehensive Plan. The proposed development complies with all zoning regulations and permitted uses for the property.
- Supports Project 3.1.15 of the Strategic Action Plan to Evaluate and Ensure Water Supply Availability and Continuity in accordance with adopted Master Plans

LONGTERM FINANCIAL & BUDGETARY IMPACT:

Should the USA be approved, the full cost of the Cojak Circle manhole and sewer upgrade project, and a portion of the cost to extend water infrastructure to the eastern side of the City will be covered by the Developer. The Developer will also pay the City a one-time water replacement charge (\$57,475) and may cover the City's cost to reserve water under the GBRA contract.

LEGAL ANALYSIS:

The City Attorney has reviewed the resolution and Utility Service Agreement and approved it as to form.

RECOMMENDATION/PROPOSED MOTION:

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

A RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS AUTHORIZING A UTILITY SERVICE AGREEMENT BETWEEN THE CITY OF FAIR OAKS RANCH, TEXAS AND AD ACQUISITIONS, LLC REGARDING WATER AND WASTEWATER SERVICES FOR AN 80.69-ACRE PARCEL OF LAND AT 29850 RALPH FAIR ROAD, A PORTION OF THE CORLEY TRACT, AND AUTHORIZING THE EXECUTION OF ALL APPLICABLE DOCUMENTS BY THE CITY MANAGER

WHEREAS, on August 30, 2024, Athena Domain, LLC submitted a formal request to incorporate an 80.69-acre parcel at 29850 Ralph Fair Road, a portion of the Corley Tract, into the City's Water and Wastewater Certificate of Convenience and Necessity (CCN), and

WHEREAS, on October 17, 2024, the City Council approved a resolution to incorporate the parcel into its CCNs, contingent on the approval of a Master Development Plan reflecting a maximum of 139 LUEs (water) and 137 LUEs (wastewater), in alignment with the City's Water, Wastewater and Reuse Master Plan, and

WHEREAS, staff has evaluated the Master Development Plan and has determined that the maximum number of LUEs will not be exceeded, and that the City's reserved water capacity and wastewater treatment capacity are adequate to serve the development, and

WHEREAS, on December 5, 2024, the City Council, upon recommendation from the Planning and Zoning Commission, approved the Master Development Plan with a condition that the developer enter into a Utility Service Agreement with the City to memorialize the number of units, LUEs, related fees and any cost-sharing arrangements for off-site infrastructure necessary to serve the development, and

WHEREAS, the cost-sharing arrangement for off-site infrastructure included in the Utility Service Agreement addresses known deficiencies in the City's wastewater collection system and increases resiliency of the City's water distribution system, and

WHEREAS, the City Council finds it appropriate to enter into a Utility Service Agreement with the developer and reaffirms its support for incorporating the 80.69-acre parcel into the City's water and wastewater CCN.

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

- Section 1.** The City Council hereby approves the Utility Service Agreement (**Exhibit A**) between the City of Fair Oaks Ranch, Texas and AD Acquisitions, LLC, and authorizes the execution of all applicable documents by the City Manager to effectuate this resolution.
- Section 2.** That the recitals contained in the preamble hereto are hereby found to be true and such recitals are hereby made a part of this resolution for all purposes and are adopted as a part of the judgment and findings of the City Council.
- Section 3.** If any provision of this resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this resolution and the

application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this resolution would have been enacted without such invalid provision.

Section 4. That it is officially found, determined, and declared that the meeting at which this resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 5. All resolutions or parts thereof, which are in conflict or inconsistent with any provision of this resolution are hereby repealed to the extent of such conflict, and the provision of this resolution shall be and remain controlling as to the matters resolved herein.

Section 6. This resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

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

PASSED, APPROVED, and ADOPTED on this 1st day of May 2025.

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

Christina Picioccio, TRMC
City Secretary

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

EXHIBIT B**UTILITY SERVICE AGREEMENT**

STATE OF TEXAS §
 §
 COUNTY OF BEXAR §
 §
 §
 CITY OF FAIR OAKS RANCH §

This Utility Service Agreement (including the General Conditions, the Special Conditions, and the Attachments hereto, this “Agreement” or “USA”) is entered into by and between the CITY OF FAIR OAKS RANCH, TEXAS (the City) and AD Acquisitions, LLC (the Developer). The City and the Developer are herein referred to generally as a Party and, together, the Parties. Development capitalized but not otherwise defined herein shall have the meanings ascribed to them in the hereinafter-defined Master Development Plan, a copy of which is attached hereto as Attachment IV.

WITNESSETH

WHEREAS, the City and the Developer have entered into that certain Master Development Plan, pursuant to which the City and the Developer are obligated to undertake specified actions relative to the Master Development Plan (such development, the Development; the property that is the subject of the Master Development Plan and the location of the Development, the Property); and

WHEREAS, the Master Development Plan contemplates the need for improvements to the City’s water utility systems (the Water System) and the City’s wastewater utility system (the Wastewater System), (collectively referred to herein as “Systems”) that are outside the boundaries of the Property to extend Systems infrastructure to the Property’s border for connection to necessary water and wastewater infrastructure improvements within the Property (such offsite improvements, as further defined and described herein, the Offsite Improvements; such onsite improvements, as further defined and described herein, the Onsite Improvements; the Offsite Improvements and the Onsite Improvements, together, the Improvements); and

WHEREAS, the Master Development Plan requires the Developer to design, construct, and finance all requisite Improvements, which includes all Improvements within the boundaries of the Property (“Onsite Improvements”) that are necessary for connection to the Systems to provide retail water and wastewater services (Services) to the Development, and upon completion thereof, dedicate the same to the City;

WHEREAS, the Master Development Plan requires the Developer to work with the City to design, construct, and finance all requisite Improvements beyond the boundaries of the Property (“Offsite Improvements”) that are necessary for connection to the Systems to provide Services to the Development, and upon completion thereof, dedicate the same to the City; and

WHEREAS, the completion of the Offsite Improvements will allow for the Developer’s connection of the Onsite Improvements to the Systems; and

EXHIBIT B

WHEREAS, the Parties now desire to enter into this Agreement to memorialize the terms and conditions by which (i) the Improvements will be designed, constructed, financed, dedicated to the City, and made a part of the Systems and (ii) Systems capacity is reserved for the purpose of providing Service to the Development; and

NOW, THEREFORE, in consideration of the foregoing Recitals, the covenants contained herein, and for other good and valuable considerations (the receipt and sufficiency of which are hereby acknowledged), the Developer and the City hereby agree as follows.

1. Interpretation of Agreement.

- a. The Parties acknowledge that the Service contemplated by this Agreement shall be provided in accordance with the applicable Governing Regulations, including the City's Code of Ordinances and Unified Development Code. In the event the specific terms of this Agreement conflict with the Governing Regulations, the specific terms of this Agreement shall apply. The Parties further acknowledge that this Agreement is subject to future acts of the City Council with respect to the adoption or amendment of Impact Fees and City ordinances or resolutions specifying rates for Service.
- b. The Parties agree that a purpose of this Agreement is the City's reservation and dedication of [139] of Water Service living unit equivalents (LUEs) (such dedicated capacity, Water Capacity, and Guaranteed Capacity, collectively) from available System capacity (whether currently existing or to result from ongoing System expansion) for provision of Service to the Development.
- c. The Parties also agree that a purpose of this Agreement is the City's reservation and dedication of [137] of Wastewater Service living unit equivalents (LUEs) (such dedicated capacity, Wastewater Capacity, and Guaranteed Capacity, collectively) from available System capacity (whether currently existing or to result from ongoing System expansion) for provision of Service to the Development

2. Obligation Conditioned. The City's obligation to provide Service to the Property is conditioned upon present rules, regulations and statutes of the United States of America and the State of Texas and any court order that directly affects the City or its ownership and operation of the System. The Developer acknowledges that if the rules, regulations and statutes of the United States of America and/or the State of Texas that are in effect upon the Effective Date are repealed, revised or amended to such an extent that the City becomes incapable of, or is prevented from, providing the Service, then no liability of any nature is to be imposed upon the City as a result of the City's compliance with such legal or regulatory mandates. The City agrees that it will use its best efforts to prevent the enactment or to mitigate the impact of such legal or regulatory mandates.

3. Term.

EXHIBIT B

- a. The term of this Agreement shall be seven (7) years from the Effective Date, unless extended by mutual agreement, evidenced in writing, by the City and the Developer. If the Developer starts development of the project during the first seven (7) years since execution, the Agreement shall automatically extend to the earlier of (i) fifteenth (15th) anniversary of its execution or (ii) upon conveyance by Developer of all of the Property to third parties (each a "Lot Owner" and collectively, the "Lot Owners"), unless extended by mutual agreement of the parties. Certain City obligations (described in Section 3.c below) may survive the expiration of the term of this Agreement if (i) all Impact Fees applicable to the Development, defined as lots conveyed to owners, have been paid and (ii) the Developer has complied with all requirements concerning the Improvements as are described, as applicable, in this Agreement and the Master Development Plan.
- b. To the extent that the City's obligations do not survive the expiration of this Agreement, the Developer understands and agrees that a new utility service agreement must be entered into with the City to receive Service to the Development.
- c. Provided compliance with clauses (i) and (ii) of Section 3.a above has occurred, the following obligations shall survive expiration of this Agreement:
 - i. The City's recognition of the Guaranteed Capacity to be provided by the System to the Development in the form of Service, as specified in S.C. 1.00 hereof.
 - ii. The City's continued provision of Service to retail customers located in the Property, so long as such customers pay for the Service and comply with the regulations applicable to individual customers (including payment of rates for Service, as from time to time specified by City ordinance or resolution).

4. Entire Agreement. The following documents attached hereto and incorporated herein are as fully a part of this Agreement as if herein repeated in full and, together, comprise this Agreement in its entirety:

Attachment I:	General Conditions
Attachment II:	Special Conditions
Attachment III:	Engineering Report Regarding Improvements
Attachment IV:	Master Development Plan
Attachment V:	Property Legal Description

Any of the above attachments that are created and submitted by the Developer as an attachment to this Agreement shall be limited to providing relevant engineering, planning, or

EXHIBIT B

managing information for the purposes of setting aside or reserving the Guaranteed Capacity as specified in the body of this Agreement, the General Conditions, and the Special Conditions.

The Developer understands that this Agreement, including the Attachments, is subject to the Texas Public Information Act. The Developer, therefore, agrees that it will not claim that any of the information contained herein is subject to any third-party exception under that Act.

5. The Developer's Obligations. The Developer acknowledges and agrees that the Guaranteed Capacity runs with the land and shall be an appurtenance to the Property. The Developer agrees to record this Agreement in the Real Property Records of Bexar County, Texas as quickly as practicable (but not more than fifteen (15) days from the Effective Date); otherwise, this Agreement will automatically terminate. Delivery to the City of a recorded copy of this Agreement shall serve as a condition precedent to any transfer of any portion of the Property or any portion of the Guaranteed Capacity in accordance with G.C.14.00. To the extent not reflected in the Plats from time to time submitted by the Developer to and accepted by the City pursuant to the Master Development Plan, the Developer shall maintain records of allocated and unallocated Water and Wastewater Capacity (by LUE) for use by the Development by developers thereof and therein and provide the City with copies of such records upon receipt of the City's written request for the same.

6. **INDEMNITY. TO THE EXTENT ALLOWED BY APPLICABLE LAW, THE DEVELOPER FURTHER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE CITY AND ITS SUCCESSOR AND ASSIGNS FROM THE CLAIMS OF THIRD PARTIES ARISING OUT OF THE CITY'S RECOGNITION RESERVATION AND TRANSFER OF THE GUARANTEED CAPACITY UNDER THIS AGREEMENT TO THE DEVELOPER'S SUBSEQUENT PURCHASERS, SUCCESSORS AND ASSIGNS.**

7. Notices. Any notice, request, demand, report, certificate, or other instrument which may be required or permitted to be furnished to or served upon the parties shall be delivered by actual delivery, facsimile with receipt of confirmation, or by depositing the same in the United States mail, certified with return receipt, postage prepaid, addressed to the appropriate party at the following addresses:

Developer: Athena Domain, Inc.
6002 Camp Bullis Rd., Suite 201
San Antonio, Texas 78257
Attn: Rajeev Puri
Email: rpuri@athenadomain.com

City: City Manager
City of Fair Oaks Ranch
7286 Dietz Elkhorn Rd.
Fair Oaks Ranch, Texas 78015
Email: shuizenga@fairoaksranchtx.org

EXHIBIT B

Either party may designate a different address at any time upon written notice to the other party.

8. Severability. If for any reason any one or more paragraphs of this Agreement are held legally invalid, such judgment shall not prejudice, affect impair or invalidate the remaining paragraphs of the Agreement as a whole, but shall be confined to the specific sections, clauses, or paragraphs of this Agreement held legally invalid.

9. Effective Date. The Effective Date of this Agreement shall be the date signed by the later of an authorized City representative and an authorized Developer representative.

10. Ownership. By signing this Agreement, the Developer represents and warrants that it is the owner of the Property or has the authority of the Property owner to develop the Property. Any misrepresentation of authority or ownership by the Developer shall make this Agreement voidable by the City. If the Developer does not own the Property, then the Developer must provide documentation from the owner of the Property to show that the Developer has the proper authority to develop the Property.

ACCEPTED AND AGREED TO IN ALL THINGS:

CITY OF FAIR OAKS RANCH, TEXAS

[DEVELOPER]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Address: _____

Address: _____

Date: _____

Date: _____

EXHIBIT B**ACKNOWLEDGEMENTS**

STATE OF TEXAS §

COUNTY OF _____ §

BEFORE ME, the undersigned Notary Public, on this day personally appeared _____
 _____ known to me to be the person whose name is subscribed to the foregoing
 instrument and that he has executed the same as _____ for the purposes and
 consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 2025.

(seal)

Notary Public

STATE OF TEXAS §

COUNTY OF BEXAR §

BEFORE ME, the undersigned Notary Public, on this day personally appeared _____
 _____ known to me to be the person whose name is subscribed to the foregoing
 instrument and that he has executed the same as _____ for the purposes and
 consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 2025.

(seal)

Notary Public

EXHIBIT B**ATTACHMENT I****GENERAL CONDITIONS OF THE UTILITY SERVICE AGREEMENT****G.C.1.00 Definition of Terms.**

Unless defined in the Agreement, the terms used in this General Conditions of the Utility Service Agreement (the *General Conditions*) shall have the same definitions and meaning as those set out in the Unified Development Code or Code of Ordinances. In the event a term is specifically defined in the General Conditions, and the definition is in conflict with that found in the Unified Development Code or the Code of Ordinances, and such conflict is acknowledged in the General Conditions, the definition set out in the General Conditions shall apply.

G.C.2.00 Required Submittals.

Plans and specifications for Improvements.

G.C.3.00 Developer Development and Dedication of Improvements.

Subject to the provisions of Section G.C.4.00 and G.C.5.00 below, the Improvements shall be designed and constructed by the Developer and, upon completion, dedicated to the City, who shall thereafter own, operate, and maintain the same as a part of the Systems. Offsite Improvements shall be constructed within easements and rights-of-way provided or identified by the City. The cost to acquire any additional easements or rights of way shall be as outlined in Special Conditions of the USA attached hereto. With respect to Onsite Improvements, the Developer shall acquire all necessary easements and rights-of-way to accommodate the development of Onsite Improvements. The Developer recognizes that the approval of easement or right-of-way adequacy, location, size, grade, and invert elevation for construction of Improvements is reserved to the City.

Upon respective completion of the Offsite Improvements and Onsite Improvements, the Developer shall dedicate, grant, and convey to the City, and the City (subject to Section G.C.6.00) shall accept the dedication, grant, and conveyance of, such Improvements, accompanied by all construction warranties and associated easements and rights-of-way, without lien or other encumbrance. As and after the City's acceptance of the same, the Improvements shall be made a part of the Systems and be owned, operated, and maintained by the City.

The responsibility for payment of the costs of the development and dedication of the Improvements as herein specified, shall be as outlined in Special Conditions of the USA attached hereto.

G.C.4.00 Design and Construction Requirements.

The design and construction of all Improvements shall comply with all applicable Governing Regulations, applicable rules and regulations of Bexar County, Texas, the State of Texas, and any agency thereof with jurisdiction thereon (including, but not limited to, the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, and the Texas Department of Health). In addition, and except as specifically provided otherwise herein, design and construction of the Improvements shall comply with the following provisions:

EXHIBIT B

- 1) City of Fair Oaks Ranch Construction Standard Specification for Water and Sanitary Sewer Construction
[\(https://www.fairoaksranchtx.org/DocumentCenter/View/5511/Construction-Standard-Specifications-for-Water-and-Sanitary-Sewer-Construction?bidId=\)](https://www.fairoaksranchtx.org/DocumentCenter/View/5511/Construction-Standard-Specifications-for-Water-and-Sanitary-Sewer-Construction?bidId=)
- 2) City of Fair Oaks Ranch Material Standard Specifications for Water and Sanitary Sewer Construction
[\(https://www.fairoaksranchtx.org/DocumentCenter/View/5512/Material-Standard-Specifications-for-Water-and-Sanitary-Sewer-Construction?bidId= \)](https://www.fairoaksranchtx.org/DocumentCenter/View/5512/Material-Standard-Specifications-for-Water-and-Sanitary-Sewer-Construction?bidId=)

The Developer shall involve the City, as and to the extent requested or required by the City, with the Improvements' design. Prior to soliciting any bid or letting any contract for construction of any of the Improvements, the City shall have approved the final plans and specifications for such Improvements. Modifications to plans and specifications to accommodate change orders shall also be subject to City approval.

Notwithstanding any provision herein to the contrary, and unless during the design process the City approves a variance to the foregoing requirement, Improvements shall be designed to provide for the same diameter, pressure, and volume capacity as the component of the Systems to which the Improvements connect. In addition, Onsite Improvements shall be extended to one or more boundaries of the Property, as determined by the City during the design process, to allow for connection to the Systems by adjoining property owners.

G.C. 5.00 Oversizing.

The City, during the design process, may require the installation of oversized Improvements or components thereof. If such oversizing requirement results in incremental cost increases attributable to the oversized Improvements component when compared to the cost of the size or capacity of such Improvements component that is required to only provide Service to the Property (such increased cost, the *Incremental Cost*), then such City oversizing requirement shall be conditioned on the City's providing to the Developer (i) compensation equal to the Increased Cost or (ii) a method of Increased Cost recovery acceptable to the Developer or (iii) cost split outlined in the Special Conditions to the USA attached hereto. Any requisite oversizing component of Improvements shall be considered Improvements, with no distinction from any other component of the Improvements, for all other purposes of this Agreement.

G.C.6.00 City Inspection; Acceptance.

The City, or any consultant acting on its behalf, shall have the right to inspect Improvements during their construction for any reasonable and legitimate City purpose, including assurance of conformity to approved designs, the terms of the construction contracts, this Agreement, and any Governing Regulations and satisfaction of warranty requirements associated with such construction. The Developer shall be solely responsible for any necessary corrections or remedial actions required by the City that result from its findings during such inspections.

The City's acceptance of the Developer's dedication of completed Improvements shall be subject to the City's prior determination that the Improvements were constructed in accordance with

EXHIBIT B

approved plans and specifications, that associated construction warranties remain valid and in effect (and that the Developer has taken no action that would or could compromise such validity and effectiveness) without reduction in duration or scope, and that no liens or encumbrances associated with such Improvements shall transfer to the City as a result of the subject dedication.

G.C.7.00 Joint Venture Agreements.

In the event the Developer enters into a Joint Venture Agreement covering the costs of the Improvements, the Developer shall send a copy of such agreement to the City.

G.C.8.00 Assignment.

This Agreement may be assigned only in conjunction with an assignment of the Master Development Plan; provided, however, the Developer may assign, convey, or transfer some or all of the Guaranteed Capacity to buyers of portions of the Property in accordance with the terms specified in G.C.14.00.

G.C.9.00 Event of Foreclosure.

In the event the Developer's interest in the Property is extinguished by an act of foreclosure, and the foreclosing party has supplied sufficient evidence to the City that it is the successor in interest to the Property as a result of such foreclosure, and that there are no lawsuits pending concerning the Property, the City shall consider the foreclosing party a Developer successor in interest if the foreclosing party executes a utility service agreement with the City (after the City Council determines that the execution of such an agreement will not be adverse to the City's interest).

G.C.10.00 Payment for Provision of Utility Service.

Customers within the Development receiving Service shall be charged the applicable rates for Service from time to time specified by ordinance or resolution adopted by the City Council. Billing and collection for charges for Service shall be the responsibility of the City.

G.C.11.00 Impact Fee Payment.

Impact fees for Water and Wastewater shall be paid as outlined in the Special Conditions to the USA. In addition, and to the extent the Developer's development of the Property results in the City's providing to the Developer Systems capacity, in the form of Water and Wastewater Service LUEs, in excess of the Water and Wastewater Capacity, the Developer agrees to pay all applicable Impact Fees as provided and in accordance with the applicable provisions of the Code and implementing City ordinances or resolutions relating to such Systems capacity in excess of the Water and Wastewater Capacity. Any conveyance of any portion of the Property shall include a written statement to the transferee of such portion of the Property concerning the requirement to pay Impact Fees as previously described as a result of the development of such Property pursuant to and in accordance with the applicable provisions of the Code. Notwithstanding the foregoing, the City makes no representations or guarantees concerning the availability of Systems capacity in excess of the Guaranteed Capacity.

EXHIBIT B

The Developer agrees that this Agreement does not constitute an assessment of Impact Fees on the Property or the Development regarding Water and Wastewater Capacity; however, because fees owed to the City hereunder by the Developer for Water Capacity are used by the City to pay costs of System expansion to make available the Water Capacity, such payment shall supersede and replace any Impact Fees that would otherwise be due and owing to the City for the Developer's accessing the Water and Wastewater Capacity. The provision of Special Conditions to the USA shall control in case of any conflict with any other provision of this Agreement or any other provision of the Master Development Plan.

G.C.12.00 City's Obligation to Provide Service.

Provision of Service to the Property shall not commence until (i) completion of (a) the Offsite Improvements as required by each Phase of the Development as outlined in the Special Conditions to the USA, (b) the Onsite Improvements necessary to provide Service to the portion of the Property for which Service is requested, and (c) the System improvements being undertaken by the City to expand System capacity in order to enable its provision of the Guaranteed Capacity, and (ii) the City has approved and accepted the Offsite Improvements as required by each Phase of the Development and Onsite Improvements identified in Clause (i)(b) of this Section G.C.12.00.

To the extent that all applicable Impact Fees and capacity charges (including, specifically, the capacity charges relating to the Water Capacity) have been paid and all Offsite Improvements (for each respective phase as outlined in the Special Conditions to the USA) and the Onsite Improvements necessary to provide Service to the Property pursuant to an approved Plat have been completed and made a part of the Systems in accordance with the terms of this Agreement and the Master Development Plan, such portion of the Property that is the subject of such approved Plat shall be entitled to Service by permanent use and benefit of Water and Wastewater Capacity from and up to the Guaranteed Capacity.

G.C.13.00 Conformance of Plans.

All water and wastewater facilities serving the Property other than and in addition to the Improvements shall be designed and constructed in conformance with this Agreement, the Master Development Plan, and the Governing Regulations. Once initially approved by the City, changes in the water and wastewater system design shall be resubmitted to the City for written approval.

G.C.14.00 LUE Transfers.

The transfer of Guaranteed Capacity for use outside the boundaries of the Property shall not be allowed.

The City considers this Agreement to run with the Property; however, LUE transfers from Water and Wastewater Capacity to subdivided tracts within the Property are the responsibility of the Developer and approval of such transfers is not required by the City. The Developer shall maintain a separate accounting of the Water and Wastewater Service LUEs derived from the Guaranteed Capacity that are used by the Developer and/or transferred after the Effective Date to portions of the Property. If the Developer sells a portion of the Property and transfers part of the Guaranteed Capacity that is provided under this Agreement, then that Guaranteed Capacity transfer must be

EXHIBIT B

included in the deed, bill of sale or instrument conveying the land and the Developer must require the buyer of the land who receives the allocated Water Service LUEs and Wastewater Service LUEs from Guaranteed Capacity to record the instrument effectuating the transfer.

If and as applicable, the City will recognize the LUE allocations within the Property site plan delivered to the City so long as those allocations are compliant and consistent with the provisions of this Agreement and do not, in the aggregate, exceed the Guaranteed Capacity. For portions of the Property that have areas of unplanned use, the demand will be calculated at four (4) Water Service LUEs and Wastewater Service LUEs per acre unless the engineering report specifies otherwise or there is not enough Guaranteed Capacity remaining for the Property to allocate four (4) LUEs per acre.

In no event will the City be responsible to third parties for providing Service beyond the total Guaranteed Capacity identified in this Agreement for the Property. The Developer expressly disclaims, releases, and holds harmless the City from any liability, damages, costs, or fees, and agrees to indemnify the City for any liability, including, costs and attorney's fees, associated with any dispute related to the transfer of all or a portion of Guaranteed Capacity approved for the Property in this Agreement.

EXHIBIT B

ATTACHMENT II

SPECIAL CONDITIONS OF THE UTILITY SERVICE AGREEMENT

S.C.1.00 Tract Location; Ultimate Demand; and Cost.

The Property is 80.69 acres of real property more fully described in Attachment V. The Property is not located over the Edwards Aquifer Recharge Zone. Upon execution of this Agreement, the City of Fair Oaks Ranch shall complete all the required steps to add the Property to its water and waste water certificate for convenience and necessity (CCN)

Water Capacity. The Water Capacity shall not exceed one hundred thirty-nine (139) Water Service LUEs. The Parties agree that the builders shall pay the City an amount equal to \$8,670.33 per Water Service LUE, for a total of \$1,205,175.87, for the Water Capacity, which amount shall be payable to the City at the time a builder pulls construction permit for such home, townhome or commercial building. **Developer's cost towards the Offsites outline below shall be in addition to the Water Impact Fees outline above.**

Offsite Improvements to the Water Systems shall be completed in two sections:

- 1) Section 1: Connection to Water line at the Arbors sub-division to the north of the Development with an 8" new water line. This line shall run in a minimum fifteen (15) foot wide water easement that shall be acquired by the Developer and dedicated to the City, provided however, if the easement is designed for water and wastewater lines, the total width of the easement shall be increased to a minimum of twenty (20) feet for both. This connection shall be required prior to construction of any phase of the Development. **This offsite shall be constructed at the sole expense of the Developer. Developer shall manage this project with City's support.**
- 2) Section 2: Water line upgrade from the Property to the west along Dietz Elkhorn Road to the Elmo Davis Water Plant at 29035 Dapper Dan, Fair Oaks Ranch, TX 78015, with a 12" new water line. This Section shall be built prior to the construction of Phase 2 of the Development. To the maximum extent possible, the Developer shall provide construction documents, including plans, specifications and estimates, for the water line to the City within 90 days of execution of this agreement. To the maximum extent possible, the City and Developer shall coordinate the installation of this line in conjunction with the planned reconstruction of Dietz Elkhorn Road. The costs for this line shall include, but not limited to design, survey, construction, monitoring, easements, etc. Developer shall create a budget with all costs and submit it to the City for approval. City and Developer shall escrow their respective share of costs 25% for the Developer and 75% for the City to a mutually acceptable Escrow Agent and drawn on such escrowed funds to pay for the Offsite Improvements to Water Systems. During the term of this Agreement, if the Developer acquires additional adjacent property, the City and the Developer shall work together to modify this Agreement to include the additional property in this Agreement, which will include Developer contributing additional funds towards cost share of Offsite Improvements based on LUEs required and approved for the additional property. **Developer shall manage this project with City's support.**

EXHIBIT B

Developer agrees that for Phase 1 of the Development, Developer shall hold the three (3) lots above the 1,340 topo line until the Section 2 Offsite Improvements to the Water Systems are installed and accepted by the City.

Water Replacement. The Water Replacement shall not exceed two hundred and nine (209) acre-feet. The Parties agree that the Developer shall pay the City an amount equal to \$275 per acre-foot, for a total of \$57,475, for the Water Replacement, which amount shall be a one-time charge payable to the City at the time of approval of final plat for Phase 1.

