

City of
FAIR OAKS RANCH

ANNUAL BUDGET
FY 2018-2019



This page intentionally left blank.

City of **FAIR OAKS RANCH**



ANNUAL BUDGET **Fiscal Year 2018-2019**

This budget will raise more revenue from property taxes than last year's budget by an amount of \$839,371 which is a 17.8 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$251,309.

CITY COUNCIL RECORD VOTE

The record vote of each member of the governing body by name voting on the adoption of the budget is as follows:

<u>Governing Body</u>	<u>Record Vote</u>
Mayor Garry Manitzas	Aye
MaryAnne Havard	Absent
Roy Elizondo	Aye
Steve Hartpence	Aye
Laura Koerner	Aye
Snehal Patel	Aye
Greg Maxton	Aye

The Governing Body voted on the proposed budget September 20, 2018.

Tax Rate					
Fiscal Year	Property Tax	Effective Tax	Effective M&O	Rollback	Debt Rate
2018-19	0.366784	0.322214	0.286030	0.344361	0.036184
2017-18	0.329500	0.308600	0.270000	0.329600	0.038600

Municipal Debt Obligations as of October 1, 2018 - \$6,612,513.75

ANNUAL BUDGET

FISCAL YEAR 2018-19

THE HONORABLE GARRY MANITZAS
Mayor

COUNCIL MEMBERS

MaryAnne Havard
Roy Elizondo
Steve Hartpence
Laura Koerner
Snehal Patel
Greg Maxton

Mayor Pro-Tem, Place 1
Council Member, Place 2
Council Member, Place 3
Council Member, Place 4
Council Member, Place 5
Council Member, Place 6

CITY MANAGER
Tobin Maples, AICP

ASSISTANT CITY MANAGER
Carole Vanzant, CPM, TRMC, MMC

CHIEF OF POLICE
Scott Rubin

DIRECTOR OF PUBLIC WORKS
Ron Emmons, P.E.

DIRECTOR OF FINANCE
Sarah Buckelew, CPA

**DIRECTOR OF HR &
COMMUNICATIONS**
Kim Stahr

CITY SECRETARY
Christina Picioccio



This page intentionally left blank.

CITY of FAIR OAKS RANCH

CITY COUNCIL

2018-2019



Garry Manitzas
Mayor



MaryAnne Havard, Mayor Pro Tem
Council Member, Place 1



Roy Elizondo
Council Member, Place 2



Steve Hartpence
Council Member, Place 3



Laura Koerner
Council Member, Place 4



Snehal Patel
Council Member, Place 5



Greg Maxton
Council Member, Place 6

Fair Oaks Ranch is a Home Rule city. City Council is elected at-large representing all residents within the City limits. Council members including the Mayor serve staggered three-year terms with City elections held each year.

The Mayor Pro Tem is selected by the Council members each year after the election.



This page intentionally left blank.



TABLE OF CONTENTS

OVERVIEW SECTION

City Manager's Budget Letter.....	1
Community Profile.....	13
City Location Map.....	15
Organizational Charts.....	16
Budget Process.....	18
Strategic Action Plan.....	23

FINANCIAL SUMMARY SECTION

Overview of Revenue.....	26
Overview of Expenditures.....	28
City of Fair Oaks Ranch Staffing.....	29
Consolidated Budget Summary by Fund.....	31

GENERAL FUND SECTION

Overview.....	32
General Fund Revenues.....	35
General Fund Expenditures.....	37
General Fund Department Expenditures	
Mayor & City Council.....	38
Administration.....	41
City Secretary.....	47
Finance.....	51
Human Resources & Communications.....	55
Municipal Court.....	59
Public Safety.....	62
Public Works.....	67
Engineering Services.....	69
Building Codes.....	73
Public Works Operations.....	77
Maintenance.....	78
Non-Departmental and Shared Expenses.....	81
General Capital Improvement Fund.....	82
General Vehicle/Equipment Replacement Fund.....	86



TABLE OF CONTENTS

Overview of Bonds & Debt Service.....	89
Street Bond Debt Service Fund.....	90
Street Bond Capital Fund.....	92

UTILITY FUND SECTION

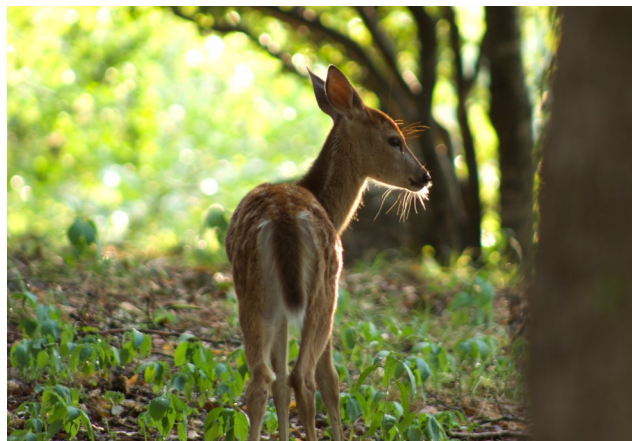
Overview.....	94
Consolidated Utility Fund Budget Summary.....	95
Water Revenues.....	97
Water Expenditures.....	98
Wastewater Revenues.....	100
Wastewater Expenditures.....	101
Utility Fund Department Expenditures	
Utilities.....	103
Water.....	104
Wastewater.....	105
Utility Fund Capital Improvement	110

REFERENCE SECTION

Advisory Boards and Commissions.....	112
Utility Rate Structure.....	114
Ordinances.....	116
Appendix A.....	121

GLOSSARY SECTION

Glossary.....	123
---------------	-----



MESSAGE FROM THE CITY MANAGER



Tobin Maples

Honorable Mayor Garry Manitzas and Members of the City Council,

In accordance with Texas Statutes and the City of Fair Oaks Ranch City Charter, it is my honor to present the budget for the fiscal year beginning October 1, 2018 and ending September 30, 2019. The Mayor often states and it is true: One of the key components of our great city is the level to which our citizens volunteer their time and wisdom to preserving and protecting the unique quality of life that makes The Ranch so special. In developing the Fiscal Year 2018-2019 budget (FY 18-19), a significant amount of time was devoted by the City Council. On behalf of the entire City staff, I express our deep appreciation for your leadership, insight and guidance. Your selfless dedication and volunteerism allow us to make great strides in honoring the visionaries who came before us and to continue their rich legacy through our commitment to public service!

The FY 18-19 budget was developed through an extensive Strategic Planning process that defines citizen driven service expectations and risk mitigation strategies, and directly ties those service expectations

with the resources necessary to deliver them in the budget. Accordingly, the FY 18-19 budget ensures the City's continued financial strength and resiliency with a balanced budget. The FY 18-19 budget is intended to serve as:

- The fiduciary policy position establishing service delivery expectations and accountability for the citizenry and staff;
- A plan of financial operations estimating proposed expenditures for the fiscal year and the proposed means of financing same; and
- An operational plan for the programming and mobilization of human, material, and capital project resources during the fiscal year.

In essence, the FY 18-19 budget represents the single most important management tool of the Governing Body and staff.

CITIZEN PRIORITIES

Thanks to significant citizen involvement over the last three election cycles, the City transformed from a General Law to a Home Rule city in May of 2017. With ninety-two percent (92%) of City voters endorsing the transition to Home Rule, citizens set a clear mandate and told us they expected their City government to:

- Develop a real strategic/business plan that sets clear priorities for delivery of city services both now and in the future;
- Improve our communication so that we are planning *with* the citizens rather than planning *for* the citizens;
- Develop foundational growth management tools inclusive of Future Land Use, Drainage, Water/Wastewater, Subdivision & Zoning Regulations, and Asset Management needed to implement the strategic plan;
- Review/revise existing Capital Recovery Fees, Water/Wastewater User Fees and capital cost sharing scenarios to ensure that "growth pays for growth;"

- Adopt a leadership style that enables Operational (staff) ownership and accountability through departmental performance measures;
- Leverage the enormous citizen talent we have in our community through participation in the Citizens Stakeholders Committee, the Communications Committee, the Wildlife Education Committee, and the Planning and Zoning Commission;
- Practice financial integrity and proper planning for repair and replacement reserves, a formal water/wastewater rate study to ensure proper recovery of investment, and meeting service delivery expectations relative to cost;
- Complete the voter approved infrastructure improvements funded by the \$7MM General Obligation Bond program;
- Enhance and maintain our unique quality of life through public safety both in the policing function and in emergency services like fire and ambulance; and
- Implement an organizational structure that provides optimal service groupings and enhanced delivery of services.

FY 2017-2018 ACCOMPLISHMENTS

Fiscal year 2017-2018 was a banner year for the City as we were actively engaged in projects charged with advancing long overdue citizen driven initiatives. Encompassing over seventy (70) posted public meetings, highlights of FY 17-18 include the following:

Annexation

One of the major accomplishments for the City was the annexation of the City's extra territorial jurisdiction (ETJ). There were a number of key community objectives and rationale for incorporating annexation areas into the City limits. Most importantly, existing residents told the City Council

clearly in the results of the last three election cycles and in Town Halls related to updating our Comprehensive Plan that they wanted the City to:

- Honor our 30-year old Mission Statement to "maintain and enhance those quality of life factors which influenced the citizens to establish a residence within the City;"
- Guide and shape the physical development of the city to ensure sustainable and desired development that is not subsidized by existing tax payers relative to delivery of city services. New development and/or redevelopment needs to pay for itself (growth pays for growth);
- Establish manageable and predictable programming for infrastructure demands and delivery of services;
- Protect existing investment and valued community assets;
- Protect public health and safety, and promote the general welfare of the City; and
- Provide policy guidance and justification for capital expenditure related decisions.

The City built its annexation planning around the above referenced guiding principles and annexed approximately 1,312 acres. The areas annexed into the City in 2017 shared a common border to the incorporated area (City limits) and the City was already absorbing the costs of providing certain services to these areas. Further, the City executed non-annexation development agreements with the balance of real property owners within the City's ETJ. The non-annexation development agreements ensure the City will have a seat at the table if the owners of these properties decide to develop beyond approved existing uses. I am pleased to announce that the annexation process was a tremendous success as the City can now make informed policy decisions relative to the physical development (build-out) of the City and the scheduled programming necessary to proactively plan, finance,

and maintain reliable and efficient public services consistent with the Comprehensive Plan.

Comprehensive Plan, Zoning, & Unified Development Code

In late 2016, the City engaged a planning team, led by Gap Strategies, to develop a series of planning tools: an update to the 2007 comprehensive plan, a Zoning Ordinance and maps, and an update of the City's subdivision regulations. Later, this charge was amended to create a Unified Development Code (UDC), re-thinking, updating, centralizing and knitting together the City's land use and land development policies – a more complex but ultimately more effective (and user-friendly) tool for the City. The development of that full UDC is well under way.

Comprehensive planning and zoning considerations are key elements when it comes to implementing growth management plans. The comprehensive plan is the City's long-range plan intended to manage the growth and physical development of the community over a defined planning horizon, in our case through the projected "build out" of Fair Oaks Ranch over the next one-to-two decades. Zoning is the primary entitlement tool utilized to implement the comprehensive plan.

In FY 2017-2018, the City utilized a planning process that included broad and persistent public involvement to consider enactment of interim zoning regulations to protect the public welfare and property values while the full UDC is considered in detail by our citizens, city staff, the Planning and Zoning Commission, and the City Council. Among the results this year was the creation of a detailed update to the City's long-range comprehensive plan, inclusive of a Future Land Use Map, the creation and enactment of the City's first

Zoning Ordinance, and the creation and enactment of the City's first zoning map.

\$7 MM Road and Drainage Bond Program

When the residents of Fair Oaks Ranch overwhelmingly approved the \$7 million bond program in November 2014, they established a desire to ensure their streets are functional and properly maintained. Over the course of the past few years, City staff has engaged professional engineering services and contracted construction services for nearly 10 miles of street improvements. Along with some drainage improvements, the streets were improved either by full reconstruction, full-depth reclamation, or mill and overlay methods. The work was completed on schedule and under budget at a savings of nearly \$0.5 million.

Financial Management & Strategic Planning Linkage

The Strategic Action planning process began in 2016 and included many workshops and input from over 1,100 residents. Ongoing annual review of the Strategic Action Plan, and defining each year's plan in terms of dollars and resources needed to accomplish goals is the foundation of the annual budget process.

To create the linkage between the budget and the Strategic Action Plan, the Finance Department also built several foundational tools during FY 2017-2018 including a new chart of accounts, reconciliation procedures, internal controls implementations, and enhanced audit scope with the external financial statement auditors.

The 2018-19 budget year was the first year to provide a linkage between the annual budget and the Strategic Action Plan. This mature annual budgeting process is

laying the foundation to longer-term planning and forecasting abilities.

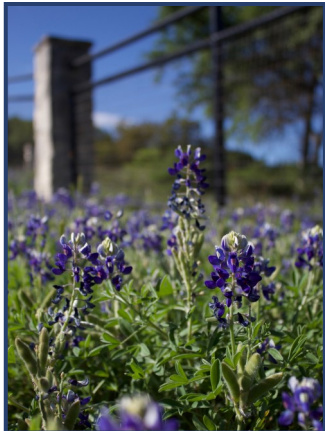
The City's Annual Financial Report (CAFR) was also upgraded for enhanced transparency. The CAFR, for the first time, met the Government Financial Officer's Association (GFOA) benchmarks to contend for the GOFA's Certificate of Achievement for excellence in Financial Reporting.

Mayor's State of the City Address

We held our first State of the City Luncheon on November 3, 2017 at the Fair Oaks Ranch Golf & Country Club. Citizens, city staff, and city vendors were invited to enjoy a nice meal and to hear Mayor Manitzas as he described the accomplishments and challenges of the City in the previous year, and his goals for the upcoming year. Staff were recognized for years of service and the first Employee of the Year Award was presented. This is another important communication event we hope to make an annual occasion.

30th Anniversary City Celebration

The City had its 30th anniversary in 2018. As in past years at important milestones, we felt a city celebration was in order. The actual anniversary is January 21, but in an effort to have more pleasant



weather, the event was held on September 29, 2018. Inclusive of honoring the Fair Family, the celebration was a day packed with events that would hopefully peak the interests of our diverse citizenry and bring everyone together to build

community spirit. The events consisted of a 3-mile Fun Run, a Hometown Parade, local vendor booths, kid activities, live music, a Fair Oaks Ranch history exhibit, food and a grand finale of fireworks. The overwhelming response from the residents who participated in the celebration was very positive.

Street Maintenance

The City continued its enhanced maintenance practices for over 60 miles of public streets. Since 2000, the City has persistently implemented an annual street maintenance program such that all streets received a programmed seal coat to protect the street base material and prolong its life. Without such a program, the City would be faced with extraordinary costs to fully reconstruct all streets in the City every ten to fifteen years. As a maturing thirty (30) year old organization, it is essential that we continue to invest in this signature component of our asset management program.

Master Water/Wastewater and Drainage Plans

The Master Water/Wastewater Plan and Master Drainage Plan studies continued throughout the year and are nearing completion. Their purpose was to establish elements of deficiency, poor performance, expiring life cycle, and to prioritize future projects to implement under a Capital Improvement Program. Many details will be forthcoming in this fiscal year inclusive of community-wide discussions tasked with framing and defining funding sources necessary to advance desired and/or mandated improvements.

City Webpage Redesign & Social Media Outreach

After months of working with a Communications Committee of citizen volunteers who helped frame the website needs and select a vendor, and a Redesign

Committee of staff who helped decide the look and content of the website, the City's new website launched on October 23, 2017. The updated look and site navigation have been well received by citizens.

The City launched its first social media account in March 2017 by starting a city Facebook page. It has proven to be an asset and is now one of the City's primary tools for pushing information out to our citizens. There has been a steady growth of followers each month, and we currently have 1,279 followers of our page. Inclusive of establishing a presence on Next Door, the City's social media reach will continue to grow as we continue efforts to improve communications with our residents.

Open Government and Transparency

The current council members committed to being open and transparent with citizens when they made decisions to run for elected office. Very early in the tenure of the current council members, the council changed the council meeting rules to give citizens more time to speak in open meetings and more opportunities to speak. The council expanded the time for "Citizens to be Heard" from three minutes to five minutes and added an opportunity for citizens to voice opinions right before council took votes. Additionally, the current council has made extensive use of the Town Hall meeting format and the current mayor changed the format of the monthly publication "From the Mayor's Desk" to speak much more specifically about current issues and decision making in the City. All of these changes have been made in the interest of promoting transparency.

The office of the City Secretary places a great emphasis on open government and the transparency of city records. For the 2017-2018 fiscal year, over seventy (70) various meetings were posted in accordance with the Open Meetings Act. Furthermore, agenda packets, approved minutes and ordinances are posted on the

City Website for public review. In regards to open records requests, the City Secretary processed seventy-one (71) records requests for the 2017-2018 fiscal year.

Solid Waste Collection and Household Hazardous Waste

Recognizing the need to evaluate existing solid waste services, the City Council directed staff during the Strategic Planning process to solicit proposals for solid waste collection services with the goal of initiating a new long-term contract coinciding with FY 2017-2018. With the insight of a citizen volunteer with over forty-two (42) years of experience in the solid waste industry; coupled with citizen input, enhanced service expectations were defined.

A direct result of this partnership approach was the successful negotiation of a new five-year contract with Republic Services. The new contract includes the following enhanced services at a reduced cost to the citizenry.

- A monthly rate reduction of 25.7% for citizens without extra containers
- An annual household hazardous waste collection event
- Continuation of existing programmed service dates
- Remittance of franchise fees and recyclables net sales
- Twice per year bulk/brush pick-up program, inclusive of new operational efficiencies (lessons learned) within defined sectors, proactive public outreach, and a staging area provided by the service provider
- Larger recycling containers
- Enhanced education/community outreach inclusive of additional mailers throughout the year, smart technology (Apps) and web site push/partnership.

Regarding household hazardous waste; Republic Services, volunteers from the Fair Oaks Ranch Rotary Club, and city staff held the city's first ever household hazardous waste collection event. With over four hundred (400) residents participating, the collection event was a tremendous success!

Wildlife Education Committee

In 2016, the City Council enacted a wildlife education program and established a citizen volunteer committee. With the goal of contributing to the community's understanding of the various wildlife on The Ranch, the committee was tasked with reviewing available wildlife educational materials, developing new unique materials, and routinely holding community wildlife education programs.

In 2017-2018 the Committee focused on creating educational opportunities and materials on nature topics, provided guidance relative to coexisting with nature in our city, identified and anticipated nature-related issues that may impact our city in the coming years, and served as the point of contact on all nature-related issues. Specific accomplishments and events included:

- Continued management of the deer population through the promotion of the city's No Deer Feeding ordinance
- Establishment of joint Wildlife Education programs with Fair Oaks Ranch elementary schools, inclusive awarding \$1,000 each toward their respective program
- Hosted a "Pig Out On The Ranch" event
- Improved awareness of wildlife issues through posted banners and signs
- Development of a wildlife education webpage, quarterly brochures, and published newspaper/magazine articles
- Quarterly citizen town hall education

presentations on various local wildlife and native landscape

- Sponsoring a citizen wildlife photo contest in conjunction with the City's 30th Anniversary Celebration
- Creation of key chains promoting wildlife in Fair Oaks Ranch
- Promoting the city's habitat garden for birds and pollinators and deer resistant plants
- Proactively monitoring the incursion of feral hogs into the city and trapping of some
- Assisting FORHA with understanding nature related items within the 75 acre Preserve.



K9 Officer/Program

With the assistance of donations and monetary support from vendors and local civic groups, the Police Department was able to launch a K9 program. The primary focus of the K9 program is to reduce illegal drug/narcotic use within the City of Fair Oaks Ranch and surrounding areas. Subsequent to additional training, the K9 program will be utilized as an asset to locate missing persons. To date, K9 Buddy and his handler have been effective in the detection of illegal drugs on numerous occasions with the largest find resulting in removing 3 kilos of cocaine from a hidden compartment of a vehicle.

Top Workplace in San Antonio Area

The City was honored as a 2018 Top Workplace in the San Antonio area by the San Antonio Express News. This recognition was the result of scores from our employees' participation in an employee engagement

survey. We have been intentional about creating a culture of respect, accountability, and communication. It is rewarding to see that our staff recognizes this investment.