Water Reservation. Provided the Developer submits the first final plat for review to the City within eighteen (18) months of execution of this Agreement, the Developer shall not have to pay Water Reservation fees. If the Developer does not submit the first final plat within eighteen (18) months of execution of this Agreement, the Developer shall, on or about the 30th day after eighteen (18) months from the date of execution of this Agreement, begin paying the monthly water reservation fee until the first final plat has been submitted to the City. Such fee shall be the monthly rate the City pays for the reservation of an acre-foot of water for that year and shall be adjusted annually to be equal to the City's cost for the reservation of water necessary for the development of the Property. This fee is equal to the product of 1/12th of the annual reservation times the firm water rate in effect during the month.

Wastewater Capacity. The Wastewater Capacity shall not exceed one hundred thirty-seven (137) Wastewater Service LUEs. The Parties agree that the builders shall pay the City an amount equal to \$6,068.64 per Wastewater Service LUE, for a total of \$831,403.68, for the Wastewater Capacity, which amount shall be payable to the City at the time a builder pulls construction permit for such home, townhome or commercial building.

Offsite Improvements to the Wastewater Systems shall be completed in two sections:

- 1) Section 1: Connection to Wastewater line at the Arbors sub-division to the north of the Development with an 8" new wastewater line. This line shall run in a minimum fifteen (15) foot wide wastewater easement that shall be acquired by the Developer and dedicated to the City, provided however, if the easement is designed for water and wastewater lines, the total width of the easement shall be increased to twenty (20) feet for both.. This connection shall be required prior to construction of any phase of the Development. **This Offsite Improvement shall be constructed at the sole expense of the Developer. Developer shall manage this project with City's support.**
- 2) Section 2: Wastewater manhole at Cojak Circle and 6" line upgrade from Cojak Circle manhole to the west to the City of Fair Oaks Ranch Wastewater Treatment Plant with a 12" new wastewater line that shall be installed in the existing easement to replace the existing 6" line. This Section shall be built prior to the issuance of Certificate of Occupancy for homes built during Phase 1 of the Development. **This offsite shall be constructed at the sole expense of the Developer. Developer shall manage this project with City's support.**

S.C.2.00 Requirement for Utilization of Guaranteed Capacity.

EXHIBIT B

The City's dedication of the Guaranteed Capacity to the Developer represents an allocation by the City of a scarce City resource. By entering into this Agreement, the Developer represents to the City that the Developer has a present intent to utilize the Guaranteed Capacity for the purpose of making Service available to the Property. If all of the Guaranteed Capacity has not been utilized by the fifteenth (15th) anniversary of the Effective Date, the City shall have the ability, exercisable at its discretion upon prior delivery of written notice to the Developer, to reallocate to another user such unutilized portion the Guaranteed Capacity. Any such reallocation shall be conditioned on the City's reimbursement to the Developer of any amounts paid by the Developer to the City for such reallocated portion of the Guaranteed Capacity pursuant to this S.C.2.00.

S.C.3.00 Time for Impact Fee Assessment and Payment.

Impact Fees owed pursuant to G.C.11.00, S.C.1.00, the Code, and applicable City ordinance or resolution, if any, will be assessed at the rates, and be payable at the times, as outlined in S.C. 1.00 above.

EXHIBIT B**ATTACHMENT III****ENGINEERING REPORT REGARDING IMPROVEMENTS**

To be delivered to the City by the Developer with adequate time for the City's review, comment, and approval, pursuant to the terms of this Agreement. The Parties hereby agree that adequate time means sixty (60) days from the initial date of submission. Upon the City's approval, the Engineering Report (which includes Improvements plans and specifications) shall be appended to and become a part of this Agreement as Attachment III.

DRAFT

EXHIBIT B

ATTACHMENT IV

MASTER DEVELOPMENT PLAN

DRAFT

EXHIBIT B

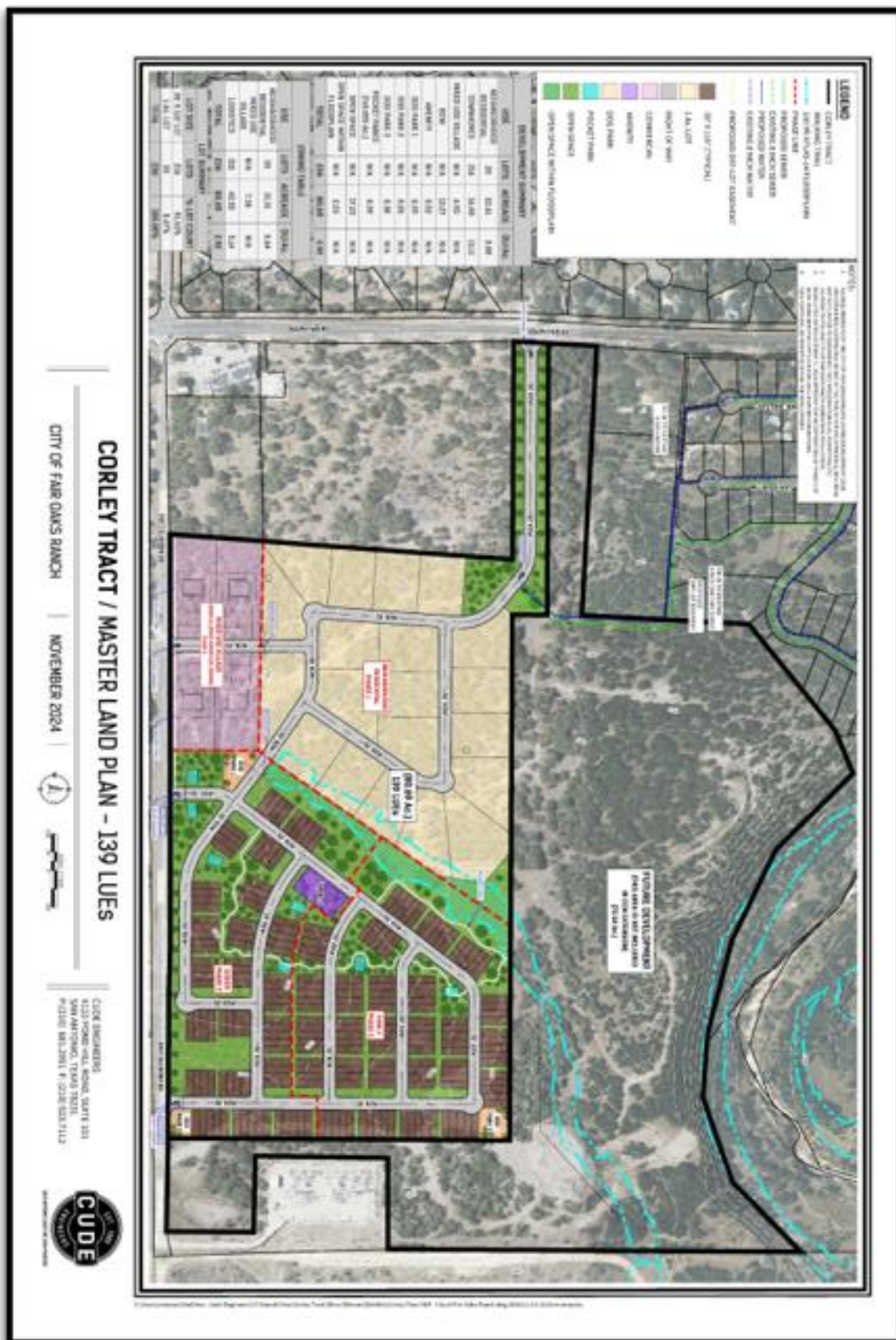
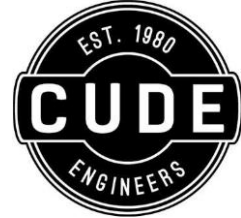


EXHIBIT B**ATTACHMENT V****LEGAL DESCRIPTION****LEGAL DESCRIPTION
80.69 ACRES OF LAND**

80.69 ACRES OF LAND LOCATED IN THE MARIA DE LA LUZ GUERRA 172, ABSTRACT NO. 257 IN BEXAR COUNTY, TEXAS, AND BEING OUT OF A CALLED 159.74 ACRE TRACT DESCRIBED IN VOLUME 9675, PAGE 2082, OFFICIAL PUBLIC RECORDS OF BEXAR COUNTY, TEXAS; SAID 80.69 ACRES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING, AT A FOUND ½ INCH IRON ROD IN THE EAST RIGHT-OF-WAY LINE OF RALPH FAIR ROAD, FOR THE NORTHWEST CORNER OF A CALLED 20.139 ACRE TRACT DESCRIBED IN VOLUME 5787, PAGE 1967, OFFICIAL PUBLIC RECORDS OF BEXAR COUNTY, TEXAS AND WEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, WITH SAID EAST RIGHT-OF-WAY LINE OF RALPH FAIR ROAD THE FOLLOWING TWO (2) COURSES:

- 1) WITH A CURVE TO THE LEFT HAVING A RADIUS OF 5979.58 FEET AND A CHORD OF N 02°55'29" E, A DISTANCE OF 24.82 FEET TO A POINT,
- 2) N 02°59'01" E, A DISTANCE OF 117.10 FEET TO A POINT FOR THE NORTHWEST CORNER OF THE HERIN DESCRIBED TRACT;

THENCE, ENTERING INTO AND SEVERING SAID 159.74 ACRE TRACT THE FOLLOWING FOUR (4) COURSES:

- 1) S 89°55'56" E, A DISTANCE OF 1,107.03 FEET TO A POINT,
- 2) S 00°04'04" W, A DISTANCE OF 141.74 FEET TO A POINT,
- 3) S 89°55'56" E, A DISTANCE OF 2,129.06 FEET TO A POINT,
- 4) S 00°04'04" W, A DISTANCE OF 1,412.51 FEET TO A POINT IN THE NORTH RIGHT-OF-WAY LINE OF DIETZ ELKHORN ROAD, IN THE SOUTH LINE OF SAID 159.74 ACRE TRACT AND FOR THE SOUTHEAST CORNER OF THE HERIN DESCRIBED TRACT;

THENCE, WITH THE SAID NORTH RIGHT-OF-WAY LINE OF DIETZ ELKHORN ROAD THE FOLLOWING THREE (3) COURSES:

- 1) N 88°41'28" W, A DISTANCE OF 637.55 FEET TO A POINT,
- 2) N 88°25'28" W, A DISTANCE OF 152.15 FEET TO A POINT,
- 3) N 89°57'09" W, A DISTANCE OF 1,660.21 FEET TO A POINT FOR THE SOUTHEAST CORNER OF A CALLED 4.939 ACRE TRACT AND FOR THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

EXHIBIT B

THENCE, WITH THE EAST LINE OF SAID 4.939 ACRE TRACT, N 04°01'29" E, A DISTANCE OF 375.76 FEET TO A FOUND ½ INCH IRON ROD FOR THE NORTHEAST CORNER OF SAID 4.939 ACRE TRACT, FOR THE SOUTHEAST CORNER OF SAID 20.139 ACRE TRACT AND FOR AN ANGLE POINT IN THE WEST LINE OF THE HEREIN DESCRIBED TRACT;

THENCE, WITH THE COMMON LINE OF SAID 20.139 ACRE TRACT AND THE HEREIN DESCRIBED TRACT THE FOLLOWING TWO (2) COURSES:

- 1) N 03°59'20" E, A DISTANCE OF 1,022.80 FEET TO A FOUND ½ INCH IRON ROD,
04396.000 80.69 ACRES 2 / 2
- 2) N 89°55'56" W, A DISTANCE OF 888.98 FEET TO THE POINT OF BEGINNING AND CONTAINING 80.69 ACRES OF LAND, MORE OR LESS.

BASIS OF BEARINGS IS THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (4204), NAD 83 (2011).

Chris Walterscheidt

CHRIS WALTERSCHEIDT

11/05/2020



REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 6180 CUDE ENGINEERS
4122 POND HILL ROAD,
SUITE 101 SAN ANTONIO,
TEXAS 78231 TBPELS FIRM
NO. 10048500
TBPE FIRM NO.
455 JOB NO.
04396.000

LEGEND

- POB = POINT OF BEGINNING
OPR = OFFICIAL PUBLIC RECORDS OF BEXAR COUNTY, TEXAS
VOL = VOLUME
PG = PAGE
DOC = DOCUMENT
[. . .] = RECORD BEARINGS AND DISTANCES

- △ = CALCULATED POINT
●₁ = 1/2" IRON ROD
●₂ = 1/2" IRON ROD "M.W. CUDE"
●₃ = 1/2" IRON ROD "KFW SURVEY"
●₄ = 1/2" IRON ROD WITH CAP

EXHIBIT B

1. BASIS OF BEARING IS THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (4204), NAD 83 (2011).
2. SETBACKS OR EASEMENTS PER RESTRICTIONS OR ZONING MAY EXIST.



0 30' 60' 120'

SCALE: 1" = 60'

CURVE TABLE					
CURVE NO.	RADIUS	DELTA	ARC LENGTH	CHORD BEARING	CHORD DIST.
C1	5,679.58'	0°15'01"	24.82'	N02°55'29"E	24.82'

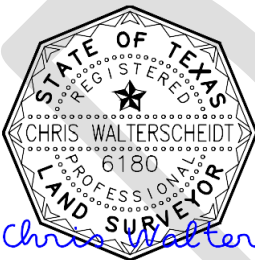
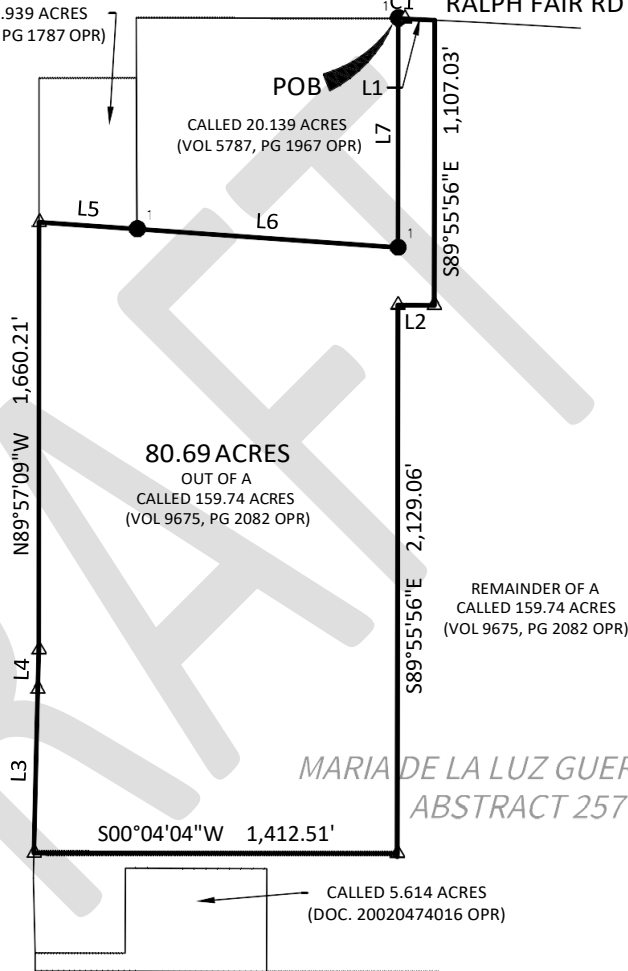
LINE TABLE		
LINE NO.	BEARING	DISTANCE
L1	N02°45'03"E	117.10'
L2	S00°04'04"W	141.74'
L3	N88°41'28"W	637.55'
L4	N88°25'28"W	152.15'
L5	N04°01'29"E	375.76'
L6	N03°59'20"E	1,022.80'
L7	N89°55'56"W	888.98'

CALLED 4.939 ACRES
(VOL 4846, PG 1787 OPR)

RALPH FAIR RD

POB

CALLLED 20.139 ACRES
(VOL 5787, PG 1967 OPR)



Chris Walterscheid

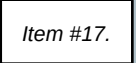


CUDE ENGINEERS
4122 POND HILL RD. • SUITE 101
SAN ANTONIO, TEXAS 78231
T:210.681.2951 • F:210.523.7112
WWW.CUDEENGINEERS.COM
TBPELS FIRM #10048500
TBPE FIRM #455

EXHIBIT OF

80.69 ACRES OF LAND LOCATED IN THE MARIA DE LA LUZ GUERRA NO. 172, A-257, BEXAR COUNTY, TEXAS AND BEING OUT OF A CALLED 159.74 ACRES OF LAND AS DESCRIBED IN VOL 9675, PAGE 2082, OFFICIAL PUBLIC RECORDS OF BEXAR COUNTY, TEXAS

PROJECT 100396.000 DATE 1-05-2024 BY JS PMCW PAGE 1

[illegible]

May 1, 2025

Grant Watanabe, P.E., CFM
Director of Public Works

Property Overview



Location: 29580 Ralph Fair Road (Corley Tract)



Size: 80.69 acres (part of 160-acre tract)



Current Zoning: Neighborhood Residential
Mixed Use Village
Logistics



The parcel is not within any entity's Certificate of Convenience and Necessity (CCN).

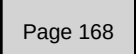


City's Water, Wastewater and Reuse Master Plan identifies a total of 215 future water/wastewater connections for the Tract

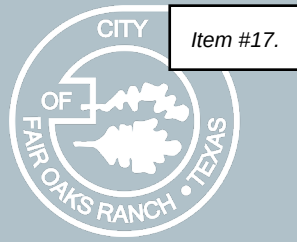
Summary of Recent Actions

- **August 30, 2024** – Developer formally requested incorporation of the parcel in the City's CCNs
- **October 17, 2024** – City Council approved incorporation into CCNs, contingent on approval of a Master Development Plan (MDP) reflecting a maximum of 139 LUEs(water) and 137 LUEs (wastewater)
- **November 14, 2024** – P&Z Commission recommended approval of the MDP
- **December 5, 2024** – City Council approved the MDP with a condition that the Developer enter into a Utility Service Agreement to memorialize the following:
 - Number of units (LUEs)
 - All fees related to water and wastewater service
 - Any cost-sharing arrangement for off-site infrastructure

 Item #17.



Utility Service Agreement

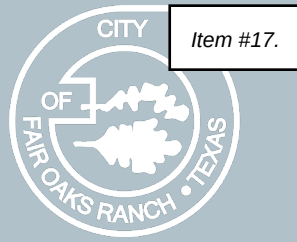


- Term:
 - Seven (7) years, unless extended by mutual agreement between the City and Developer
 - If development starts within seven (7) years, the term automatically extends to 15 years or the date of conveyance of all lots, whichever occurs earlier
- CCN Incorporation
 - Upon execution of the USA, the City shall complete all required steps to file with the Public Utility Commission of Texas to incorporate the parcel into its CCNs

Utility Service Agreement

- Water Capacity
 - City shall provide water service for 139 LUEs
 - Builders shall pay the current impact fee of \$8,670.33 per LUE at the time construction permits are pulled for each residential unit or commercial building (total of \$1,205,175.87)
 - Developer shall pay the City a one-time water replacement charge (\$57,475) at the time of Phase 1 Final Plat approval to offset the cost of obtaining future water supply
 - Developer shall pay a monthly water reservation fee if the Phase 1 Final Plat is not submitted within 18 months of the effective date of the agreement to cover the City's cost of reserving water from GBRA.
 - Developer is responsible for costs associated with on-site water infrastructure

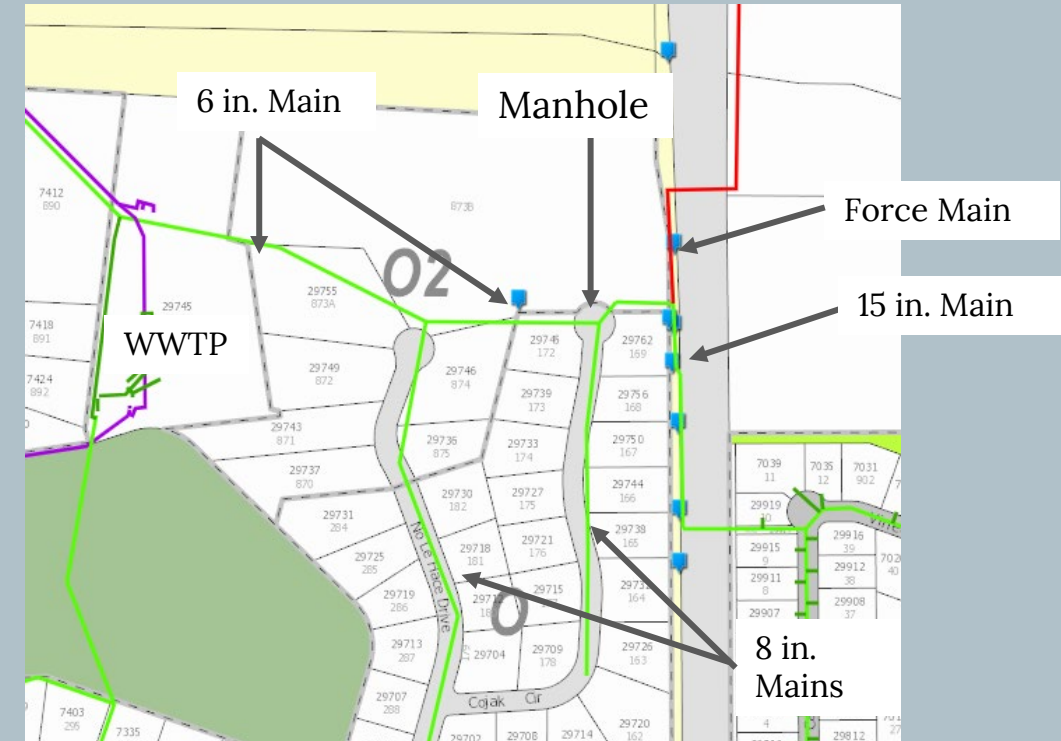
Utility Service Agreement



- Wastewater Capacity
 - City shall provide wastewater service for 137 LUEs
 - Builders shall pay the current impact fee of \$6,068.64 per LUE at the time construction permits are pulled for each residential unit or commercial building (total of \$831,403.68)
 - Developer is responsible for all costs associated with on-site wastewater infrastructure

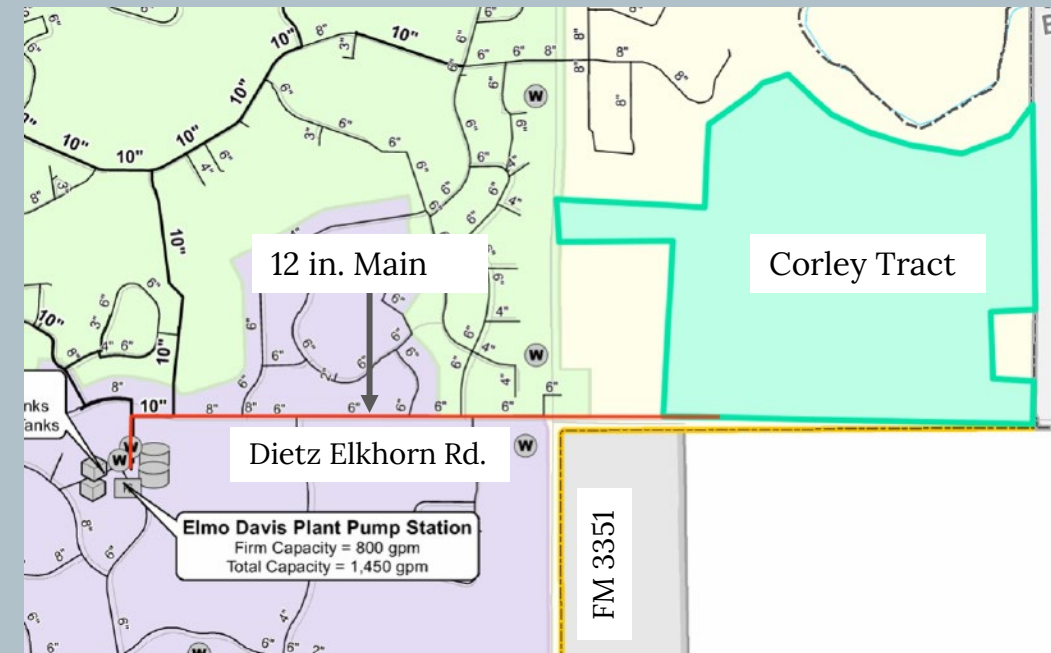
Utility Service Agreement

- Off-site Infrastructure
 - Developer is responsible for all costs to extend the 8-inch water main and 8-inch sewer main from The Arbors to the development
 - Developer is responsible for all costs to upgrade the Cojak Circle manhole and install a new 12-inch sewer main between the manhole and WWTP



Utility Service Agreement

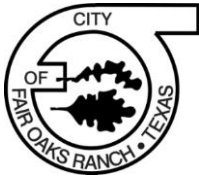
- Off-site Infrastructure
 - Developer and City to cost-share construction of a new 12-inch water main from the Elmo Davis water plant to the development (25% Developer and 75% City)
 - Developer to complete design with 90 days
 - City to joint-bid new 12-inch water main with Dietz Elkhorn (East) Reconstruction project



Summary

The Utility Service Agreement will benefit both parties:

- Developer
 - Secures water and wastewater service for the parcel
- City
 - Full cost of Cojak Circle Manhole and Sewer Upgrade project covered
 - Portion of cost to extend water infrastructure to eastern side of City covered
 - Ensures water line is installed in conjunction with road reconstruction
 - Loops water system to increase system resiliency
 - Manages the physical development of the City in accordance with the Comprehensive Plan and Water, Wastewater and Reuse Master Plan



CITY COUNCIL WORKSHOP CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: FY 2026-30 Five-Year Financial Plan
 DATE: May 1, 2025
 DEPARTMENT: Finance
 PRESENTED BY: Summer Fleming, CGFO, Director of Finance

INTRODUCTION/BACKGROUND:

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

The Five-Year Financial Plan serves as a bridge between long-term policy goals and the annual budget process. It directly informs the FY 2025-26 budget discussions and provides strategic financial direction for the years ahead.

For Governmental Funds (supported by property taxes), the plan outlines one baseline scenario and two alternatives. The baseline scenario relies on conservative and reasonably certain assumptions, maintaining the tax rate at the estimated no-new-revenue rate. However, this rate is insufficient to fully fund operations. As a result, the unallocated fund balance would be depleted by 2027, and operating reserves would need to be used in the following years. By 2030, the operating reserve is projected to fall to just 5% of operating expenditures—well below the policy target.

Both alternative scenarios start with the same revenue and expenditure assumptions.

- Scenario 1 issues Certificates of Obligation to fund the approved drainage Capital Improvement Plan (CIP) and increases the tax rate to sustain a 50% operating reserve, in line with current policy. This approach would deplete the unallocated fund balance by 2029 and require a \$0.0348 tax rate increase over five years—raising the average tax bill by \$215.
- Scenario 2 also funds the drainage CIP through Certificates of Obligation but lowers the reserve policy target to 30%. This adjustment allows the existing reserve to support operations, resulting in a \$0.0595 tax rate decrease over five years. However, due to rising appraisal values, the average tax bill would still increase by \$19. The unallocated fund balance would also be depleted by 2029, with the operating reserve reduced to 30% of operating expenditures.

The Utility Fund plan includes a baseline scenario and one alternative. Like the Governmental Funds plan, the Utility Fund baseline scenario uses conservative, reasonably certain assumptions and keeps water and wastewater rates unchanged. Under this scenario, the operating reserve declines to 35% of operating expenditures, well below the policy target.

The alternative scenario recommends increasing the water availability service charge and volumetric rates to support ongoing operations and maintain the operating reserve. These rates have not increased since November 2017, despite rising operational costs driven by inflation and enhanced service levels. Wastewater rates remain unchanged in both scenarios.

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

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Priority 1.2 of the Strategic Action Plan is to develop a Five-Year Forecast. The Five-Year Financial Plan provides residents, the City Council, and staff with analysis and direction to make informed decisions regarding long-term financial policies for operations and capital improvements. The plan provides the link between the strategic plan and the annual budget.

However, the Five-Year Financial Plan is not a forecast. Rather, it is intended to provide outcomes given certain sets of assumptions. The plan is intended to be enhanced annually with updated assumptions based on policy direction and new information.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

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



CITY OF
Fair Oaks Ranch

Five-Year Financial Plan

FY 2026-2030

Prepared By:

City of Fair Oaks Ranch
Finance Department



FIVE-YEAR FINANCIAL PLAN

Long term planning is essential to the stability and sustainability of every city. The City of Fair Oaks Ranch currently has several long-range plans that inform the budget and policy processes including a Comprehensive Plan, a Master Transportation Plan, the Strategic Action Plan, the Capital Improvement Plans, and Five-Year Financial Plan. The Five-Year Financial Plan is a long-term financial plan that links long-term policies and plans directly to the annual budget. The plan projects revenues, expenditures and other factors that will have impacts on our financial health given specified assumptions. This five-year financial plan will help staff address the long-term objectives and priorities set forth by the City Council and provide a guide for future decision making. The plan also serves to educate our citizens, showing the City's dedication to financial stability and stewardship.

This planning model looks at future trends, assesses areas of potential trouble, and helps the City develop tools to achieve our goals and vision while maintaining our fiscal health.



Figure 1: Planning and Budgeting Cycle

The Baseline

The Baseline estimates future revenues and expenditure trends using assumptions with high probability and likelihood. The basis for this model is the FY 2024-25 Adopted Budget less one-time revenues and expenditures, and projects forward assuming no major policy or operational changes.

Scenarios

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

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

GOVERNMENTAL FUNDS

BASELINE

The planning model begins with a Baseline, which uses assumptions that can be ascertained with reasonable certainty using conservative assumptions. The Baseline uses the Adopted FY 2024-25 Budget along with projected FY outcomes with the following assumptions going forward:

Revenue

- Property tax rate at an approximate no new revenue rate (NNR)
- Property valuation increases of 5% per year
- Sales Tax revenue increases 3.0% per year
- Other revenue sources increase 1.5% per year
- 45% decrease in investment interest revenue over 5 years

Expenditure

- No new employees throughout the forecast period
- 4.5% increase in personnel costs per year
- Employer insurance premiums increase 5.0% per year
- All software subscriptions increase 5.0% per year
- All facility and engineering contracts increase 5.0% per year
- All other operational costs increase 2.0% per year
- Budget increases to ensure fire and EMS service
- \$20,000 per year of new equipment for public safety and \$50,000 per year for maintenance
- Funding only capital projects that have been reviewed by the bond committee and the City Council
- \$16 million GO Bond to fund all approved roadway projects
- Cash funding of all approved drainage projects

SCENARIO 1

Includes assumptions in the baseline with the following changes:

Revenue

- Property tax rate adjusted to hold the operating reserve at 50% (between the NNR and VAR)

Expenditure

- CO Issuance to fund approved drainage CIP

SCENARIO 2

Includes assumptions in the baseline with the following changes:

Policy

- Lower the operating reserve requirement to 30% or 3.6 months of operating expenditures

Revenue

- Property tax rate adjusted to hold the operating reserve at 30% (between the NNR and VAR)

Expenditure

- CO Issuance to fund approved drainage CIP

	BASELINE	SCENARIO 1	SCENARIO 2
Sales tax increase 3.0%/yr.	X	X	X
Personnel cost increases 4.5%/yr.	X	X	X
Health Insurance Premium increase 5.0%/yr.	X	X	X
Operational Costs increase 2.0%/yr.	X	X	X
Contract Services increase 5.0%/yr.	X	X	X
\$20,000/yr. new equipment for public safety	X	X	X
\$50,000/yr. new equipment for maintenance	X	X	X
GO Bond to fund approved roadway projects	X	X	X
No new FTEs	X	X	X
Drainage projects in approved CIPs funded with cash	X		
Drainage projects in approved CIPs funded with CO		X	X
Property tax rate at approximate NNR	X		
Property tax rate between NNR and VAR		X	X
Operating Reserve at 6 months (50%)	X	X	
Operating Reserve at 3.6 months (30%)			X

Governmental Baseline

Assumptions

Revenue

Property tax rate at no new revenue rate
 Property valuation percentage increases of 5%/yr
 3.0% increase in Sales Tax revenue each year
 1.5% increase for all other lines
 45% decrease in investment interest revenue over 5 years

Expenditures

Cash funding for approved drainage CIP
 4.5% increase in personnel costs each year
 5% increase in medical insurance costs
 5% increase in software subscriptions
 5% increase in facility, engineering contracts
 \$1.5 M fire contract by 2029
 2% increase in all other costs
 \$1 Million in road maintenance each year
 Drainage maintenance budget of \$50,000 per year
 5% increase each year in IT workstation replacement budget starting with \$20K
 No new employees throughout the forecast period
 Assumes only capital projects that have been reviewed by the bond committee and the City Council
 Assumes life-cycle replacements funded by the Equipment Replacement Fund, and \$20,000/yr.
 of new equipment for public safety and \$50,000/yr. for the maintenance department
 Incorporating an \$16 million GO bond disbursed in three tranches for roadway CIP
 Assumed potential savings to budget of \$300,000/year

FY 2025-30 Baseline Financial Plan by Program

	<i>2025 Budgeted</i>	<i>2025 Projected</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</i>
GENERAL FUND - BASELINE							
Beginning Fund Balance	7,668,789	7,668,789	7,788,896	8,132,143	7,178,508	5,793,073	3,386,546
Revenue							
PROPERTY TAX	6,612,107	6,697,782	6,886,862	6,359,125	6,316,747	6,242,123	6,243,345
MIXED BEVERAGE	25,000	25,000	25,000	25,000	25,000	25,000	25,000
SALES TAX	1,845,222	1,850,168	1,900,579	1,957,596	2,016,324	2,076,814	2,139,118
BANK/INVESTMENT INTEREST	450,000	500,000	405,000	344,250	309,825	278,843	250,958
FRANCHISE FEES	762,350	771,600	771,349	782,012	793,742	804,728	816,799
PERMITS	168,200	178,200	157,148	159,430	160,833	162,257	163,703
ANIMAL CONTROL	1,495	1,495	1,517	1,540	1,563	1,587	1,611
FINES & FORFEITURES	207,300	207,300	210,665	213,825	217,032	220,288	223,592
FEES & SERVICES	360,415	391,158	365,821	371,309	376,878	382,531	388,269
MISCELLANEOUS	217,080	215,880	217,789	219,727	221,694	223,690	225,717
SCHOOL CROSSING GUARD	13,500	13,500	13,703	13,908	14,117	14,328	14,543
LEOSE PROCEEDS	1,900	4,189	1,900	1,900	1,900	1,900	1,900
POLICE SEIZED PROCEEDS	-	-	-	-	-	-	-
Total Operating Revenue	10,664,569	10,856,271	10,957,332	10,449,622	10,455,656	10,434,089	10,494,554
Transfer In							
PROJECT ALLOCATIONS	98,585	98,585	103,021	103,021	107,657	103,021	107,657
CAPITAL REPLACEMENT	56,700	56,700	379,408	317,012	207,060	250,951	254,134
Total Revenue	10,819,854	11,011,556	11,439,762	10,869,655	10,770,373	10,788,061	10,856,346
Expenditures by Program							
General Government							
PERSONNEL	1,571,379	1,556,465	1,624,615	1,698,029	1,774,783	1,855,027	1,938,922
SUPPLIES & OPERATIONS	30,083	31,763	26,272	26,869	27,254	27,644	28,042
PROFESSIONAL SERVICES	760,930	897,946	794,609	843,068	861,059	912,656	933,938
Public Safety							
PERSONNEL	3,053,676	2,809,238	3,091,638	3,229,364	3,373,339	3,523,846	3,681,185
SUPPLIES & OPERATIONS	127,280	128,007	131,742	136,389	141,230	146,273	151,528
PROFESSIONAL SERVICES	1,074,893	1,074,893	1,253,037	1,485,765	1,781,635	2,159,264	2,340,904
Public Works							
PERSONNEL	1,622,699	1,480,589	1,665,033	1,740,210	1,818,807	1,900,978	1,986,887
SUPPLIES & OPERATIONS	1,143,933	1,175,141	1,247,869	1,251,907	1,256,049	1,260,299	1,264,660
PROFESSIONAL SERVICES	217,670	217,514	226,645	236,086	245,961	256,294	267,104
Shared Services							
PERSONNEL			-	-	-	-	-
SUPPLIES & OPERATIONS	4,100	5,600	4,172	4,245	4,320	4,397	4,475
PROFESSIONAL SERVICES	273,591	303,124	282,137	291,007	350,217	359,780	369,712
Total Operating Expenditures	9,880,234	9,680,280	10,347,769	10,942,941	11,634,653	12,406,458	12,967,356

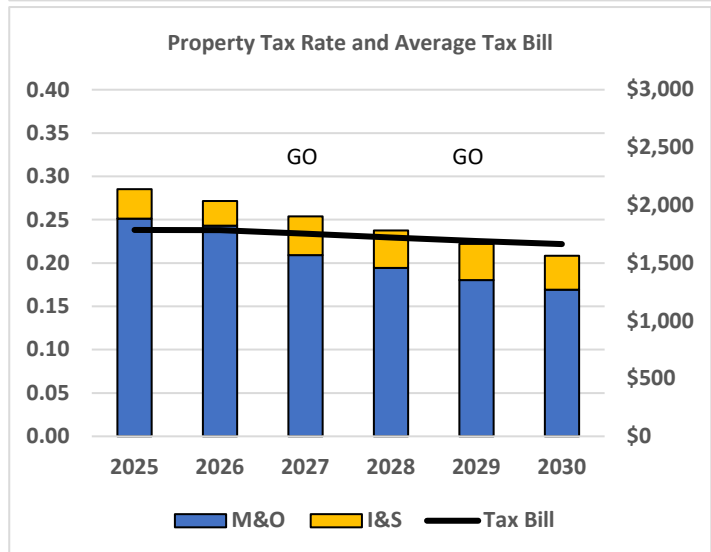
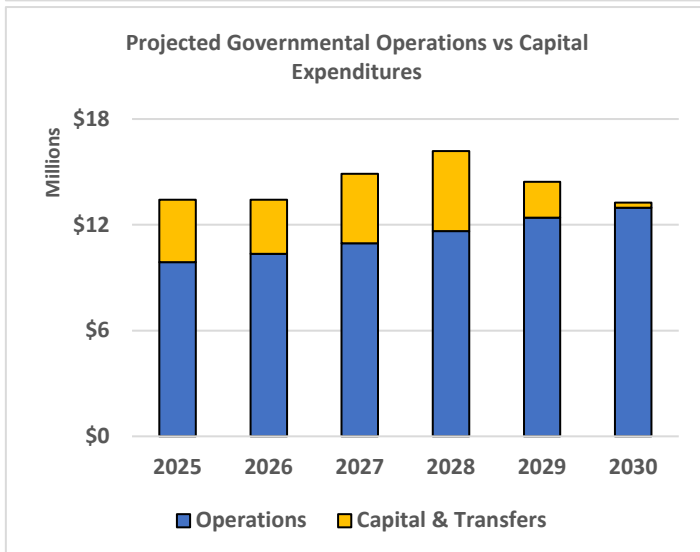
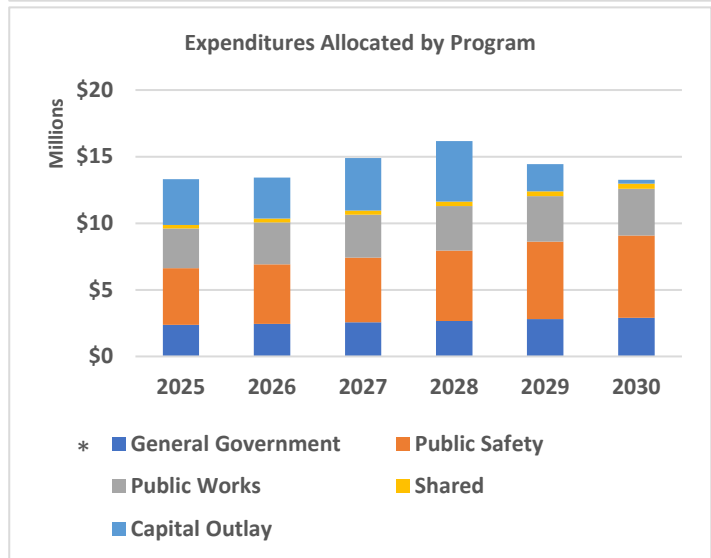
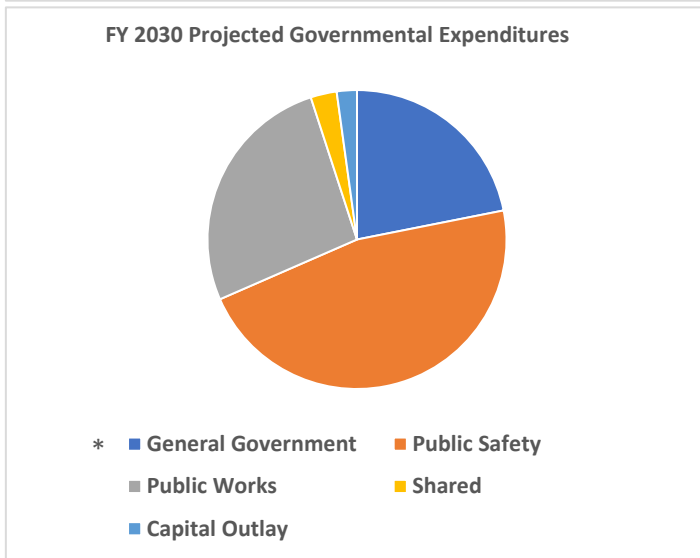
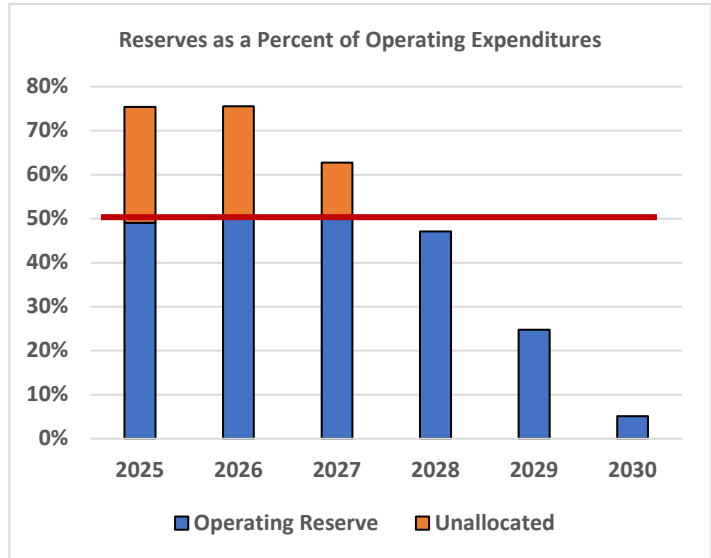
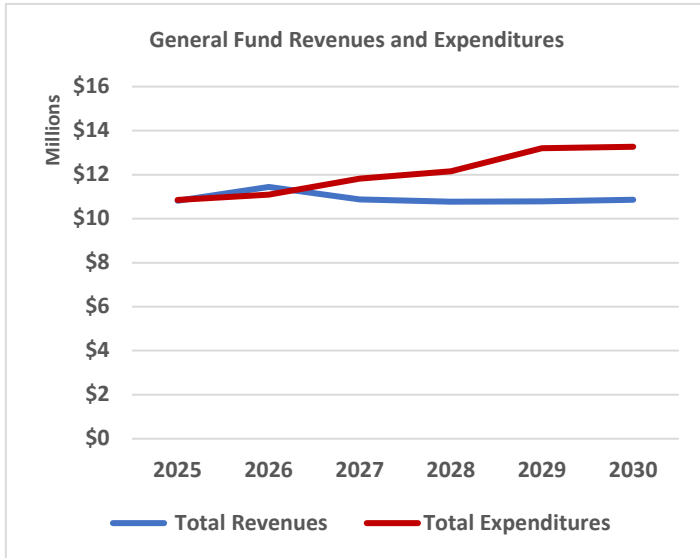
	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - BASELINE							
Capital Outlay							
GENERAL GOVERNMENT	27,000	115,050	34,350	29,768	31,256	32,819	34,460
PUBLIC SAFETY	65,000	126,881	150,000	153,000	156,060	159,181	162,365
PUBLIC WORKS	134,975	226,100	229,408	164,012	51,000	91,769	91,769
SHARED SERVICES	-	-	-	-	-	-	-
Transfers Out							
TRANSFER TO CAP IMP FUND	370,000	370,000	324,480	523,062	272,331	493,853	-
TRANSFER TO VEH/EQUIP FUND	373,138	373,138	310,508	310,508	310,508	310,508	310,508
Potential Expenditure Savings	-	-	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Total Expenditures	10,850,347	10,891,449	11,096,515	11,823,290	12,155,808	13,194,588	13,266,458
Excess (deficiency) of revenues over (under) expenditures	(30,493)	120,107	343,247	(953,635)	(1,385,435)	(2,406,527)	(2,410,113)
Ending Fund Balance	7,638,296	7,788,896	8,132,143	7,178,508	5,793,073	3,386,546	976,433
Non-Spendable	85,344	85,344	85,344	85,344	85,344	85,344	85,344
Restricted Reserves	133,732	133,732	128,387	128,387	128,387	128,387	128,387
Tree Mitigation and Legal Reserve	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Unallocated Reserve Balance	2,598,876	2,621,701	2,640,000	1,390,000	-	-	-
Operating Reserve Balance	4,848,119	4,848,119	5,178,412	5,474,777	5,479,342	3,072,815	662,702

FY 2025-30 Baseline Financial Plan by Category

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - BASELINE							
Beginning Fund Balance	7,668,789	7,668,789	7,788,896	8,132,143	7,178,508	5,793,073	3,386,546
Revenue							
PROPERTY TAX	6,612,107	6,697,782	6,886,862	6,359,125	6,316,747	6,242,123	6,243,345
MIXED BEVERAGE	25,000	25,000	25,000	25,000	25,000	25,000	25,000
SALES TAX	1,845,222	1,850,168	1,900,579	1,957,596	2,016,324	2,076,814	2,139,118
BANK/INVESTMENT INTEREST	450,000	500,000	405,000	344,250	309,825	278,843	250,958
FRANCHISE FEES	762,350	771,600	771,349	782,012	793,742	804,728	816,799
PERMITS	168,200	178,200	157,148	159,430	160,833	162,257	163,703
ANIMAL CONTROL	1,495	1,495	1,517	1,540	1,563	1,587	1,611
FINES & FORFEITURES	207,300	207,300	210,665	213,825	217,032	220,288	223,592
FEES & SERVICES	360,415	391,158	365,821	371,309	376,878	382,531	388,269
MISCELLANEOUS	217,080	215,880	217,789	219,727	221,694	223,690	225,717
SCHOOL CROSSING GUARD	13,500	13,500	13,703	13,908	14,117	14,328	14,543
LEOSE PROCEEDS	1,900	4,189	1,900	1,900	1,900	1,900	1,900
POLICE SEIZED PROCEEDS	-	-	-	-	-	-	-
Total Operating Revenue	10,664,569	10,856,271	10,957,332	10,449,622	10,455,656	10,434,089	10,494,554
Transfer In							
PROJECT ALLOCATION	98,585	98,585	103,021	103,021	107,657	103,021	107,657
CAPITAL REPLACEMENT	56,700	56,700	379,408	317,012	207,060	250,951	254,134
Total Revenue	10,819,854	11,011,556	11,439,762	10,869,655	10,770,373	10,788,061	10,856,346
Expenditures by Category							
Personnel							
SALARIES	4,717,611	4,296,000	4,851,431	5,069,745	5,297,884	5,536,289	5,785,422
OVERTIME	43,747	44,126	40,717	42,539	44,443	46,433	48,512
PAYROLL TAXES	370,297	329,302	376,753	393,589	411,180	429,561	448,768
WORKERS' COMP INSURANCE	78,598	68,290	80,594	81,803	83,030	84,275	85,540
RETIREMENT	607,278	543,378	628,593	656,880	686,440	717,329	749,609
HEALTH INSURANCE	655,651	524,157	640,126	672,132	705,739	741,026	778,077
UNIFORM ALLOWANCE	28,000	19,000	26,000	26,000	26,000	26,000	26,000
CAR ALLOWANCE	7,200	7,200	7,200	7,200	7,200	7,200	7,200
RELOCATION ALLOWANCE	-	14,839	-	-	-	-	-
ALLOWANCE FOR VACANCIES	(260,628)	-	(270,129)	(282,285)	(294,987)	(308,262)	(322,134)
Supplies, Maintenance and Operations							
SUPPLIES & CONSUMABLES	33,275	34,775	33,907	34,585	35,276	35,982	36,701
MINOR EQUIPMENT & FURNITURE	71,850	69,840	72,955	74,414	75,902	77,420	78,969
FUEL	66,500	58,500	69,567	72,782	76,153	79,688	83,393
UNIFORMS	30,905	39,632	31,494	32,315	32,927	33,552	34,190
COMMITTEES	2,500	2,500	3,000	3,000	3,000	3,000	3,000
COURT TECHNOLOGY	10,823	10,823	5,075	5,151	5,228	5,307	5,386
COURT SECURITY BUILDING	4,500	6,180	6,090	6,181	6,274	6,368	6,464
VEHICLE MAINTENANCE/REPAIRS	35,880	35,880	37,224	38,626	40,089	41,616	43,210

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - BASELINE							
EQUIPMENT MAINTENANCE/REPAIRS	15,500	15,500	15,810	16,126	16,449	16,778	17,113
BUILDING MAINTENANCE/REPAIRS	28,063	28,063	28,624	29,196	29,780	30,376	30,983
LANDSCAPING & GREENSPACE MAINT	5,500	17,461	5,610	5,722	5,837	5,953	6,072
STREET MAINTENANCE	930,000	951,257	1,030,600	1,031,212	1,031,836	1,032,473	1,033,122
DRAINAGE WORK	20,000	20,000	20,000	20,000	20,000	20,000	20,000
STREET MAINTENANCE	15,000	15,000	15,000	15,000	15,000	15,000	15,000
OAK WILT PROGRAM	29,750	29,750	29,750	29,750	29,750	29,750	29,750
TREE AND LANDSCAPE PROTECTION	4,850	4,850	4,850	4,850	4,850	4,850	4,850
EMERGENCY RESPONSE	500	500	500	500	500	500	500
Professional Services							
PROFESSIONAL SERVICES	1,371,499	1,496,741	1,571,423	1,820,656	2,133,864	2,529,708	2,730,481
DUES/SUBSCRIPTIONS	19,466	19,802	19,696	20,025	20,361	20,703	21,052
TRAINING/SEMINARS & TRAVEL	121,115	121,115	122,682	124,995	127,355	129,762	132,218
MEETINGS & RELATED TRAVEL	22,590	22,590	22,786	23,006	23,230	23,458	23,691
PUBLIC RELATIONS & EVENTS	69,100	69,100	69,352	70,634	71,942	73,276	74,636
EMPLOYEE APPRECIATION	14,760	14,760	14,660	14,884	15,113	15,346	15,584
OTHER SERVICES	53,675	53,675	36,695	52,871	37,050	53,233	37,420
TECH/INTERNET/SOFTWARE MAINT	381,288	392,570	416,998	437,848	459,740	482,727	506,864
Shared Services							
FACILITY CONTRACTS & SERVICES	102,470	135,650	107,594	112,973	118,622	124,553	130,781
POSTAGE	4,125	4,125	4,208	4,292	4,377	4,465	4,554
GENERAL LIABILITY INSURANCE	90,000	89,353	91,800	93,636	95,509	97,419	99,367
ELECTRICITY	44,000	41,000	44,880	45,778	46,693	47,627	48,580
PHONE/CABLE/ALARMS	32,996	32,996	33,656	34,329	35,016	35,716	36,430
COMMUNITY CENTER	-	-	-	-	50,000	50,000	50,000
Total Operating Expenditures	9,880,234	9,680,280	10,347,769	10,942,941	11,634,653	12,406,458	12,967,356
Capital Outlay							
FURNITURE, FIXTURES & EQUIP	226,975	468,031	413,758	346,779	238,316	283,769	288,594
Transfers Out							
TRANSFER TO CAP IMP FUND 02	370,000	370,000	324,480	523,062	272,331	493,853	-
TRANSFER TO VEH/EQUIP FUND 31	373,138	373,138	310,508	310,508	310,508	310,508	310,508
Potential Expenditure Savings							
	-	-	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Total Expenditures	10,850,347	10,891,449	11,096,515	11,823,290	12,155,808	13,194,588	13,266,458
Excess (deficiency) of revenues over (under) expenditures	(30,493)	120,107	343,247	(953,635)	(1,385,435)	(2,406,527)	(2,410,113)
Ending Fund Balance	7,638,296	7,788,896	8,132,143	7,178,508	5,793,073	3,386,546	976,433
Non-Spendable	85,344	85,344	85,344	85,344	85,344	85,344	85,344
Restricted Reserves	133,732	133,732	128,387	128,387	128,387	128,387	128,387
Tree Mitigation and Legal Reserve	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Unallocated Reserve Balance	2,471,101	2,621,701	2,640,000	1,390,000	-	-	-
Operating Reserve Balance	4,848,119	4,848,119	5,178,412	5,474,777	5,479,342	3,072,815	662,702

Baseline Dashboard



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

Shared: IT shared services and Non-Departmental shared

Public Works: Maintenance, Building Codes and Engineering

FY 2025-30 Estimated Tax Rates

Fiscal Year	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Tax Rate/\$100 Valuation						
General Fund (M&O)	0.2512	0.2430	0.2092	0.1942	0.1802	0.1691
Debt Service Fund (I&S)	0.0341	0.0287	0.0448	0.0432	0.0417	0.0391
Total Tax Rate	0.2853	0.2717	0.2540	0.2374	0.2219	0.2082
Total Taxable Valuation	2,652,215,358	2,784,826,126	2,979,281,184	3,187,300,502	3,409,847,114	3,634,406,495
M&O Tax Rate/\$100 Valuation	0.2512	0.2430	0.2092	0.1942	0.1802	0.1691
Total M&O Levy	6,662,365	6,767,127	6,232,656	6,189,738	6,144,544	6,145,781
% Change in M&O Levy		1.57%	-7.90%	-0.69%	-0.73%	0.02%
Total Taxable Valuation	2,652,215,358	2,784,826,126	2,979,281,184	3,187,300,502	3,409,847,114	3,634,406,495
I&S Tax rate/\$100 Valuation	0.0341	0.0287	0.0448	0.0432	0.0417	0.0391
Total I&S Levy	904,405	798,450	1,334,700	1,377,263	1,423,500	1,422,275
% Change in I&S Levy		-11.7%	67.2%	3.2%	3.4%	-0.1%
Total Levy (100%)	\$ 7,566,770	\$ 7,565,577	\$ 7,567,356	\$ 7,567,000	\$ 7,568,044	\$ 7,568,056
Yr. over Yr. increase (decrease)	\$ (1,193)	\$ 1,779	\$ (356)	\$ 1,044	\$ 12	
Ave Home Taxable Value	\$ 626,093	\$ 657,397	\$ 690,267	\$ 724,780	\$ 761,019	\$ 799,070
Average Tax Bill	\$ 1,786	\$ 1,786	\$ 1,753	\$ 1,721	\$ 1,689	\$ 1,664

Governmental Scenario 1

Assumptions

Keeping the operating reserve 50% of operating expenditures

Revenue

Property tax rate set to hold the operating reserve at 50% (between the NNR and VAR)

Property valuation increases of 5%/yr

3.0% increase in Sales Tax revenue each year

1.5% increase for all other lines

45% decrease in investment interest revenue over 5 years

Expenditures

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

4.5% increase in personnel costs each year

5% increase in medical insurance costs

5% increase in software subscriptions

5% increase in facility, engineering contracts

\$1.5 M fire contract by 2029

2% increase in all other costs

\$1 Million in road maintenance each year

Drainage maintenance budget of \$50,000 per year

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

No new employees throughout the forecast period

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

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

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

Incorporating an \$16 million GO bond disbursed in three tranches for roadway CIP