FY 2018-2019 BUDGET REVENUE COMPONENTS

General Fund - Revenue Sources

General fund revenue sources for the City total \$7,605,892 including inter-fund transfers. Honoring the predominate citizen directive to maintain the characteristics of a bedroom community, Fair Oaks Ranch does not budget with a diversified revenue portfolio like most cities in Texas. Budget revenues are comprised of three primary revenue categories; property taxes, sales tax, and franchise fees. Accordingly, 70.7% of the City's general fund budget is realized from property taxes. Further, Fair Oaks Ranch has limited commercial tax base so the majority of the City's property tax revenue is borne by single-family home owners.

Property Tax

At 70.7%, the ad valorem property tax is the City's largest revenue source. The total ad valorem tax rate is comprised of a Maintenance and Operating (M&O) rate and an Interest and Sinking (I&S) rate. Each of these has separate sets of taxation rules as established by the State Legislature and when combined, equals the total ad valorem rate assessed.

The M&O rate pays for services like police, fire, planning, engineering, finance, public works, and city administration. The City Council sets the M&O rate annually based on a cost build-up to deliver desired city services. The I&S rate is set to pay debt services on general obligation bonds like the \$7 MM the city issued to reconstruct some of our local streets. When the citizens voted to approve the issuance of these bonds, we obligated ourselves to pay this debt through property taxes. The I&S rate moves up or

down each year depending on the amortization schedule and total taxable property values as determined by the respective county appraisal districts.

The total ad valorem property tax rate is \$.3668 cents for each \$100 valuation. For FY 2018-2019, of the \$.3668 cents for each \$100 valuation of the property, \$.0362 cents are allocated towards debt service (\$7 MM voter approved general obligation bonds), with the remaining \$.3306 cents being used towards our annual operating budget. This split between debt service and operations is typical for our City, but can change due to local budgetary considerations and governing body decisions related to our tax revenue allocations that take place each fiscal year.

Sales Tax

Sales tax represents 9.7% of total general fund revenues. The sales tax rate in Fair Oaks Ranch is 8.25% for goods or services sold or delivered within the boundaries of the City. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, quarterly or annual basis. Of the 8.25% tax, the State retains 6.25% and distributes 1.5% to the City and .5% to the Fair Oaks Ranch Municipal Management District (MDD) and/or County. Of the 1.5% allocated to the City, 0.25% is restricted for street maintenance per a voter approved referendum.

Franchise Fees

Franchise revenues are derived from non-exclusive franchise agreements the City has with utilities and solid waste providers. The agreements contain a fee clause that requires the utilities and solid waste companies to compensate the City because they use the City's right-of-way to conduct business. Generally, the fees are based on a percentage of gross receipts or a per-unit of usage charge that range from 2% to 5%.

Utility Fund - Revenue Sources

Utility fund revenue sources for the City total \$4,868,669 and are comprised of user charges for water and wastewater services. The Utility Fund is an Enterprise Fund of the City so it operates in a manner similar to a private business enterprise. Accordingly, the costs of providing water and wastewater services on a continuing basis is financed or recovered through user charges. Budget revenues are comprised of two primary revenue categories; water user charges and wastewater user charges. Property taxes are not utilized to operate the City's Utility. If a business or single-family home owner receives service from a private water well and/or septic system, they are not assessed charges from the City and, therefore, do not receive a bill from the City.

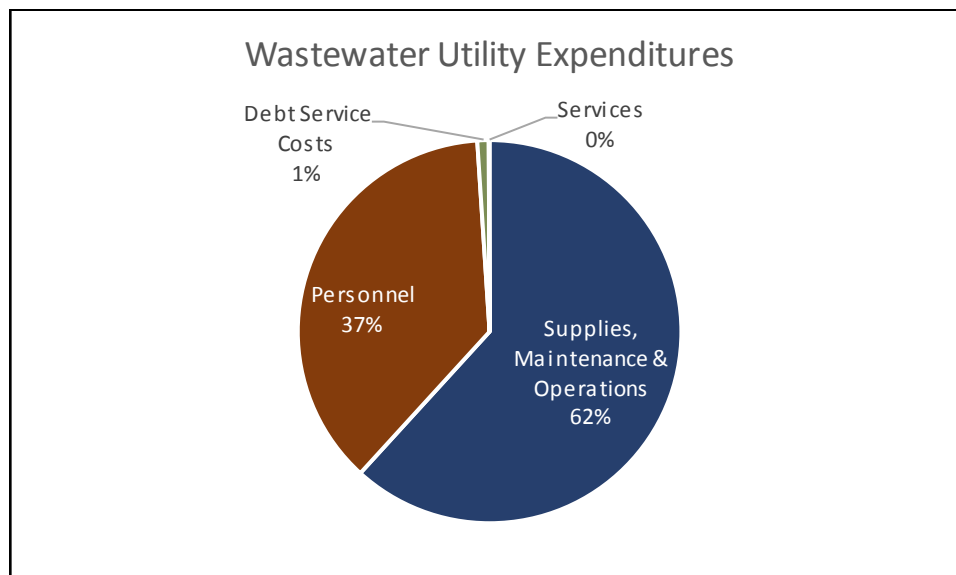
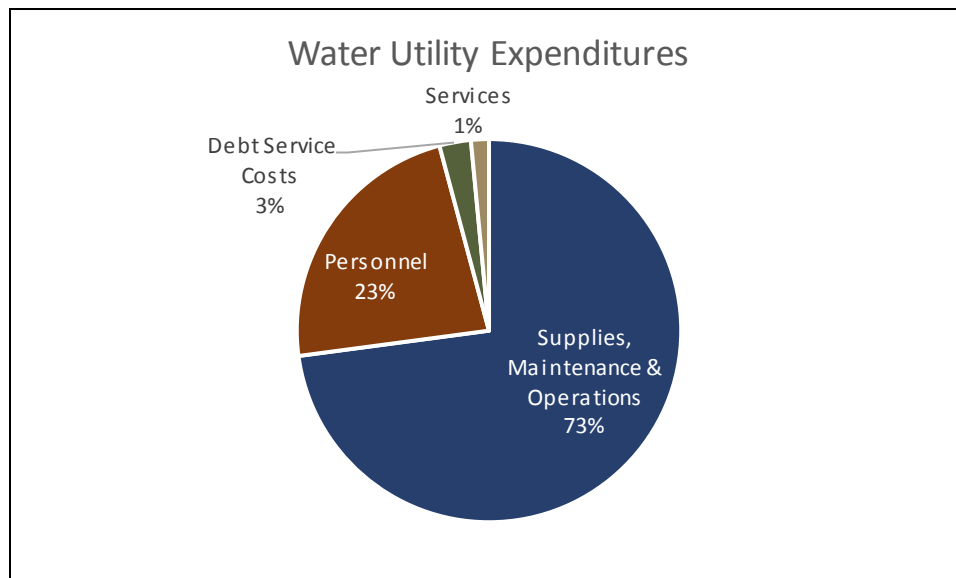
FY 2018-2019 BUDGET EXPENDITURE COMPONENTS**General Fund**

The average appraised home value within the City is \$484,049. Provided below is an example of how Fair Oaks Ranch tax dollars are being used in fiscal year 2018-2019, for a home with the average appraised value of \$484,049:

Budget Breakdown for Average FOR Home		
Home Value	Tax Rate	Amount
\$484,049	\$0.3668	\$1,775
Debt Service		
Roads and Drainage	\$0.0362	\$175
Maintenance & Operations		
Public Safety and Emergency	\$0.1377	\$667
Engineering and Planning	\$0.0358	\$173
Maintenance	\$0.0290	\$140
City Administration	\$0.0258	\$125
Non-Departmental & Shared	\$0.0229	\$111
Finance	\$0.0180	\$87
Capital Improvement	\$0.0144	\$70
Building Codes and Permits	\$0.0113	\$55
City Secretary	\$0.0105	\$51
Municipal Court	\$0.0094	\$45
HR and Communications	\$0.0075	\$36
Equipment Replacement	\$0.0074	\$36
Mayor & Council	\$0.0008	\$4
	\$0.3668	\$1,775

Utility Fund

Through 2,948 active water accounts and 1,775 active wastewater accounts, approximately one-third of the city is serviced through direct connections to the City's utility. One-third of the City is serviced by the San Antonio Water System (SAWS) and one-third is serviced via private systems (wells and septic). Provided below is an example of how Fair Oaks Ranch utility fund dollars are being used in fiscal year 2018-2019.



FY 2018-2019 PRINCIPAL ISSUES AND PRIORITIES

Fair Oaks Ranch continues to experience growth pressure due to its location, availability of undeveloped land, outstanding public education, and positive community image. As the City moves towards build-out, delivery of service challenges will continue to evolve. These challenges encompass everything from infrastructure (water, wastewater, drainage, mobility, open space, etc.) to police and fire.



To successfully deliver desired services, the focus of the City's program of services must represent the interests of residents and business owners (current and future) relative to the City's ability to respond to changing conditions while maintaining the integrity of an implementation strategy that is coordinated, equitable, predictable, and delivers the most "bang for the buck."

Accordingly, priorities for the 2018-2019 fiscal year focus on the continued development and implementation of the City's Strategic Plan, inclusive of sustaining one of the lowest tax rates in the region while maintaining an aging infrastructure and enhancing the high level of service within a maturing 30-year old organization. The Strategic Plan developed by the City Council focuses on four main risk areas with the approved budget making the following investment in each risk category.

<u>RESPONSIBLE GROWTH MANAGEMENT PROJECTS</u> <i>Risk #1 – Citizen Investment and Quality of Life</i>	
<u>Unified Development Code</u> • Zoning & form-based design guidelines • Master water & wastewater plan • Master stormwater plan • Subdivision Regulations • Infrastructure design guidelines • Sign design guidelines • Sustainability	<u>FM 3351 Expansion</u> Owners Representative Consultant Develop context sensitive design solutions <u>Storm Water Feasibility Study</u> Funding Source Capital Improvement Implementation <u>Code Enforcement</u> Growth Management Administration <u>Street and Facility Maintenance</u> Protection of Public Investment
Projects require the following resources:	
• Code Enforcement FTE • 3rd Party Contract Planning • 3rd Party Owners Rep. Consultant • 3rd Party Fire Inspections • 3rd Party Stormwater Consultant	• Office Space • Computer, desk, & telephone • Campus Renovations

PUBLIC SAFETY*Risk #2 – Citizen Safety and Protection of Property***24/7 Full-Service Department and Command Structure**

- Patrol availability/Priority-one calls
- Criminal investigation services
- Community outreach

Requires the following resources:

- | | |
|--|---|
| <ul style="list-style-type: none"> • Two patrol officers • One Criminal Investigation Sergeant • One Administrative Clerk | <ul style="list-style-type: none"> • Patrol vehicle, camera systems & radios • Officer body armor • Officer Weapons • K-9 services • Community outreach aids |
|--|---|

GOVERNMENT SERVICE EXPECTATIONS & MANDATES*Risk #3 - Open and Transparent Government and Preservation of Public Infrastructure and Facilities***Full Service Administration and Public Works Services**

- | | |
|---|--|
| <ul style="list-style-type: none"> • City Council, Planning & Zoning, Zoning Board of Adjustment • Records Management and Retention • Public Information Act • Public Relations | <ul style="list-style-type: none"> • Citizen Committees and Outreach Initiatives • Street maintenance program • Drainage maintenance program • Right-of-way maintenance program • Stormwater Quality Program • Public facility maintenance program |
|---|--|

Projects require the following resources:

- | | |
|--|--|
| <ul style="list-style-type: none"> • Street Maintenance/Custodian • Deputy City Secretary • Administrative Clerk • Public Relations/HR Assistant | <ul style="list-style-type: none"> • Office space • Computer, desk, & telephones • Public Works Vehicles & Material • Campus Renovations |
|--|--|

FINANCIAL INTEGRITY AND SUSTAINABILITY*Risk #4: Responsible Stewardship of Public Assets***Financial Management Tool Box (Develop and Administer)**

- Budgeting & Financial Reporting
- Asset Management & Replacement
- Internal Controls & Procurement
- Strategic Planning & Forecasting
- IT Infrastructure & Cyber Security
- Accounts Payable & Payroll Administration
- Infrastructure Financial Strategy Support

Requires the following resources:

- | | |
|---|---|
| <ul style="list-style-type: none"> • Procurement Manager • Staff Accountant • IT Manager | <ul style="list-style-type: none"> • Office space • Computer, Desk, & telephone • Campus Renovations |
|---|---|

FINAL COMMENTS

In closing, I would like to reiterate the staff's appreciation to the City Council for your volunteerism, leadership, and insight. As professional city administrators and dedicated public servants, we were particularly impressed with your responsiveness and the professionalism displayed in communicating your thoughts throughout the year. Knowing successful local governance is relationship driven, it is essential that we advance ideas and plans charged with addressing the concerns of the citizenry and ensuring the City is prepared to meet the many challenges associated with managing growth and a thirty (30) year old maturing organization. The Council's leadership in this effort is a mark of professional respect by city staff and acknowledges your commitment to the citizens of Fair Oaks Ranch.

Because we are a people organization, I am confident that the City's thirty (30) year history as an organization that cares about the community and its members will continue to be an asset. Our purpose is only accomplished thanks to the talents and dedication of my colleagues. Accordingly, I would like to thank all of our city employees for the outstanding service they provide to the citizenry on a daily basis and give credit to department heads and managers for their effective contributions of time and energy toward preparation of the FY 18-19 budget. These are the people we trust with life and death decisions, with maintenance and operations of essential systems, and with helping to make Fair Oaks Ranch the "City of Choice."

Team, please maintain your commitment to making a difference and always remember that it is an honor and privilege to serve on The Ranch!

Respectfully,

A handwritten signature in dark ink, reading "Tobin E. Maples". The signature is fluid and cursive, with a long horizontal flourish at the end.

Tobin E. Maples, AICP
City Manager



COMMUNITY PROFILE

OVERVIEW

The City of Fair Oaks Ranch is located on the edge of the beautiful Texas Hill Country, 27 miles northwest of downtown San Antonio. It is home to approximately 8,645 people, but it continues to grow as more people are drawn out by the lure of country living. The city spans over three separate counties, Bexar, Kendall and Comal and covers an area of 7,861 acres.

Fair Oaks Ranch is a Home Rule Charter City and operates under a Council/Manager form of government. A Mayor and six Council Members are elected by the citizens, and the City Manager is appointed by the Council.

THE HISTORY OF FAIR OAKS RANCH

The City of Fair Oaks Ranch had its beginnings as a working ranch when several parcels of land were acquired by oil man Ralph Fair, Sr. during the 1930s. The ranch, which had a dairy and granary, was first a center for a racehorse operation. Later, Mr. Fair established a registered Hereford cattle operation.

After the death of Mr. and Mrs. Fair, the remaining family decided to develop a 5,000 acre portion of the ranch as a residential community. A homeowner's association was formed in 1975 with



Bootz Gaubatz as the president.

In 1985 the Fair Oaks Ranch Homeowners Association began to consider incorporation as a Class A General Law Municipality. Bootz along with Bob Herring and Don King lead the process, and are now known as the "founding fathers" of Fair Oaks Ranch. The City was

eventually incorporated in 1988.

Once the population of Fair Oaks Ranch reached 5,000, the city was eligible to become home rule. It wasn't until a decade later though that the draft home rule charter was introduced. On May 2017, the home rule election was held with over 90% of voters supporting the change.

Fair Oaks Ranch was created by a group of visionaries who had both the foresight and the political courage to dream of a special community and make it a reality. The ability to make the city a



reality was enhanced by having a single development company for many years and working with a family that had a desire for their ranch to become a unique community. This commonality of vision was the glue that held the development process together and created such a unique city.

ECONOMY AND GROWTH

Fair Oaks Ranch is located immediately northwest of the 7th largest U.S. city, San Antonio. Proximity to the Alamo City, with its vast retail, professional, and medical offerings, paired with a unique Hill Country lifestyle, support a growing commuter population. Additionally, Fair Oaks Ranch serves as a popular retirement destination for many with its golf courses, walking trails and quiet hometown atmosphere.

The City of Fair Oaks Ranch anticipates future

growth as more people move into the area. San Antonio is among the fastest growing regions in the United States, and Texas is the national leader for domestic migration. Much of the housing demand for new residents falls in the hill country area, so it is anticipated that new home construction will increase in the coming years.

The State of Texas is also experiencing an economic upswing and positive outlook for the future. San Antonio in particular has become a popular destination for startup and technology companies. Fair Oaks Ranch's plan for the future includes growth management tools charged with ensuring the community is prepared for this growth.

CULTURE AND RECREATION

Fair Oaks Ranch is the perfect destination for tranquility, with several miles of hike and bike trails that meander through the city. The City is home to an array of wildlife including white tailed deer, axis deer, Egyptian geese, foxes, ducks, hawks and many others. This proximity to diverse wildlife is one of the advantages to living in this community.



Golf carts are just as common to see on the roadways in Fair Oaks Ranch as cars, and the streets are also routinely full of cyclists and runners. The Fair Oaks Ranch Golf and Country Club offers 2 championship golf courses, swimming, tennis, a fitness club and fine dining.

Many other cultural and recreational facilities are within a short drive south in the San Antonio area. A 90 minute drive to the north will take you to Austin, the capital city and cultural hub of Texas. Fair Oaks Ranch is also close to New

Braunfels, Canyon Lake and the Guadalupe River, all popular recreation areas, particularly in the summer months.

For a little main street charm and unique shopping experiences, the City of Boerne is less than 10 miles away. A getaway destination for many tourists, the historic downtown area is home to antique stores, bakeries, art galleries and specialty boutiques. There are also year round parades, festivals and cultural events. Boerne also sits next to Cibolo Creek and a nationally recognized nature center.

EDUCATION



Fair Oaks Ranch is part of Boerne and Comal ISDs, and is home to two elementary schools, Fair Oaks Ranch Elementary and Van Raub Elementary. The public school system is large enough to offer diverse

programs, and small enough to allow teachers and administrators to cultivate a personal, active interest in each student. The City engages with the students at the schools and supports programs through its Wildlife Education Committee.

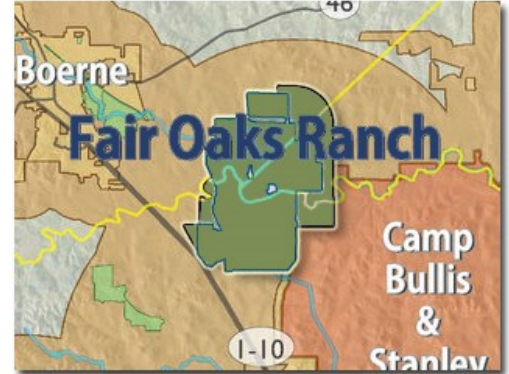


DEMOGRAPHICS

The median age in Fair Oaks Ranch is 51.3, noticeably higher compared to San Antonio Metro at 35. Generation X and Baby Boomers make up over half of the population. The median household income in Fair Oaks Ranch is \$125,066, making it one of the highest earning communities in the San Antonio area. Of the residents age 25+, more than 96% have at least a high school diploma, 35% have Bachelor's degrees, and 23% hold graduate degrees.