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

FY 2025-30 Scenario 1 Financial Plan by Program

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - SCENARIO 1							
Beginning Fund Balance	7,668,789	7,668,789	7,788,896	8,506,118	8,807,782	8,627,664	7,855,544
Revenue							
PROPERTY TAX	6,612,107	6,697,782	6,936,357	7,091,362	7,249,732	7,382,677	7,576,586
MIXED BEVERAGE	25,000	25,000	25,000	25,000	25,000	25,000	25,000
SALES TAX	1,845,222	1,850,168	1,900,579	1,957,596	2,016,324	2,076,814	2,139,118
BANK/INVESTMENT INTEREST	450,000	500,000	405,000	344,250	309,825	278,843	250,958
FRANCHISE FEES	762,350	771,600	771,349	782,012	793,742	804,728	816,799
PERMITS	168,200	178,200	157,148	159,430	160,833	162,257	163,703
ANIMAL CONTROL	1,495	1,495	1,517	1,540	1,563	1,587	1,611
FINES & FORFEITURES	207,300	207,300	210,665	213,825	217,032	220,288	223,592
FEES & SERVICES	360,415	391,158	365,821	371,309	376,878	382,531	388,269
MISCELLANEOUS	217,080	215,880	217,789	219,727	221,694	223,690	225,717
SCHOOL CROSSING GUARD	13,500	13,500	13,703	13,908	14,117	14,328	14,543
LEOSE PROCEEDS	1,900	4,189	1,900	1,900	1,900	1,900	1,900
POLICE SEIZED PROCEEDS	-	-	-	-	-	-	-
Total Operating Revenue	10,664,569	10,856,271	11,006,827	11,181,859	11,388,641	11,574,643	11,827,796
Transfer In							
PROJECT ALLOCATIONS	98,585	98,585	103,021	103,021	107,657	103,021	107,657
CAPITAL REPLACEMENT	56,700	56,700	379,408	317,012	207,060	250,951	254,134
Total Revenue	10,819,854	11,011,556	11,489,257	11,601,892	11,703,358	11,928,615	12,189,587
Expenditures by Program							
General Government							
PERSONNEL	1,571,379	1,556,465	1,624,615	1,698,029	1,774,783	1,855,027	1,938,922
SUPPLIES & OPERATIONS	30,083	31,763	26,272	26,869	27,254	27,644	28,042
PROFESSIONAL SERVICES	760,930	897,946	794,609	843,068	861,059	912,656	933,938
Public Safety							
PERSONNEL	3,053,676	2,809,238	3,091,638	3,229,364	3,373,339	3,523,846	3,681,185
SUPPLIES & OPERATIONS	127,280	128,007	131,742	136,389	141,230	146,273	151,528
PROFESSIONAL SERVICES	1,074,893	1,074,893	1,253,037	1,485,765	1,781,635	2,159,264	2,340,904
Public Works							
PERSONNEL	1,622,699	1,480,589	1,665,033	1,740,210	1,818,807	1,900,978	1,986,887
SUPPLIES & OPERATIONS	1,143,933	1,175,141	1,247,869	1,251,907	1,256,049	1,260,299	1,264,660
PROFESSIONAL SERVICES	217,670	217,514	226,645	236,086	245,961	256,294	267,104
Shared Services							
PERSONNEL			-	-	-	-	-
SUPPLIES & OPERATIONS	4,100	5,600	4,172	4,245	4,320	4,397	4,475
PROFESSIONAL SERVICES	273,591	303,124	282,137	291,007	350,217	359,780	369,712
Total Operating Expenditures	9,880,234	9,680,280	10,347,769	10,942,941	11,634,653	12,406,458	12,967,356

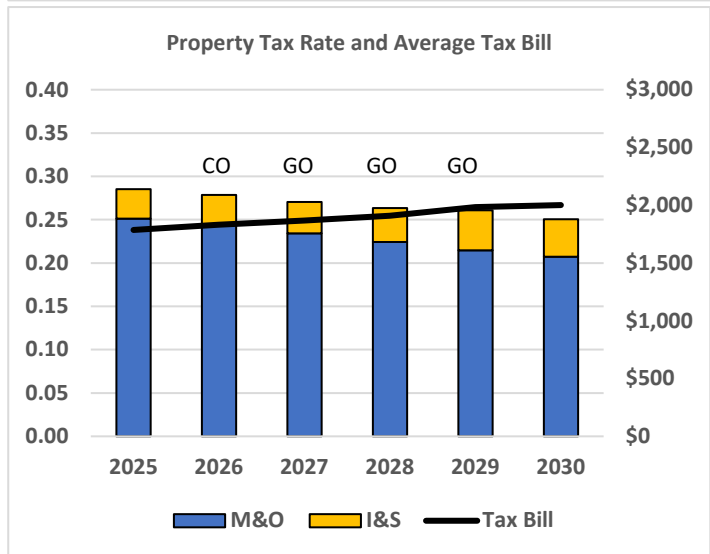
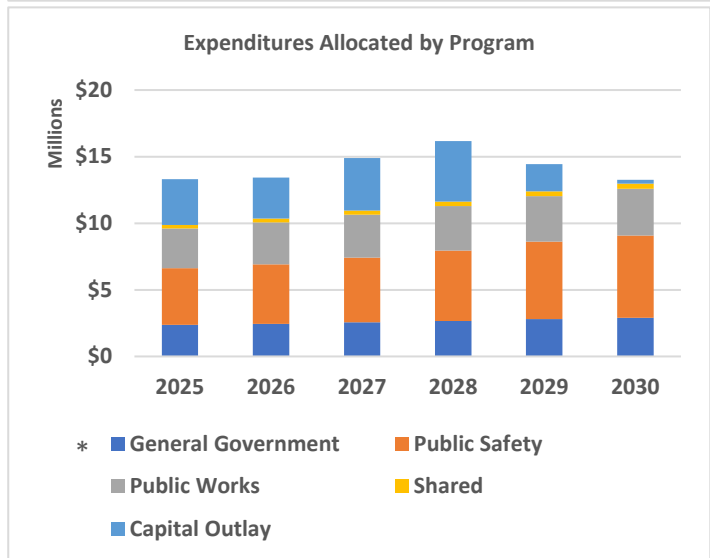
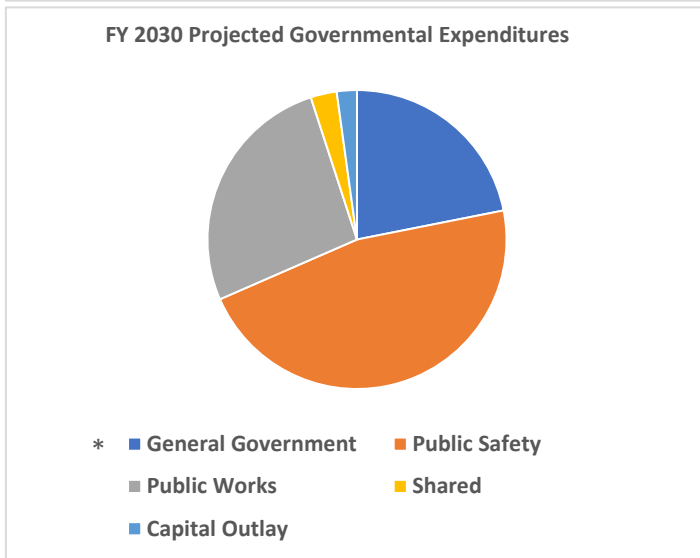
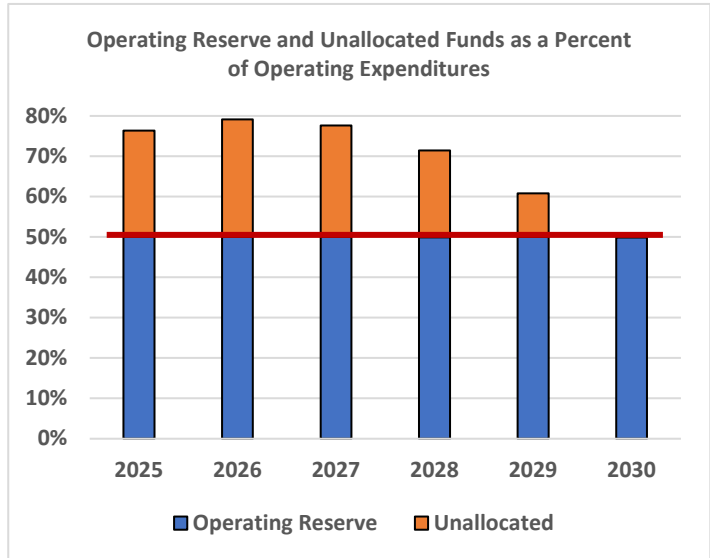
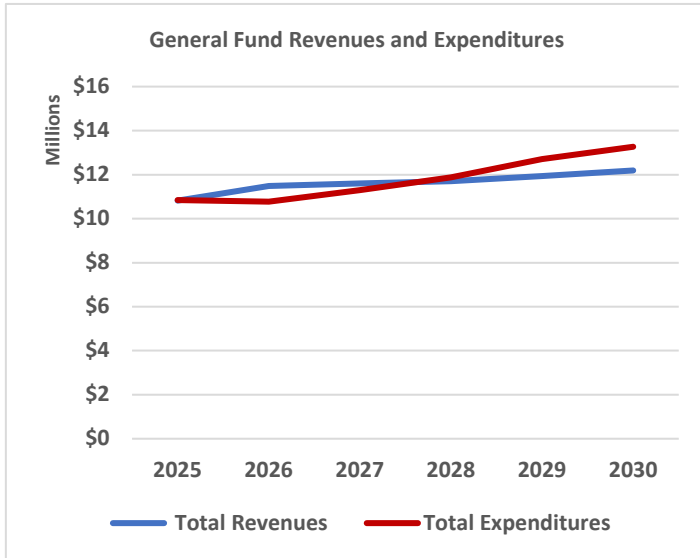
	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - SCENARIO 1							
Capital Outlay							
GENERAL GOVERNMENT	27,000	115,050	34,350	29,768	31,256	32,819	34,460
PUBLIC SAFETY	65,000	126,881	150,000	153,000	156,060	159,181	162,365
PUBLIC WORKS	134,975	226,100	229,408	164,012	51,000	91,769	91,769
SHARED SERVICES	-	-	-	-	-	-	-
Transfers Out							
TRANSFER TO CAP IMP FUND	370,000	370,000	-	-	-	-	-
TRANSFER TO VEH/EQUIP FUND	373,138	373,138	310,508	310,508	310,508	310,508	310,508
Potential Savings	-	-	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Total Expenditures	10,850,347	10,891,449	10,772,035	11,300,228	11,883,476	12,700,735	13,266,458
Excess (deficiency) of revenues over (under) expenditures	(30,493)	120,107	717,222	301,664	(180,118)	(772,120)	(1,076,871)
Ending Fund Balance	7,638,296	7,788,896	8,506,118	8,807,782	8,627,664	7,855,544	6,778,673
Non-Spendable	85,344	85,344	85,344	85,344	85,344	85,344	85,344
Restricted Reserves	133,732	133,732	128,387	128,387	128,387	128,387	128,387
Tree Mitigation and Legal Reserve	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Unallocated Reserve Balance	2,598,876	2,621,701	3,020,000	3,020,000	2,500,000	1,340,000	-
Operating Reserve Balance	4,848,119	4,848,119	5,172,387	5,474,051	5,813,933	6,201,813	6,464,942

FY 2025-30 Scenario 1 Financial Plan by Category

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - SCENARIO 1							
Beginning Fund Balance	7,668,789	7,668,789	7,788,896	8,506,118	8,807,782	8,627,664	7,855,544
Revenue							
PROPERTY TAX	6,612,107	6,697,782	6,936,357	7,091,362	7,249,732	7,382,677	7,576,586
MIXED BEVERAGE	25,000	25,000	25,000	25,000	25,000	25,000	25,000
SALES TAX	1,845,222	1,850,168	1,900,579	1,957,596	2,016,324	2,076,814	2,139,118
BANK/INVESTMENT INTEREST	450,000	500,000	405,000	344,250	309,825	278,843	250,958
FRANCHISE FEES	762,350	771,600	771,349	782,012	793,742	804,728	816,799
PERMITS	168,200	178,200	157,148	159,430	160,833	162,257	163,703
ANIMAL CONTROL	1,495	1,495	1,517	1,540	1,563	1,587	1,611
FINES & FORFEITURES	207,300	207,300	210,665	213,825	217,032	220,288	223,592
FEES & SERVICES	360,415	391,158	365,821	371,309	376,878	382,531	388,269
MISCELLANEOUS	217,080	215,880	217,789	219,727	221,694	223,690	225,717
SCHOOL CROSSING GUARD	13,500	13,500	13,703	13,908	14,117	14,328	14,543
LEOSE PROCEEDS	1,900	4,189	1,900	1,900	1,900	1,900	1,900
POLICE SEIZED PROCEEDS	-	-	-	-	-	-	-
Total Operating Revenue	10,664,569	10,856,271	11,006,827	11,181,859	11,388,641	11,574,643	11,827,796
Transfer In							
PROJECT ALLOCATION	98,585	98,585	103,021	103,021	107,657	103,021	107,657
CAPITAL REPLACEMENT	56,700	56,700	379,408	317,012	207,060	250,951	254,134
Total Revenue	10,819,854	11,011,556	11,489,257	11,601,892	11,703,358	11,928,615	12,189,587
Expenditures by Category							
Personnel							
SALARIES	4,717,611	4,296,000	4,851,431	5,069,745	5,297,884	5,536,289	5,785,422
OVERTIME	43,747	44,126	40,717	42,539	44,443	46,433	48,512
PAYROLL TAXES	370,297	329,302	376,753	393,589	411,180	429,561	448,768
WORKERS' COMP INSURANCE	78,598	68,290	80,594	81,803	83,030	84,275	85,540
RETIREMENT	607,278	543,378	628,593	656,880	686,440	717,329	749,609
HEALTH INSURANCE	655,651	524,157	640,126	672,132	705,739	741,026	778,077
UNIFORM ALLOWANCE	28,000	19,000	26,000	26,000	26,000	26,000	26,000
CAR ALLOWANCE	7,200	7,200	7,200	7,200	7,200	7,200	7,200
RELOCATION ALLOWANCE	-	14,839	-	-	-	-	-
ALLOWANCE FOR VACANCIES	(260,628)	-	(270,129)	(282,285)	(294,987)	(308,262)	(322,134)
Supplies, Maintenance and Operations							
SUPPLIES & CONSUMABLES	33,275	34,775	33,907	34,585	35,276	35,982	36,701
MINOR EQUIPMENT & FURNITURE	71,850	69,840	72,955	74,414	75,902	77,420	78,969
FUEL	66,500	58,500	69,567	72,782	76,153	79,688	83,393
UNIFORMS	30,905	39,632	31,494	32,315	32,927	33,552	34,190
COMMITTEES	2,500	2,500	3,000	3,000	3,000	3,000	3,000
COURT TECHNOLOGY	10,823	10,823	5,075	5,151	5,228	5,307	5,386
COURT SECURITY BUILDING	4,500	6,180	6,090	6,181	6,274	6,368	6,464
VEHICLE MAINTENANCE/REPAIRS	35,880	35,880	37,224	38,626	40,089	41,616	43,210

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - SCENARIO 1							
EQUIPMENT MAINTENANCE/REPAIRS	15,500	15,500	15,810	16,126	16,449	16,778	17,113
BUILDING MAINTENANCE/REPAIRS	28,063	28,063	28,624	29,196	29,780	30,376	30,983
LANDSCAPING & GREENSPACE MAINT	5,500	17,461	5,610	5,722	5,837	5,953	6,072
STREET MAINTENANCE	930,000	951,257	1,030,600	1,031,212	1,031,836	1,032,473	1,033,122
DRAINAGE WORK	20,000	20,000	20,000	20,000	20,000	20,000	20,000
STREET MAINTENANCE	15,000	15,000	15,000	15,000	15,000	15,000	15,000
OAK WILT PROGRAM	29,750	29,750	29,750	29,750	29,750	29,750	29,750
TREE AND LANDSCAPE PROTECTION	4,850	4,850	4,850	4,850	4,850	4,850	4,850
EMERGENCY RESPONSE	500	500	500	500	500	500	500
Professional Services							
PROFESSIONAL SERVICES	1,371,499	1,496,741	1,571,423	1,820,656	2,133,864	2,529,708	2,730,481
DUES/SUBSCRIPTIONS	19,466	19,802	19,696	20,025	20,361	20,703	21,052
TRAINING/SEMINARS & TRAVEL	121,115	121,115	122,682	124,995	127,355	129,762	132,218
MEETINGS & RELATED TRAVEL	22,590	22,590	22,786	23,006	23,230	23,458	23,691
PUBLIC RELATIONS & EVENTS	69,100	69,100	69,352	70,634	71,942	73,276	74,636
EMPLOYEE APPRECIATION	14,760	14,760	14,660	14,884	15,113	15,346	15,584
OTHER SERVICES	53,675	53,675	36,695	52,871	37,050	53,233	37,420
TECH/INTERNET/SOFTWARE MAINT	381,288	392,570	416,998	437,848	459,740	482,727	506,864
Shared Services							
FACILITY CONTRACTS & SERVICES	102,470	135,650	107,594	112,973	118,622	124,553	130,781
POSTAGE	4,125	4,125	4,208	4,292	4,377	4,465	4,554
GENERAL LIABILITY INSURANCE	90,000	89,353	91,800	93,636	95,509	97,419	99,367
ELECTRICITY	44,000	41,000	44,880	45,778	46,693	47,627	48,580
PHONE/CABLE/ALARMS	32,996	32,996	33,656	34,329	35,016	35,716	36,430
COMMUNITY CENTER	-	-	-	-	50,000	50,000	50,000
Total Operating Expenditures	9,880,234	9,680,280	10,347,769	10,942,941	11,634,653	12,406,458	12,967,356
Capital Outlay							
FURNITURE, FIXTURES & EQUIP	226,975	468,031	413,758	346,779	238,316	283,769	288,594
Transfers Out							
TRANSFER TO CAP IMP FUND 02	370,000	370,000	-	-	-	-	-
TRANSFER TO VEH/EQUIP FUND 31	373,138	373,138	310,508	310,508	310,508	310,508	310,508
Potential Savings							
	-	-	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Total Expenditures	10,850,347	10,891,449	10,772,035	11,300,228	11,883,476	12,700,735	13,266,458
Excess (deficiency) of revenues over (under) expenditures	(30,493)	120,107	717,222	301,664	(180,118)	(772,120)	(1,076,871)
Ending Fund Balance	7,638,296	7,788,896	8,506,118	8,807,782	8,627,664	7,855,544	6,778,673
Non-Spendable	85,344	85,344	85,344	85,344	85,344	85,344	85,344
Restricted Reserves	133,732	133,732	128,387	128,387	128,387	128,387	128,387
Tree Mitigation and Legal Reserve	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Unallocated Reserve Balance	2,598,876	2,621,701	3,020,000	3,020,000	2,500,000	1,340,000	-
Operating Reserve Balance	4,848,119	4,848,119	5,172,387	5,474,051	5,813,933	6,201,813	6,464,942

Scenario 1 Dashboard



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

Shared: IT shared services and Non-Departmental shared

Public Works: Maintenance, Building Codes and Engineering

FY 2025-30 Estimated Tax Rates

Fiscal Year	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Tax Rate/\$100 Valuation						
General Fund (M&O)	0.2512	0.2448	0.2342	0.2242	0.2148	0.2074
Debt Service Fund (I&S)	0.0341	0.0339	0.0362	0.0391	0.0459	0.0431
Total Tax Rate	0.2853	0.2787	0.2704	0.2633	0.2607	0.2505
Total Taxable Valuation	2,652,215,358	2,784,826,126	2,977,898,151	3,182,260,742	3,398,348,635	3,614,289,322
M&O Tax Rate/\$100 Valuation	0.2512	0.2448	0.2342	0.2242	0.2148	0.2074
Total M&O Levy	6,662,365	6,817,254	6,974,237	7,134,629	7,299,653	7,496,036
% Change in M&O Levy		2.32%	2.30%	2.30%	2.31%	2.69%
Total Taxable Valuation	2,652,215,358	2,784,826,126	2,977,898,151	3,182,260,742	3,398,348,635	3,614,289,322
I&S Tax rate/\$100 Valuation	0.0341	0.0339	0.0362	0.0391	0.0459	0.0431
Total I&S Levy	904,405	942,700	1,078,825	1,243,438	1,561,125	1,556,900
% Change in I&S Levy		4.2%	14.4%	15.3%	25.5%	-0.3%
Total Levy (100%)	\$ 7,566,770	\$ 7,759,954	\$ 8,053,062	\$ 8,378,066	\$ 8,860,778	\$ 9,052,936
Yr. over Yr. increase (decrease)	\$ 193,184	\$ 293,108	\$ 325,004	\$ 482,712	\$ 192,158	
Ave Home Taxable Value	\$ 626,093	\$ 657,397	\$ 690,267	\$ 724,780	\$ 761,019	\$ 799,070
Average Tax Bill	\$ 1,786	\$ 1,832	\$ 1,867	\$ 1,908	\$ 1,984	\$ 2,001

Governmental Scenario 2

Assumptions

Revenue

Lowering the operating reserve requirement to 30% (3.6 months) of operating expenditures

Revenue

Property tax rate set to hold the operating reserve at 30% (between the NNR and VAR)

Property valuation percentage increases of 5%

3.0% increase in Sales Tax revenue each year

1.5% increase for all other lines

45% decrease in investment interest revenue over 5 years

Expenditures

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

4.5% increase in personnel costs each year

5% increase in medical insurance costs

5% increase in software subscriptions

5% increase in facility, engineering contracts

\$1.5 M fire contract by 2029

2% increase in all other costs

\$1 Million in road maintenance each year

Drainage maintenance budget of \$50,000 per year

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

No new employees throughout the forecast period

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

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

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

Incorporating an \$16 million GO bond disbursed in three tranches for roadway CIP

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

FY 2025-30 Scenario 2 Financial Plan by Program

	2025	2025	2026	2027	2028	2029	2030
	Budgeted	Projected					
GENERAL FUND - SCENARIO 2							
Beginning Fund Balance	7,668,789	7,668,789	7,789,646	8,317,136	8,277,779	7,599,883	6,168,427
Revenue							
PROPERTY TAX	6,612,107	6,697,782	6,746,625	6,750,341	6,751,954	6,723,341	6,724,144
MIXED BEVERAGE	25,000	25,000	25,000	25,000	25,000	25,000	25,000
SALES TAX	1,845,222	1,850,168	1,900,579	1,957,596	2,016,324	2,076,814	2,139,118
BANK/INVESTMENT INTEREST	450,000	500,000	405,000	344,250	309,825	278,843	250,958
FRANCHISE FEES	762,350	772,350	771,349	782,012	793,742	804,728	816,799
PERMITS	168,200	178,200	157,148	159,430	160,833	162,257	163,703
ANIMAL CONTROL	1,495	1,495	1,517	1,540	1,563	1,587	1,611
FINES & FORFEITURES	207,300	207,300	210,665	213,825	217,032	220,288	223,592
FEES & SERVICES	360,415	391,158	365,821	371,309	376,878	382,531	388,269
MISCELLANEOUS	217,080	215,880	217,789	219,727	221,694	223,690	225,717
SCHOOL CROSSING GUARD	13,500	13,500	13,703	13,908	14,117	14,328	14,543
LEOSE PROCEEDS	1,900	4,189	1,900	1,900	1,900	1,900	1,900
POLICE SEIZED PROCEEDS	-	-	-	-	-	-	-
Total Operating Revenue	10,664,569	10,857,021	10,817,096	10,840,838	10,890,863	10,915,307	10,975,353
Transfer In							
PROJECT ALLOCATIONS	98,585	98,585	103,021	103,021	107,657	103,021	107,657
CAPITAL REPLACEMENT	56,700	56,700	379,408	317,012	207,060	250,951	254,134
Total Revenue	10,819,854	11,012,306	11,299,525	11,260,871	11,205,580	11,269,279	11,337,145
Expenditures by Program							
General Government							
PERSONNEL	1,571,379	1,556,465	1,624,615	1,698,029	1,774,783	1,855,027	1,938,922
SUPPLIES & OPERATIONS	30,083	31,763	26,272	26,869	27,254	27,644	28,042
PROFESSIONAL SERVICES	760,930	897,946	794,609	843,068	861,059	912,656	933,938
Public Safety							
PERSONNEL	3,053,676	2,809,238	3,091,638	3,229,364	3,373,339	3,523,846	3,681,185
SUPPLIES & OPERATIONS	127,280	128,007	131,742	136,389	141,230	146,273	151,528
PROFESSIONAL SERVICES	1,074,893	1,074,893	1,253,037	1,485,765	1,781,635	2,159,264	2,340,904
Public Works							
PERSONNEL	1,622,699	1,480,589	1,665,033	1,740,210	1,818,807	1,900,978	1,986,887
SUPPLIES & OPERATIONS	1,143,933	1,175,141	1,247,869	1,251,907	1,256,049	1,260,299	1,264,660
PROFESSIONAL SERVICES	217,670	217,514	226,645	236,086	245,961	256,294	267,104
Shared Services							
PERSONNEL			-	-	-	-	-
SUPPLIES & OPERATIONS	4,100	5,600	4,172	4,245	4,320	4,397	4,475
PROFESSIONAL SERVICES	273,591	303,124	282,137	291,007	350,217	359,780	369,712
Total Operating Expenditures	9,880,234	9,680,280	10,347,769	10,942,941	11,634,653	12,406,458	12,967,356