LOCATION OF FAIR OAKS RANCH



SAN ANTONIO - 27 MILES

AUSTIN - 65 MILES

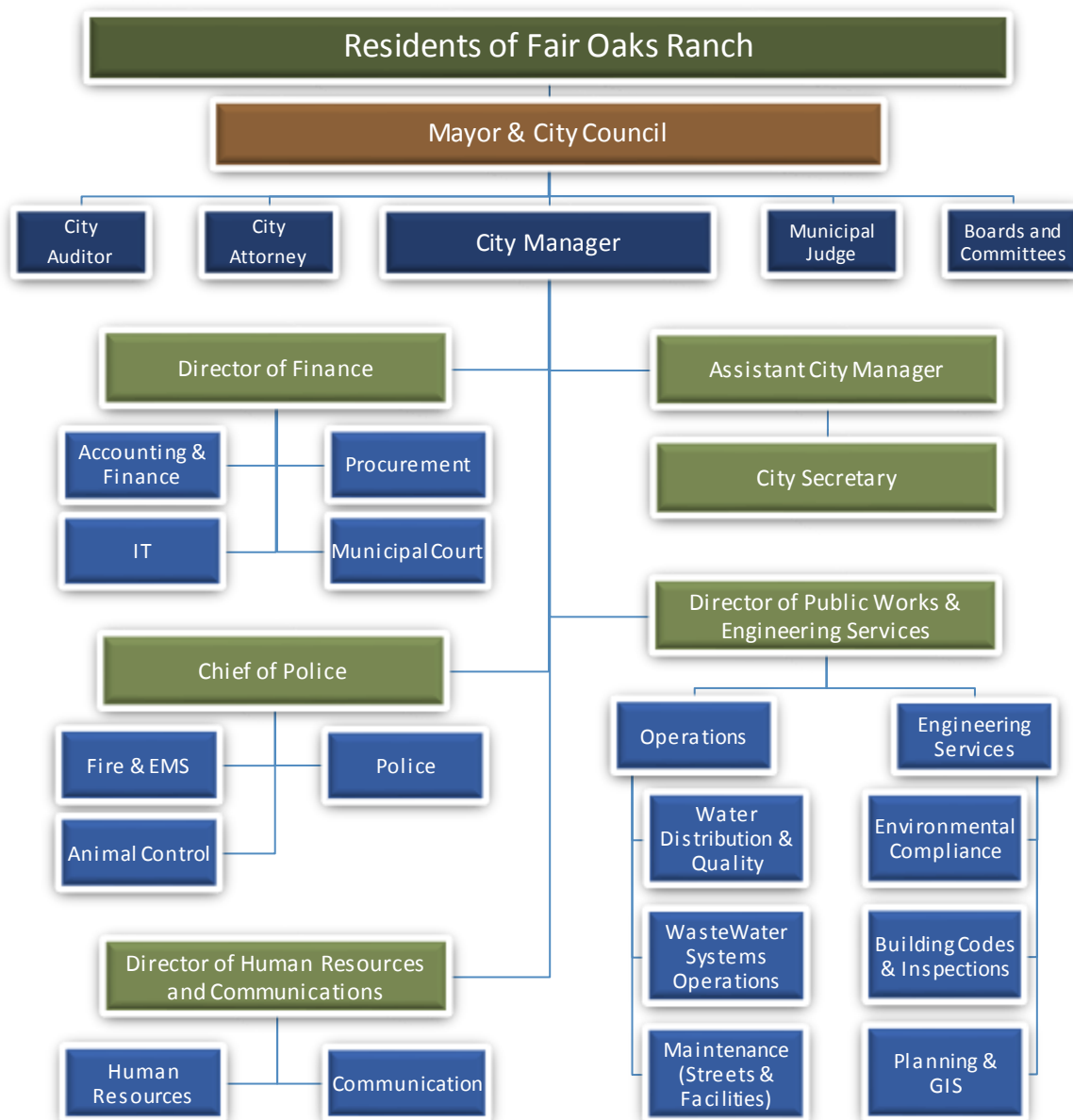
HOUSTON - 195 MILES

DALLAS - 237 MILES

CORPUS CHRISTI - 153 MILES

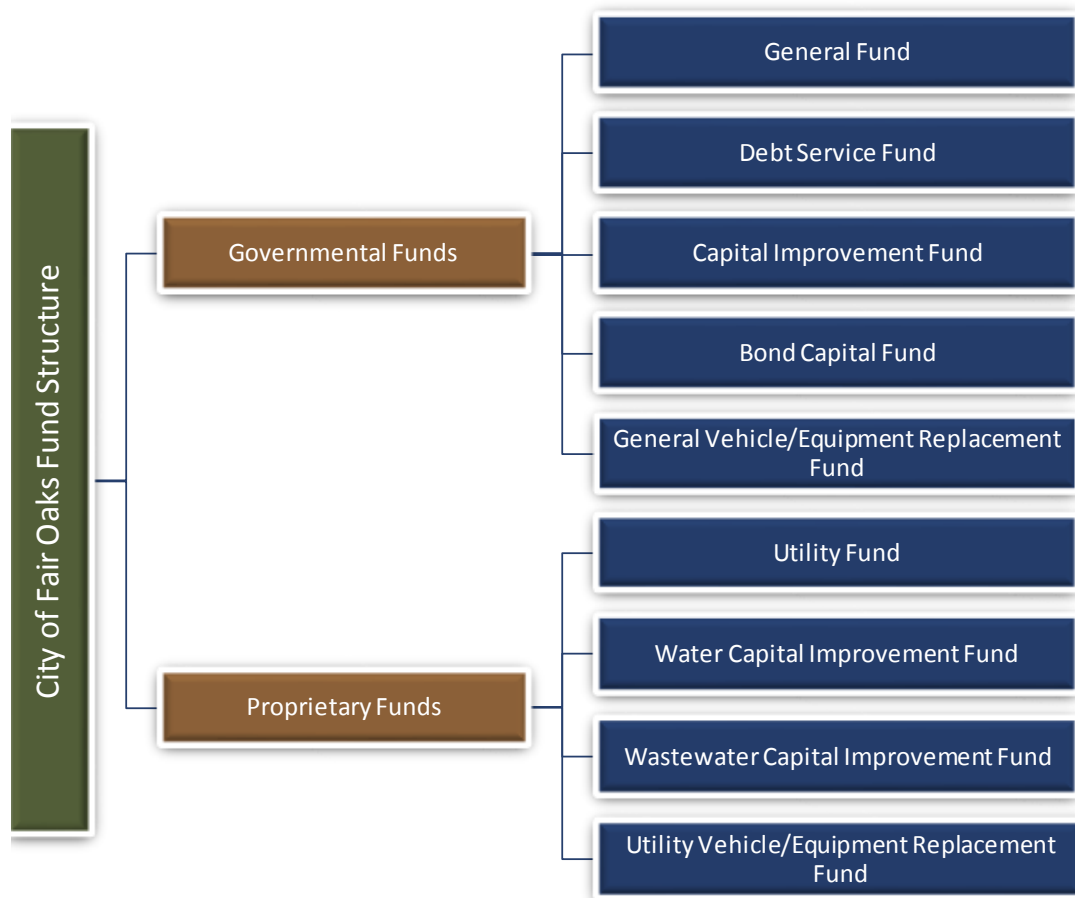


ORGANIZATIONAL CHART OF THE CITY





FUND STRUCTURE OF THE CITY





BUDGET PROCESS

The fiscal year of the City of Fair Oaks Ranch begins on October 1 of each calendar year and ends on September 30 of the following calendar year. Each year, the City of Fair Oaks Ranch develops a balanced budget with the guidance from the Mayor and City Council, City Departments and the citizens. In accordance with Texas state law and generally accepted accounting standards, Fair Oaks Ranch adopts a balanced budget for each fiscal year. The budget process includes multiple phases, each of which requires a joint effort by government leaders and city staff. The budget is the financial plan and policy statement for the fiscal year of operations that matches all planned revenues and expenditures with the program of services desired by residents of the City.



BUDGET ESTIMATES

City Manager and Finance Develop a Baseline Budget (March 8)

The Finance Department and City Manager develop revenue projections for the upcoming fiscal year and establish budgetary targets for each department as well as an overall target tax rate.

Budget Orientation (March 19)

The City Manager and Finance Department hold a budget orientation meeting with City staff to discuss the economic condition of the City and its effects on the budget. A review of the Strategic Plan according to the prior year budget is discussed. The calendar and operations for the upcoming budget cycle are reviewed. Department Heads begin to draft Departmental Strategic Action Plans for the upcoming year.

STRATEGIC ACTION PLAN

After 18 months of planning and meetings, the City of Fair Oaks Ranch adopted a new Comprehensive Plan on June 21, 2018.

During that time, the City Council also established a new Strategic Action Plan (SAP) outlining the vision, broad goals and priorities for the City. Some of these items require extensive capital, time and due diligence, while others are readily attainable. The City Council SAP along with the Comprehensive Plan provided a framework and guidance for the budget process.

The Strategic Plan set forth by City Council contains 5 main goals:

SG Achieve Self-Governance to Control our Future

- SG-1 Develop a Legislative/Intelligence Ability
- SG-2 Achieve Home Rule
- SG-3 Leverage External State and Local Resources
- SG-4 Implement a City Management Operating Model

FI Provide for Financial Integrity into the Future

- FI-1 Develop a Budget Process that Links to our Strategy
- FI-2 Develop Audit and Financial Reporting Process to Ensure Transparency and Confidence
- FI-3 Develop a Predictable Financial Strategy and Rolling Forecast
- FI-4 Develop Risk Mitigations and Corrections Strategies

WC Plan With, Not For our Citizens

- WC-1 Utilize Inbound Communications
- WC-2 Engage Citizens
- WC-3 Create Proactive Relationships with HOAs & Restriction Committees to Work Zoning Issues
- WC-4 Utilize External Communications with Surrounding Partners, the Media, etc.
- WC-5 Improve Citizen Communications
- WC-6 Create a Customer Service/Customer Sensitive Environment

CP Develop a Comprehensive Plan to Manage our Growth

- CP-1 Develop a Master Thoroughfare Plan
- CP-2 Preserve our Ability to Manage our Growth Consistent with our Vision
- CP-3 Develop and Implement a Sustainability Strategy
- CP-4 Develop a Master Plan for Core Infrastructure Elements
- CP-5 Develop a Financial Strategy to Support Growth Management Plan

HT Build and Maintain the “Spirit of a Hill Country Home Town”

- HT -1 Ensure a High Standard of Public Services
- HT-2 Enhance and Maintain the Aesthetics of the Community
- HT-3 Create and Promote the COFOR Brand

These goals were used as the starting point for all budget discussions and can be seen reflected throughout each department’s summary in this document under their “Goals and Action Items” section.

Development of Departmental Strategic Plan Drafts (Due April 2)

Based off of the goals set forth by Council, each department head reviews and begins developing departmental Strategic Plans and program changes that support their strategic plan for the upcoming budget cycle. During this time, department heads review the programmed equipment replacement schedules, and meet with Human Resources to begin discussions of program changes for Full Time Equivalents.

Budget Workshop with City Staff (April 9)

The Finance Department meets with each of the department heads to answer questions, help define Strategic Goals for the department and determine how those goals fit into the overall SAP.

Department Heads Meet with the City Manager (April 9-13)

Once the department heads have a working version of their strategic plan, they will meet one-on-one with the City Manager to review their plans and goals for the upcoming fiscal year.

City Council Strategic Planning Session (May 3)

Staff meets with the Mayor and City Council for its annual strategic planning session to obtain general direction and guidance in preparing the budget. During this session, staff discusses the Departmental Strategic Action plans for the coming year as well as various factors that may affect the ensuing budget cycle, such as economic climate, revenue outlook, community expectations and program requirements. Council addresses these concerns and identifies top priorities. An overview of the direction received from Council is presented, and the City Manager may give specific direction complying with organizational strategies.

BUDGET DEVELOPMENT

Preliminary tax rolls are received in April. The budget process begins in May before the beginning of the next fiscal year. The City Manager along with the Finance Director determine the guidelines for the department heads to use in preparing their budgets.

Budget Requests Submitted & Reviewed (May 11)

Each department aligns its Strategic Action Plan with budget requests and submits these requests to the Finance Department for evaluation and compilation.

Budget Review Sessions with City Manager (May)

Staff meets with the Finance Department and City Manager to evaluate progress on continuing priorities, discuss new programs to be included in the budget, and re-evaluate each department's SAP budget requests for the upcoming fiscal year.

Council Budget Work Sessions

City Council holds a budget work session in order to discuss the draft budget. Citizens are invited, but no public testimony is allowed at the work session meetings.

On or around July 25th, the certified appraisal rolls are received. The Finance Department incorporates these numbers and delivers a proposed budget to City Manager for review. The final proposed budget is discussed, and any concerns are addressed. Citizens are invited, but public testimony is generally reserved for the formal public meetings.

BUDGET PRESENTATION, CONSIDERATION AND ADOPTION

Once the Council has completed its work sessions and review, the City Manager's proposed, budget is filed with the City Secretary and made available to the public as required by State Law.

The Council will name the time and place of 2 public hearings and will publish the notice of the hearings at least ten (10) days before their date. The public hearings are held to solicit citizen responses to the proposed budget and the proposed ad valorem tax rate. Interested citizens may express their opinions concerning the proposed budget and tax rate.

Council Adopts the FY 2018-2019 Annual Budget and Tax Rate (September 20)

After the public hearings, the Council shall analyze the budget, making any additions and deletions which they feel appropriate, and then adopt the budget and tax rate by a favorable majority vote of all members of Council.

FY 2018-19 Annual Budget is Published

The Finance Department prepares the final budget document for printing and posting on the City's website.

Budget is Amended if Necessary (After fiscal year has begun)

Staff presents budget amendment requests to Council at a regularly scheduled City Council meeting. Budget amendments are adopted by ordinance.

Supplemental Appropriations: If, during the fiscal year, the City Manager certifies that there are appropriation revenues in excess of those estimated in the budget, the Council may make supplemental appropriations for the year up to the amount of such excess.

Transfer of Appropriations: At any time during the fiscal year the City Manager may transfer part or all of any unencumbered appropriation balance among programs within a department. Upon written request by the City Manager, the Council may by ordinance transfer part or all of any unencumbered appropriation balance from one department, or Fund to another.

FY 2018-19 BUDGET CALENDAR

Budget Planning	March 8	Baseline Budget Developed
	March 19	Budget Orientation
	March 30	Department Heads Submit Budget Requests
Strategic Action Plan (SAP)	April 2	Department Heads submit SAP's
	April 9	Staff Budget Workshop
	Mid-April	City Manager Meetings with Department Heads
	May 3	City Council SAP work session
Budget Development	May 11	Preliminary General Fund Department Budgets Submitted
	Mid May	Budget review sessions with City Manager
	June 7	Budget work sessions with Council and Council Reviews Draft SAPs
	June 15	Preliminary Utility Fund Budget Submitted
	June 21	Budget Work Session with Council and Staff
	July 25	Certified tax rolls delivered to City
	July 26	Finance delivers proposed budget City Manager
	July 27	City Manager delivers proposed budget to Council
	August 6	Final Budget workshop with Council
	August 13 9:30am & 6:30pm	Citizen Townhalls to Discuss Tax Rates
Budget Presentation, Consideration and Adoption	August 16	City Council confirms proposed tax rate. If exceeds the rollback rate or the effective rate (whichever is lower), Council takes record vote and schedules two public hearings (September 6 and 13) and adoption date (September 20)
	August 20	City Manager files budget with City Secretary (LGC 102.005)
	August 21	Finance Director publishes Notice of Proposed Property Tax Rate in August 21st edition of Boerne Star and posts on the city's website (LGC 140.010e). City Secretary publishes Notice of Budget Availability in the August 21st edition of Boerne Star and posts on city's website (LGC 102.0065 and Tax Code)
	September 6	City Council holds 1st Public Hearing on proposed Budget and Tax Rate and announces September 13th as 2nd Public Hearing date and September 20th as adoption date of Budget and Tax Rate ordinances (LGC 102.007)
	September 13	City Council holds 2nd Public Hearing (may not be earlier than 3 days after first public hearing) on proposed Budget and Tax Rate. First reading of budget and Tax Rate ordinances are held. City Council announces September 20 as adoption date of Budget and Tax Rate ordinances (LGC 102.007 - must be 3-14 days from this date)
	September 20	Second reading and adoption of Budget and Tax Rate ordinances are held. (Adopt tax rate before the later of September 30 or the 60th day after the date the certified appraisal roll was received (Tax Code 26.05)).



STRATEGIC ACTION PLAN DETAILS

After months of planning sessions and meetings, the City Council established a Vision Statement and the Strategic Goals for the City of Fair Oaks Ranch. Each Department was tasked with determining which of these goals applied to their mission and function within the City. Once those were identified, the department heads ranked the priority of the goals and defined specific action items for their department to focus on with the goals in mind. This information was shared with Council in an extensive work session and was instrumental in helping Council determine which budget items should be funded in the next fiscal year.

The Priority Ranking System that was used by the departments is as follows:

Priority I: IMPERATIVE (*Must-Do*) – Projects that cannot reasonably be postponed in order to avoid harmful or otherwise undesirable consequences.

- Corrects a condition dangerous to public health or safety
- Satisfies a legal obligation
- Alleviates an emergency service disruption or deficiency
- Prevents irreparable damage to a valuable public facility
- Mitigates or corrects potential significant operational risk or financial loss to the city

Priority II: ESSENTIAL (*Should-Do*) – Projects that address clearly demonstrated needs or objectives.

- Rehabilitates or replaces an obsolete public facility or attachment thereto
- Stimulates economic growth and private capital investment
- Reduces future operating and maintenance costs
- Leverages available state or federal funding
- Reduces future cost by planning for replacement or maintenance of current assets

Priority III: IMPORTANT (*Could-Do*) – Projects that benefit the community but may be delayed without detrimental effects to basic services.

- Provides a new or expanded level of service
- Promotes intergovernmental cooperation
- Reduces energy consumption
- Enhances cultural or natural resources

Priority IV: DESIRABLE (*Other Year*) – Desirable projects that are not included within a five-year program because of funding limitations.

COUNCIL'S STRATEGIC GOALS BY CITY DEPARTMENT



	Achieve Self-Governance	Financial Integrity	Plan with our Citizens	Growth Management	Maintain "Spirit of the Hill Country"
Mayor & Council	✓	✓	✓	✓	✓
Administration	✓	✓	✓		✓
City Secretary			✓		✓
Finance		✓		✓	
Municipal Court		✓			✓
Public Safety			✓		✓
HR & Communications			✓		✓
Engineering Services				✓	✓
Maintenance			✓	✓	✓
Building Codes			✓	✓	✓
Water	✓	✓	✓	✓	✓
Wastewater	✓	✓	✓	✓	✓



This page intentionally left blank.



OVERVIEW OF REVENUE SOURCES AND ASSUMPTIONS

Revenue is estimated based upon historical data, current economic conditions and other demographic data. The City's revenue budget estimation takes into consideration many unique elements that respond to a variety of external factors such as population growth, development, inflation, and interest rates. The City of Fair Oaks Ranch applies a conservative philosophy that will produce a long-term goal of neither overstating revenues nor understating expenditures. During our revenue estimation process the City tries to consider as many factors as possible that may contribute to changes in revenues. The City of Fair Oaks Ranch obtains revenue from several sources, but relies heavily on residential property tax.

Property Tax - 70.7% of General Fund Revenue

The largest revenue source for the General Fund is the Residential Ad Valorem taxes, also known as residential property taxes. Through a rigorous 18-month comprehensive planning process, citizens overwhelmingly dictated that Fair Oaks Ranch should remain a bedroom community with few commercial areas. This plan, by design, leaves the City highly dependent on residential property taxes. The computation of the property taxes is based upon the assessed value of real and personal property. All property tax revenue is first applied to the debt service requirements. The remaining property tax revenue is used for the maintenance and operations of the General Fund. This fund provides the tax payers with general City services such as public safety, public works, and other general government support services.

For Fiscal Year ending in 2019, the property tax rate was increased by \$0.03728 per \$100 of property value. The tax rate is determined based upon completion of the budget process, which entails projecting the expected revenue, determining the most efficient use of resources and expected levels of expenditures, while utilizing the tax rate required to balance the budget.

The City of Fair Oaks Ranch operates in 3 counties - Bexar, Kendall and Comal. Based on the assessed valuation of appraised property provided to us by the three appraisal districts, the FY 2018-19 budget reflects estimated property tax collection of \$5,552,244. This third party appraisal analysis is the major factor in projecting our Ad Valorem revenue. Property valuation increased by 5.7% from \$1.458M to \$1.543M in FY 2018-19. The City projects that the assessed property valuation will continue to grow due to new residential and commercial developments along the I-10 corridor.

Sales Tax - 9.7% of General Fund Revenue:

Another revenue source for the General Fund is the Sales Tax. Taxable sales have increased over the past few years primarily due to a continued development and renewed economic activity. The City is projecting sales tax to increase 12% for 2018-2019 over last's year's budgeted amount.

An important source of sales tax revenue relates to changes in cultural buying habits and increased online purchases, which will generally source sales tax to the purchaser's address.

The city has also had a couple of notable businesses open along the I-10 corridor which have generated additional sales tax revenue. Currently the existing sales tax rates are as follows:

State	6.25%
City	1.50%
County/MDD	0.50%
Total	8.25%

Utility Revenue - 46% of total revenues:

The City of Fair Oaks Ranch provides water and wastewater services to a portion of the residents. The City's overall customer base for its utility services has increased over the last few years due to new housing developments.

Transfers:

This includes transfers from other funds within the city (i.e. capital improvement, vehicle replacement)

Franchise Fees:

The City receives substantial revenue from franchise fees. Franchise fees are collected from both public and private utilities and assessed for the continued use of the public right-of-way. Among these fees are: cable TV, telephone, electric, solid waste, and gas. For FY 2018-19, the City is estimating to receive \$566,500 in franchise fees. This estimate is based on the growth of the City and historical trend analysis.

Permits:

The source of this revenue includes fees charged by the City for general construction permits, and other miscellaneous permits. With the stable and renewed economic outlook, permit activity should be moderately on the rise. The City of Fair Oaks Ranch projects to receive \$272,700 for FY 2018-19.

Municipal Court Fees (Fines and Forfeitures) :

The projection for fines is based on historical trends. The City estimates to collect \$127,570 for fines & forfeitures in FY 2018-19. This projection is constant compared to the prior year estimate.

Interest Revenue:

Interest revenue is a fractional part of the total revenue source for the FY 2018-19 and is contingent on the total available cash. The City estimates to receive \$91,500 in interest in the upcoming fiscal year.

Animal Control:

This section includes pet licenses and impound fees. The City estimates to receive \$3,400 in animal control revenue in the upcoming fiscal year.

Miscellaneous Revenue:

Miscellaneous Revenue makes up less than 1% of the total revenue for the City of Fair Oaks Ranch. This revenue source combines the total of all Other Revenues from each fund. Examples of Miscellaneous Sales and Income are: Donations, sponsorships, sale of assets, and lease proceeds.



OVERVIEW OF EXPENDITURE ASSUMPTIONS

The City of Fair Oaks Ranch projects expenditures based on historical data, economic data, and any other policy changes that might affect the expenditures for the fiscal year. The City's goal is to appropriate sufficient monies to provide quality services at a reasonable cost and within available financial resources.

Personnel Expenditures:

Personnel expenditures include the salaries, insurance, taxes, retirement, and workers compensation for all departments. Over 75% of this expense is for Public Safety and Public Works employees.

Supplies, Maintenance & Operations Expenditures:

This category of expenditures include in house street maintenance, drainage work, vehicle maintenance and repairs, greenspace maintenance, building and equipment repairs, minor equipment purchases and supplies/consumables.

Capital Outlay:

Capital outlay includes the capital expenses budgeted to be spent throughout all the funds.

Professional Services Expenditures:

Professional services expense includes consulting expenses, legal fees, dispatch and jail services, audits, election expenses, K-9 program, investigations, training and reporting costs

Debt Service Expenditures:

Debt Service expenditures include the debt obligations due in FY 2018-19.

Shared Services Expenditures:

Shared services expense includes phone, electricity, internet, postage, alarms and general liability insurance.

Transfers and Non-Cash Adjustments:

This includes transfers to other funds within the city.



CITY OF FAIR OAKS RANCH STAFFING

Department	FY 15-16		FY 16-17		FY 17-18		FY 18-19	
	PT	FTE	PT	FTE	PT	FTE	PT	FTE
Administration	0	3	0	2	0	2	0	3
Public Works & Engineering Services	0.5	21	0.5	20	0.5	24	0	29
Public Safety	0	21	0	22	0	23	0	28
Finance	0	2	0	3	0	3	0	6
Municipal Court	0	1	0	1	0	2	0	2
HR & Communications	0	1	0	1	0	1	0	2
City Secretary	0	1	0	2	0	3	0	4
Subtotal	0.5	50	0.5	51	0.5	58	0	74
Total	50.5		51.5		58.5		Proposed 74	
					*61.5			

* FTEs added mid-year

EXPLANATION OF SIGNIFICANT POSITION CHANGES FOR FISCAL YEAR 2018-19

Public Safety– added 2 patrol officer positions to ensure 24/7 shift coverage, added a new CID Sergeant position, added an administrative clerk to help with the work load and serve as a backup to the current administrative assistant

Engineering Services – added a Code Enforcement position to assist with administering growth management tools, and upgraded the Building Inspector from a part time to a full time position

Public Works Operations– added a custodian to bring these services in-house and terminate the third party contract

Finance - added a Procurement Manager and a second Accountant to define and implement internal control framework, improve efficiency and comply with audit recommendations

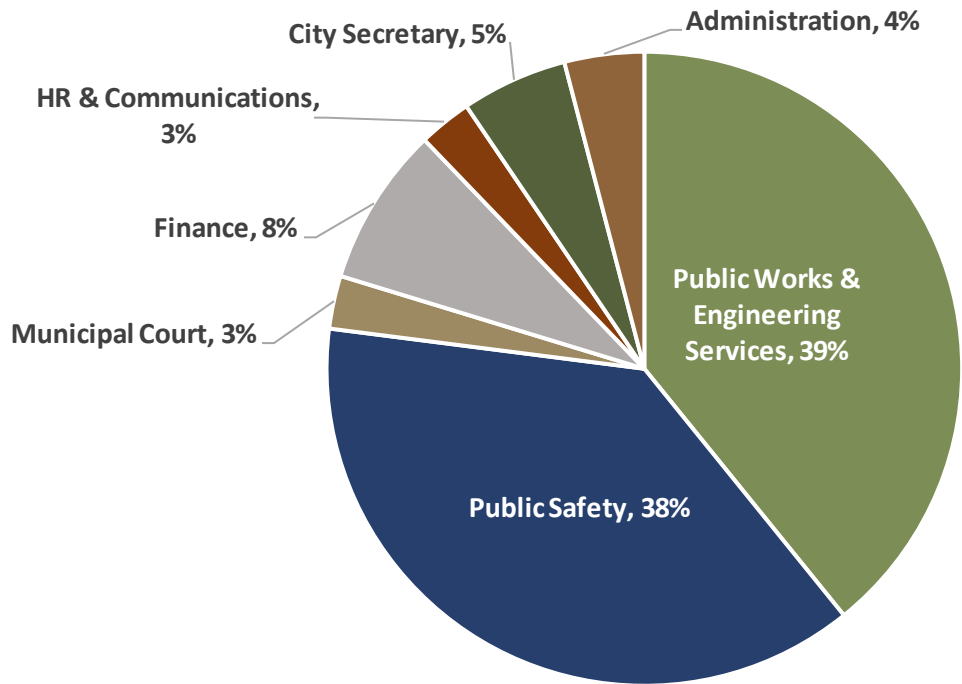
IT– added IT manager to provide on-site support and comprehensive knowledge of IT framework

Human Resources and Communications - added a communications position to help with the various responsibilities of this department

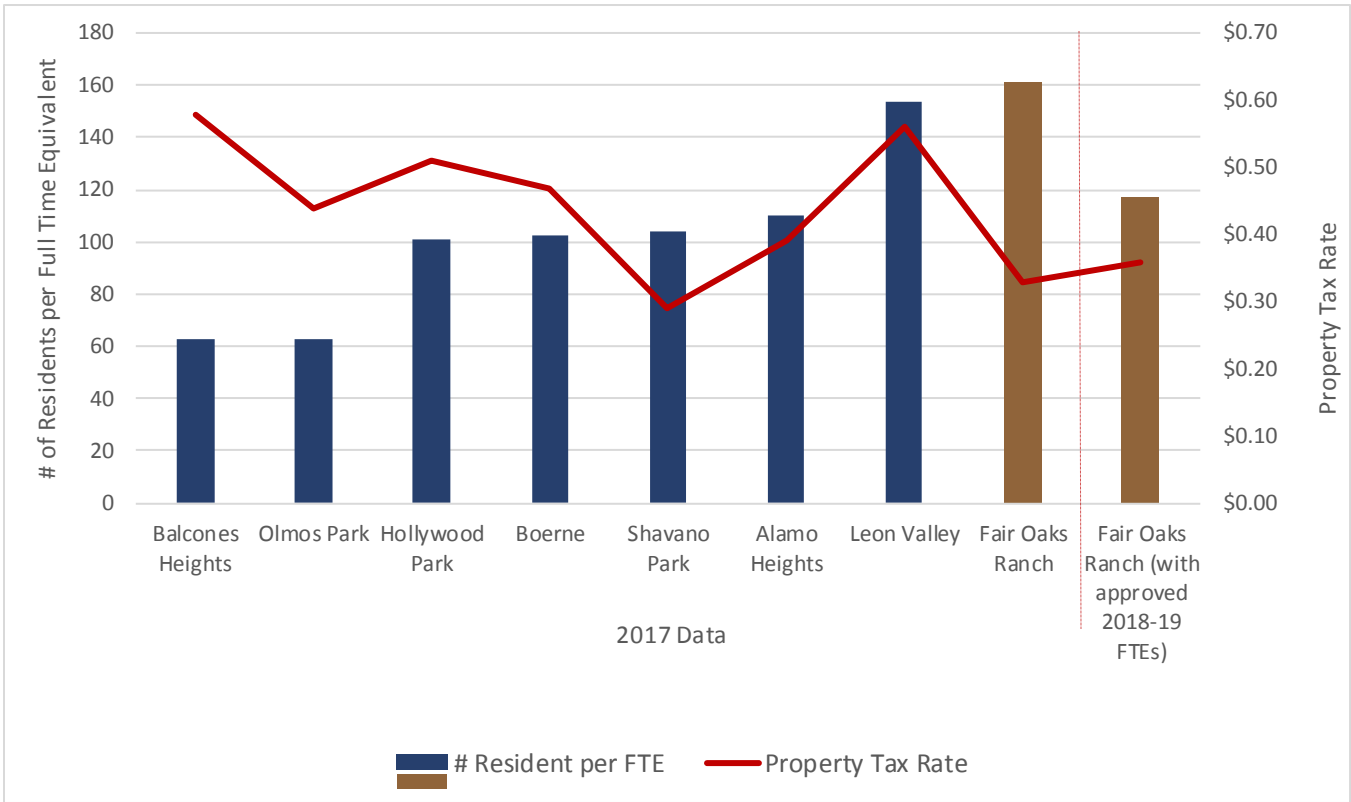
City Secretary - added Deputy City Secretary position to serve as a back up for the City Secretary, aid with mandated record retention directives, and serve on the board of the Planning and Zoning Commission

Administration - added Executive Assistant position to the Administration Department

FULL-TIME EQUIVALENTS (FTE) BY DEPARTMENT



OF FTE PER RESIDENTS AND PROPERTY TAX RATES COMPARED TO SURROUNDING CITIES



CONSOLIDATED BUDGET SUMMARY

By Division and Fund

Consolidated Budget Summary											
By Division and Fund											
	General Admin	General CIP	General Equip Repl	General Fund	Utility Water	Utility Wastewater	Utility Equip Repl	Utility Fund	Debt Service	Bond Street Improvements	Grand TOTAL
Revenues:											
Taxes	5,739,835			5,739,835					556,909		6,296,744
Franchise Fees	566,500			566,500							566,500
Interest	63,500			63,500					1,000		64,500
Permits	272,700			272,700							272,700
Animal Control	3,400			3,400							3,400
Fines & Forfeitures	127,570			127,570							127,570
Fees & Services	230,034			230,034	3,804,008	1,064,661		4,868,669			5,098,703
Miscellaneous Income	20,100			20,100							20,100
Transfers	111,750	310,000	160,503	582,253							582,253
Total Available Resources	7,135,389	310,000	160,503	7,605,892	3,804,008	1,064,661	-	4,868,669	557,909	-	13,032,470
Expenditures:											
Personnel	4,210,327			4,210,327	717,398	611,820		1,329,218	-		5,539,545
Supplies, Maintenance & Operations	717,064			717,064	2,277,581	1,015,943		3,293,524	-		4,010,588
Professional Services	1,120,818	60,000		1,180,818	47,081	1,162		48,243	-		1,229,061
Shared Services	337,592			337,592				-			337,592
Capital Outlay	127,850	250,000		377,850	472,000	420,000		892,000	-		1,269,850
Debt Service	-			-	82,729	15,758		98,487	557,909		656,396
Transfers & Non-Cash Adjustments	621,738		160,503	782,241	(280,334)	(298,814)	(78,846)	(657,994)			124,247
Total Expenditures	7,135,389	310,000	160,503	7,605,892	3,316,455	1,765,869	(78,846)	5,003,477	557,909	-	13,167,278
Net Budget Surplus/(Deficit)	-	-	-	-	487,553	(701,208)	78,846	(134,808)	-	-	(134,808)



GENERAL FUND

The General Fund is responsible for providing basic services to the residents of the City. These services include Public Safety, City Administration, Municipal Court, Public Works (Public Works, Streets, Building Maintenance, Fleet), Community Development (Development, Planning, Inspections), and Administrative Services (Finance and Purchasing).

The General Fund's primary revenue sources are Property Taxes, Sales Taxes, Franchise Fees and Charges for City Services. The City Council is responsible for establishing a tax rate for the General Fund.

Per the Texas Property Tax Code, if the proposed tax rate exceeds the lower of the effective tax rate or the rollback tax rate, the City is required to hold two public hearings on the tax rate for that fiscal year.

The City has two tax rates to set: Maintenance and Operating (M&O) rate and an Interest and Sinking Fund (I&S) rate. Each of these has separate sets of taxation rules and when combined equals the total tax rate assessed.

The I&S rate is set to pay debt service on general obligation bonds like the \$7 million the City issued to reconstruct our streets. When the citizens voted to issue these bonds, the city obligated itself to pay this debt through property taxes. The rate can move up or down a little each year depending on the amortization schedule and total property values. The I&S rate proposed for this year is \$.03618 per \$100 which is lower than last year's rate of \$.0386 per \$100.

The M&O rate pays for services like police, fire protection, and maintenance. The M&O rate proposed (\$.3306 per \$100) is above last year's rate of \$.2909 per \$100. This rate is proposed to fund the implementation of programs based on citizen feedback and the Council's strategic goals. The increase will also be funding the resources to meet the needs of a growing city population and infrastructure. The total property tax rate will be $(\$0.3306 + \$0.03618) = \$0.36678$, an increase of \$0.03728 per \$100 over the previous year.

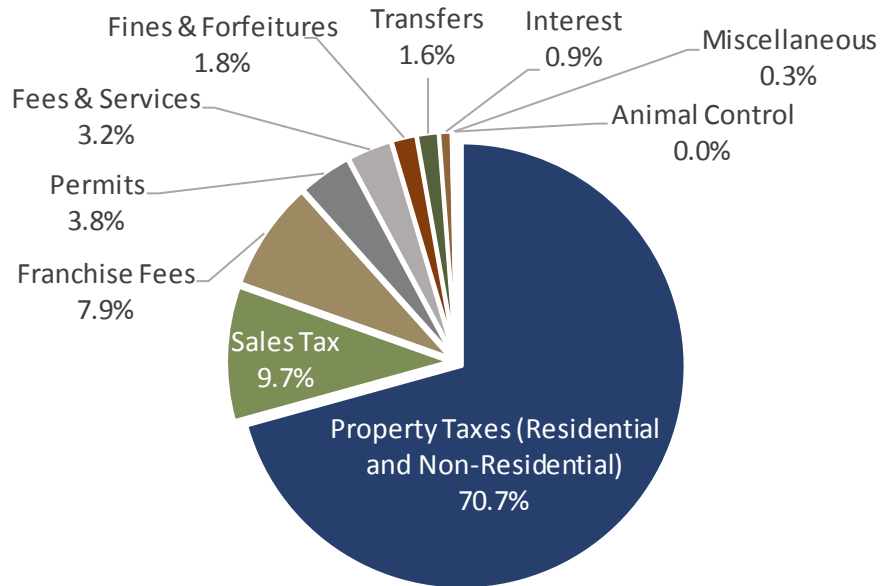


Fair Oaks Ranch City Hall

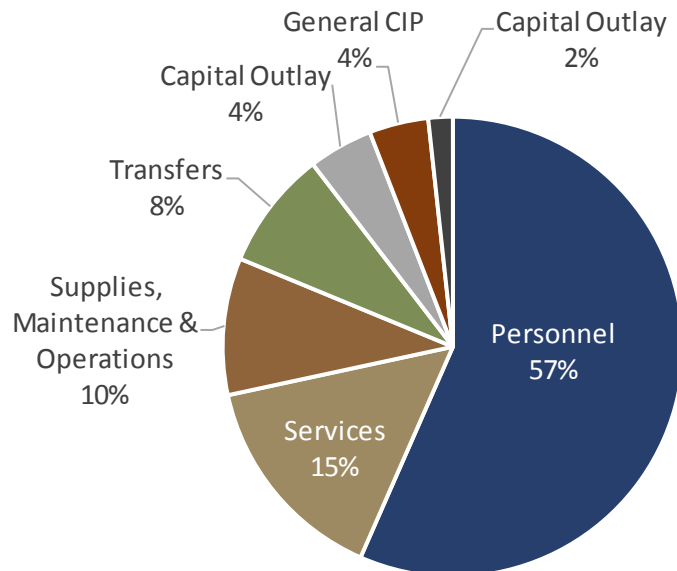
GENERAL FUND BUDGET SUMMARY

General Fund Budget Summary						
	M&O Tax Rate				I&S Tax Rate	Total Tax Rate
	General Admin	General CIP	General Equip Repl	General TOTAL	Debt Service	Grand TOTAL
<u>Revenues:</u>						
Taxes	5,739,835			5,739,835	556,909	6,296,744
Franchise Fees	566,500			566,500		566,500
Interest	63,500			63,500	1,000	64,500
Permits	272,700			272,700		272,700
Animal Control	3,400			3,400		3,400
Fines & Forfeitures	127,570			127,570		127,570
Fees & Services	230,034			230,034		230,034
Miscellaneous Income	20,100			20,100		20,100
Transfers	111,750	310,000	160,503	582,253		582,253
Total Available Resources	7,135,389	310,000	160,503	7,605,892	557,909	8,163,801
<u>Expenditures:</u>						
Personnel	4,210,327			4,210,327	-	4,210,327
Supplies, Maintenance & Operatior	717,064			717,064	-	717,064
Professional Services	1,120,818	60,000		1,180,818	-	1,180,818
Shared Services	337,592			337,592	-	337,592
Capital Outlay	127,850	250,000		377,850	-	377,850
Debt Service	-			-	557,909	557,909
Transfers & Non-Cash Adjustments	621,738		160,503	782,241	-	782,241
Total Expenditures	7,135,389	310,000	160,503	7,605,892	557,909	8,163,801
Net Budget Surplus/(Deficit)	-	-	-	-	-	-

GENERAL FUND REVENUES



GENERAL FUND EXPENDITURES



GENERAL FUND REVENUES (DETAIL)

General Fund Revenue Detail				
Revenue Type	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Taxes				
General Property	3,653,157	4,156,201	4,095,145	4,999,835
Delinquent Property	34,545	30,000	27,962	30,000
Penalty & Interest	17,874	15,000	16,105	15,000
Mixed Beverage	20,139	19,000	23,294	20,000
Local Sales	422,068	400,000	471,285	450,000
Street Maintenance	104,981	100,000	117,771	112,500
Property Reduction	104,981	100,000	117,771	112,500
Total Taxes	4,357,745	4,820,201	4,869,334	5,739,835
Franchise Fees				
Time Warner Cable	63,957	64,000	65,713	62,000
GVTC Cable/Telephone	72,371	75,000	71,030	72,000
AT&T Cable/Telephone	22,775	24,000	20,204	21,000
Miscellaneous	1,546	1,200	959	1,500
City Public Service	301,693	292,000	336,360	330,000
Pedernales Electric Company	38,943	46,000	39,674	41,000
Grey Forest Utilities	8,223	10,000	15,854	10,500
Garbage Regular	29,846	33,000	24,821	27,000
Garbage Recycling	1,251	1,500	2,147	1,500
Total Franchise Fees	540,605	546,700	576,762	566,500
Interest				
Bank/Investment Interest	25,394	9,000	62,540	63,500
Total Interest	25,394	9,000	62,540	63,500
Permits				
New Residential Permits	203,501	205,000	140,893	200,200
New Commerical Permits	6,962	6,000	3,803	2,600
Remodeling/Additions	21,138	23,900	28,081	31,200
Other BC and Permits	25,003	20,000	21,405	26,000
Contractor Registration	17,475	18,000	9,450	10,000
Food/Health	2,500	2,500	2,415	2,700
Total Permits Costs	276,579	275,400	206,046	272,700

GENERAL FUND REVENUES (DETAIL) CONT.