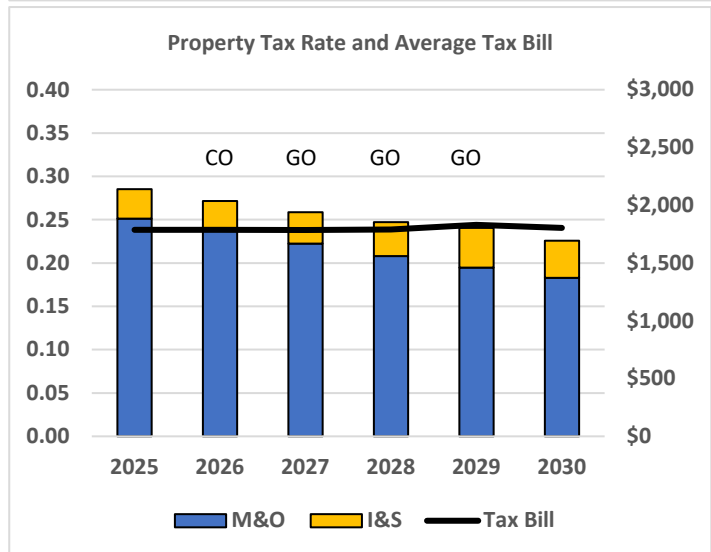
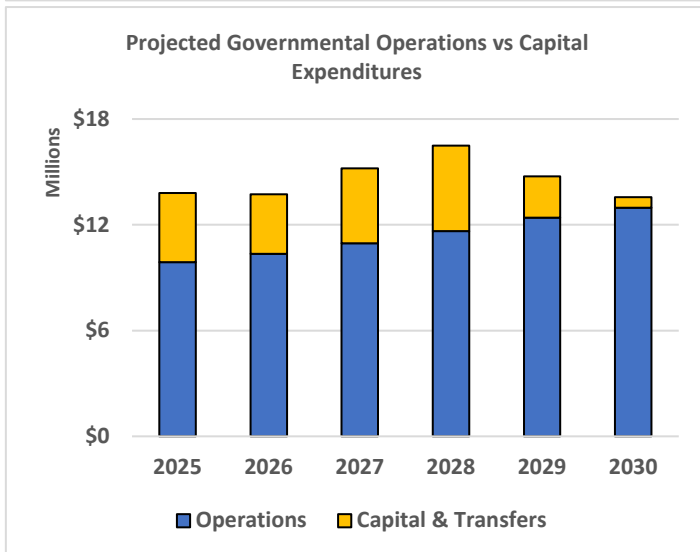
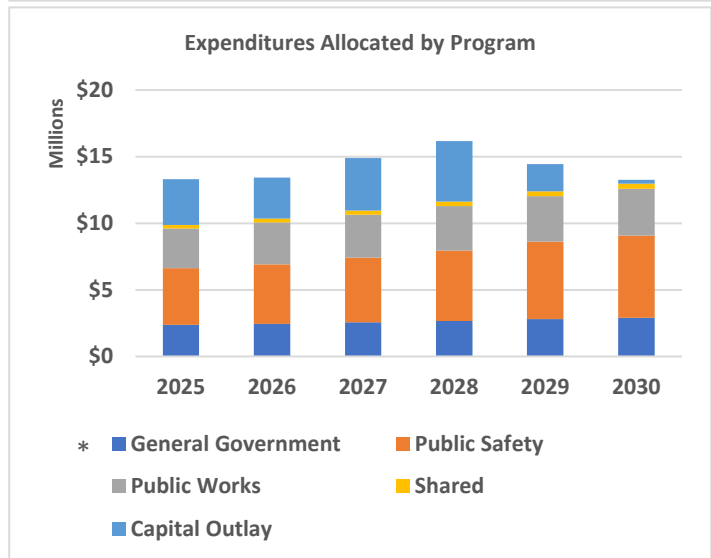
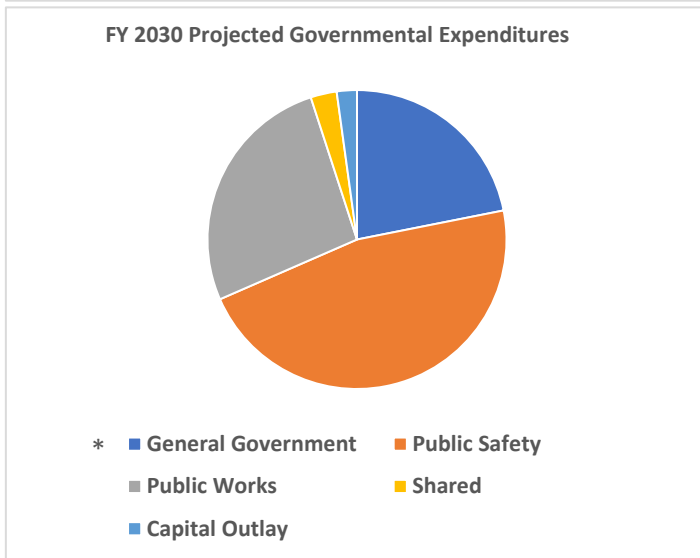
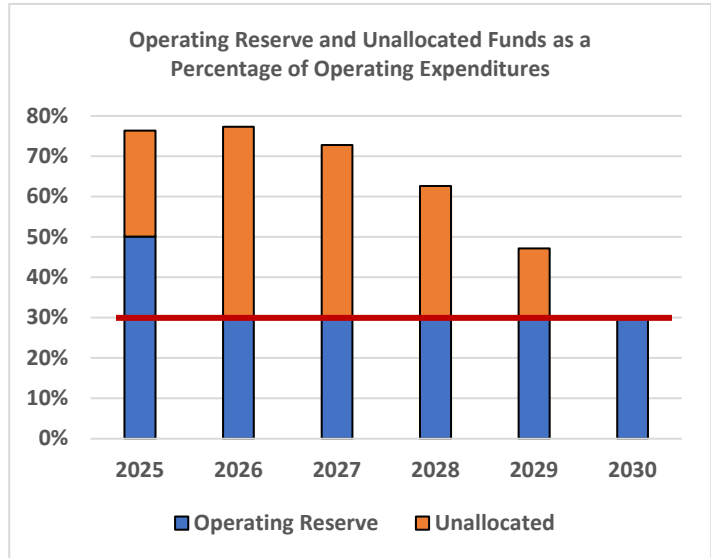
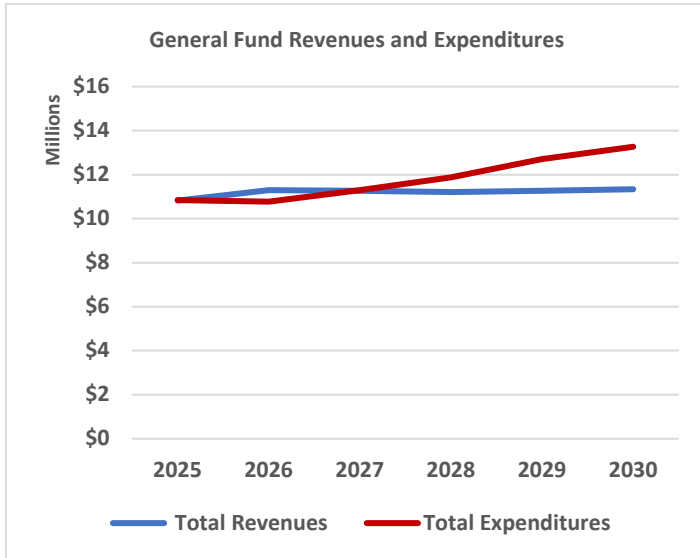
	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - SCENARIO 2							
Capital Outlay							
GENERAL GOVERNMENT	27,000	115,050	34,350	29,768	31,256	32,819	34,460
PUBLIC SAFETY	65,000	126,881	150,000	153,000	156,060	159,181	162,365
PUBLIC WORKS	134,975	226,100	229,408	164,012	51,000	91,769	91,769
SHARED SERVICES	-	-	-	-	-	-	-
Transfers Out							
TRANSFER TO CAP IMP FUND	370,000	370,000	-	-	-	-	-
TRANSFER TO VEH/EQUIP FUND	373,138	373,138	310,508	310,508	310,508	310,508	310,508
Potential Savings	-	-	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Total Expenditures	10,850,347	10,891,449	10,772,035	11,300,228	11,883,476	12,700,735	13,266,458
Excess (deficiency) of revenues over (under) expenditures	(30,493)	120,857	527,490	(39,357)	(677,896)	(1,431,457)	(1,929,314)
Ending Fund Balance	7,638,296	7,789,646	8,317,136	8,277,779	7,599,883	6,168,427	4,239,113
Non-Spendable	85,344	85,344	85,344	85,344	85,344	85,344	85,344
Restricted Reserves	133,732	133,732	128,387	128,387	128,387	128,387	128,387
Tree Mitigation and Legal Reserve	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Unallocated Reserve Balance	2,598,876	2,622,451	4,900,000	4,680,000	3,790,000	2,130,000	
Operating Reserve Balance	4,848,119	4,848,119	3,103,405	3,284,048	3,496,152	3,724,696	3,925,382

FY 2025-30 Scenario 2 Financial Plan by Category

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - SCENARIO 2							
Beginning Fund Balance	7,668,789	7,668,789	7,789,646	8,317,136	8,277,779	7,599,883	6,168,427
Revenue							
PROPERTY TAX	6,612,107	6,697,782	6,746,625	6,750,341	6,751,954	6,723,341	6,724,144
MIXED BEVERAGE	25,000	25,000	25,000	25,000	25,000	25,000	25,000
SALES TAX	1,845,222	1,850,168	1,900,579	1,957,596	2,016,324	2,076,814	2,139,118
BANK/INVESTMENT INTEREST	450,000	500,000	405,000	344,250	309,825	278,843	250,958
FRANCHISE FEES	762,350	772,350	771,349	782,012	793,742	804,728	816,799
PERMITS	168,200	178,200	157,148	159,430	160,833	162,257	163,703
ANIMAL CONTROL	1,495	1,495	1,517	1,540	1,563	1,587	1,611
FINES & FORFEITURES	207,300	207,300	210,665	213,825	217,032	220,288	223,592
FEES & SERVICES	360,415	391,158	365,821	371,309	376,878	382,531	388,269
MISCELLANEOUS	217,080	215,880	217,789	219,727	221,694	223,690	225,717
SCHOOL CROSSING GUARD	13,500	13,500	13,703	13,908	14,117	14,328	14,543
LEOSE PROCEEDS	1,900	4,189	1,900	1,900	1,900	1,900	1,900
POLICE SEIZED PROCEEDS	-	-	-	-	-	-	-
Total Operating Revenue	10,664,569	10,857,021	10,817,096	10,840,838	10,890,863	10,915,307	10,975,353
Transfer In							
PROJECT ALLOCATION	98,585	98,585	103,021	103,021	107,657	103,021	107,657
CAPITAL REPLACEMENT	56,700	56,700	379,408	317,012	207,060	250,951	254,134
Total Revenue	10,819,854	11,012,306	11,299,525	11,260,871	11,205,580	11,269,279	11,337,145
Expenditures by Category							
Personnel							
SALARIES	4,717,611	4,296,000	4,851,431	5,069,745	5,297,884	5,536,289	5,785,422
OVERTIME	43,747	44,126	40,717	42,539	44,443	46,433	48,512
PAYROLL TAXES	370,297	329,302	376,753	393,589	411,180	429,561	448,768
WORKERS' COMP INSURANCE	78,598	68,290	80,594	81,803	83,030	84,275	85,540
RETIREMENT	607,278	543,378	628,593	656,880	686,440	717,329	749,609
HEALTH INSURANCE	655,651	524,157	640,126	672,132	705,739	741,026	778,077
UNIFORM ALLOWANCE	28,000	19,000	26,000	26,000	26,000	26,000	26,000
CAR ALLOWANCE	7,200	7,200	7,200	7,200	7,200	7,200	7,200
RELOCATION ALLOWANCE	-	14,839	-	-	-	-	-
ALLOWANCE FOR VACANCIES	(260,628)	-	(270,129)	(282,285)	(294,987)	(308,262)	(322,134)
Supplies, Maintenance and Operations							
SUPPLIES & CONSUMABLES	33,275	34,775	33,907	34,585	35,276	35,982	36,701
MINOR EQUIPMENT & FURNITURE	71,850	69,840	72,955	74,414	75,902	77,420	78,969
FUEL	66,500	58,500	69,567	72,782	76,153	79,688	83,393
UNIFORMS	30,905	39,632	31,494	32,315	32,927	33,552	34,190
COMMITTEES	2,500	2,500	3,000	3,000	3,000	3,000	3,000
COURT TECHNOLOGY	10,823	10,823	5,075	5,151	5,228	5,307	5,386
COURT SECURITY BUILDING	4,500	6,180	6,090	6,181	6,274	6,368	6,464
VEHICLE MAINTENANCE/REPAIRS	35,880	35,880	37,224	38,626	40,089	41,616	43,210

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
GENERAL FUND - SCENARIO 2							
EQUIPMENT MAINTENANCE/REPAIRS	15,500	15,500	15,810	16,126	16,449	16,778	17,113
BUILDING MAINTENANCE/REPAIRS	28,063	28,063	28,624	29,196	29,780	30,376	30,983
LANDSCAPING & GREENSPACE MAINT	5,500	17,461	5,610	5,722	5,837	5,953	6,072
STREET MAINTENANCE	930,000	951,257	1,030,600	1,031,212	1,031,836	1,032,473	1,033,122
DRAINAGE WORK	20,000	20,000	20,000	20,000	20,000	20,000	20,000
STREET MAINTENANCE	15,000	15,000	15,000	15,000	15,000	15,000	15,000
OAK WILT PROGRAM	29,750	29,750	29,750	29,750	29,750	29,750	29,750
TREE AND LANDSCAPE PROTECTION	4,850	4,850	4,850	4,850	4,850	4,850	4,850
EMERGENCY RESPONSE	500	500	500	500	500	500	500
Professional Services							
PROFESSIONAL SERVICES	1,371,499	1,496,741	1,571,423	1,820,656	2,133,864	2,529,708	2,730,481
DUES/SUBSCRIPTIONS	19,466	19,802	19,696	20,025	20,361	20,703	21,052
TRAINING/SEMINARS & TRAVEL	121,115	121,115	122,682	124,995	127,355	129,762	132,218
MEETINGS & RELATED TRAVEL	22,590	22,590	22,786	23,006	23,230	23,458	23,691
PUBLIC RELATIONS & EVENTS	69,100	69,100	69,352	70,634	71,942	73,276	74,636
EMPLOYEE APPRECIATION	14,760	14,760	14,660	14,884	15,113	15,346	15,584
OTHER SERVICES	53,675	53,675	36,695	52,871	37,050	53,233	37,420
TECH/INTERNET/SOFTWARE MAINT	381,288	392,570	416,998	437,848	459,740	482,727	506,864
Shared Services							
FACILITY CONTRACTS & SERVICES	102,470	135,650	107,594	112,973	118,622	124,553	130,781
POSTAGE	4,125	4,125	4,208	4,292	4,377	4,465	4,554
GENERAL LIABILITY INSURANCE	90,000	89,353	91,800	93,636	95,509	97,419	99,367
ELECTRICITY	44,000	41,000	44,880	45,778	46,693	47,627	48,580
PHONE/CABLE/ALARMS	32,996	32,996	33,656	34,329	35,016	35,716	36,430
COMMUNITY CENTER	-	-	-	-	50,000	50,000	50,000
Total Operating Expenditures	9,880,234	9,680,280	10,347,769	10,942,941	11,634,653	12,406,458	12,967,356
Capital Outlay							
FURNITURE, FIXTURES & EQUIP	226,975	468,031	413,758	346,779	238,316	283,769	288,594
Transfers Out							
TRANSFER TO CAP IMP FUND 02	370,000	370,000	-	-	-	-	-
TRANSFER TO VEH/EQUIP FUND 31	373,138	373,138	310,508	310,508	310,508	310,508	310,508
Potential Savings							
	-	-	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Total Expenditures	10,850,347	10,891,449	10,772,035	11,300,228	11,883,476	12,700,735	13,266,458
Excess (deficiency) of revenues over (under) expenditures	(30,493)	120,857	527,490	(39,357)	(677,896)	(1,431,457)	(1,929,314)
Ending Fund Balance	7,638,296	7,789,646	8,317,136	8,277,779	7,599,883	6,168,427	4,239,113
Non-Spendable	85,344	85,344	85,344	85,344	85,344	85,344	85,344
Restricted Reserves	133,732	133,732	128,387	128,387	128,387	128,387	128,387
Tree Mitigation and Legal Reserve	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Unallocated Reserve Balance	2,598,876	2,622,451	4,900,000	4,680,000	3,790,000	2,130,000	-
Operating Reserve Balance	4,848,119	4,848,119	3,103,405	3,284,048	3,496,152	3,724,696	3,925,382

Scenario 2 Dashboard



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

Shared: IT shared services and Non-Departmental shared

Public Works: Maintenance, Building Codes and Engineering

FY 2025-30 Estimated Tax Rates

Fiscal Year	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
Tax Rate/\$100 Valuation						
General Fund (M&O)	0.2512	0.2379	0.2225	0.2081	0.1947	0.1829
Debt Service Fund (I&S)	0.0341	0.0339	0.0362	0.0390	0.0458	0.0429
Total Tax Rate	0.2853	0.2718	0.2587	0.2471	0.2405	0.2258
Total Taxable Valuation	2,652,215,358	2,784,826,126	2,979,264,959	3,186,207,935	3,406,216,206	3,626,416,502
M&O Tax Rate/\$100 Valuation	0.2512	0.2379	0.2225	0.2081	0.1947	0.1829
Total M&O Levy	6,662,365	6,625,101	6,628,865	6,630,499	6,631,903	6,632,716
% Change in M&O Levy		-0.56%	0.06%	0.02%	0.02%	0.01%
Total Taxable Valuation	2,652,215,358	2,784,826,126	2,979,264,959	3,186,207,935	3,406,216,206	3,626,416,502
I&S Tax rate/\$100 Valuation	0.0341	0.0339	0.0362	0.0390	0.0458	0.0429
Total I&S Levy	904,405	942,700	1,078,825	1,243,438	1,561,125	1,556,900
% Change in I&S Levy		4.2%	14.4%	15.3%	25.5%	-0.3%
Total Levy (100%)	\$ 7,566,770	\$ 7,567,801	\$ 7,707,690	\$ 7,873,936	\$ 8,193,028	\$ 8,189,616
Yr. over Yr. increase (decrease)	\$ 1,031	\$ 139,888	\$ 166,247	\$ 319,092	\$ (3,412)	
Ave Home Taxable Value	\$ 626,093	\$ 657,397	\$ 690,267	\$ 724,780	\$ 761,019	\$ 799,070
Average Tax Bill	\$ 1,786	\$ 1,786	\$ 1,786	\$ 1,791	\$ 1,830	\$ 1,805

UTILITY FUND

BASELINE

The 5-Year Scenario for the Utility Fund uses assumptions that can be ascertained with reasonable certainty using conservative assumptions. The Baseline uses the Adopted FY 2024-25 Budget and FY projected outcomes with the following assumptions going forward:

Expenditure

- No new employees throughout the forecast period
- 4.5% increase in personnel costs per year
- Employer insurance premiums increase 5.0% per year
- 5% increase in GBRA fees per year
- All software subscriptions increase 5.0% per year
- All facility and engineering contracts increase 5.0% per year
- All other operational costs increase 2.0% per year
- \$25,000 per year of new equipment for the water and wastewater utilities
- \$10,000 per year of new operational equipment for the water and wastewater utilities and a \$150,000 budget for replacement pumps as needed
- Funding capital projects with Certificates of Obligation

Revenue

- Current water service rates for all 5 years
- Current wastewater service rates for all 5 years
- Projected decrease in drought surcharge revenue
- Other operational revenue sources increase 1.5% per year
- 45% decrease in investment interest revenue over 5 years

SCENARIO 1

Includes assumptions in the baseline but changing the following:

- Increasing water service rates to cover operating expenses including depreciation while maintaining an operating reserve of 9 months

Utility Baseline

Assumptions

Revenue

Water service at current rates
Wastewater service at current rates
Projecting a decrease in drought surcharge revenue
Decrease in investment interest revenue over 5 years

Expenditures

4.5% increase in personnel expenses each year
5% increase in health insurance costs
5% increase in GBRA fees
5% increase in software subscriptions
5% increase in facility and engineering contracts
2% increase in all other costs
No new employees throughout the forecast period
No new capital or strategic projects funding
Assumes life-cycle replacements funded by the Equipment Replacement Fund, and \$25,000/yr of new equipment for water and \$25,000/yr for wastewater
Assumes \$10,000 operational capital for water and wastewater each year
Assumes \$150,000/yr for well pump replacements

FY 2025-30 Utility Fund Baseline Financial Plan by Program

	<i>2025 Budgeted</i>	<i>2025 Projected</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</i>
UTILITY FUND - BASELINE							
Water Revenue							
WATER SERVICE	4,245,496	4,579,448	4,560,691	4,265,692	3,969,612	4,027,800	4,142,872
WATER BAD DEBTS	(4,000)	(4,000)	(4,060)	(4,121)	(4,183)	(4,245)	(4,309)
MISC./SPECIAL REQUESTS	500	500	500	500	500	500	500
THIRD PARTY REIMBURSEME	3,500	2,000	2,000	2,000	2,000	2,000	2,000
PERMITS/VARIANCES	1,200	500	1,200	1,200	1,200	1,200	1,200
WATER INTEREST INCOME	200,000	300,000	270,000	229,500	206,550	185,895	167,306
CREDIT CARD SERVICE FEE	50,000	60,000	60,900	61,814	62,741	63,682	64,637
Wastewater Revenue							
SEWER SERVICE	1,713,803	1,794,704	1,809,271	1,844,528	1,880,486	1,917,162	1,954,568
SEWER BAD DEBTS	(1,000)	(1,000)	(1,015)	(1,030)	(1,046)	(1,061)	(1,077)
MISC./SPECIAL REQUESTS	350	509	350	350	350	350	350
SEWER INTEREST INCOME	200,000	200,000	180,000	153,000	137,700	123,930	111,537
Total Operating Revenue	6,409,849	6,932,661	6,879,837	6,553,432	6,255,911	6,317,212	6,439,583
Expenditures by Utility							
Water							
PERSONNEL	1,040,847	1,007,414	1,038,770	1,085,798	1,134,966	1,186,371	1,240,117
SUPPLIES & OPERATIONS	2,557,433	2,620,488	2,699,889	2,816,180	2,937,912	3,065,349	3,198,769
SERVICES	315,786	315,786	322,102	328,544	335,115	341,817	348,653
Wastewater							
PERSONNEL	1,072,837	1,025,786	1,066,153	1,114,399	1,164,840	1,217,575	1,272,710
SUPPLIES & OPERATIONS	586,206	591,370	616,017	632,374	649,260	666,696	684,704
SERVICES	74,200	74,200	75,684	77,198	78,742	80,317	81,923
Depreciation	820,600	1,010,000	1,137,700	1,365,454	1,527,208	1,557,752	1,588,907
Total Operating Expenditures	6,467,909	6,645,045	6,956,315	7,419,946	7,828,042	8,115,877	8,415,783
Operating Income/(Loss)	(58,060)	287,616	(76,478)	(866,514)	(1,572,131)	(1,798,665)	(1,976,200)
Non-Operating Revenues							
WATER DEBT FEE	936,054	933,554	941,903	941,699	980,954	993,729	909,400
WATER CAPITAL FEE	104,835	104,535	-	-	-	-	-
WATER IMPACT FEES	200,000	200,000	200,000	200,000	200,000	200,000	200,000
SEWER DEBT FEE	415,630	413,830	416,196	417,592	415,354	415,329	411,350
SEWER CAPITAL FEE	-	-	-	-	-	-	-
SEWER IMPACT FEES	175,000	175,000	60,000	60,000	60,000	60,000	60,000
Total Non-operating Revenues	1,831,519	1,826,919	1,618,099	1,619,291	1,656,308	1,669,058	1,580,750

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
UTILITY FUND - BASELINE							
Capital Outlay	3,912,242	6,145,483	6,904,929	8,083,819	220,000	220,000	220,000
Asset Transfer for GAAP	(3,912,242)	(6,075,483)	(6,904,929)	(8,083,819)	(220,000)	(220,000)	(220,000)
Debt Service	54,075	144,110	128,099	115,416	105,933	100,683	95,625
Transfers Out	4,395,835	4,538,105	455,000	455,000	455,000	455,000	455,000
Transfers In	(4,395,835)	(4,538,405)	(455,000)	(455,000)	(455,000)	(455,000)	(455,000)
Net Income/(Loss)	1,719,383	1,900,725	1,413,523	637,361	(21,756)	(230,290)	(491,075)

	9/30/2025	9/30/2026	9/30/2027	9/30/2028	9/30/2029	9/30/2030
Net investment in capital assets	13,942,139	14,012,747	13,586,156	13,621,492	13,642,534	13,523,045
Unrestricted net position						
Water capital fund	380,324	580,324	780,324	980,324	1,180,324	1,380,324
Wastewater capital fund	741,874	801,874	861,874	921,874	981,874	1,041,874
Debt service reserve	1,351,684	1,358,099	1,359,291	1,396,308	1,409,058	1,320,750
Equipment replacement fund	718,690	913,690	1,108,690	1,303,690	1,498,690	1,693,690
Operating reserve	<u>3,491,387</u>	<u>4,372,887</u>	<u>4,980,646</u>	<u>4,431,537</u>	<u>3,712,455</u>	<u>2,974,177</u>
Total unrestricted	6,683,959	8,026,874	9,090,825	9,033,733	8,782,401	8,410,815
Total net position	20,626,098	22,039,620	22,676,981	22,655,225	22,424,935	21,933,860

FY 2025-30 Utility Fund Baseline Financial Plan by Category

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
UTILITY FUND - BASELINE							
Water Revenue							
WATER SERVICE	4,245,496	4,579,448	4,560,691	4,265,692	3,969,612	4,027,800	4,142,872
WATER BAD DEBTS	(4,000)	(4,000)	(4,060)	(4,121)	(4,183)	(4,245)	(4,309)
MISC./SPECIAL REQUESTS	500	500	500	500	500	500	500
THIRD PARTY REIMBURSEME	3,500	2,000	2,000	2,000	2,000	2,000	2,000
PERMITS/VARIANCES	1,200	500	1,200	1,200	1,200	1,200	1,200
WATER INTEREST INCOME	200,000	300,000	270,000	229,500	206,550	185,895	167,306
CREDIT CARD SERVICE FEE	50,000	60,000	60,900	61,814	62,741	63,682	64,637
Wastewater Revenue							
SEWER SERVICE	1,713,803	1,794,704	1,809,271	1,844,528	1,880,486	1,917,162	1,954,568
SEWER BAD DEBTS	(1,000)	(1,000)	(1,015)	(1,030)	(1,046)	(1,061)	(1,077)
MISC./SPECIAL REQUESTS	350	509	350	350	350	350	350
SEWER INTEREST INCOME	200,000	200,000	180,000	153,000	137,700	123,930	111,537
Total Operating Revenue	6,409,849	6,932,661	6,879,837	6,553,432	6,255,911	6,317,212	6,439,583
Expenditures by Category							
Personnel							
SALARIES	1,565,200	1,486,113	1,528,363	1,597,139	1,669,010	1,744,116	1,822,601
OVERTIME	17,643	19,193	16,927	17,688	18,484	19,316	20,185
PAYROLL TAXES	123,570	113,490	159,885	167,035	174,508	182,315	190,474
WORKERS' COMP INSURANCE	17,441	15,154	17,418	17,679	17,944	18,213	18,486
RETIREMENT	201,891	186,780	198,601	207,538	216,877	226,637	236,836
HEALTH INSURANCE	227,939	212,471	223,730	234,917	246,663	258,996	271,946
ALLOWANCE FOR VACANCIES	(40,000)	-	(40,000)	(41,800)	(43,681)	(45,647)	(47,701)
Supplies, Maintenance and Operations							
UNIFORMS	11,673	11,673	11,906	12,144	12,387	12,635	12,887
POWER	190,000	190,000	198,300	206,991	216,092	225,623	235,605
MAINTENANCE OF PLANTS/LI	180,000	188,418	192,186	196,030	199,951	203,950	208,029
ANALYSIS FEES	39,000	39,000	39,780	40,576	41,387	42,215	43,059
CHEMICALS	40,100	40,100	40,902	41,720	42,554	43,406	44,274
CITY MANAGEMENT FEE	292,365	313,108	319,370	325,757	332,272	338,918	345,696
EQUIPMENT MAINTENANCE	26,890	26,890	27,428	27,976	28,536	29,107	29,689
EQUIPMENT GAS & OIL	26,875	26,875	27,413	27,961	28,520	29,090	29,672
GBRA WATER FEES	1,591,970	1,591,970	1,671,569	1,755,147	1,842,904	1,935,049	2,031,802
SLUDGE HAULING	25,000	17,000	25,500	26,010	26,530	27,061	27,602
EQUIPMENT LEASE	600	600	612	624	637	649	662
TOOLS & MINOR EQUIPMENT	19,250	19,250	19,635	20,028	20,428	20,837	21,254
TRAINING	50,013	50,013	51,013	52,033	53,074	54,135	55,218
UTILITIES & RADIO	59,500	59,500	60,690	61,904	63,142	64,405	65,693