Revenue Type	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Animal Control				
Pet Licenses	1,115	1,200	2,850	1,500
Pet Impound/Quarantine	2,600	2,850	2,125	1,900
Animal Traps	-	-	-	-
Total Animal Control	3,715	4,050	4,975	3,400
Fines & Forfeitures				
Municipal Court Fines	121,609	170,000	108,526	120,000
Municipal Court Security	3,258	5,000	3,402	3,200
Municipal Court Technology	4,345	6,500	4,151	4,300
Municipal Court Efficiency	48	125	48	70
Total Fines & Forfeitures	129,260	181,625	116,127	127,570
Fees & Services				
FORU Management	195,334	178,000	212,768	194,884
Special Fees	4,188	8,600	9,187	4,900
FORMDD Management	6,000	10,000	10,000	26,750
Credit Card Service Fee	3,349	3,200	3,024	3,500
Total Fees & Services	208,872	199,800	234,979	230,034
Miscellaneous				
Miscellaneous	24,316	4,000	6,493	4,000
City Event Sponsorships	-	25,000	16,500	-
Street Bond Reimbursements	-	-	-	-
Sale of Assets	23,874	7,000	39,942	7,000
Donations/Grants	-	5,000	28,908	-
School Guard Crossing Fund	7,482	7,250	7,137	7,400
Lease Proceeds	1,625	1,650	1,785	1,700
Police Seized Proceeds	-	-	6,573	-
Total Miscellaneous	57,297	49,900	107,339	20,100
Transfers				
Fund Balance	-	-	-	-
Court Technology	-	-	-	-
Court Security Building	-	-	-	-
Capital Replacement	-	-	-	111,750
Court Efficiency	-	-	-	-
Lease Training Funds	-	-	-	-
Committed Contracts	-	-	-	-
Total Transfers	-	-	-	111,750
Total Revenue	5,599,467	6,086,676	6,178,103	7,135,389

GENERAL FUND EXPENDITURES (DETAIL)

General Fund Budget by Department															
	Mayor & Council	City Administration	City Secretary	HR and Communications	Finance	Municipal Court	Public Safety and Emergency	Maintenance	Building Codes and Permits	Engineering and Planning	Non-Departmental & Shared	Total General Operations	CP	Equip Replacement	Grand Total
Personnel															
Salaries	-	301,306	129,490	88,276	200,964	97,552	1,559,138	257,876	167,727	208,786	-	3,011,116	-	-	3,011,116
Overtime	-	-	-	-	166	440	10,246	955	171	-	-	11,978	-	-	11,978
Taxes - Social Security	-	18,681	8,028	5,473	12,470	6,076	97,302	16,048	10,410	12,945	-	187,432	-	-	187,432
Taxes - Medicare	-	4,369	1,878	1,280	2,916	1,421	22,756	3,753	2,435	3,027	-	43,835	-	-	43,835
Taxes SUTA/FUTA	-	675	675	450	675	450	6,300	1,575	675	788	-	12,263	-	-	12,263
Retirement	-	35,976	15,461	10,540	24,015	11,700	187,385	30,904	20,047	24,929	-	360,957	-	-	360,957
Health Insurance	-	30,690	27,397	15,056	21,336	16,911	238,031	50,667	24,337	31,973	-	456,398	-	-	456,398
Workmans' Compensation	-	1,356	583	397	905	441	69,418	22,956	1,512	2,380	-	99,948	-	-	99,948
Uniform Allowance	-	-	-	-	-	-	19,200	-	-	-	-	19,200	-	-	19,200
Car Allowance	-	7,200	-	-	-	-	-	-	-	-	-	7,200	-	-	7,200
Relocation Allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Personnel Costs	-	400,253	183,513	121,472	263,447	134,991	2,209,776	384,734	227,313	284,828	-	4,210,327	-	-	4,210,327
Supplies, Maintenance & Operations															
Supplies and Consumables	200	550	800	1,118	1,027	2,000	3,100	3,500	600	4,654	6,000	23,549	-	-	23,549
Minor Equipment and Furniture	-	4,790	4,500	4,500	7,520	-	70,600	13,560	1,180	4,036	-	110,686	-	-	110,686
Fuel	-	200	-	-	-	-	30,000	10,200	1,300	1,859	-	43,559	-	-	43,559
Uniforms	-	150	200	100	-	100	12,025	7,359	280	815	-	21,029	-	-	21,029
Miscellaneous	-	200	250	-	-	100	2,000	700	150	200	-	3,600	-	-	3,600
Vehicle Maintenance/Repairs	-	-	-	-	-	-	20,000	17,850	-	-	-	37,850	-	-	37,850
Equipment Maintenance/Repairs	-	-	-	-	-	-	-	6,580	-	-	-	6,580	-	-	6,580
Building Maintenance/Repairs	-	-	-	-	-	-	-	13,000	-	-	-	13,000	-	-	13,000
Landscaping & Greenspace Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Street Maintenance	-	-	-	-	-	-	-	80,000	-	347,711	-	427,711	-	-	427,711
Drainage Work	-	-	-	-	-	-	-	25,000	-	-	-	25,000	-	-	25,000
Committees - Other	1,000	-	-	-	-	-	-	-	-	-	-	1,000	-	-	1,000
Committees - Planning & Zoning	1,000	-	-	-	-	-	-	-	-	-	-	1,000	-	-	1,000
Committee - Board of Adj	1,000	-	-	-	-	-	-	-	-	-	-	1,000	-	-	1,000
Urban Wildlife	1,500	-	-	-	-	-	-	-	-	-	-	1,500	-	-	1,500
Donations & Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Supplies, Maintenance & Operations Costs	4,700	5,890	5,750	5,718	8,547	2,200	137,725	177,749	3,510	359,275	6,000	717,064	-	-	717,064
Services															
Professional Services	-	128,199	7,000	5,000	109,845	62,500	509,816	-	9,200	120,000	-	951,560	60,000	-	1,011,560
Dues/Subscriptions	-	3,580	2,940	275	403	400	4,100	600	290	363	-	12,951	-	-	12,951
Training/Seminars & Related Travel	3,000	18,443	3,555	14,025	6,200	2,000	14,000	8,541	3,555	8,138	-	81,457	-	-	81,457
Elections	-	-	19,500	-	-	-	-	-	-	-	-	19,500	-	-	19,500
Investigations	-	-	-	-	-	-	7,000	-	-	-	-	7,000	-	-	7,000
Lease Training	-	-	-	-	-	-	7,600	-	-	-	-	7,600	-	-	7,600
K-9 Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Relations	3,500	-	-	10,000	-	-	6,000	-	-	-	-	19,500	-	-	19,500
Employee Appreciation	-	-	-	4,750	-	-	-	-	-	-	-	4,750	-	-	4,750
Employment Costs	-	-	-	1,100	-	-	-	-	-	-	-	1,100	-	-	1,100
Recording/Reporting/History	-	-	3,000	-	-	-	-	-	-	-	-	3,000	-	-	3,000
Meetings and Related Travel	5,800	1,475	1,676	-	-	-	2,000	750	200	500	-	12,401	-	-	12,401
Total Services Costs	12,300	151,697	37,671	35,150	116,448	64,900	550,516	9,891	13,245	129,001	-	1,120,818	60,000	-	1,180,818
Shared Services															
Facility Contracts & Services	-	-	-	-	-	-	-	-	-	-	20,739	20,739	-	-	20,739
Tech/Internet/Software Maintenance	-	-	-	-	-	-	-	-	-	-	192,810	192,810	-	-	192,810
Postage	-	-	-	-	-	-	-	-	-	-	7,500	7,500	-	-	7,500
General Liability Insurance	-	-	-	-	-	-	-	-	-	-	58,000	58,000	-	-	58,000
Electricity	-	-	-	-	-	-	-	-	-	-	32,700	32,700	-	-	32,700
Phone/Cable/Alarms	-	-	-	-	-	-	-	-	-	-	25,843	25,843	-	-	25,843
Total Shared Services Costs	-	-	-	-	-	-	-	-	-	-	337,592	337,592	-	-	337,592
Capital Outlay															
Land/Land Improvement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building/Building Improvement	-	-	-	-	-	-	-	-	-	-	-	-	250,000	-	250,000
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture, Fixtures, Equipment & Vehicles	-	-	-	-	-	-	74,100	53,750	-	-	-	127,850	-	-	127,850
Transfer to Intergov Fund 06	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Cap Improv Fund 02	-	-	-	-	-	-	-	-	-	-	310,000	310,000	-	-	310,000
Transfer to GF Veh/Equip F 31	-	-	-	-	-	-	-	-	-	-	160,503	160,503	-	111,750	272,253
Fund Balance	-	-	-	-	-	-	-	-	-	-	151,235	151,235	-	48,753	199,988
Total Capital Outlay Costs	-	-	-	-	-	-	74,100	53,750	-	-	621,738	749,588	250,000	160,503	1,160,091
Total General Fund Budget by Department	17,000	557,840	226,934	162,340	388,442	202,091	2,972,117	626,124	244,068	773,104	965,330	7,135,389	310,000	160,503	7,605,892
	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*

*See note in Appendix A regarding prior year amounts

MAYOR & CITY COUNCIL



MISSION STATEMENT

To adopt ordinances, plans, policies and budgets so that the City of Fair Oaks Ranch can deliver high quality municipal services, protect the health and safety of its residents and maintain the quality of life.

SCOPE OF SERVICES SUMMARY

Fair Oaks Ranch is a home-rule city. The City Council consists of six Council Members and a Mayor, all of which vote on the issues brought before Council. All members of the Council are elected at-large, and are limited to 2 consecutive, three year terms. The City Council operates under the City of Fair Oaks Ranch Home Rule Charter, City ordinances and State law. The City Manager, City Attorney, Municipal Judge and City Secretary are appointed by the City Council and operate under its guidance.

The City Council is the policy-making arm of city government. It has a wide variety of tasks which include approving the yearly budget of the City, appointing citizen advisory board and commission members, ordering regular and special elections, and setting the strategic plan for the city.



The Mayor and City Council Members

Recent Accomplishments

- Implemented Home Rule Charter that was approved in May, 2017
- Annexed remaining Extraterritorial Jurisdiction (ETJ) of city
- Updated city's Comprehensive Plan, Zoning Map, and Future Land Use Map
- Created initial zoning districts/regulations
- Selected Commissioners and implemented first Planning & Zoning Commission
- Completed \$7MM road reconstruction project – on time and under budget
- Approved foundational projects for master drainage, water, wastewater, MS4, street mobility

MAYOR & CITY COUNCIL EXPENDITURES

Expenditure Type	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Personnel				
Salaries	-	-	-	-
Overtime	-	-	-	-
Taxes - Social Security	-	-	-	-
Taxes - Medicare	-	-	-	-
Taxes SUTA/FUTA	-	-	-	-
Retirement	-	-	-	-
Health Insurance	-	-	-	-
Workmans' Compensation	-	-	-	-
Uniform Allowance	-	-	-	-
Car Allowance	-	-	-	-
Relocation Allowance	-	-	-	-
Total Personnel Costs	-	-	-	-
Supplies, Maintenance & Operations				
Supplies and Consumables	-	-	-	200
Minor Equipment and Furniture	-	-	-	-
Fuel	-	-	-	-
Uniforms	-	-	-	-
Miscellaneous	-	-	-	-
Vehicle Maintenance/Repairs	-	-	-	-
Equipment Maintenance/Repairs	-	-	-	-
Building Maintenance/Repairs	-	-	-	-
Landscaping & Greenspace Maintenance	-	-	-	-
Street Maintenance	-	-	-	-
Drainage Work	-	-	-	-
Committees - Other	20,425	5,000	4,909	1,000
Committees - Planning & Zoning	-	2,000	94	1,000
Committee - Board of Adj	-	1,000	-	1,000
Urban Wildlife	14,364	35,000	15,661	1,500
Donations & Grants	-	-	-	-
Total Supplies, Maintenance & Operations Costs	34,788	43,001	20,664	4,700
Services				
Professional Services	-	-	-	-
Dues/Subscriptions	-	-	-	-
Training/Seminars & Related Travel	-	-	-	3,000
Meetings and Related Travel	-	2,980	-	5,800
Elections	-	-	-	-
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	-	-	-	3,500
Employee Appreciation	-	-	-	-
Employment Costs	-	-	-	-
Recording/Reporting/History	-	-	-	-
Total Services Costs	-	2,980	-	12,300
Shared Services				
Facility Contracts & Services	-	-	-	-
Tech/Internet/Software Maintenance	-	-	-	-
Postage	-	-	-	-
General Liability Insurance	-	-	-	-
Electricity	-	-	-	-
Phone/Cable/Alarms	-	-	-	-
Total Shared Services Costs	-	-	-	-
Capital Outlay				
Land/Land Improvement	-	-	-	-
Building/Building Improvement	-	-	-	-
Infrastructure	-	-	-	-
Furniture, Fixtures, Equipment & Vehicles	-	-	-	-
Transfer to Intergov Fund 06	-	-	-	-
Transfer to Cap Improv Fund 02	-	-	-	-
Transfer to GF Veh/Equip F 31	-	-	-	-
Fund Balance	-	-	-	-
Total Capital Outlay Costs	-	-	-	-
Total Departmental Budget	34,788 *	45,981 *	20,664 *	17,000

* See Appendix A regarding prior year budget amounts

CITY COUNCIL GOALS AND ACTION ITEMS FOR FY 2018-19

SG-4 Implement a City Management Operating Model



Goal: Improve the City's Strategic Planning Process

Priority Ranking: Essential

FY 18-19 Action Item: Continued articulation and monitoring of high level core mission, vision, goals, objectives and desired results, as expressed as measurable indicators of success or outcomes.

Key elements of this effort may be but are not limited to the following:

- New service delivery opportunities (parks, code enforcement, etc.
- Town Hall meetings to proactively seek input from the community
- Continuation of Annual Strategic Planning Workshop

Resources Budgeted: No resources were budgeted for FY 18-19



Goal: Update City Council Rules of Procedure

Priority Ranking: Essential

FY 18-19 Action Item: Evaluate the existing rules of procedure and frame the desired modifications

Resources Budgeted: No resources were budgeted for FY 18-19. This goal is in the planning stages.

WC-2 Engage the Citizens



Goal: Evaluate and Define Existing Volunteer Programs and Committees

Priority Ranking: Imperative

FY 18-19 Action Item: Evaluate and define existing volunteer programs and Committees

Resources Budgeted: \$1,500 funded for the Wildlife Education Committee

WC-3 Create Proactive Relationships with HOAs & Restriction Committees to Work Zoning Issues



Goal: Enhance Relationships and Strategic Planning Outcomes through Proactive Information Exchanges and Partnership Approaches to Address Community Challenges

Priority Ranking: Essential

FY 18-19 Action Item: Define and implement an annual workshop/meeting program with FOR partners, inclusive of cultivating necessary relationships, framing agenda topics, and scheduling annual/bi-annual workshops (FORHA Board, FORGCC Board, BISD Board, and the City's MDD Board).

Resources Budgeted: Public Relations costs. The Administrative Department's executive assistant scheduled to be hired in FY 18-19 will support this goal.

ADMINISTRATION



MISSION STATEMENT

To preserve and continually improve the unique hill country quality of life for Fair Oaks Ranch residents and businesses through a proactive partnership approach that facilitates city management *with* the community rather than city management *for* the community.

SCOPE OF SERVICES SUMMARY

The City Manager is appointed by the City Council as the Chief Executive Officer and serves under their policy direction. The City Manager is fully accountable for managing and directing daily operations to implement and execute the policies established by the elected City Council. Exercising direct supervision over all department heads, the City Manager provides executive leadership to the organization and staff and communicates organizational goals and values to the public.

Other professionals in Administration include the Assistant City Manager and the Executive Assistant. The Assistant City Manager's portfolio includes contract and agreement services, city code review and modification, performing special projects, and overseeing the City Secretary's office.



Entrance to City Hall Complex

Recent Accomplishments

- Annexation of remaining ETJ
- Updated the City's Comprehensive Plan
- Implemented the City's first zoning ordinance
- Enhanced solid waste services at a reduced cost and held first household hazardous waste event
- Implemented a legislative engagement program
- Implemented the City's first State of the City Address
- Advancement of Master Drainage, Water and Wastewater plan development
- Established Planning and Zoning Commission rules of procedure
- Implemented a Planning and Zoning Commission Training Program
- Framed and implemented a process for City Council appointments to the Planning & Zoning Commission
- Secured new Property Tax Assessor Service provider
- Enhanced standard operating procedures to manage third party contracts
- Appointment to the Texas City Management Association Legislative Advocacy Committee
- Appointment to the Texas City Management Association Membership Committee
- Renegotiated a new 2-year contract for Fire and EMS services
- Renegotiated a new 3-year contract for Sanitation services

STAFFING			
Title	2016-17	2017-18	2018-19
City Manager	1	1	1
Assistant City Manager	1	1	1
Executive Assistant	0	0	1
Total Staffing	2	2	3



Carole Vanzant, CPM, TRMC, MMC
Assistant City Manager

OPPORTUNITIES AND CHALLENGES

The “Big Picture” opportunity for the City of Fair Oaks Ranch is, and will continue to be, managing growth and enhancing the quality of life for the citizenry. The focus of the City must be on developing and maintaining an “achievable” Strategic Plan that represents the interests of residents and business owners (current and future) relative to the City’s ability to respond to changing conditions while maintaining the integrity of an implementation strategy that is coordinated, equitable, predictable, and delivers the most “bang for the buck.” City Management must be effective in communicating and soliciting service delivery expectations from the citizenry based on existing resource allocations.

Fair Oaks Ranch will continue to experience growth pressure due to its location, availability of undeveloped land and positive community image. As the City moves towards build-out, delivery of service challenges will evolve.



Fair Oaks Ranch City Hall

These challenges encompass everything from infrastructure (water, wastewater, drainage, mobility, open space, etc.) to police and fire. It is essential City Management continue to be a proactive supporter of the City Council’s ongoing effort to formulate and administer policies and controls that reflect the values of the community and maintain the integrity of the municipal service delivery function.

ADMINISTRATION EXPENDITURES

Expenditure Type	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Personnel				
Salaries	408,458	504,587	511,107	301,306
Overtime	349	751	619	-
Taxes - Social Security	25,147	31,331	31,198	18,681
Taxes - Medicare	5,903	7,327	7,474	4,369
Taxes SUTA/FUTA	248	2,274	1,240	675
Retirement	47,585	1,744	63,649	35,976
Health Insurance	48,246	60,792	60,495	30,690
Workmans' Compensation	1,318	69,403	765	1,356
Uniform Allowance	-	-	-	-
Car Allowance	9,415	-	-	7,200
Relocation Allowance	-	-	-	-
Total Personnel Costs	546,669	678,209	676,547	400,253
Supplies, Maintenance & Operations				
Supplies and Consumables	5,346	-	5,846	550
Minor Equipment and Furniture	9,352	595	11,624	4,790
Fuel	162	400	307	200
Uniforms	718	850	800	150
Miscellaneous	879	1,000	2,234	200
Vehicle Maintenance/Repairs	-	-	-	-
Equipment Maintenance/Repairs	-	-	-	-
Building Maintenance/Repairs	-	-	-	-
Landscaping & Greenspace Maintenance	-	-	-	-
Street Maintenance	-	-	-	-
Drainage Work	-	-	-	-
Committees - Other	-	-	-	-
Committees - Planning & Zoning	-	-	-	-
Committee - Board of Adj	-	-	-	-
Urban Wildlife	-	-	-	-
Donations & Grants	-	-	-	-
Total Supplies, Maintenance & Operations Costs	16,457	2,845	20,811	5,890
Services				
Professional Services	163,654	168,175	263,315	128,199
Dues/Subscriptions	3,980	3,040	6,353	3,580
Training/Seminars & Related Travel	8,744	21,100	29,419	18,443
Meetings and Related Travel	1,674	795	1,364	1,475
Elections	-	-	-	-
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	-	-	-	-
Employee Appreciation	-	-	-	-
Employment Costs	-	-	-	-
Recording/Reporting/History	-	-	-	-
Total Services Costs	178,052	193,110	300,451	151,697
Shared Services				
Facility Contracts & Services	-	-	-	-
Tech/Internet/Software Maintenance	-	-	-	-
Postage	-	-	-	-
General Liability Insurance	-	-	-	-
Electricity	-	-	-	-
Phone/Cable/Alarms	-	-	-	-
Total Shared Services Costs	-	-	-	-
Capital Outlay				
Land/Land Improvement	-	-	-	-
Building/Building Improvement	7,400	-	-	-
Infrastructure	-	-	-	-
Furniture, Fixtures, Equipment & Vehicles	10,000	-	15,908	-
Transfer to Intergov Fund 06	-	-	-	-
Transfer to Cap Improv Fund 02	-	-	-	-
Transfer to GF Veh/Equip F 31	-	-	-	-
Fund Balance	-	-	-	-
Total Capital Outlay Costs	17,400	-	15,908	-
Total Departmental Budget	758,578 *	874,164 *	1,013,717 *	557,840

* See Appendix A regarding prior year budget amounts

ADMINISTRATION GOALS AND ACTION ITEMS FOR FY 2018-19

SG-1 Develop a Legislative/Intelligence Ability

 **Goal:** Cultivate Effective Alliances with Regional, State, and National Levels of Government and Organizations

Priority Ranking: Essential

FY 18-19 Action Item: City Manager was recently appointed to serve as the Region 8 representative on the Texas City Management Association (TCMA) Advocacy Committee. The charge of the TCMA Advocacy Committee is to facilitate membership involvement in the Texas Municipal League Legislative process by:

- Assisting TML in soliciting the TCMA membership and elected officials to actively engage in the legislative process; and
- Vetting legislative issues of importance to the membership including compliance with the “Mandatory Conditions Related to Legislative Activities” of TML.
- Final recommendations from the Advocacy Committee are submitted to the TCMA Board.

Resources Budgeted: An executive assistant will be hired in FY 2018-19 to support this goal.

 **Goal:** Cultivate Effective Alliances with Regional, State, and National Levels of Government and Organizations

Priority Ranking: Essential

FY 18-19 Action Item: Define/Implement a Value-Add interlocal governmental & organizational affairs program, inclusive of framing value-add opportunities and coverage at the Operational (Staff) level.

Resources Budgeted: An executive assistant will be hired in FY 2018-19 to support this goal.

SG-3 Leverage External State and Local Resources

 **Goal:** Ensure Appropriate and Adequate City Services are Being Provided at the Best Cost to the Citizens

Priority Ranking: Important

FY 18-19 Action Item: Define and implement beneficial interlocal agreements/capital cost sharing scenarios with applicable agencies.

Resources Budgeted: An executive assistant will be hired in FY 2018-19 to support this goal.

SG-4 Implement a City Management Operating Model

 **Goal:** Production/Dissemination of the Monthly City Manager’s Report

Priority Ranking: Essential

FY 18-19 Action Item: Solidify KPI capture, report format, and monthly production/dissemination schedule

Resources Budgeted: An executive assistant will be hired in FY 2018-19 to support this goal.

WC-2 Engage the Citizens**Goal: Create a Citizens on Patrol Program (COPP) to Enhance Code Enforcement service Delivery****Priority Ranking:** Imperative**FY 18-19 Action Item:** Define and implement a COPP (Non-emergency code enforcement assistance). Provide training and applicable authorizations in areas of defined City Code Assistance/Responsibility (bandit signs, high grass & weeds, oak wilt, handicap parking, environmental compliance, etc.).**Resources Budgeted:** An executive assistant will be hired in FY 2018-19 to support this goal.**CP-2 Preserve our Ability to Manage our Growth Consistent with our Vision****Goal: Implementation/Application of the Comprehensive Plan Update & Unified Development Code (UDC)****Priority Ranking:** Imperative**FY 18-19 Action Item:** Implement Planning & Zoning service delivery model inclusive of on-boarding a newly defined pre-development process.**Resources Budgeted:** \$60,000 funded to complete subdivision regulations, MLUP, zoning regulations and development handbook**HT-1 Ensure a High Standard of Public Services****Goal: Develop a Sustainable Business Plan for the Delivery of Fire & EMS Services (shared goal with Finance)****Priority Ranking:** Essential**FY 18-19 Action Item:** Meet with regional partners to frame long-term delivery alternatives and funding scenarios.**Resources Budgeted:** An executive assistant will be hired in FY 2018-19 to support this goal.**Goal: Define and Implement a Contract Management/Document Control Program for 3rd Party Service Providers.****Priority Ranking:** Essential**FY 18-19 Action Item:** Compile and review all existing 3rd party service contracts and define and implement a control program inclusive of internal/external performance and contract renewals linked to FY budget cycles.**Resources Budgeted:** An executive assistant will be hired in FY 2018-19 to support this goal.**Goal: Enhanced IT Services and Internal Efficiencies****Priority Ranking:** Essential**FY 18-19 Action Item:** Define and implement an in-house IT service function inclusive of working with the City's existing IT contractor to develop short-term/long-term IT master plans and data management.

Resources Budgeted: \$25,024 funded for additional IT equipment. An IT Manager will be hired in FY 2018-19 to support this goal.



Goal: Develop a City-wide Facility and Space Plan (short/long-term)

Priority Ranking: Essential

FY 18-19 Action Item: Develop overall scope initiative

Resources Budgeted: \$250,000 funded for city hall, HOA and other building updates/construction

HT-2

Enhance and Maintain the Aesthetics of the Community



Goal: Establish a Proactive Tree Preservation and Oak Wilt Program (prevention & mitigation)

Priority Ranking: Essential

FY 18-19 Action Item: Work with the city's Environmental Specialist on researching, developing and implementing a tree preservation program, inclusive of permitting requirements.

Resources Budgeted: No additional resources needed for FY 2018-19



Goal: Implement Zoning Review and Development Procedures

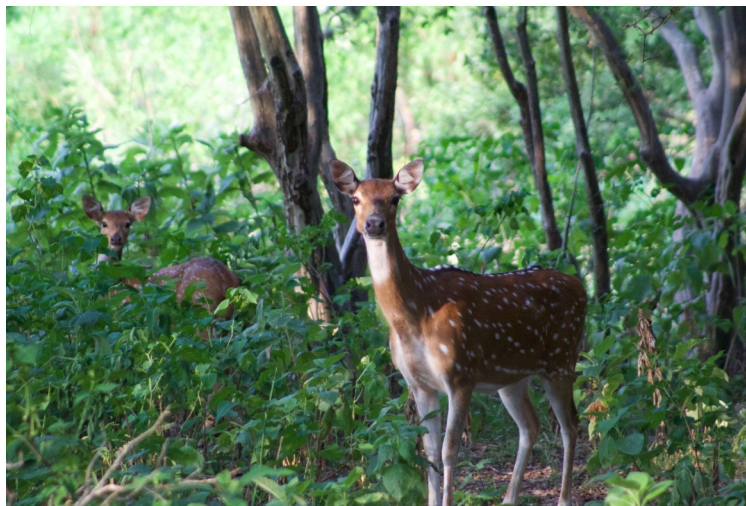
Priority Ranking: Essential

FY 18-19 Action Item: Contract with a city planner

Resources Budgeted: \$15,000 funded for City Planner contract services.

SIGNIFICANT CHANGES FOR THE FY 2018-19 BUDGET

FTE – Executive Assistant



Local Axis Deer

CITY SECRETARY



MISSION STATEMENT

To ensure transparent and responsive government through appropriate recording and preservation of the City's legislative history and official records, to enhance service to the public, and to conduct fair and impartial city elections.

SCOPE OF SERVICES SUMMARY

The position of City Secretary is a statutory position required by State law, is appointed by the City Council and falls under the supervision of the City Manager and Assistant City Manager.

The City Secretary prepares Council and other committee agendas and official minutes, prepares legal notices related to agendas and other city issues for publication and posting, serves as the custodian for the official city records, i.e. Code of Ordinances, Resolutions, and meeting minutes of City Council and various Boards and Commissions, maintains the city seal and attests all city documents, is responsible for oaths of office, and processes open records requests. The City Secretary serves as the Election Officer for City Elections and as the Records Manager. The City Secretary manages the Front Administrative Office.

The City Secretary's office:

- First point of contact for citizen information regarding City services, programs and events
- Collects fees and issues various permits and licenses
- Offers free notary service to city residents for non-business documents.
- Receives bids (Conflicts Disclosure Statement Information)

STAFFING			
Title	2016-17	2017-18	2018-19
City Secretary	1	1	1
Deputy City Secretary	0	0	1
Admin Clerk	1	2	2
Total Staffing	2	3	4

Recent Accomplishments

- Fulfilled over 66 Public Information Act (PIA) requests
- Prepared 19 Ordinances and Resolutions for City Council consideration
- Conducted the May 2018 Election

CITY SECRETARY EXPENDITURES

Expenditure Type	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Personnel				
Salaries	-	-	-	129,490
Overtime	-	-	-	-
Taxes - Social Security	-	-	-	8,028
Taxes - Medicare	-	-	-	1,878
Taxes SUTA/FUTA	-	-	-	675
Retirement	-	-	-	15,461
Health Insurance	-	-	-	27,397
Workmans' Compensation	-	-	-	583
Uniform Allowance	-	-	-	-
Car Allowance	-	-	-	-
Relocation Allowance	-	-	-	-
Total Personnel Costs	-	-	-	183,513
Supplies, Maintenance & Operations				
Supplies and Consumables	-	-	-	800
Minor Equipment and Furniture	-	15,722	-	4,500
Fuel	-	-	-	-
Uniforms	-	-	-	200
Miscellaneous	-	-	-	250
Vehicle Maintenance/Repairs	-	-	-	-
Equipment Maintenance/Repairs	-	-	-	-
Building Maintenance/Repairs	-	-	-	-
Landscaping & Greenspace Maintenance	-	-	-	-
Street Maintenance	-	-	-	-
Drainage Work	-	-	-	-
Committees - Other	-	-	-	-
Committees - Planning & Zoning	-	-	-	-
Committee - Board of Adj	-	-	-	-
Urban Wildlife	-	-	-	-
Donations & Grants	-	-	-	-
Total Supplies, Maintenance & Operations Costs	-	15,722	-	5,750
Services				
Professional Services	-	1,700	-	7,000
Dues/Subscriptions	-	2,795	-	2,940
Training/Seminars & Related Travel	-	3,030	-	3,555
Meetings and Related Travel	-	750	-	1,676
Elections	22,437	6,000	3,030	19,500
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	-	-	-	-
Employee Appreciation	-	-	-	-
Employment Costs	-	-	-	-
Recording/Reporting/History	1,622	5,000	3,601	3,000
Total Services Costs	24,059	19,275	6,631	37,671
Shared Services				
Facility Contracts & Services	-	-	-	-
Tech/Internet/Software Maintenance	-	-	-	-
Postage	-	-	-	-
General Liability Insurance	-	-	-	-
Electricity	-	-	-	-
Phone/Cable/Alarms	-	-	-	-
Total Shared Services Costs	-	-	-	-
Capital Outlay				
Land/Land Improvement	-	-	-	-
Building/Building Improvement	-	-	-	-
Infrastructure	-	-	-	-
Furniture, Fixtures, Equipment & Vehicles	-	-	-	-
Transfer to Intergov Fund 06	-	-	-	-
Transfer to Cap Improv Fund 02	-	-	-	-
Transfer to GF Veh/Equip F 31	-	-	-	-
Fund Balance	-	-	-	-
Total Capital Outlay Costs	-	-	-	-
Total Departmental Budget	24,059 *	34,997 *	6,631 *	226,934

* See Appendix A regarding prior year budget amounts

CITY SECRETARY GOALS AND ACTION ITEMS FOR FY 2018-19

SG-2 Achieve Home Rule



Goal: Ensure City Documents Comply with the City Charter and Federal/State Statutes.

Priority Ranking: Imperative

FY 18-19 Action Item: Development and implement a Quality Review/Quality Assurance program charged with reviewing and updating city-wide ordinances (code of ordinances), resolutions, policy's, etc.

Resources Budgeted: \$5,000 funded for a legal review.



Christina Picioccio, City Secretary

WC-5 Improve Citizen Communications



Goal: Develop Digitization Requirements for City Records

Priority Ranking: Essential

FY 18-19 Action Item: Evaluate existing digitization archives and develop process for future digitization.

Resources Budgeted: A deputy city secretary will be hired in FY 2018-19 to support this goal.



Goal: To Compile an Ongoing, Accurate Database of Resident Contact Information to Include Telephone Numbers, Mailing and E-Mail Addresses

Priority Ranking: Essential

FY 18-19 Action Item: Investigate alternate providers of home owner information and perform comparisons with existing database.

Resources Budgeted: A deputy city secretary will be hired in FY 2018- 19 to support this goal.



Goal: Update New Resident Information Packet

Priority Ranking: Essential

FY 18-19 Action Item: Evaluate and update current package provided to new residents.

Resources Budgeted: A deputy city secretary will be hired in FY 2018-19 to support this goal.

HT-1 | Ensure a High Standard of Public Services**Goal: To Enhance Security Screening for Solicitor's Permits****Priority Ranking:** Essential**FY 18-19 Action Item:** Investigate companies that provide thorough background checks. Review best practices of select cities for solicitor permit policies. Work with city attorney to finalize policy.**Resources Budgeted:** A deputy city secretary will be hired in FY 2018-19 to support this goal.**Goal: Review and Update Current Retention Schedule/Destruction Policy****Priority Ranking:** Essential**FY 18-19 Action Item:** Compare current policy with actual retention practices and state requirements.**Resources Budgeted:** A deputy city secretary will be hired in FY 2018-19 to support this goal.**Goal: Streamline Process of Records Management****Priority Ranking:** Essential**FY 18-19 Action Item:** Expand city secretary office by hiring a FTE Deputy City Secretary.**Resources Budgeted:** A deputy city secretary will be hired in FY 2018-19 to support this goal.**Goal: Improve Agenda Process****Priority Ranking:** Essential**FY 18-19 Action Item:** Improve upon the agenda process for meetings**Resources Budgeted:** A deputy city secretary will be hired in FY 2018-19 to support this goal.

SIGNIFICANT CHANGES FOR THE FY 2018-19 BUDGET

Inclusion of a new position for Deputy City Secretary



City of Fair Oaks Ranch Front Office Staff

FINANCE



MISSION STATEMENT

To ensure and maintain the financial integrity and stability of the City and to prepare for future growth, by providing leadership and direction to city departments.

SCOPE OF SERVICES SUMMARY

The Finance Department is responsible for financial operations, financial reporting, accounting, accounts payable, accounts receivable, payroll, fixed assets, general ledger, financial planning, internal controls, procurement and debt management. This office, working closely with other city departments, also develops the annual General Fund Budget, Utility Fund Budget and Capital Improvement Plan. Further, the Finance Office is responsible for all cash management and investments. The Finance Department is committed to providing timely, accurate, and complete information and support to other city departments, citizens, and the community at large while maintaining a high level of compliance with all pertinent Federal, State, and local rules and regulations. The Finance Director also oversees the IT function beginning in Fiscal Year 18-19 and serves as the City liaison to the Municipal Development District.

STAFFING			
Title	2016-17	2017-18	2018-19
Finance Director	1	1	1
Accounting Manager	0	1	1
Accountant	0	0	1
Procurement Manager	0	0	1
IT Manager	0	0	1
AP/Payroll Specialist	1	1	1
Total Staffing	2	3	6

Recent Accomplishments

- Submitted a GFOA Compliant CAFR for the first time
- Documented processes and procedures for AP, Payroll, and Cash Collections
- Established documented processes for credit card handling and submission of receipts.
- Began the process of implementing internal controls within the Finance Department
- Onboarded an Accountant
- Updated and improved financial management tools
- Modernized the City's budgeting and strategic planning process.
- Implemented regular reconciliation procedures
- Tied Strategic Plan to budget initiatives

FINANCE EXPENDITURES

Expenditure Type	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Personnel				
Salaries	-	-	-	200,964
Overtime	-	-	-	166
Taxes - Social Security	-	-	-	12,470
Taxes - Medicare	-	-	-	2,916
Taxes SUTA/FUTA	-	-	-	675
Retirement	-	-	-	24,015
Health Insurance	-	-	-	21,336
Workmans' Compensation	-	-	-	905
Uniform Allowance	-	-	-	-
Car Allowance	-	-	-	-
Relocation Allowance	-	-	-	-
Total Personnel Costs	-	-	-	263,447
Supplies, Maintenance & Operations				
Supplies and Consumables	-	-	-	1,027
Minor Equipment and Furniture	-	-	-	7,520
Fuel	-	-	-	-
Uniforms	-	-	-	-
Miscellaneous	-	-	-	-
Vehicle Maintenance/Repairs	-	-	-	-
Equipment Maintenance/Repairs	-	-	-	-
Building Maintenance/Repairs	-	-	-	-
Landscaping & Greenspace Maintenance	-	-	-	-
Street Maintenance	-	-	-	-
Drainage Work	-	-	-	-
Committees - Other	-	-	-	-
Committees - Planning & Zoning	-	-	-	-
Committee - Board of Adj	-	-	-	-
Urban Wildlife	-	-	-	-
Donations & Grants	-	-	-	-
Total Supplies, Maintenance & Operations Costs	-	-	-	8,547
Services				
Professional Services	-	-	-	109,845
Dues/Subscriptions	-	-	-	403
Training/Seminars & Related Travel	-	-	-	6,200
Meetings and Related Travel	-	-	-	-
Elections	-	-	-	-
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	-	-	-	-
Employee Appreciation	-	-	-	-
Employment Costs	-	-	-	-
Recording/Reporting/History	-	-	-	-
Total Services Costs	-	-	-	116,448
Shared Services				
Facility Contracts & Services	-	-	-	-
Tech/Internet/Software Maintenance	-	-	-	-
Postage	-	-	-	-
General Liability Insurance	-	-	-	-
Electricity	-	-	-	-
Phone/Cable/Alarms	-	-	-	-
Total Shared Services Costs	-	-	-	-
Capital Outlay				
Land/Land Improvement	-	-	-	-
Building/Building Improvement	-	-	-	-
Infrastructure	-	-	-	-
Furniture, Fixtures, Equipment & Vehicles	-	-	-	-
Transfer to Intergov Fund 06	-	-	-	-
Transfer to Cap Improv Fund 02	-	-	-	-
Transfer to GF Veh/Equip F 31	-	-	-	-
Fund Balance	-	-	-	-
Total Capital Outlay Costs	-	-	-	-
Total Departmental Budget	- *	- *	- *	388,442

* See Appendix A regarding prior year budget amounts

FINANCE GOALS AND ACTION ITEMS FOR FY 2018-19

FI-1 | Develop a Budget Process that Links to our Strategy



Goal: Continue to Improve Budget Process and Deliverables to GFOA Standards

Priority Ranking: Imperative

FY 18-19 Action Item: Implement Complex Components of GFOA Standards

Resources Budgeted: A staff accountant will be hired in FY 2018-19 to support this goal.

FI-2 | Develop Audit and Financial Reporting Process to ensure Transparency and Confidence



Goal: Implement Results of Forensic Accounting Study and Financial Statement Audit

Priority Ranking: Imperative

FY 18-19 Action Item: Better tracking of capital assets, reconciliation of impact fees, and reserve requirements

Resources Budgeted: A staff accountant will be hired in FY 2018-19 to support this goal.

FI-4 | Develop Risk Mitigations and Corrections Strategies



Goal: Reduce Risk to City by Developing Processes and Controls for the Procurement Cycle and Cash Disbursements

Priority Ranking: Imperative

FY 18-19 Action Item: Implement a procurement cycle

Resources Budgeted: A procurement manager will be hired in FY 2018-19 to support this goal.



Goal: Reduce Risk to City by Assessing Current Internal Control Environment and Define an Internal Controls Framework.

Priority Ranking: Imperative

FY 18-19 Action Item: Conduct an internal controls study

Resources Budgeted: \$47,000 funded for additional audit fees. A procurement manager will be hired in FY 2018-19 to support this goal.

CP-5	Develop a Financial Strategy to Support our Growth Management Plan
------	--

**Goal: Develop a Financial Plan for Storm Water Utility****Priority Ranking:** Essential**FY 18-19 Action Item:** Support Public Works Department to analyze options for Storm Water Utility and strategies for improvement in Utility fund budgets and forecasts.**Resources Budgeted:** A staff accountant will be hired in FY 2018-19 to support this goal.