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
UTILITY FUND - BASELINE							
SIGNAL & TELEMETRY	-	-	-	-	-	-	-
BUILDING MAINTENANCE	22,280	22,280	22,726	23,180	23,644	24,117	24,599
SUPPLIES & CONSUMABLES	8,900	8,900	9,078	9,260	9,445	9,634	9,826
VEHICLE MAINTENANCE/REP.	11,500	11,500	11,730	11,965	12,204	12,448	12,697
UTILITIES & TELEPHONE	17,319	17,319	17,665	18,019	18,379	18,747	19,122
DUES & PUBLICATIONS	5,607	5,607	5,719	5,833	5,950	6,069	6,190
PERMIT & LICENSES	12,379	12,379	12,627	12,879	13,137	13,399	13,667
GENERAL LIABILITY INSURANCE	90,000	88,403	91,800	93,636	95,509	97,419	99,367
OFFICE SUPPLIES	5,488	6,144	6,267	6,392	6,520	6,650	6,783
TRAVEL & MEETINGS	2,500	2,500	2,550	2,601	2,653	2,706	2,760
SOFTWARE & COMPUTER	351,558	364,058	382,261	401,374	421,443	442,515	464,641
RECORDING/REPORTING	850	850	867	884	902	920	938
POSTAGE	1,375	1,375	1,403	1,431	1,459	1,488	1,518
BUILDING/EQUIP MAINTENANCE	300	300	306	312	318	325	331
CONSERVATION EDUCATION	1,370	1,370	1,397	1,425	1,454	1,483	1,513
BILLING STATEMENT CHARGE	7,400	8,400	8,568	8,739	8,914	9,092	9,274
BILLING POSTAGE	20,000	22,000	22,440	22,889	23,347	23,814	24,290
COPIER LEASE	3,578	3,578	3,650	3,723	3,797	3,873	3,950
MISCELLANEOUS	500	500	500	500	500	500	500
CREDIT CARD SERVICE FEE	27,500	60,000	28,050	28,611	29,183	29,767	30,362
Professional Services							
PROFESSIONAL SERVICES	368,552	368,552	375,923	383,441	391,110	398,932	406,911
PUBLIC RELATIONS	8,500	8,500	8,670	8,843	9,020	9,201	9,385
EMPLOYMENT COSTS	2,675	2,675	2,728	2,783	2,839	2,895	2,953
EMPLOYEE APPRECIATION	10,260	10,260	10,465	10,675	10,888	11,106	11,328
Depreciation	820,600	1,010,000	1,137,700	1,365,454	1,527,208	1,557,752	1,588,907
Total Operating Expenditures	6,467,909	6,645,045	6,956,315	7,419,946	7,828,042	8,115,877	8,415,783
Operating Income/(Loss)	(58,060)	287,616	(76,478)	(866,514)	(1,572,131)	(1,798,665)	(1,976,200)
Non-Operating Revenues							
WATER DEBT FEE	936,054	933,554	941,903	941,699	980,954	993,729	909,400
WATER CAPITAL FEE	104,835	104,535	-	-	-	-	-
WATER IMPACT FEES	200,000	200,000	200,000	200,000	200,000	200,000	200,000
SEWER DEBT FEE	415,630	413,830	416,196	417,592	415,354	415,329	411,350
Total Non-operating Revenues	1,831,519	1,826,919	1,618,099	1,619,291	1,656,308	1,669,058	1,580,750
Capital Outlay	3,912,242	6,145,483	6,904,929	8,083,819	220,000	220,000	220,000
Asset Transfer for GAAP	(3,912,242)	(6,075,483)	(6,904,929)	(8,083,819)	(220,000)	(220,000)	(220,000)
Debt Service	54,075	144,110	128,099	115,416	105,933	100,683	95,625
Transfers Out	4,395,835	4,538,105	455,000	455,000	455,000	455,000	455,000
Transfers In	(4,395,835)	(4,538,405)	(455,000)	(455,000)	(455,000)	(455,000)	(455,000)

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
UTILITY FUND - BASELINE							
Net Income/(Loss)	1,719,383	1,900,725	1,413,523	637,361	(21,756)	(230,290)	(491,075)

	9/30/2025	9/30/2026	9/30/2027	9/30/2028	9/30/2029	9/30/2030
Net investment in capital assets	13,942,139	14,012,747	13,586,156	13,621,492	13,642,534	13,523,045
Unrestricted net position						
Water capital fund	380,324	580,324	780,324	980,324	1,180,324	1,380,324
Wastewater capital fund	741,874	801,874	861,874	921,874	981,874	1,041,874
Debt service reserve	1,351,684	1,358,099	1,359,291	1,396,308	1,409,058	1,320,750
Equipment replacement fund	718,690	913,690	1,108,690	1,303,690	1,498,690	1,693,690
Operating reserve	<u>3,491,387</u>	<u>4,372,887</u>	<u>4,980,646</u>	<u>4,431,537</u>	<u>3,712,455</u>	<u>2,974,177</u>
Total unrestricted	6,683,959	8,026,874	9,090,825	9,033,733	8,782,401	8,410,815
Total net position	20,626,098	22,039,620	22,676,981	22,655,225	22,424,935	21,933,860

Utility Baseline Dashboard



Utility Scenario 1

Assumptions

Revenue

Increase in water service rates to cover operating expenses and depreciation while maintaining an operating reserve of 9 months of operating expenses
Wastewater service rates remain at current level
Projecting a decrease in drought surcharge revenue
Decrease in investment interest revenue over 5 years

Expenditures

4.5% increase in personnel expenses each year
5% increase in health insurance costs
5% increase in GBRA fees
5% increase in software subscriptions
5% increase in facility and engineering contracts
2% increase in all other costs
No new employees throughout the forecast period
No new capital or strategic projects funding
Assumes life-cycle replacements funded by the Equipment Replacement Fund, and \$25,000/yr of new equipment for water and \$25,000/yr for wastewater
Assumes \$10,000 operational capital for water and wastewater each year
Assumes \$150,000/yr for well pump replacements

FY 2025-30 Utility Fund Scenario 1 Financial Plan by Program

	<i>2025 Budgeted</i>	<i>2025 Projected</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</i>
UTILITY FUND - SCENARIO 1							
Water Revenue							
WATER SERVICE	4,245,496	4,579,448	4,560,691	4,687,789	4,880,616	5,119,712	5,304,314
WATER BAD DEBTS	(4,000)	(4,000)	(4,060)	(4,121)	(4,183)	(4,245)	(4,309)
MISC./SPECIAL REQUESTS	500	500	500	500	500	500	500
THIRD PARTY REIMBURSEME	3,500	2,000	2,000	2,000	2,000	2,000	2,000
PERMITS/VARIANCES	1,200	500	1,200	1,200	1,200	1,200	1,200
WATER INTEREST INCOME	200,000	300,000	270,000	229,500	206,550	185,895	167,306
CREDIT CARD SERVICE FEE	50,000	60,000	60,900	61,814	62,741	63,682	64,637
Wastewater Revenue							
SEWER SERVICE	1,713,803	1,794,704	1,809,271	1,844,528	1,880,486	1,917,162	1,954,568
SEWER BAD DEBTS	(1,000)	(1,000)	(1,015)	(1,030)	(1,046)	(1,061)	(1,077)
MISC./SPECIAL REQUESTS	350	509	350	350	350	350	350
SEWER INTEREST INCOME	200,000	200,000	180,000	153,000	137,700	123,930	111,537
Total Operating Revenue	6,409,849	6,932,661	6,879,837	6,975,529	7,166,915	7,409,123	7,601,025
Expenditures by Utility							
Water							
PERSONNEL	1,040,847	1,007,414	1,038,770	1,085,798	1,134,966	1,186,371	1,240,117
SUPPLIES & OPERATIONS	2,557,433	2,620,488	2,699,889	2,816,180	2,937,912	3,065,349	3,198,769
SERVICES	315,786	315,786	322,102	328,544	335,115	341,817	348,653
Wastewater							
PERSONNEL	1,072,837	1,025,786	1,066,153	1,114,399	1,164,840	1,217,575	1,272,710
SUPPLIES & OPERATIONS	586,206	591,370	616,017	632,374	649,260	666,696	684,704
SERVICES	74,200	74,200	75,684	77,198	78,742	80,317	81,923
Depreciation	820,600	1,010,000	1,137,700	1,365,454	1,527,208	1,557,752	1,588,907
Total Operating Expenditures	6,467,909	6,645,045	6,956,315	7,419,946	7,828,042	8,115,877	8,415,783
Operating Income/(Loss)	(58,060)	287,616	(76,478)	(444,418)	(661,127)	(706,754)	(814,758)
Non-Operating Revenues							
WATER DEBT FEE	936,054	933,554	941,903	941,699	980,954	993,729	909,400
WATER CAPITAL FEE	104,835	104,535	-	-	-	-	-
WATER IMPACT FEES	200,000	200,000	200,000	200,000	200,000	200,000	200,000
SEWER DEBT FEE	415,630	413,830	416,196	417,592	415,354	415,329	411,350
SEWER CAPITAL FEE	-	-	-	-	-	-	-
SEWER IMPACT FEES	175,000	175,000	60,000	60,000	60,000	60,000	60,000
Total Non-operating Revenues	1,831,519	1,826,919	1,618,099	1,619,291	1,656,308	1,669,058	1,580,750

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
UTILITY FUND - SCENARIO 1							
Capital Outlay	3,912,242	6,145,483	6,904,929	8,083,819	220,000	220,000	220,000
Asset Transfer for GAAP	(3,912,242)	(6,075,483)	(6,904,929)	(8,083,819)	(220,000)	(220,000)	(220,000)
Debt Service	54,075	144,110	128,099	115,416	105,933	100,683	95,625
Transfers Out	4,395,835	4,538,105	450,050	459,553	469,530	480,007	491,007
Transfers In	(4,395,835)	(4,538,405)	(450,050)	(459,553)	(469,530)	(480,007)	(491,007)
Net Income/(Loss)	1,719,383	1,900,725	1,413,523	1,059,457	889,248	861,621	670,367

	9/30/2025	9/30/2026	9/30/2027	9/30/2028	9/30/2029	9/30/2030
Net investment in capital assets	13,942,139	14,012,747	13,586,156	13,621,492	13,642,534	13,523,045
Unrestricted net position						
Water capital fund	380,324	580,324	780,324	980,324	1,180,324	1,380,324
Wastewater capital fund	741,874	801,874	861,874	921,874	981,874	1,041,874
Debt service reserve	1,351,684	1,358,099	1,359,291	1,396,308	1,409,058	1,320,750
Equipment replacement fund	718,690	908,740	1,108,293	1,317,823	1,537,829	1,768,836
Operating reserve	<u>3,491,387</u>	<u>4,377,837</u>	<u>5,403,140</u>	<u>5,750,506</u>	<u>6,098,328</u>	<u>6,485,485</u>
Total unrestricted	6,683,959	8,026,874	9,512,922	10,366,834	11,207,414	11,997,269
Total net position	20,626,098	22,039,620	23,099,078	23,988,326	24,849,947	25,520,314

FY 2025-30 Utility Fund Scenario 1 Financial Plan by Category

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
UTILITY FUND - SCENARIO 1							
Water Revenue							
WATER SERVICE	4,245,496	4,579,448	4,560,691	4,687,789	4,880,616	5,119,712	5,304,314
WATER BAD DEBTS	(4,000)	(4,000)	(4,060)	(4,121)	(4,183)	(4,245)	(4,309)
MISC./SPECIAL REQUESTS	500	500	500	500	500	500	500
THIRD PARTY REIMBURSEME	3,500	2,000	2,000	2,000	2,000	2,000	2,000
PERMITS/VARIANCES	1,200	500	1,200	1,200	1,200	1,200	1,200
WATER INTEREST INCOME	200,000	300,000	270,000	229,500	206,550	185,895	167,306
CREDIT CARD SERVICE FEE	50,000	60,000	60,900	61,814	62,741	63,682	64,637
Wastewater Revenue							
SEWER SERVICE	1,713,803	1,794,704	1,809,271	1,844,528	1,880,486	1,917,162	1,954,568
SEWER BAD DEBTS	(1,000)	(1,000)	(1,015)	(1,030)	(1,046)	(1,061)	(1,077)
MISC./SPECIAL REQUESTS	350	509	350	350	350	350	350
SEWER INTEREST INCOME	200,000	200,000	180,000	153,000	137,700	123,930	111,537
Total Operating Revenue	6,409,849	6,932,661	6,879,837	6,975,529	7,166,915	7,409,123	7,601,025
Expenditures by Category							
Personnel							
SALARIES	1,565,200	1,486,113	1,528,363	1,597,139	1,669,010	1,744,116	1,822,601
OVERTIME	17,643	19,193	16,927	17,688	18,484	19,316	20,185
PAYROLL TAXES	123,570	113,490	159,885	167,035	174,508	182,315	190,474
WORKERS' COMP INSURANCE	17,441	15,154	17,418	17,679	17,944	18,213	18,486
RETIREMENT	201,891	186,780	198,601	207,538	216,877	226,637	236,836
HEALTH INSURANCE	227,939	212,471	223,730	234,917	246,663	258,996	271,946
ALLOWANCE FOR VACANCIES	(40,000)	-	(40,000)	(41,800)	(43,681)	(45,647)	(47,701)
Supplies, Maintenance and Operations							
UNIFORMS	11,673	11,673	11,906	12,144	12,387	12,635	12,887
POWER	190,000	190,000	198,300	206,991	216,092	225,623	235,605
MAINTENANCE OF PLANTS/LI	180,000	188,418	192,186	196,030	199,951	203,950	208,029
ANALYSIS FEES	39,000	39,000	39,780	40,576	41,387	42,215	43,059
CHEMICALS	40,100	40,100	40,902	41,720	42,554	43,406	44,274
CITY MANAGEMENT FEE	292,365	313,108	319,370	325,757	332,272	338,918	345,696
EQUIPMENT MAINTENANCE	26,890	26,890	27,428	27,976	28,536	29,107	29,689
EQUIPMENT GAS & OIL	26,875	26,875	27,413	27,961	28,520	29,090	29,672
GBRA WATER FEES	1,591,970	1,591,970	1,671,569	1,755,147	1,842,904	1,935,049	2,031,802
SLUDGE HAULING	25,000	17,000	25,500	26,010	26,530	27,061	27,602
EQUIPMENT LEASE	600	600	612	624	637	649	662
TOOLS & MINOR EQUIPMENT	19,250	19,250	19,635	20,028	20,428	20,837	21,254
TRAINING	50,013	50,013	51,013	52,033	53,074	54,135	55,218
UTILITIES & RADIO	59,500	59,500	60,690	61,904	63,142	64,405	65,693

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
UTILITY FUND - SCENARIO 1							
SIGNAL & TELEMETRY	-	-	-	-	-	-	-
BUILDING MAINTENANCE	22,280	22,280	22,726	23,180	23,644	24,117	24,599
SUPPLIES & CONSUMABLES	8,900	8,900	9,078	9,260	9,445	9,634	9,826
VEHICLE MAINTENANCE/REP.	11,500	11,500	11,730	11,965	12,204	12,448	12,697
UTILITIES & TELEPHONE	17,319	17,319	17,665	18,019	18,379	18,747	19,122
DUES & PUBLICATIONS	5,607	5,607	5,719	5,833	5,950	6,069	6,190
PERMIT & LICENSES	12,379	12,379	12,627	12,879	13,137	13,399	13,667
GENERAL LIABILITY INSURANCE	90,000	88,403	91,800	93,636	95,509	97,419	99,367
OFFICE SUPPLIES	5,488	6,144	6,267	6,392	6,520	6,650	6,783
TRAVEL & MEETINGS	2,500	2,500	2,550	2,601	2,653	2,706	2,760
SOFTWARE & COMPUTER	351,558	364,058	382,261	401,374	421,443	442,515	464,641
RECORDING/REPORTING	850	850	867	884	902	920	938
POSTAGE	1,375	1,375	1,403	1,431	1,459	1,488	1,518
BUILDING/EQUIP MAINTENANCE	300	300	306	312	318	325	331
CONSERVATION EDUCATION	1,370	1,370	1,397	1,425	1,454	1,483	1,513
BILLING STATEMENT CHARGE	7,400	8,400	8,568	8,739	8,914	9,092	9,274
BILLING POSTAGE	20,000	22,000	22,440	22,889	23,347	23,814	24,290
COPIER LEASE	3,578	3,578	3,650	3,723	3,797	3,873	3,950
MISCELLANEOUS	500	500	500	500	500	500	500
CREDIT CARD SERVICE FEE	27,500	60,000	28,050	28,611	29,183	29,767	30,362
Professional Services							
PROFESSIONAL SERVICES	368,552	368,552	375,923	383,441	391,110	398,932	406,911
PUBLIC RELATIONS	8,500	8,500	8,670	8,843	9,020	9,201	9,385
EMPLOYMENT COSTS	2,675	2,675	2,728	2,783	2,839	2,895	2,953
EMPLOYEE APPRECIATION	10,260	10,260	10,465	10,675	10,888	11,106	11,328
Depreciation	820,600	1,010,000	1,137,700	1,365,454	1,527,208	1,557,752	1,588,907
Total Operating Expenditures	6,467,909	6,645,045	6,956,315	7,419,946	7,828,042	8,115,877	8,415,783
Operating Income/(Loss)	(58,060)	287,616	(76,478)	(444,418)	(661,127)	(706,754)	(814,758)
Non-Operating Revenues							
WATER DEBT FEE	936,054	933,554	941,903	941,699	980,954	993,729	909,400
WATER CAPITAL FEE	104,835	104,535	-	-	-	-	-
WATER IMPACT FEES	200,000	200,000	200,000	200,000	200,000	200,000	200,000
SEWER DEBT FEE	415,630	413,830	416,196	417,592	415,354	415,329	411,350
SEWER CAPITAL FEE	-	-	-	-	-	-	-
SEWER IMPACT FEES	175,000	175,000	60,000	60,000	60,000	60,000	60,000
SEWER INTEREST INCOME							
Total Non-operating Revenues	1,831,519	1,826,919	1,618,099	1,619,291	1,656,308	1,669,058	1,580,750
Capital Outlay	3,912,242	6,145,483	6,904,929	8,083,819	220,000	220,000	220,000
Asset Transfer for GAAP	(3,912,242)	(6,075,483)	(6,904,929)	(8,083,819)	(220,000)	(220,000)	(220,000)

	2025 <i>Budgeted</i>	2025 <i>Projected</i>	2026	2027	2028	2029	2030
UTILITY FUND - SCENARIO 1							
Debt Service	54,075	144,110	128,099	115,416	105,933	100,683	95,625
Transfers Out	4,395,835	4,538,105	450,050	459,553	469,530	480,007	491,007
Transfers In	(4,395,835)	(4,538,405)	(450,050)	(459,553)	(469,530)	(480,007)	(491,007)
Net Income/(Loss)	1,719,383	1,900,725	1,413,523	1,059,457	889,248	861,621	670,367

	9/30/2025	9/30/2026	9/30/2027	9/30/2028	9/30/2029	9/30/2030
Net investment in capital assets	13,942,139	14,012,747	13,586,156	13,621,492	13,642,534	13,523,045
Unrestricted net position						
Water capital fund	380,324	580,324	780,324	980,324	1,180,324	1,380,324
Wastewater capital fund	741,874	801,874	861,874	921,874	981,874	1,041,874
Debt service reserve	1,351,684	1,358,099	1,359,291	1,396,308	1,409,058	1,320,750
Equipment replacement fund	718,690	908,740	1,108,293	1,317,823	1,537,829	1,768,836
Operating reserve	3,491,387	4,377,837	5,403,140	5,750,506	6,098,328	6,485,485
Total unrestricted	6,683,959	8,026,874	9,512,922	10,366,834	11,207,414	11,997,269
Total net position	20,626,098	22,039,620	23,099,078	23,988,326	24,849,947	25,520,314

Utility Scenario 1 Dashboard





FY 2026-30 Five-Year Financial Plan

May 1, 2025



Item #18.

Summer Fleming, CGFO
Director of Finance

Benefits of the plan



Promotes long-term financial stability and sustainability



Aligns financial decisions with priorities and strategic plans



Anticipates future challenges and opportunities



Supports transparency and accountability in budgeting



Helps maintain healthy reserves and responsible debt levels

Governmental Funds Plan



Baseline

“Known knowns” such as wages and benefits, current debt service, inflationary growth, projected revenue growth. Approximates property tax revenues at the no new revenue rate (NNR). Cash funding for drainage CIP.

Scenario 1

Baseline scenario but incorporates Certificates of Obligation to fund all drainage projects and sets the property tax rate between NNR and voter approval rate to maintain a 50% operating reserve.

Scenario 2

Baseline scenario but incorporates Certificates of Obligation to fund all drainage projects and sets the property tax rate between NNR and voter approval rate to maintain a 30% operating reserve.

Baseline Assumptions



Revenues

- Property tax rate set to approximate no-new-revenue rate, 5% increase in taxable values per year
- 3.0% increase in sales tax revenue per year
- 45.0% decrease in interest revenue over 5 years
- 1.5% increase in other revenue sources

Expenditures

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

Drainage Capital Improvements Plan



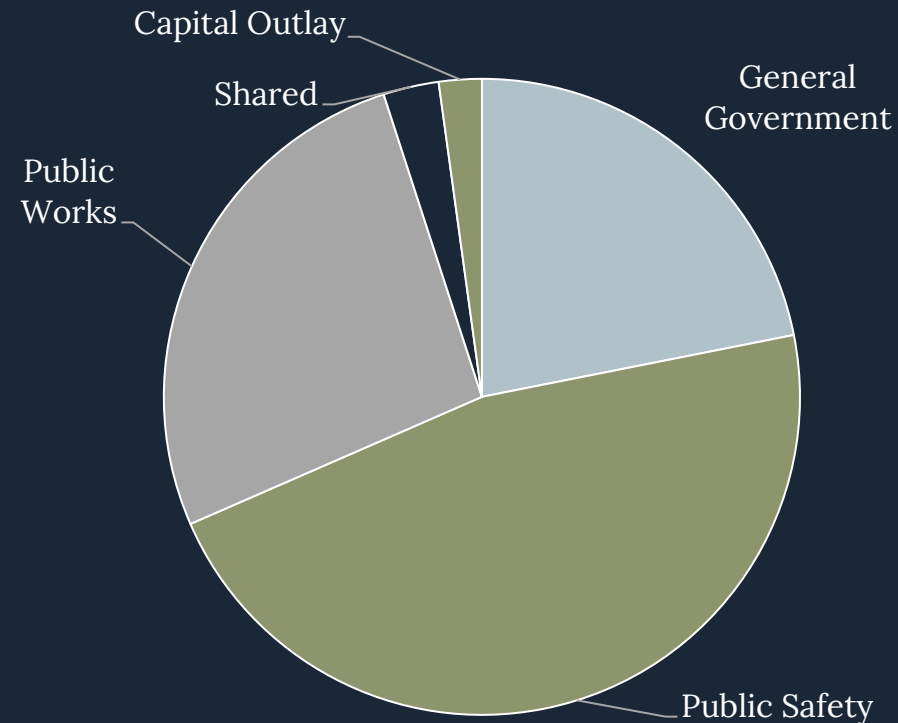
	2025	2026	2027	2028	2029
8472 Rolling Acres Trail	\$67,600	\$162,240			
8040 Rolling Acres Trail	\$67,600	\$162,240			
Vestal Park Culvert	\$113,844				
8426 Triple Crown			\$253,094		
8312 Triple Crown			\$269,967		
32030 Scarteen				\$72,331	\$193,853
31988 Scarteen				\$100,000	
7644 Pimlico Lane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

\$1,613,726

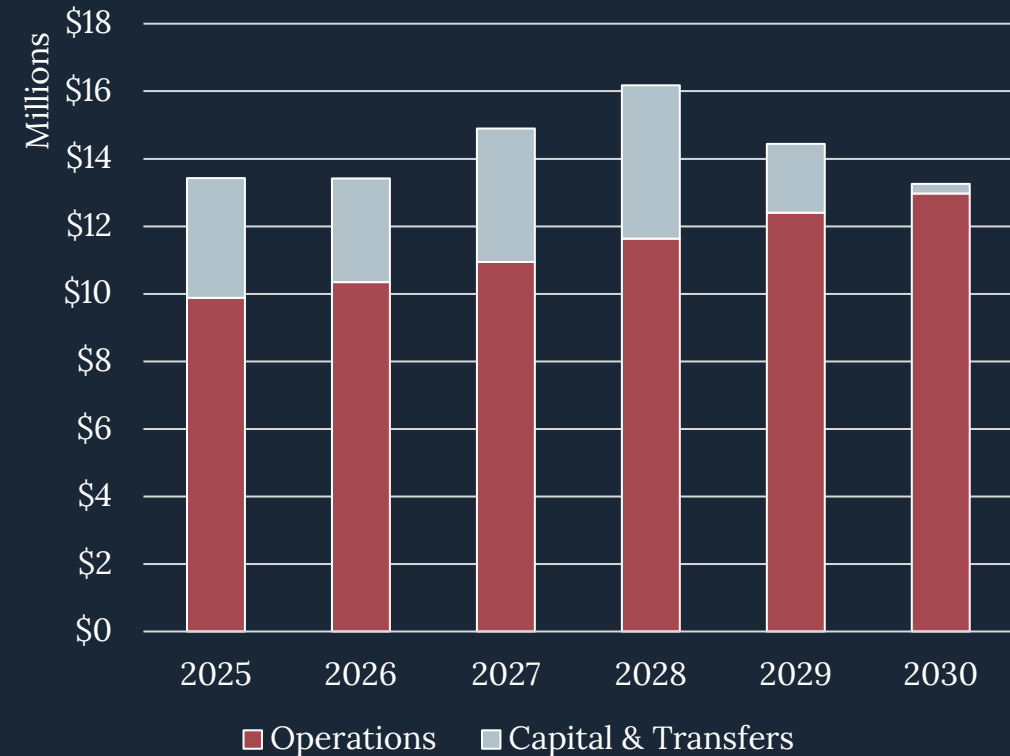
Portfolio of Services



FY 2030 Projected Governmental Expenditures



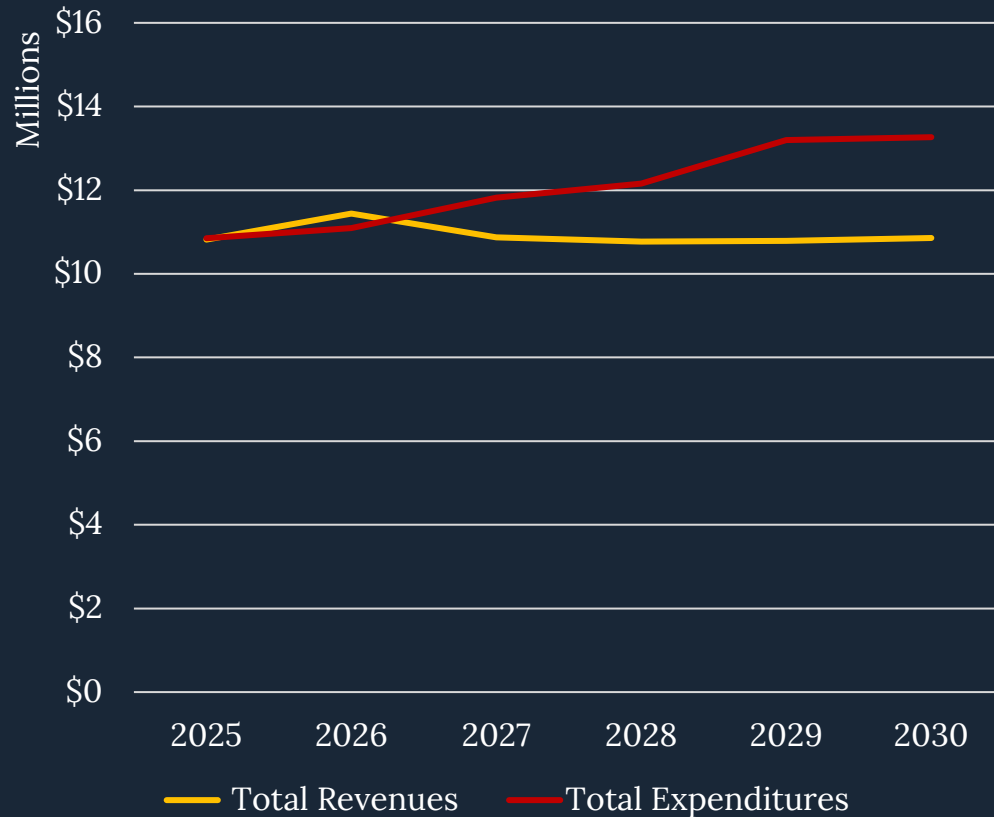
Projected Governmental Operations vs Capital Expenditures