HT-1	Ensure a High Standard of Public Services
------	---

**Goal: Develop a Sustainable Business Plan for the Delivery of Fire & EMS Services (shared goal with Admin)****Priority Ranking:** Essential**FY 18-19 Action Item:** Meet with regional partners to frame long-term delivery alternatives and funding scenarios.**Resources Budgeted:** An executive assistant will be hired in FY 2018-19 to support this goal.**SIGNIFICANT CHANGES FOR THE FY 2018-19 BUDGET**

FTE Staff Accountant

FTE Procurement Manager

FTE IT Manager

Internal Controls Consultant



Sarah Buckelew, CPA
Finance Director

HR & COMMUNICATIONS



MISSION STATEMENT

The Human Resources and Communications Department is committed to supporting the City's goal of providing excellent services to the residents of Fair Oaks Ranch by attracting, developing, and retaining a highly qualified diverse workforce. The department is focused on promoting a work environment that is characterized by mutual respect, open communication, opportunities for personal growth, personal accountability, and devotion to service.

SCOPE OF SERVICES SUMMARY

Human Resource Management - The department partners with other departments to provide workforce and management strategies in the areas of workforce planning, compensation, and policy development. The department provides the functions of recruitment and selection, policy and management, employment law compliance, employee recognition, employee development, and personnel records management.

Risk Management - The City maintains property and liability insurance coverage for city property, and worker's compensation insurance coverage for all City employees. The department works with other departments to promote a safe working environment, ensure safety procedures are in place, and files and monitors any claims until resolution.

Communications - The department coordinates the City's communication with the citizens of Fair Oaks Ranch by maintaining the City's website and social media account. The department also coordinates and publicizes any community outreach events. The department also serves as the staff liaison with the communications committee.

STAFFING			
Title	2016-17	2017-18	2018-19
Director of HR &	1	1	1
Public Relations/	0	0	1
Total Staffing	1	1	2

Recent Accomplishments

- Coordinated the first "State of the City" event
- Developed and implemented an Emergency Action Plan for the City Office Complex
- Implemented annual employee evaluation program
- With the Communications Committee, developed and implemented permanent informational signage plan for the City
- Coordinated the 30th Anniversary City Celebration
- Recognized as a 2018 Top Workplace in the San Antonio Express News

HUMAN RESOURCES AND COMMUNICATIONS EXPENDITURES

Expenditure Type	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Personnel				
Salaries	-	-	-	88,276
Overtime	-	-	-	-
Taxes - Social Security	-	-	-	5,473
Taxes - Medicare	-	-	-	1,280
Taxes SUTA/FUTA	-	-	-	450
Retirement	-	-	-	10,540
Health Insurance	-	-	-	15,056
Workmans' Compensation	-	-	-	397
Uniform Allowance	-	-	-	-
Car Allowance	-	-	-	-
Relocation Allowance	-	-	-	-
Total Personnel Costs	-	-	-	121,472
Supplies, Maintenance & Operations				
Supplies and Consumables	-	38	-	1,118
Minor Equipment and Furniture	-	1,200	-	4,500
Fuel	-	-	-	-
Uniforms	-	-	-	100
Miscellaneous	-	-	-	-
Vehicle Maintenance/Repairs	-	-	-	-
Equipment Maintenance/Repairs	-	-	-	-
Building Maintenance/Repairs	-	-	-	-
Landscaping & Greenspace Maintenance	-	-	-	-
Street Maintenance	-	-	-	-
Drainage Work	-	-	-	-
Committees - Other	-	-	-	-
Committees - Planning & Zoning	-	-	-	-
Committee - Board of Adj	-	-	-	-
Urban Wildlife	-	-	-	-
Donations & Grants	-	-	-	-
Total Supplies, Maintenance & Operations Costs	-	1,238	-	5,718
Services				
Professional Services	-	11,404	-	5,000
Dues/Subscriptions	-	275	-	275
Training/Seminars & Related Travel	-	3,889	-	14,025
Meetings and Related Travel	-	-	-	-
Elections	-	-	-	-
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	4,049	33,500	55,343	10,000
Employee Appreciation	2,457	6,500	6,353	4,750
Employment Costs	-	1,100	-	1,100
Recording/Reporting/History	-	-	-	-
Total Services Costs	6,507	56,668	61,696	35,150
Shared Services				
Facility Contracts & Services	-	-	-	-
Tech/Internet/Software Maintenance	-	-	-	-
Postage	-	-	-	-
General Liability Insurance	-	-	-	-
Electricity	-	-	-	-
Phone/Cable/Alarms	-	-	-	-
Total Shared Services Costs	-	-	-	-
Capital Outlay				
Land/Land Improvement	-	-	-	-
Building/Building Improvement	-	-	-	-
Infrastructure	-	-	-	-
Furniture, Fixtures, Equipment & Vehicles	-	-	-	-
Transfer to Intergov Fund 06	-	-	-	-
Transfer to Cap Improv Fund 02	-	-	-	-
Transfer to GF Veh/Equip F 31	-	-	-	-
Fund Balance	-	-	-	-
Total Capital Outlay Costs	-	-	-	-
Total Departmental Budget	6,507 *	57,906 *	61,696 *	162,340

* See Appendix A regarding prior year budget amounts

HUMAN RESOURCES AND COMMUNICATIONS GOALS AND ACTION ITEMS FOR FY 2018-19

WC-2 Engage the Citizens



Goal: Continuation of State of the City and City-wide Events

Priority Ranking: Imperative

FY 18-19 Action Item: Coordinate State of the City and City-wide events

Resources Budgeted: \$16,500 funded for city events.

WC-5 Improve Citizen Communication



Goal: Increase Participation in Notify Me, CodeRed, Facebook Followers

Priority Ranking: Essential

FY 18-19 Action Item: Publicize Services through Newcomer Packets, Utility Bills, Signs

Resources Budgeted: The PR/HR Assistant will be hired in FY 2018-19 to support this goal.



Goal: Improve Citizen Communication

Priority Ranking: Essential

FY 18-19 Action Item: Publicize City Events (Brush Pick-up, Hazardous Waste Day, Town Halls, etc.)

Resources Budgeted: The PR/HR Assistant will be hired in FY 2018-19 to support this goal.



Goal: New Resident Welcome, Coffee with Mayor and Other Resident Events

Priority Ranking: Essential

FY 18-19 Action Item: Coordinate events for residents

Resources Budgeted: \$600 funded for event expense. The PR/HR Assistant will be hired in FY 2018-19 to support this goal.

WC-6 Create a Customer Service/Customer Sensitive Environment



Goal: Promote Culture of Service

Priority Ranking: Essential

FY 18-19 Action Item: Develop & Implement "Service is My Superpower" Training Initiative

Resources Budgeted: \$5,975 funded for Professional Services/Training Consultant

**Goal: Promote Professional Development/Succession Planning****Priority Ranking:** Essential**FY 18-19 Action Item:** Update job descriptions & develop framework for individual professional development plans.**Resources Budgeted:** The PR/HR Assistant will be hired in FY 2018-19 to support this goal.**Goal: Employee Engagement****Priority Ranking:** Essential**FY 18-19 Action Item:** Participate in the Top Workplaces employee engagement survey**Resources Budgeted:** The PR/HR Assistant will be hired in FY 2018-19 to support this goal.**Goal: Safety, Onboarding, Exit and Development Personnel Procedures****Priority Ranking:** Essential**FY 18-19 Action Item:** Develop consistent procedures for personnel training**Resources Budgeted:** The PR/HR Assistant will be hired in FY 2018-19 to support this goal.

HT-1	Ensure a High Standard of Public Services
-------------	--

**Goal: Recruit & Retain Highly Qualified Employees****Priority Ranking:** Essential**FY 18-19 Action Item:** Establish an Onboarding Program**Resources Budgeted:** The PR/HR Assistant will be hired in FY 2018-19 to support this goal.**SIGNIFICANT CHANGES FOR THE FY 2018-19 BUDGET**

Addition of a Public Relations/HR Assistant Position

Communications – publicity costs

Professional Services – training costs

**Kim Stahr, HR & Comm. Director**

MUNICIPAL COURT



MISSION STATEMENT

To promote justice through interpretation and adjudication of applicable laws in an accountable, effective and unbiased manner.

SCOPE OF SERVICES SUMMARY

The Municipal Court handles the judicial processing of Class C misdemeanors that originate from traffic citations, citizen complaints, code violations and misdemeanor arrests occurring within the territorial limits of the City of Fair Oaks Ranch. The Municipal Court processing is predetermined by the Texas Code of Criminal Procedure and the Code of Judicial Conduct.

In addition to the judicial processing, the Court prepares dockets, schedules trials, processes juries, records and collects fine payments and issues warrants for Violation of Promise to Appear and Failure to Appear. The Municipal Court also processes code violations as part of the city-wide code enforcement effort.

The Municipal Court Judge is appointed by the City Council. The judge presides over trials and hearings, levies fines, sets bails, accepts bonds, issues arrest and search warrants, administers juvenile magistrate's warnings and arraigns prisoners.

STAFFING			
Title	2016-17	2017-18	2018-19
Court Administrator	0	1	1
Court Clerk	1	1	1
Total Staffing	1	2	2

Recent Accomplishments

- Hired a Court Administrator, who was sworn in on July 19, 2018
- Began the move toward paperless recordkeeping.
- Began implementation of internal controls within the municipal court office.
- Increased efficiencies for defendants on court day.
- Implemented quarterly warrant audit procedures.

OPPORTUNITIES AND CHALLENGES

A major challenge for the Municipal Court is helping defendants make a plan, based on their finances, to pay the fines that are owed. Another challenge is collecting outstanding amounts due on warrants. The city signed a new court fines and fees collection services contract in August 2018.



City of Fair Oaks Ranch Municipal Court Building



Debbie Landrum, Court Administrator

MUNICIPAL COURT GOALS AND ACTION ITEMS FOR FY 2018-19

F1-4	Develop Risk Mitigations and Corrections Strategies
------	---



Goal: Reduce Errors with Defendant Accounts and Court Issues

Priority Ranking: Imperative

FY 18-19 Action Item: Develop Court calendars, checklists, and documented processes and procedures

Resources Budgeted: \$18,500 funded for historical records review and Incode Module



Goal: Reduce Number of Outstanding Warrants and Discrepancies between Court and Dispatch Records

Priority Ranking: Imperative

FY 18-19 Action Item: Develop and document warrant procedures, conduct quarterly warrant audits

Resources Budgeted: No additional resources needed.

SIGNIFICANT CHANGES FOR THE FY 2018-19 BUDGET

Training for Judge and Prosecutor – operational internal control training

MUNICIPAL COURT EXPENDITURES

Expenditure Type	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Personnel				
Salaries	42,929	69,374	54,967	97,552
Overtime	-	176	37	440
Taxes - Social Security	2,745	5,784	3,449	6,076
Taxes - Medicare	646	1,008	807	1,421
Taxes SUTA/FUTA	24	450	280	450
Retirement	5,134	313	6,741	11,700
Health Insurance	6,194	8,367	7,468	16,911
Workmans' Compensation	784	13,904	225	441
Uniform Allowance	-	-	-	-
Car Allowance	-	-	-	-
Relocation Allowance	-	-	-	-
Total Personnel Costs	58,455	99,376	73,975	134,991
Supplies, Maintenance & Operations				
Supplies and Consumables	1,843	2,000	1,735	2,000
Minor Equipment and Furniture	254	2,700	1,836	-
Fuel	-	-	-	-
Uniforms	-	100	-	100
Miscellaneous	15	100	128	100
Vehicle Maintenance/Repairs	-	-	-	-
Equipment Maintenance/Repairs	-	-	-	-
Building Maintenance/Repairs	-	-	-	-
Landscaping & Greenspace Maintenance	-	-	-	-
Street Maintenance	-	-	-	-
Drainage Work	-	-	-	-
Committees - Other	-	-	-	-
Committees - Planning & Zoning	-	-	-	-
Committee - Board of Adj	-	-	-	-
Urban Wildlife	-	-	-	-
Donations & Grants	-	-	-	-
Total Supplies, Maintenance & Operations Costs	2,112	4,900	3,699	2,200
Services				
Professional Services	14,432	43,215	29,076	62,500
Dues/Subscriptions	1,480	1,500	1,653	400
Training/Seminars & Related Travel	1,994	2,649	2,770	2,000
Meetings and Related Travel	-	-	-	-
Elections	-	-	-	-
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	-	-	-	-
Employee Appreciation	-	-	-	-
Employment Costs	-	-	-	-
Recording/Reporting/History	-	-	-	-
Total Services Costs	17,906	47,364	33,498	64,900
Shared Services				
Facility Contracts & Services	-	-	-	-
Tech/Internet/Software Maintenance	-	-	-	-
Postage	-	-	-	-
General Liability Insurance	-	-	-	-
Electricity	-	-	-	-
Phone/Cable/Alarms	-	-	-	-
Total Shared Services Costs	-	-	-	-
Capital Outlay				
Land/Land Improvement	-	-	-	-
Building/Building Improvement	-	-	-	-
Infrastructure	-	-	-	-
Furniture, Fixtures, Equipment & Vehicles	-	-	-	-
Transfer to Intergov Fund 06	-	-	-	-
Transfer to Cap Improv Fund 02	-	-	-	-
Transfer to GF Veh/Equip F 31	-	-	-	-
Fund Balance	-	-	-	-
Total Capital Outlay Costs	-	-	-	-
Total Departmental Budget	78,473	151,640	111,172	202,091

PUBLIC SAFETY



MISSION STATEMENT

The mission of the Fair Oaks Ranch Police Department is to be responsive to our community, through the proactive enforcement of laws, the protection of life, property and the maintaining of order while affording dignity and respect to those we serve. We will strive to meet the present and future needs of the public through community partnership and innovation.

VISION STATEMENT

To be the safest city, to live, work and visit.

SCOPE OF SERVICES SUMMARY

The Fair Oaks Ranch Police Department is currently authorized 25 commissioned Police Officers and 3 Civilian Staff. The department is comprised of 4 sections; Administration, Patrol, Investigations, and Animal Control. Each section has its own unique responsibilities within the department.

Administration is comprised of the Chief of Police, the Lieutenant, the department's administrative assistant and admin clerk. Administrative staff is responsible for every function of the department including scheduling, payroll, training, records, complaints, budgeting, and implementing policies.

Criminal investigations is comprised of a CID Sergeant and 2 investigators that handle numerous functions including investigating criminal offenses, collection and securing of evidence, court preparation, and vehicle/equipment maintenance. Investigators get called out depending on the nature of the incident that has occurred. However, our patrol officers are primarily responsible for completing the initial investigation and crime scene processing.

The patrol division is the largest division in the department with 20 officers. It is made up of 4 sections with day patrol consisting on 1 Sergeant and 4 patrol officers per shift and night patrol consisting of 1 sergeant and 4 officers per shift. The patrol division conducts the day to day operations of the Police Department. They are the most visible aspect of the City and are responsible for maintaining public safety and answering calls for service.



Scott Rubin, Chief of Police

The department currently has one Animal Control Officer. The Animal Control Officer is responsible for handling all calls regarding deer or other wildlife, as well as pets.

Recent Accomplishments

- Re-recognized as a Best Practices Agency by The TPCA.
- Named the 8th safest Texas city in 2017 by the Nat'l Council for Home Safety and Security
- Through donations, initiated a K-9 Program.
- Established a full-time Honor Guard
- Engaged with the community through Cafeteria Cops, National Night Out, Citizen's Law Enforcement Academy, Annual Toy Drive, July 4th Parade and Open House.

OPPORTUNITIES AND CHALLENGES

One major opportunity for the Fair Oaks Ranch Police department is to be recognized as a Best Practices agency by the Texas Police Chiefs Association. The department reached recognized status the first time in 2010 as the 35th department in the State of Texas to gain this prestigious recognition. The department was re-recognized in 2014 and is up for re-recognition in 2018.

Fair Oaks Ranch Police have also taken the lead in organizing a reoccurring regional criminal investigations meeting. During these monthly meetings, investigators from several surrounding agencies will discuss cases and trends affecting the region.

The department's K9 program was initiated in the summer of 2018 with plans to help combat the influx of narcotics both within and around the City of Fair Oaks Ranch. By continuing to fully support this program, we hope to decrease the propensity of narcotics not only within the City, but also to support neighboring agencies.



Buddy, K-9 Unit

A major challenge for the PD is the staffing levels compared to the needs of each shift to maintain a proactive patrol presence. By increasing the staffing, we will not only be able to keep response times minimal, but we will continue to be proactive both in crime prevention and community outreach.

Another major challenge is the limited IT support. Proper and efficient IT support is imperative regarding technology in areas of customer service, evidence processing and retention, and potential legislative requirements (i.e. body cameras).



Lieutenant Tim Moring

STAFFING

Title	2016-17	2017-18	2018-19
Chief of Police	1	1	1
Lieutenant	1	1	1
Sergeant	4	4	5
Police Investigator	2	2	2
Patrol Officer	12	14	16
Animal Control	1	1	1
PD Admin Assistant	1	1	1
PD Admin Clerk	0	0	1
K-9 Unit (Buddy)	0	1	1
Total Staffing	22	25	29

COMMUNITY SERVICE

- **Cafeteria Cops:** In 2017, Fair Oaks Ranch Police initiated a new program with the intent of interacting with our school children in a positive and fun way. Cafeteria Cops began in participation with Fair Oaks Ranch Elementary where Officers were required to obtain the Texas Food Handler's License. On September 12th Chief Rubin and several officers served the kids at all 3 lunches in the cafeteria. It was a fun day for all involved and Officers look forward to continuing the program throughout the coming school years.
- **National Night Out:** In October 2017, the Police Department coordinated and participated in National Night Out, which resulted in the largest participation we have had since beginning the program. There were over 15 events that evening.
- **Citizens' Law Enforcement Academy:** The Fair Oaks Ranch Police participates in a joint Citizen's Law Enforcement Academy with neighboring agencies. The purpose of this joint academy is to enhance, through education and hands-on participation, the positive relationship between our local law enforcement agencies and the community, as well as to help our citizens better understand the role of the agencies.
- **No-Shave November:** The No-Shave Program began at Fair Oaks Ranch PD in 2016. Officers donate a specific amount in order to grow out their beards for the month. The proceeds have gone to various cancer patients in the area. Overall, in the past 2 years the Officers have donated close to \$3,000 through the program.
- **Annual Toy Drive:** For many years the Police Department has participated in the annual Toy Drive during the Christmas holiday. In 2017, the Police Department collected and dropped off over 300 gifts donated by the residents of Fair Oaks Ranch and the students of Fair Oaks Ranch Elementary. The toys were donated to Refuge House Inc, an organization which assists children within the state foster care program.
- **July 4th Parade:** Every summer the Police escort an annual neighborhood Golf Cart Parade. With the acquisition of the department's ATV, the Police were able to join in the parade this year. The ATV assists officers with search and rescue in large natural areas and creek beds that are not reachable by normal patrol vehicles.