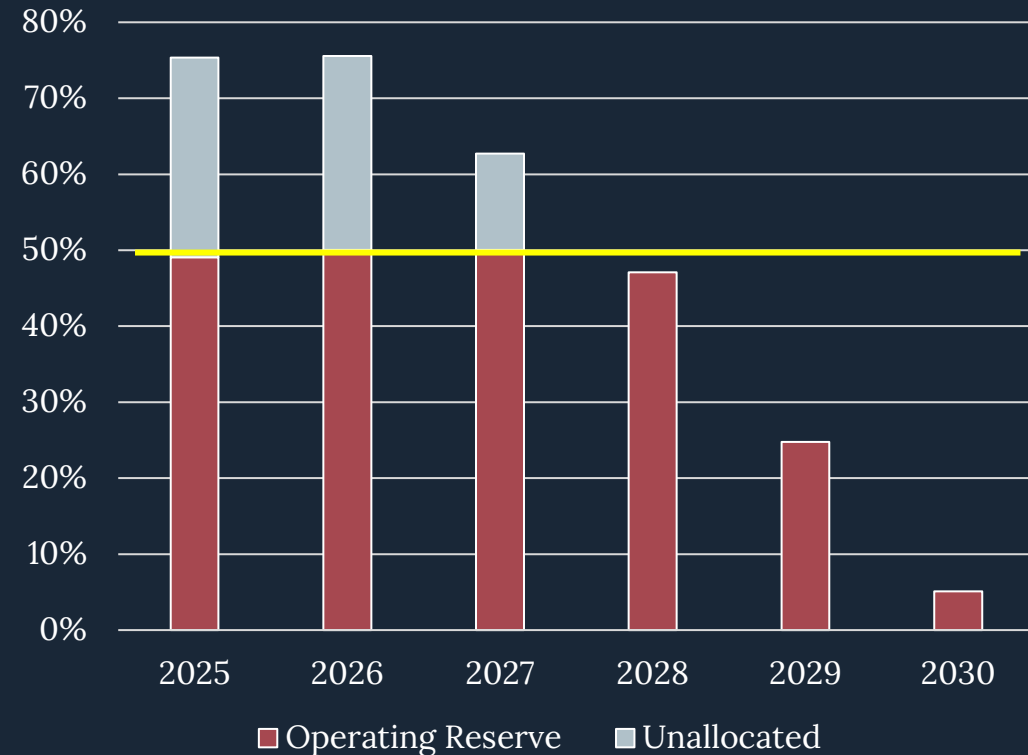
Baseline Dashboard



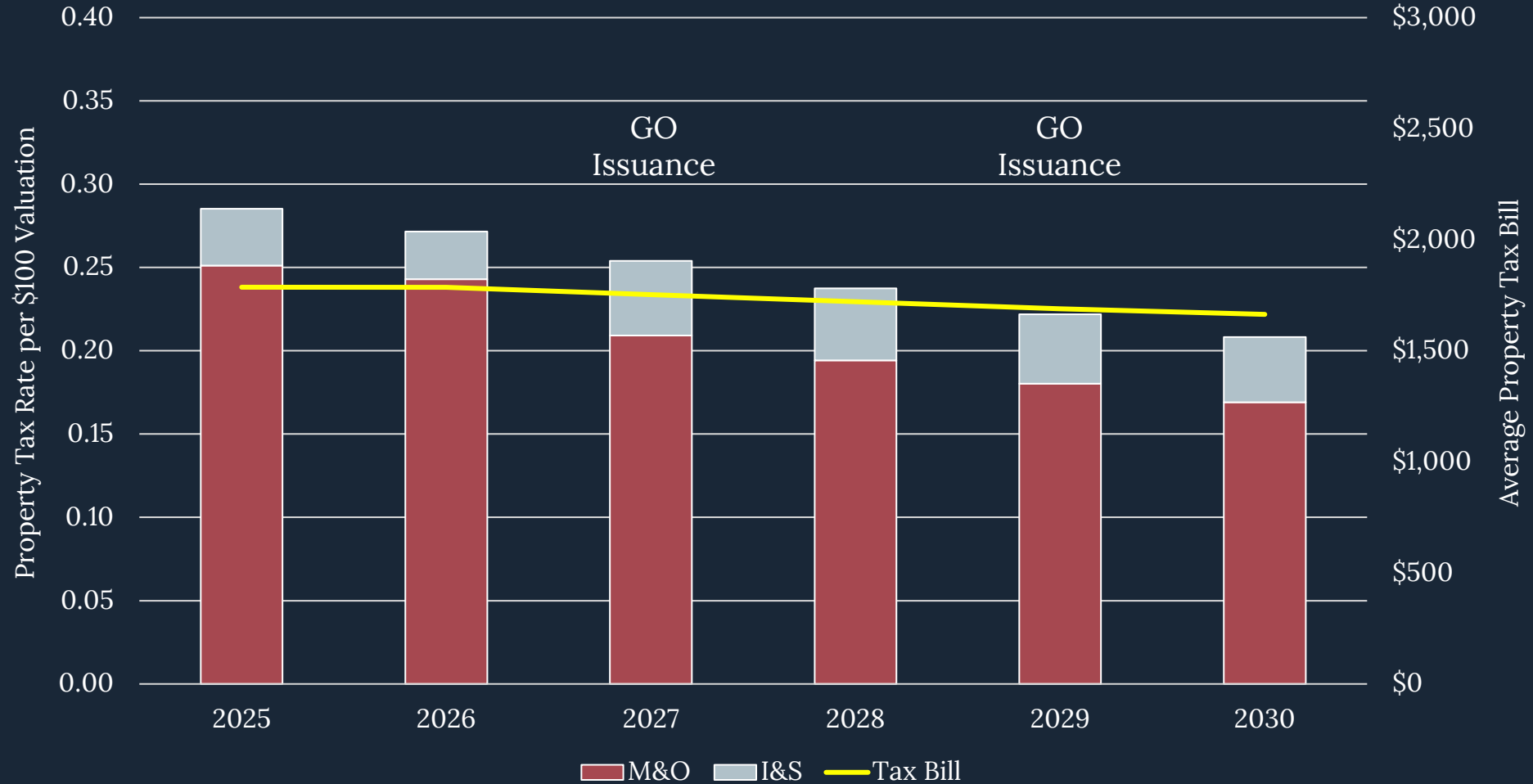
Revenues and Expenditures



Reserves as a Percent of Operating Expenditures



Property Tax Rates - Baseline



Scenario I Assumptions



Change from Baseline

Revenues

- Property tax rate adjusted to maintain a 50% operating reserve. The rates fall between the no-new-revenue rate and voter approval rate

Expenditures

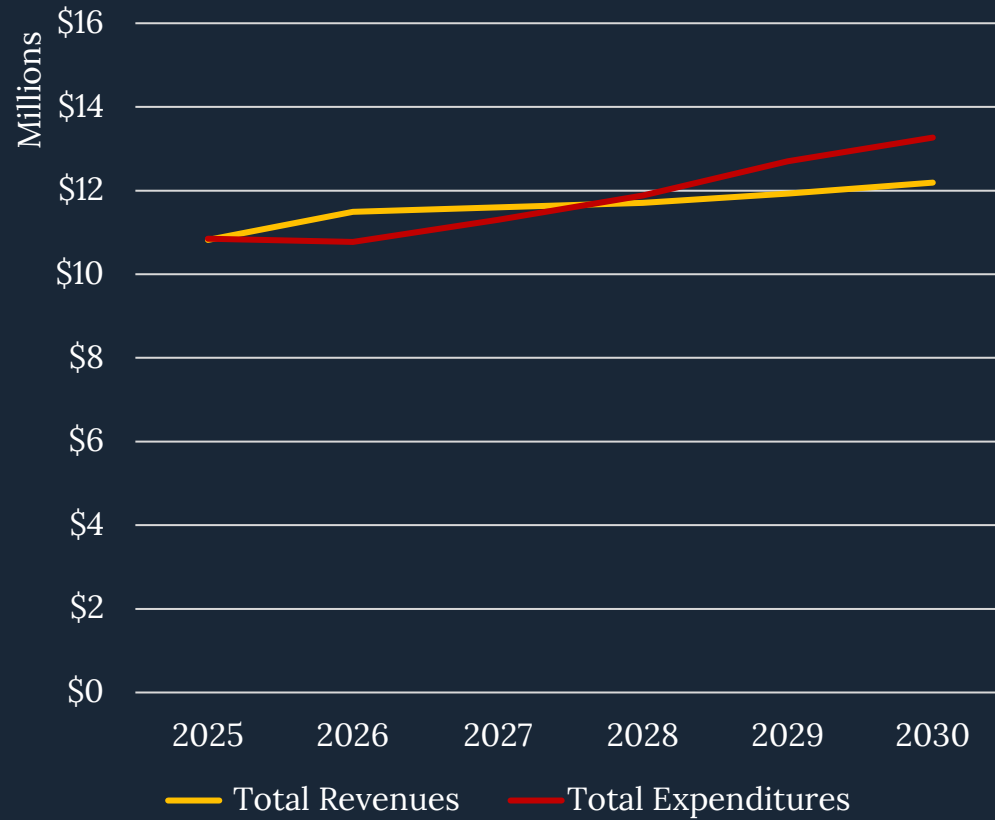
- Certificates of obligation issued for approved drainage CIP

Scenario I Dashboard

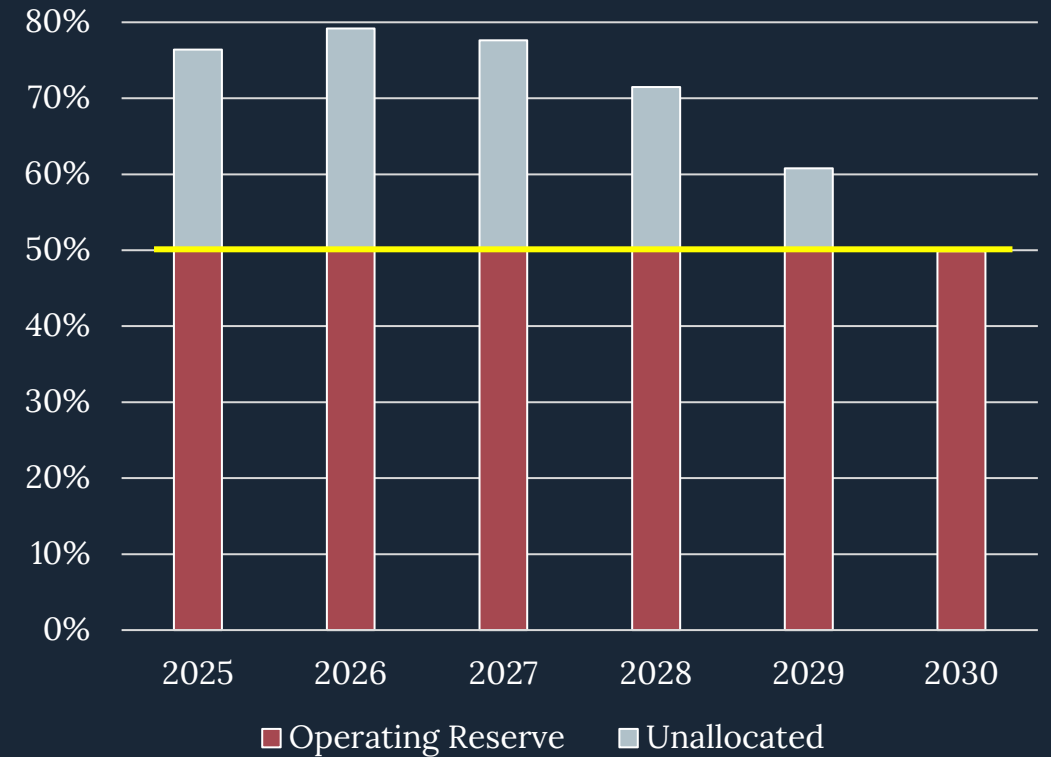


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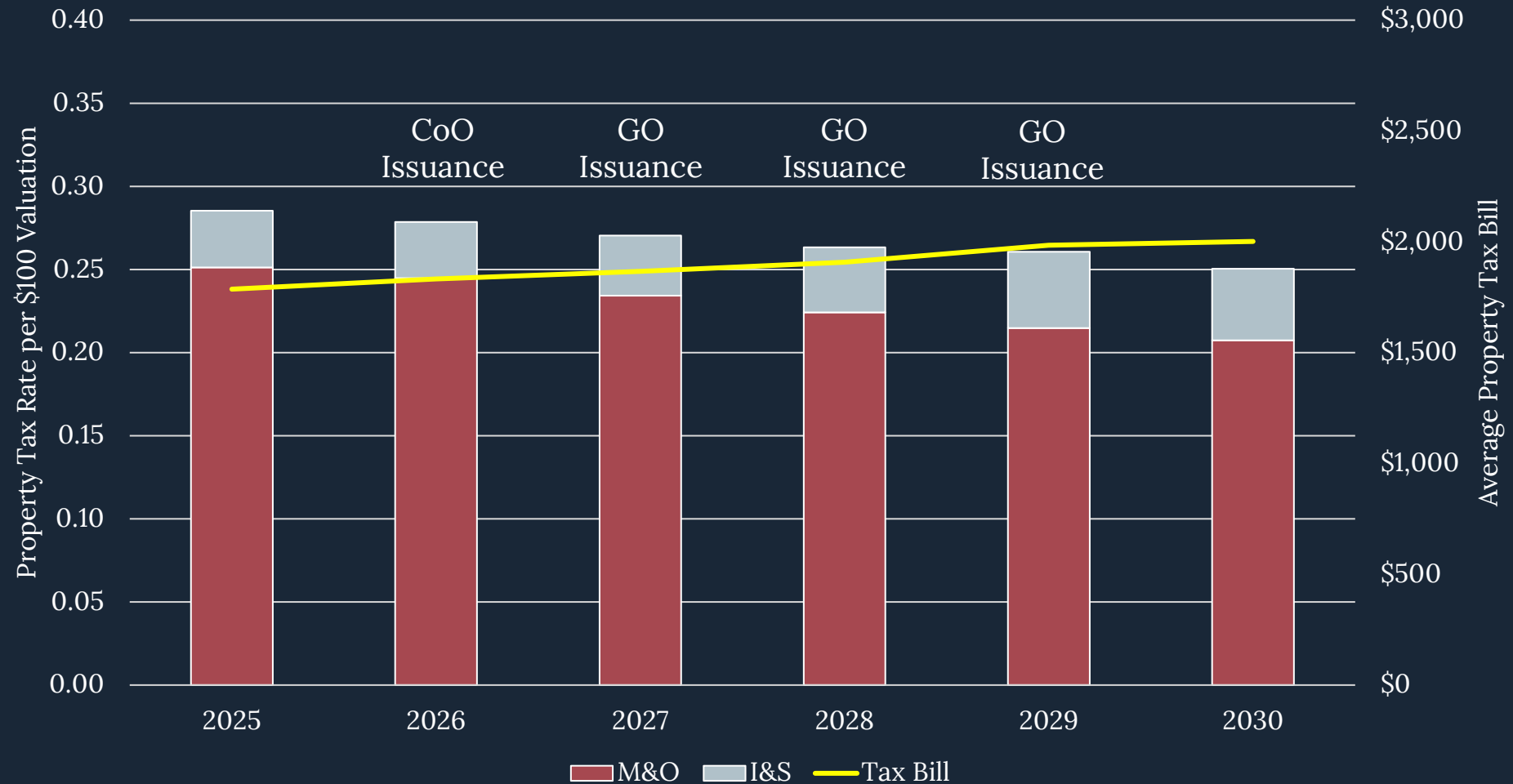
Revenues and Expenditures



Reserves as a Percent of Operating Expenditures



Property Tax Rates – Scenario I



Scenario 2 Assumptions



Changes from Baseline

Policy

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

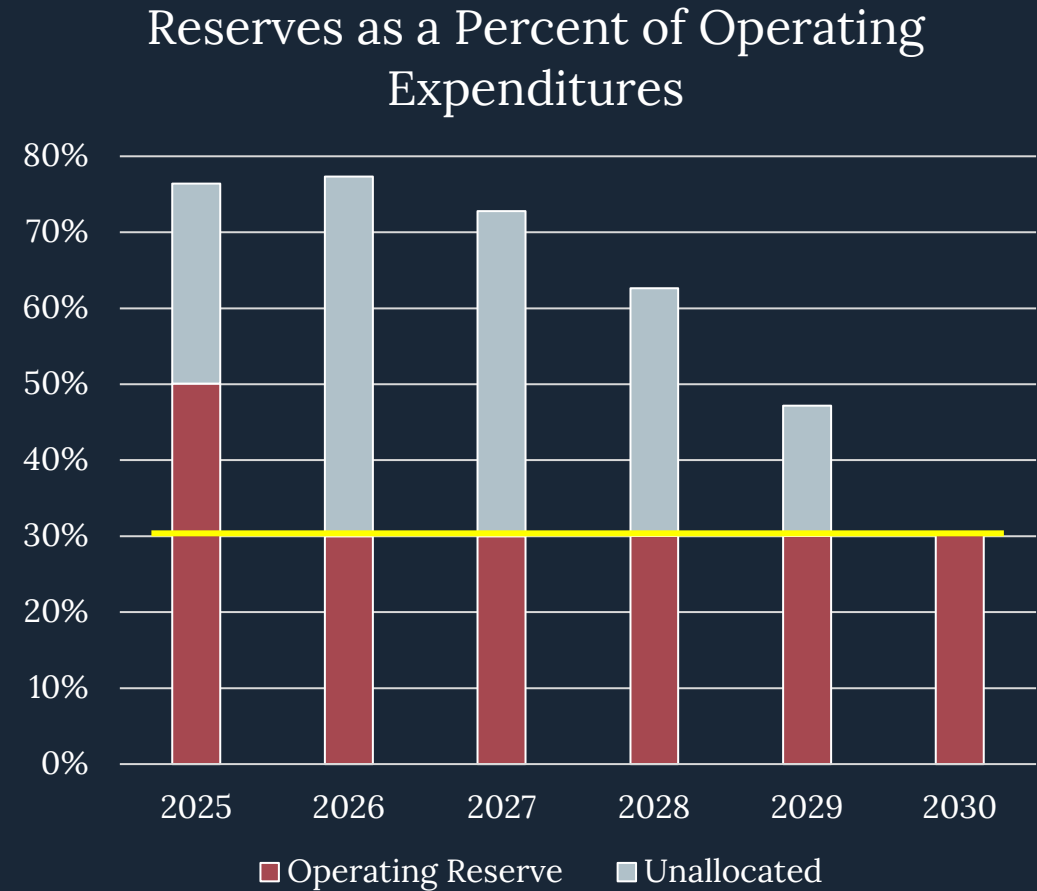
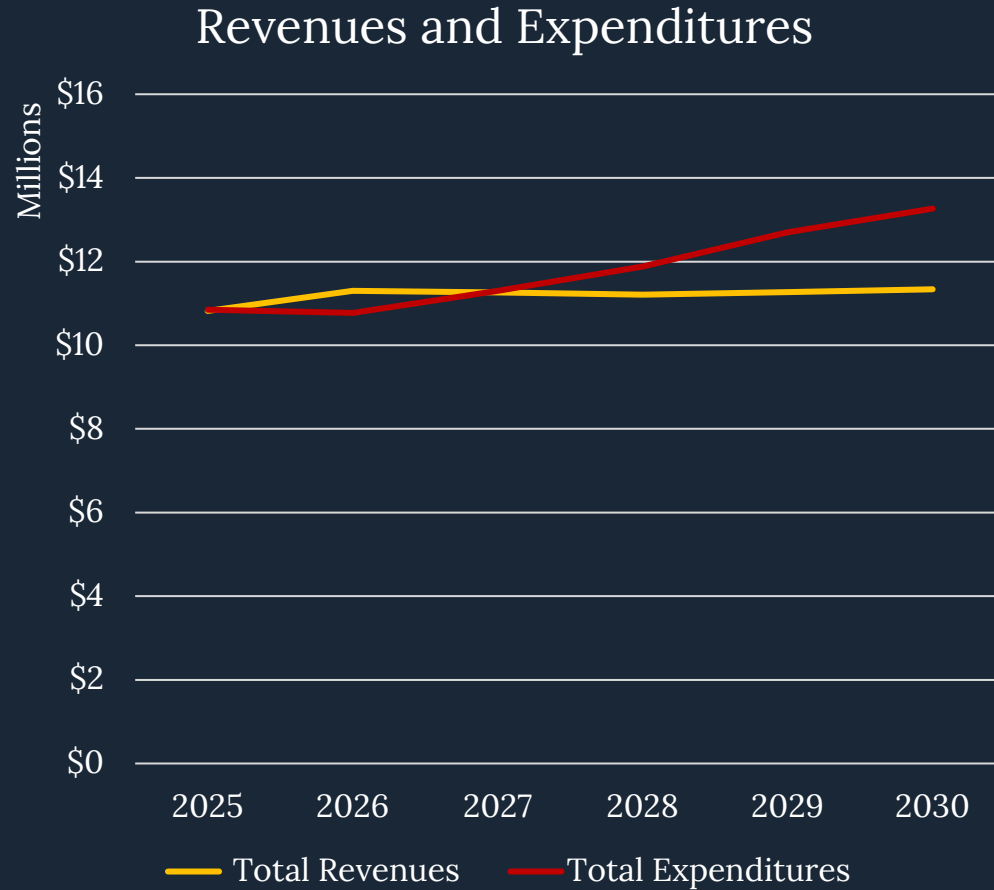
Revenues

- Property tax rate adjusted to maintain a 30% operating reserve. The rates fall between the no-new-revenue rate and voter approval rate

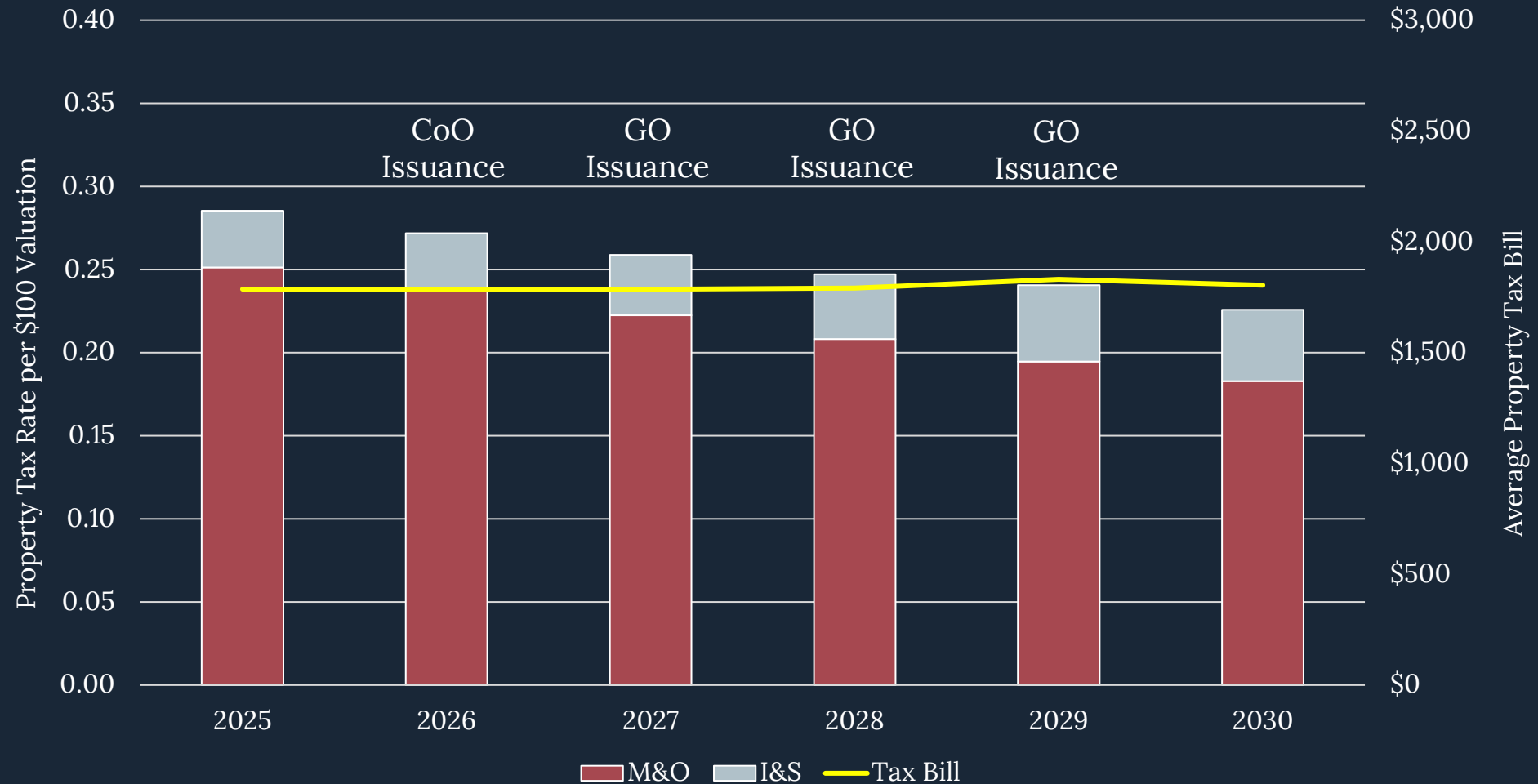
Expenditures

- Certificates of obligation issued for approved drainage CIP

Scenario 2 Dashboard



Property Tax Rates – Scenario 2



Utility Fund Plan



Baseline

“Known knowns” such as wages and benefits, current debt service, inflationary growth, projected revenue growth with current water and wastewater rates.

Scenario 1

Baseline scenario and increases the water rates based on the rate calculation model to fund operations and maintain a 9-month reserve.

Baseline Assumptions

Revenues

- Water service rates at current level
- Wastewater service rates at current level
- Projecting a decrease in drought surcharge revenue
- 45.0% decrease in interest revenue over 5 years
- 1.5% increase in other revenue sources

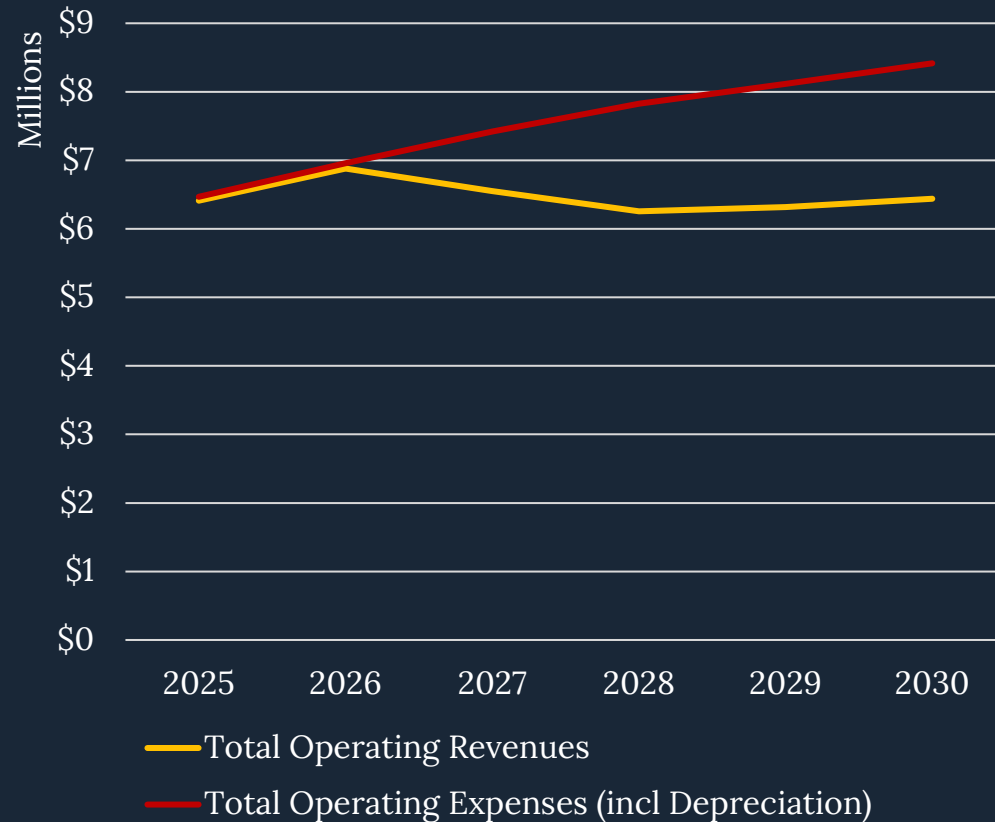
Expenditures

- 4.5% increase in personnel costs per year
- 5.0% increase in health insurance, and facility, engineering, and software contracts
- 5.0% increase in GBRA fees
- Assumes \$25,000/yr of new equipment for water and wastewater
- Assumes \$10,000/yr of new operational capital for water and wastewater
- Assumes no new FTEs
- Approved CIP funded with scheduled CO issuances (Series 2025 and 2026)

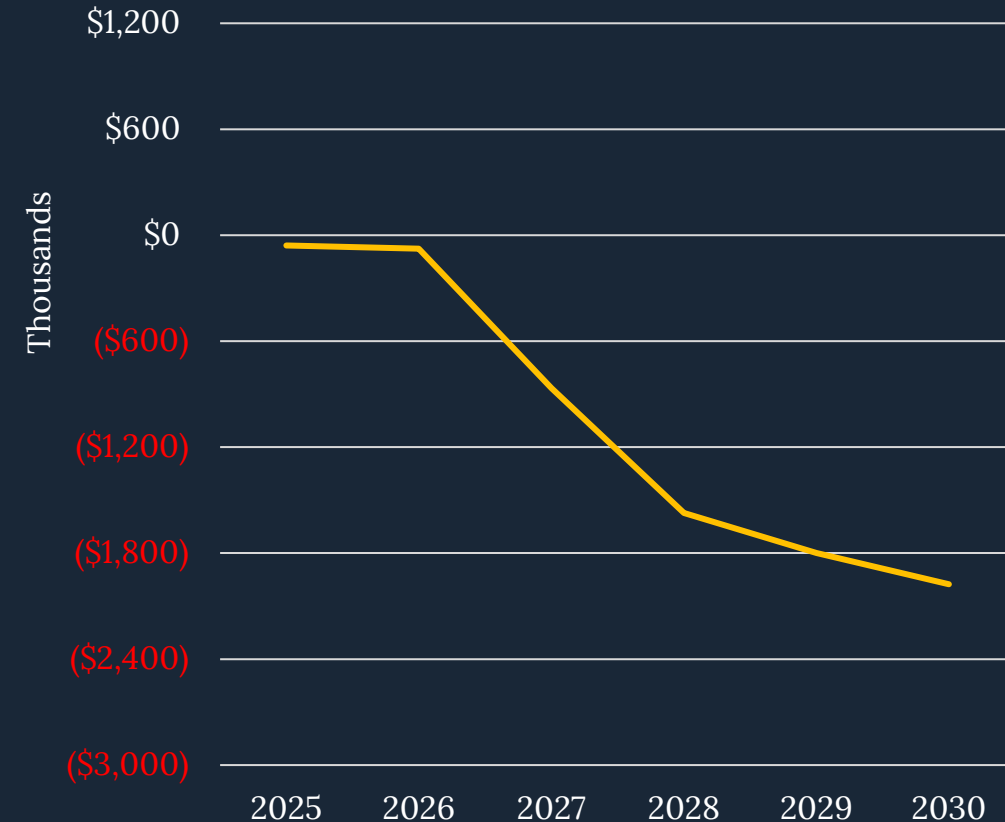
Baseline Dashboard



Operating Revenues and Expenses



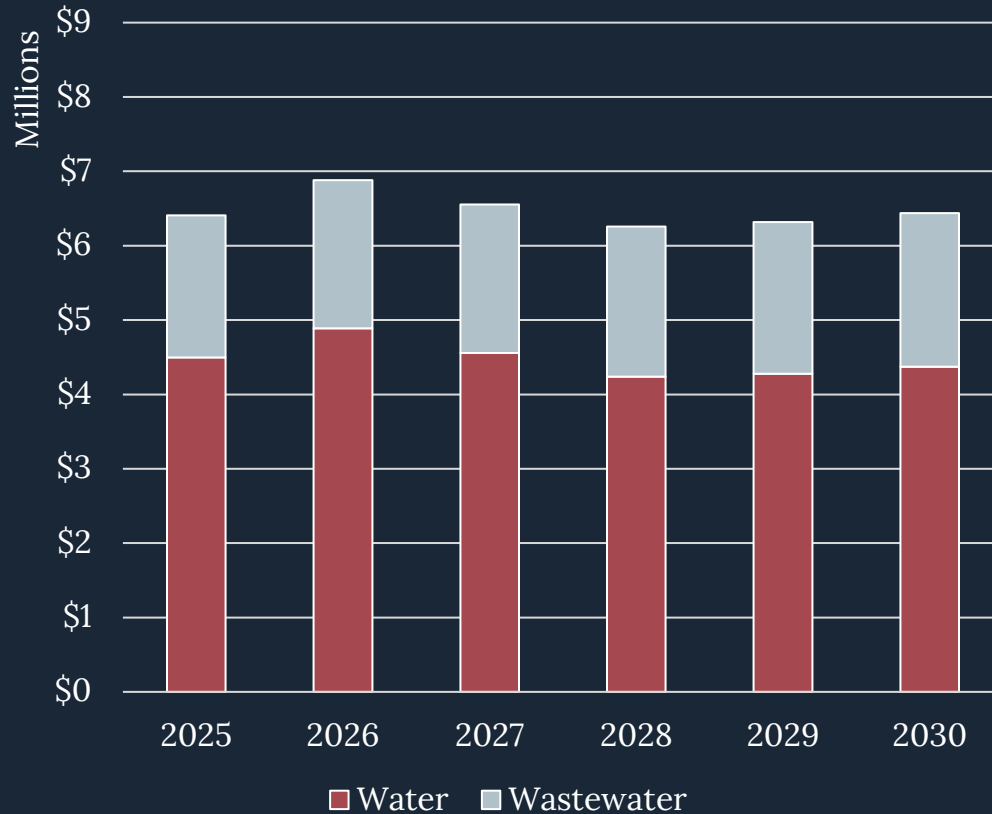
Operating Income/(Loss)



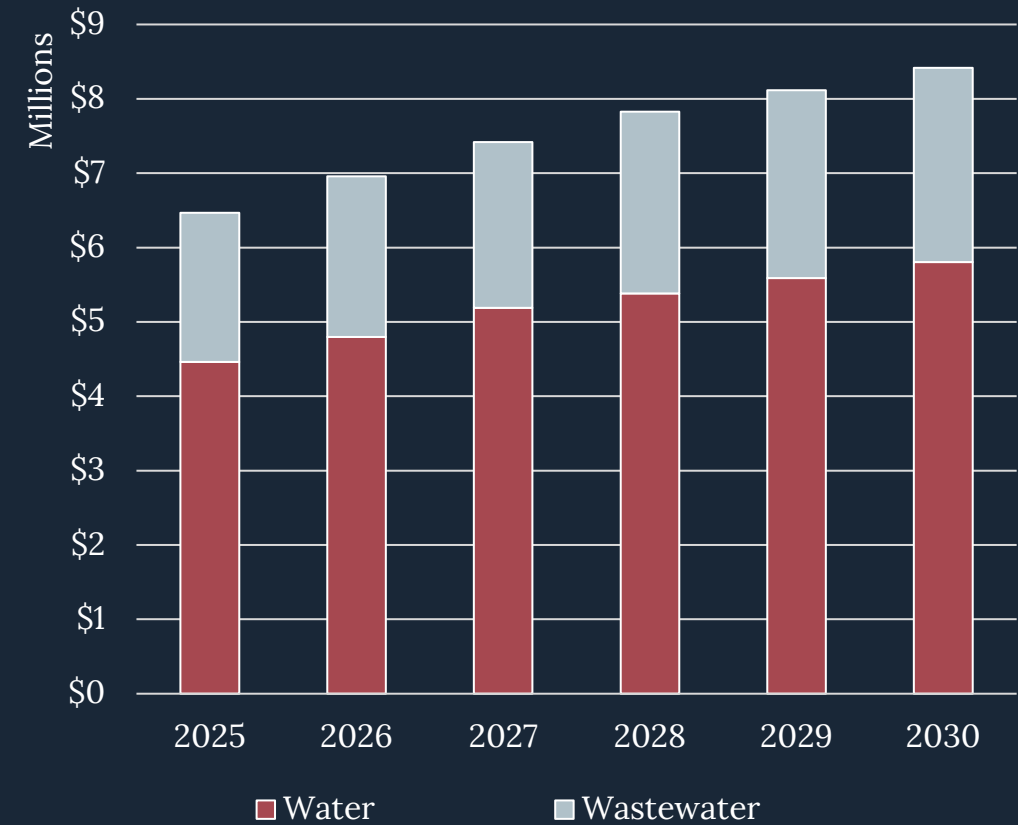
Baseline Dashboard



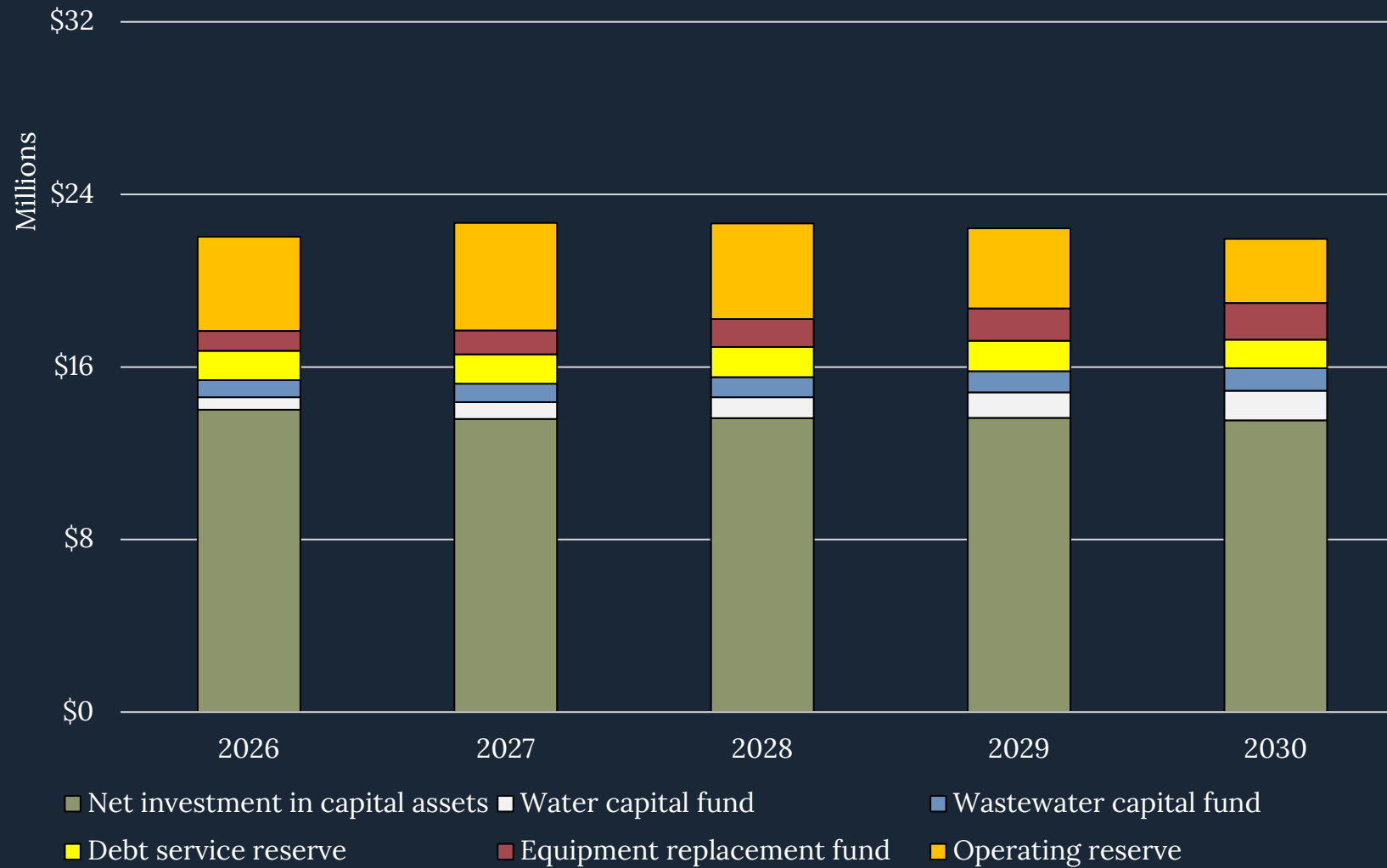
Revenues Allocated by Utility



Expenses Allocated by Utility



Baseline Net Position



Scenario I Assumptions

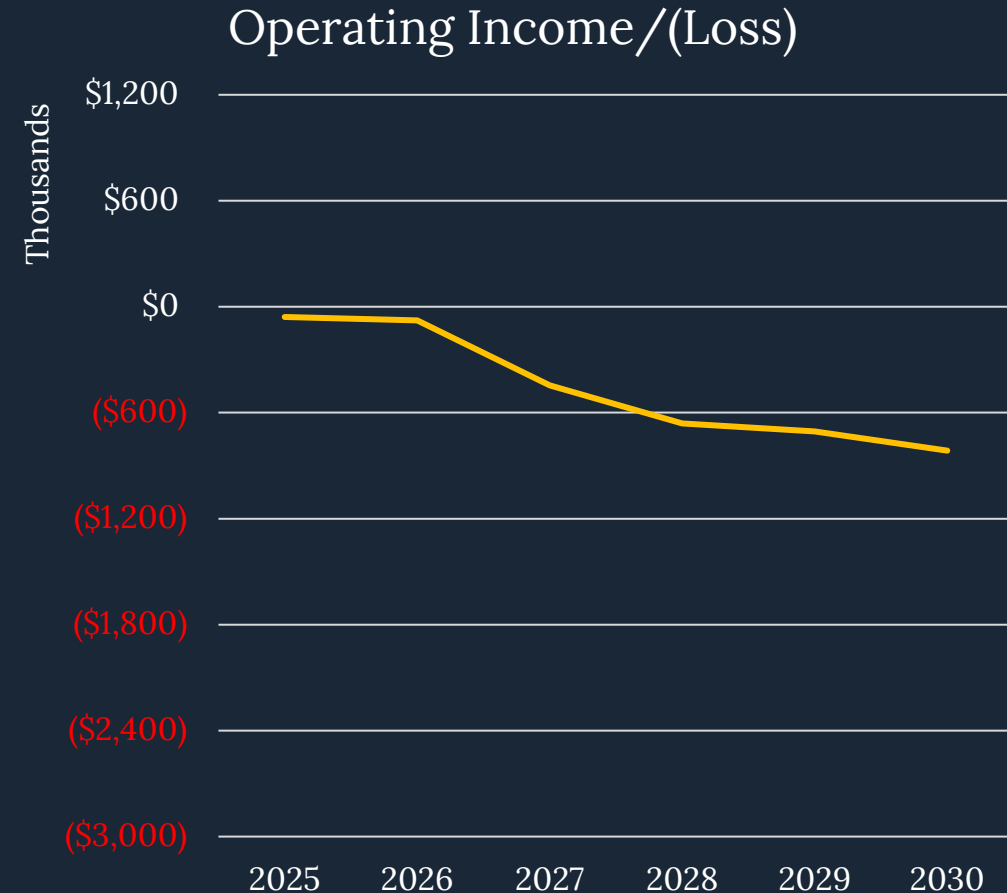
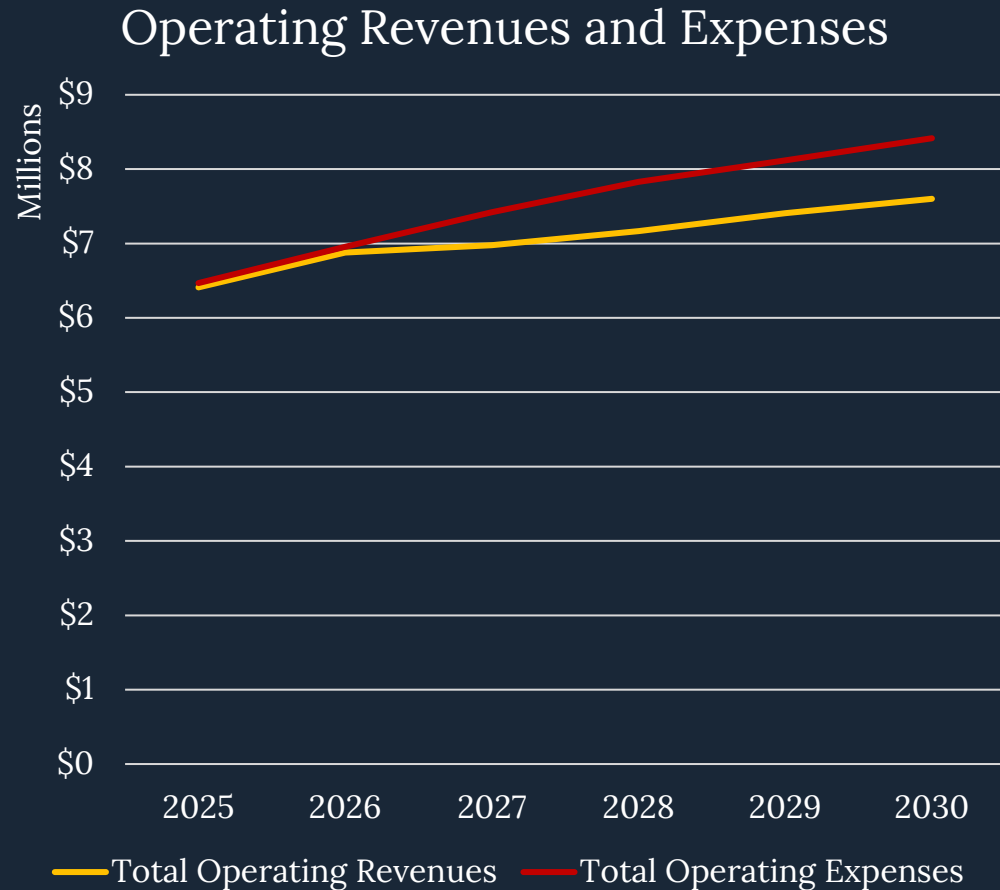


Changes from Baseline

Revenues

- Increase in water service rates to cover operating expenses including depreciation while maintaining an operating reserve close to 9 months of operating expenses

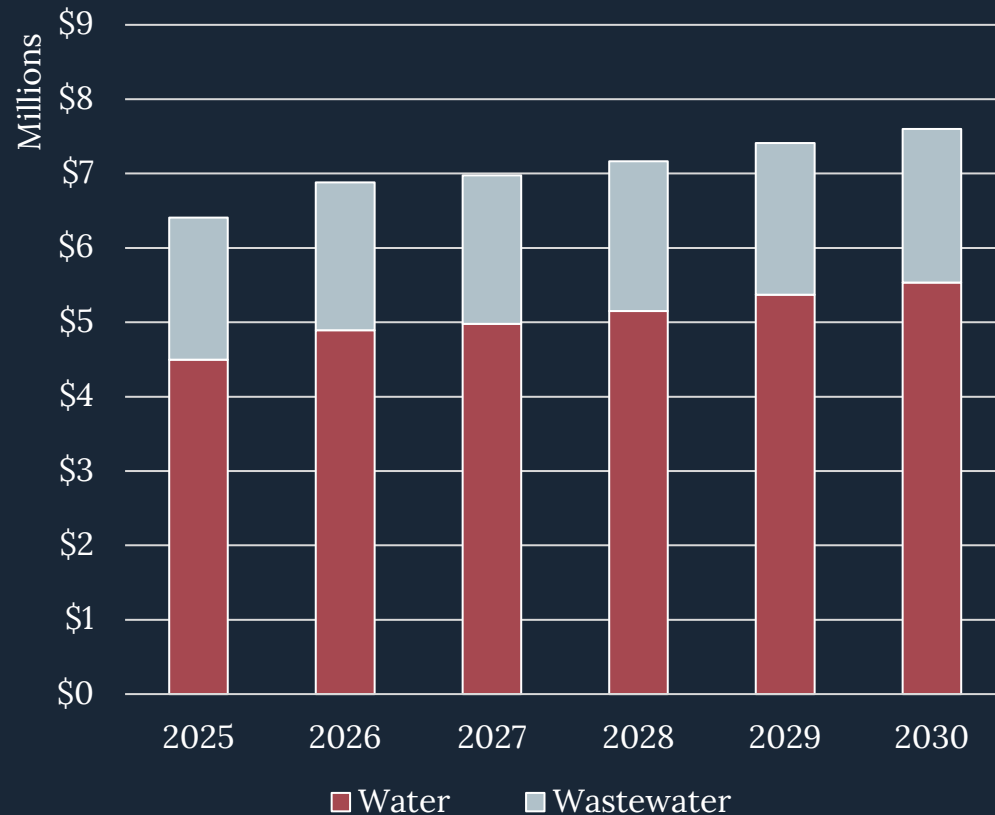
Scenario I Dashboard



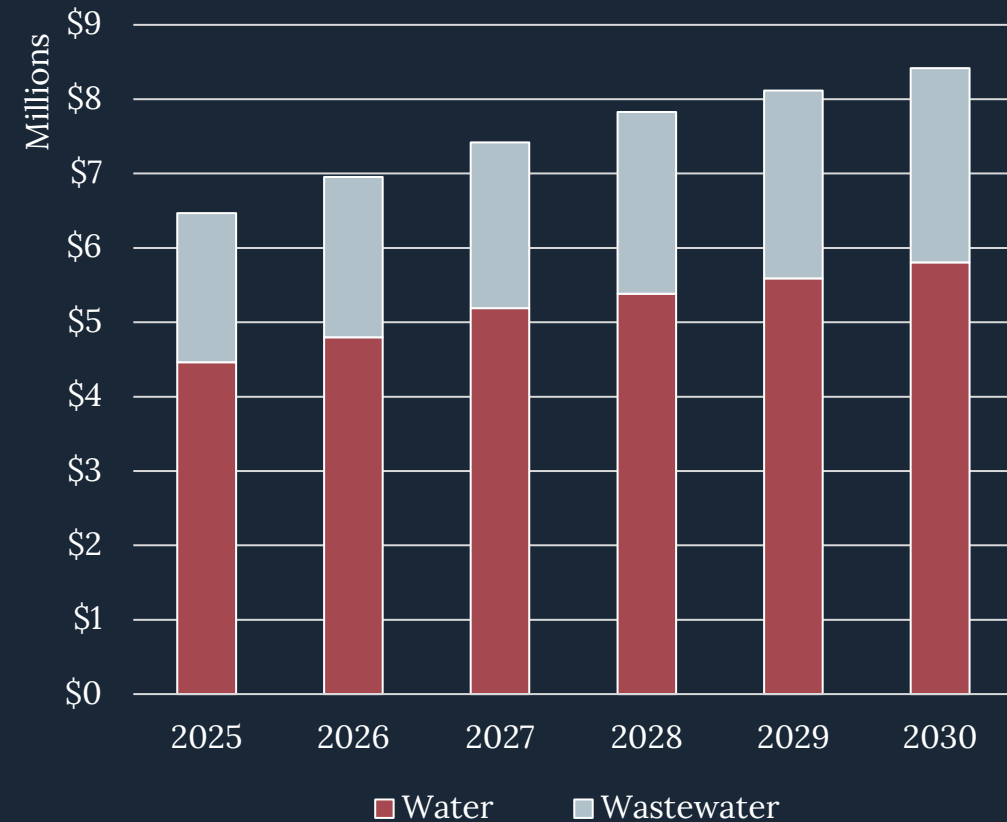
Scenario I Dashboard



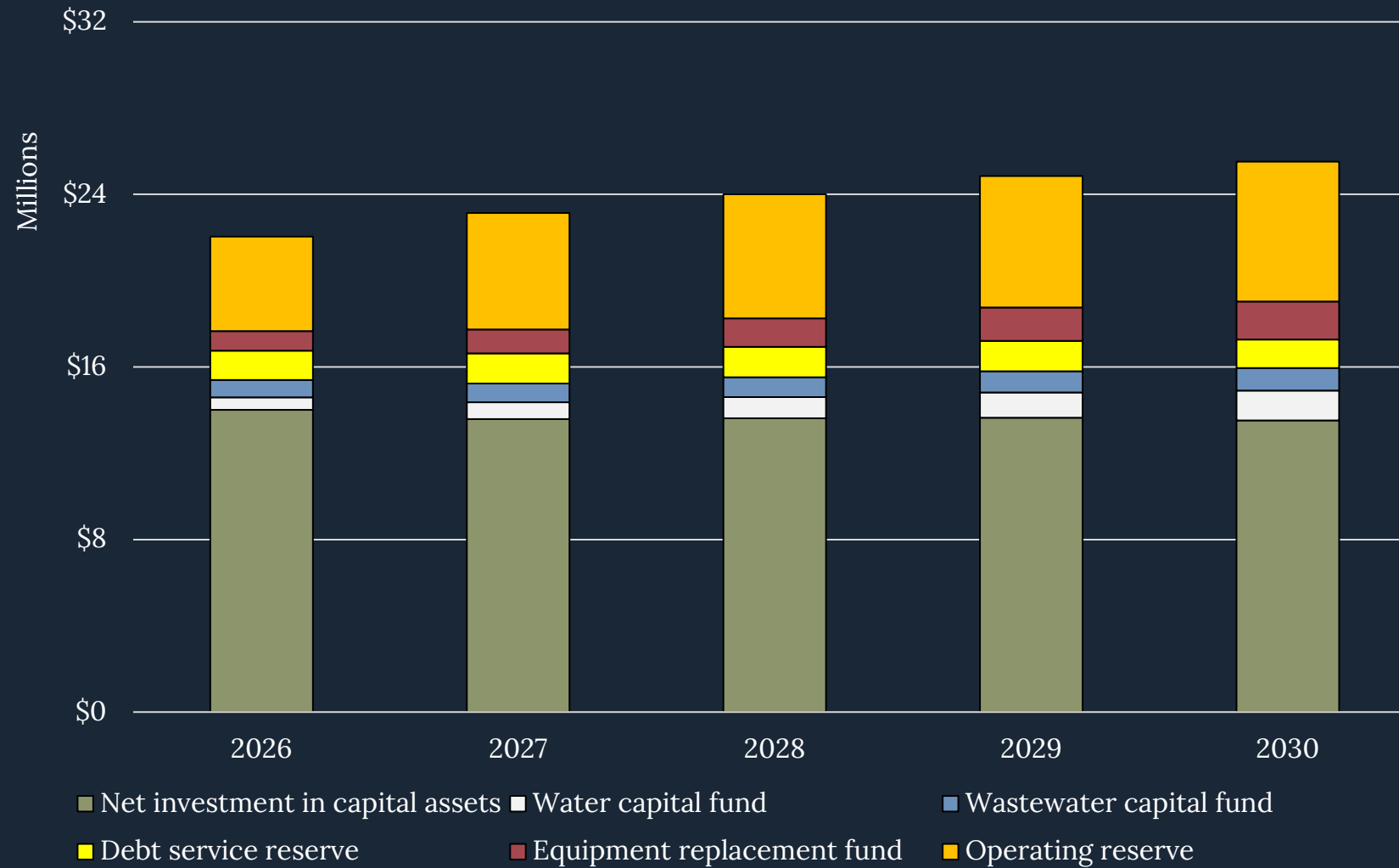
Revenues Allocated by Utility



Expenses Allocated by Utility



Scenario I Net Position



Next Steps



- Council direction on the plan:
 - Revenue and expense assumptions
 - Modeled scenarios
 - Drainage CIP funding
 - Policy revisions
 - Water rates (supporting operations)
- Bring Resolution to adopt the FY 2026-30 Financial Plan
- Develop the budget

Questions?