Chief Rubin volunteering at local elementary school

PUBLIC SAFETY EXPENDITURES

Expenditure Type	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Personnel				
Salaries	1,100,905	1,342,498	1,323,723	1,559,138
Overtime	14,742	11,787	13,715	10,246
Taxes - Social Security	70,350	85,043	84,577	97,302
Taxes - Medicare	16,532	19,637	19,780	22,756
Taxes SUTA/FUTA	536	6,075	4,386	6,300
Retirement	134,339	57,931	167,458	187,385
Health Insurance	166,775	162,920	194,084	238,031
Workmans' Compensation	27,421	208,288	31,313	69,418
Uniform Allowance	11,052	16,000	15,200	19,200
Car Allowance	-	-	-	-
Relocation Allowance	-	-	-	-
Total Personnel Costs	1,542,651	1,910,179	1,854,236	2,209,776
Supplies, Maintenance & Operations				
Supplies and Consumables	3,696	3,000	2,970	3,100
Minor Equipment and Furniture	47,052	58,800	60,895	70,600
Fuel	24,744	30,000	32,820	30,000
Uniforms	8,332	10,500	10,551	12,025
Miscellaneous	2,904	1,500	2,502	2,000
Vehicle Maintenance/Repairs	15,898	17,350	17,350	20,000
Equipment Maintenance/Repairs	-	-	-	-
Building Maintenance/Repairs	-	-	-	-
Landscaping & Greenspace Maintenance	-	-	-	-
Street Maintenance	-	-	-	-
Drainage Work	-	-	-	-
Committees - Other	-	-	-	-
Committees - Planning & Zoning	-	-	-	-
Committee - Board of Adj	-	-	-	-
Urban Wildlife	-	-	-	-
Donations & Grants	-	-	-	-
Total Supplies, Maintenance & Operations Costs	102,626	121,150	127,089	137,725
Services				
Professional Services	472,729	453,971	446,524	509,816
Dues/Subscriptions	1,097	1,500	1,171	4,100
Training/Seminars & Related Travel	7,419	12,000	24,000	14,000
Meetings and Related Travel	-	-	-	2,000
Elections	-	-	-	-
Investigations	4,194	5,200	8,733	7,000
Lease Training	521	6,100	-	7,600
Asset Forfeiture	-	-	-	-
Public Relations	-	5,500	-	6,000
Employee Appreciation	-	-	-	-
Employment Costs	-	-	-	-
Recording/Reporting/History	-	-	-	-
Total Services Costs	485,961	484,271	480,428	550,516
Shared Services				
Facility Contracts & Services	-	-	-	-
Tech/Internet/Software Maintenance	-	-	-	-
Postage	-	-	-	-
General Liability Insurance	-	-	-	-
Electricity	-	-	-	-
Phone/Cable/Alarms	-	-	-	-
Total Shared Services Costs	-	-	-	-
Capital Outlay				
Land/Land Improvement	-	-	-	-
Building/Building Improvement	-	-	-	-
Infrastructure	-	-	-	-
Furniture, Fixtures, Equipment & Vehicles	-	-	-	74,100
Transfer to Intergov Fund 06	-	-	-	-
Transfer to Cap Improv Fund 02	-	-	-	-
Transfer to GF Veh/Equip F 31	-	-	-	-
Fund Balance	-	-	-	-
Total Capital Outlay Costs	-	-	-	74,100
Total Departmental Budget	2,131,238 *	2,515,601 *	2,461,752 *	2,972,117

* See Appendix A regarding prior year budget amounts

PUBLIC SAFETY GOALS AND ACTION ITEMS FOR FY 2018-19

HT-1	Ensure a High Standard of Public Services
------	---

Goal: Enhance Investigative and Community Outreach Initiatives

Priority Ranking: Essential

FY 18-19 Action Item: Establish a Sergeants position to oversee Criminal Investigations and Community Outreach.

Resources Budgeted: A Sergeant will be hired in FY 2018-19 to support this goal.

Goal: Ensure Timely and Efficient Customer Service without Disruption of Emergency Services

Priority Ranking: Essential

FY 18-19 Action Item: Create a Public Safety Administrative Clerk Position.

Resources Budgeted: \$102,200 funded for additional radios, body armor, and vehicle repairs. An Administrative Clerk will be hired in FY 2018-19 to support this goal.

Goal: Enhance Officer Availability and Response Time

Priority Ranking: Essential

FY 18-19 Action Item: Create two (2) additional Police Officer positions which will provide the equivalent availability/response across all patrol shifts.

Resources Budgeted: Two additional police officers will be hired in FY 2018-19 to support this goal.

SIGNIFICANT CHANGES FOR THE

FY 2018-19 BUDGET

Establish a Sergeant position

Establish public safety administrative clerk position

Establish 2 additional FTE patrol officer positions



Junior Police Academy Class of 2018

PUBLIC WORKS



MISSION STATEMENT

To maintain and enhance those quality of life factors which influenced the citizens to establish a residence in the City of Fair Oaks Ranch with regard to the management, policies development, safety, operation & maintenance of the City's streets, drainage areas, and water & wastewater systems.

SCOPE OF SERVICES SUMMARY

As defined by the American Public Works Association, "Public Works is the combination of physical assets, management practices, policies, and personnel necessary for government to provide and sustain structures and services essential to the welfare and acceptable quality of life for its citizens." Here at Fair Oaks Ranch, Public Works encompasses Engineering Services, Planning, Building Codes, Environment, Maintenance (generally streets and drainage), and Water and Wastewater Utility.

The Public Works department strives for innovative, yet sustainable, solutions in all matters, and represents the City in dealing with governmental agencies, private consultants and the general public. It also responds to customer inquiries and needs as they relate to Public Works activities. This department is committed to excellence in all facets of Public Works.



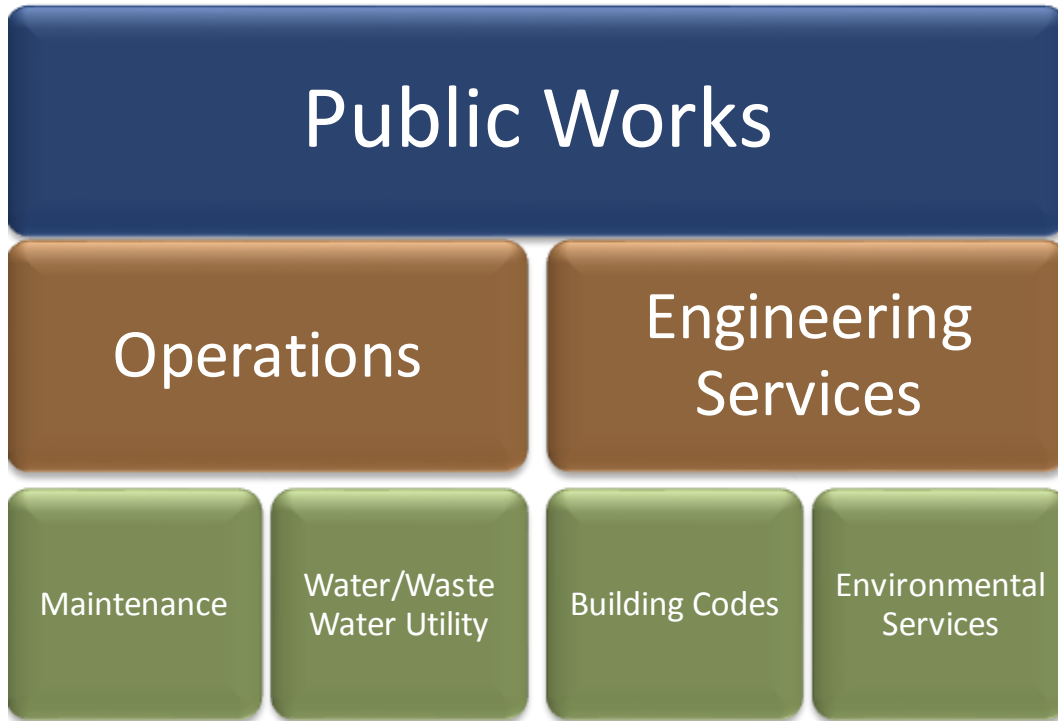
Ron Emmons, P.E.
Public Works Director

Recent Accomplishments

- Replaced 5,051 feet of water line.
- Installed 14,630 feet of new water line.
- Completed the \$7MM Bond Program with nearly 10 miles of public street rehabilitation on schedule and under budget.
- Advanced master water, wastewater and drainage plans.

STAFFING

Title	2016-17	2017-18	2018-19
Public Works Director	1	1	1
Executive Assistant	1	1	1
Total Staffing	2	2	2



OBJECTIVES AND CHALLENGES

As a staff of 25, the Public Works Department anticipates growing with the City in its multi-faceted mission to serve the residents of Fair Oaks Ranch.

The main objectives for the coming year will be to lead the department in a systematic format to meet Council's goals and to continue to maintain all operations in a safe and efficient manner.



Public Works and Maintenance Building

ENGINEERING SERVICES



MISSION STATEMENT

We believe in protecting the vital services residents in the City of Fair Oaks Ranch depend on, by ensuring fundamental infrastructure components are preserved and enhanced. We accomplish this by applying innovative solutions like a big city with the dexterity of a small community.

SCOPE OF SERVICES SUMMARY

The City's Engineering Services department houses the Building Codes Department, the GIS Technician and the Environmental Compliance Manager. Each function provides services and support to all new development and capital improvement projects within the City limits. This department works with developers, contractors, engineers, home builders, and residents to ensure applicable regulations are adhered to during infrastructure and dwelling construction. Furthermore, this department provides vital support to preserve and protect City assets.

STAFFING			
Title	2016-17	2017-18	2018-19
Manager of Engineering Services	1	1	1
Environmental Compliance Manager	0	1	1
GIS Technician	1	1	1
Infrastructure Inspector	0	1	1
Planner/Code Enforcement	0	0	1
Total Staffing	2	4	5

Recent Accomplishments

- Provided project administration and mapping support to the 2017 Annexation Plan
- Presented lessons learned from the City's first Bond Project at the 2018 Texas Public Works Association Conference and was nominated for Project of the Year
- Developed several asset management tools to protect City assets and improve maintenance reporting
- Hired an Environmental Compliance Manager to advance the City's environmental initiatives
- Assisted with the creation of the City's first Planning and Zoning commission

SIGNIFICANT CHANGES FOR THE FY 2018-19 BUDGET

Professional Services and Construction Services
Add FTE for Code Enforcement Officer

ENGINEERING SERVICES EXPENDITURES

Expenditure Type	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Personnel				
Salaries	-	-	-	208,786
Overtime	-	-	-	-
Taxes - Social Security	-	-	-	12,945
Taxes - Medicare	-	-	-	3,027
Taxes SUTA/FUTA	-	-	-	788
Retirement	-	-	-	24,929
Health Insurance	-	-	-	31,973
Workmans' Compensation	-	-	-	2,380
Uniform Allowance	-	-	-	-
Car Allowance	-	-	-	-
Relocation Allowance	-	-	-	-
Total Personnel Costs	-	-	-	284,828
Supplies, Maintenance & Operations				
Supplies and Consumables	-	-	-	4,654
Minor Equipment and Furniture	-	-	-	4,036
Fuel	-	-	-	1,859
Uniforms	-	-	-	815
Miscellaneous	-	-	-	200
Vehicle Maintenance/Repairs	-	-	-	-
Equipment Maintenance/Repairs	-	-	-	-
Building Maintenance/Repairs	-	-	-	-
Landscaping & Greenspace Maintenance	-	-	-	-
Street Maintenance	-	-	-	347,711
Drainage Work	-	-	-	-
Committees - Other	-	-	-	-
Committees - Planning & Zoning	-	-	-	-
Committee - Board of Adj	-	-	-	-
Urban Wildlife	-	-	-	-
Donations & Grants	-	-	-	-
Total Supplies, Maintenance & Operations Costs	-	-	-	359,275
Services				
Professional Services	-	-	-	120,000
Dues/Subscriptions	-	-	-	363
Training/Seminars & Related Travel	-	-	-	8,138
Meetings and Related Travel	-	-	-	500
Elections	-	-	-	-
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	-	-	-	-
Employee Appreciation	-	-	-	-
Employment Costs	-	-	-	-
Recording/Reporting/History	-	-	-	-
Total Services Costs	-	-	-	129,001
Shared Services				
Facility Contracts & Services	-	-	-	-
Tech/Internet/Software Maintenance	-	-	-	-
Postage	-	-	-	-
General Liability Insurance	-	-	-	-
Electricity	-	-	-	-
Phone/Cable/Alarms	-	-	-	-
Total Shared Services Costs	-	-	-	-
Capital Outlay				
Land/Land Improvement	-	-	-	-
Building/Building Improvement	-	-	-	-
Infrastructure	-	-	-	-
Furniture, Fixtures, Equipment & Vehicles	-	-	-	-
Transfer to Intergov Fund 06	-	-	-	-
Transfer to Cap Improv Fund 02	-	-	-	-
Transfer to GF Veh/Equip F 31	-	-	-	-
Fund Balance	-	-	-	-
Total Capital Outlay Costs	-	-	-	-
Total Departmental Budget	- *	- *	- *	773,104

* See Appendix A regarding prior year budget amounts



Engineering plans for review

Melissa Castro, Environmental
Compliance ManagerAdrian Garcia, P.E., Mgr. of
Engineering Services

ENGINEERING SERVICES GOALS AND ACTION ITEMS FOR FY 2018-19

SG-3 Achieve Self Governance to Control Our Future



Goal: Create Regional Partnerships for Future Utility and Infrastructure Needs.

Priority Ranking: Important

FY 18-19 Action Item: Develop understanding of Water & Wastewater future demands.

Resources Budgeted: No additional resources needed.

CP-2 Preserve our Ability to Manage our Growth Consistent with our Vision



Goal: New Subdivision Regulations Vetted and Adopted

Priority Ranking: Imperative

FY 18-19 Action Item: Coordinate efforts with Gap Strategies

Resources Budgeted: Costs included in the \$60,000 funded in the Capital Improvement Program

CP-3 Develop and Implement a Sustainability Strategy



Goal: Annual Street Maintenance Program

Priority Ranking: Essential

FY 18-19 Action Item: Consider Alternate Best Practices

Resources Budgeted: \$347,711 funded for annual chip seal program

CP-4 Develop a Master Plan for Core Infrastructure Elements



Goal: In-House Drainage Work

Priority Ranking: Imperative

FY 18-19 Action Item: Implement Master Wastewater Plan upon Council adoption, Identify future funding sources

Resources Budgeted: \$25,000 for in-house drainage work



Goal: Traffic Studies

Priority Ranking: Imperative

FY 18-19 Action Item: Collect traffic counts throughout City

Resources Budgeted: No additional resources needed

CP-5	Develop a Financial Strategy to Support Growth Management Plan
-------------	---



Goal: Stormwater Strategy

Priority Ranking: Essential

FY 18-19 Action Item: Conduct a feasibility study and implement a stormwater strategy

Resources Budgeted: \$120,000 funded for a feasibility study.



Goal: Capital Improvement Plan

Priority Ranking: Essential

FY 18-19 Action Item: Establish CIP from foundational studies and master plans

Resources Budgeted: No additional resources needed

HT	Build and Maintain the “Spirit of a Hill Country Home Town”
-----------	--



Goal: Hire Code Enforcement Officer

Priority Ranking: Essential

FY 18-19 Action Item: Develop Job Description with HR Coordination.

Resources Budgeted: A Code Enforcement Officer will be hired in FY 2018-19 to support this goal.



Goal: Improve Backflow Prevention Compliance in COFOR

Priority Ranking: Essential

FY 18-19 Action Item: Establish Backflow Ordinance & Contract for Services.

Resources Budgeted: No additional resources needed

HT-2	Enhance and Maintain the Aesthetics of the Community
-------------	---



Goal: Update Street Signage Citywide (shared goal with Maintenance)

Priority Ranking: Essential

FY 18-19 Action Item: Maintain street sign replacement program, Develop Inspection & Plan Process.

Resources Budgeted: \$5,000 for annual sign replacement.

BUILDING CODES



MISSION STATEMENT

To help ensure the health safety and welfare of the citizens of the City of Fair Oaks Ranch through the effective enforcement of all building related codes duly adopted by City Council. The Building Codes Department is committed to integrity, professionalism and consistency at all times.

SCOPE OF SERVICES SUMMARY

The Building Official, supported by the Building Inspector and Administrative Assistant, is responsible for issuing permits and conducting inspections for all new construction, additions, remodels, pools, irrigation systems, fences, signs, building relocations and demolitions.

Plan reviews are performed on all proposed construction projects prior to the issuance of permits to insure compliance with all adopted codes and ordinances, as well as FEMA requirements.

STAFFING

Title	2016-17	2017-18	2018-19
Building Official	1	1	1
Building Codes Inspector	.5	.5	1
Admin Assistant	1	1	1
Total Staffing	2.5	2.5	3

Recent Accomplishments

- Upgraded the position of Permit Clerk to that of Administrative Assistant, thus expanding the job's role and responsibilities.
- Implemented the use of iPads for field inspections, allowing for better record keeping and more effective communication of inspection results, thus initiating the first phase of the Department's move toward a paperless operation.
- Implemented zoning review for all new construction in accordance with the City's newly adopted Zoning Ordinance.
- Initiated the formation of a Board of Appeals to serve the citizens and contractors by ruling on questions concerning building code enforcement.
- From October 1, 2017 to June 1, 2018 The Building Codes Department issued 368 permits for construction valued at over \$40,000,000.

BUILDING CODES EXPENDITURES

Expenditure Type	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Personnel				
Salaries	124,107	138,095	137,329	167,727
Overtime	177	639	69	171
Taxes - Social Security	7,964	8,601	8,573	10,410
Taxes - Medicare	1,870	2,011	2,005	2,435
Taxes SUTA/FUTA	89	900	555	675
Retirement	14,869	1,208	17,133	20,047
Health Insurance	12,434	16,690	16,827	24,337
Workmans' Compensation	1,001	13,701	635	1,512
Uniform Allowance	-	-	-	-
Car Allowance	-	-	-	-
Relocation Allowance	-	-	-	-
Total Personnel Costs	162,511	181,846	183,128	227,313
Supplies, Maintenance & Operations				
Supplies and Consumables	1,102	2,500	1,438	600
Minor Equipment and Furniture	1,433	3,694	1,453	1,180
Fuel	1,071	1,200	1,071	1,300
Uniforms	44	75	66	280
Miscellaneous	-	150	102	150
Vehicle Maintenance/Repairs	-	-	-	-
Equipment Maintenance/Repairs	-	-	-	-
Building Maintenance/Repairs	-	-	-	-
Landscaping & Greenspace Maintenance	-	-	-	-
Street Maintenance	-	-	-	-
Drainage Work	-	-	-	-
Committees - Other	-	-	-	-
Committees - Planning & Zoning	-	-	-	-
Committee - Board of Adj	-	-	-	-
Urban Wildlife	-	-	-	-
Donations & Grants	-	-	-	-
Total Supplies, Maintenance & Operations Costs	3,650	7,619	4,131	3,510
Services				
Professional Services	-	-	-	9,200
Dues/Subscriptions	265	500	405	290
Training/Seminars & Related Travel	2,680	6,270	4,128	3,555
Meetings and Related Travel	-	-	-	200
Elections	-	-	-	-
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	-	-	-	-
Employee Appreciation	-	-	-	-
Employment Costs	-	-	-	-
Recording/Reporting/History	-	-	-	-
Total Services Costs	2,945	6,770	4,533	13,245
Shared Services				
Facility Contracts & Services	-	-	-	-
Tech/Internet/Software Maintenance	-	-	-	-
Postage	-	-	-	-
General Liability Insurance	-	-	-	-
Electricity	-	-	-	-
Phone/Cable/Alarms	-	-	-	-
Total Shared Services Costs	-	-	-	-
Capital Outlay				
Land/Land Improvement	-	-	-	-
Building/Building Improvement	-	-	-	-
Infrastructure	-	-	-	-
Furniture, Fixtures, Equipment & Vehicles	-	-	-	-
Transfer to Intergov Fund 06	-	-	-	-
Transfer to Cap Improv Fund 02	-	-	-	-
Transfer to GF Veh/Equip F 31	-	-	-	-
Fund Balance	-	-	-	-
Total Capital Outlay Costs	-	-	-	-
Total Departmental Budget	169,107	196,235	191,792	244,068

BUILDING CODES GOALS AND ACTION ITEMS FOR FY 2018-19

WC-1 Utilize Inbound Communications

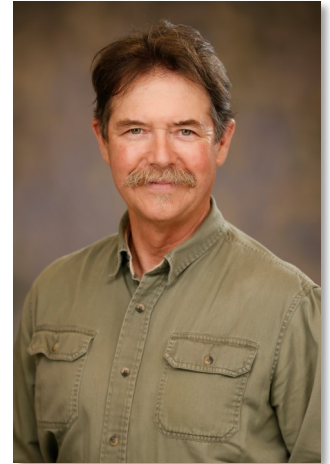


Goal: Streamline Processing of all Inbound Communication

Priority Ranking: Important

FY 18-19 Action Item: Develop SOP & Flow Chart, conduct Department meetings, upgrade cell phones, target response time, within 24 hours, and ensure prompt attention to contractors and residents

Resources Budgeted: \$80 funded for cell phones



Jim Earl, Building Codes Official

WC-2 Engage the Citizens



Goal: Increase One on One Face Time, Educating the Public on Building Processes, Provide Periodic Information Updates

Priority Ranking: Imperative

FY 18-19 Action Item: Develop materials on Building Department purpose and aims with Communications Department coordination.

Resources Budgeted: \$200 funded for public relations costs. Building Inspector position funded as full -time in FY 2018-19 to support this goal.

WC-3 Create Proactive Relationships with HOAs & Restriction Committees to Work Zoning Issues



Goal: Communicate Zoning Ordinance & Method of Implementation of Zoning Ordinance

Priority Ranking: Essential

FY 18-19 Action Item: Attend Board Meetings and Communication Department coordination.

Resources Budgeted: Building Inspector position funded as full -time in FY 2018-19 to support this goal.

CP-2 Preserve our Ability to Manage our Growth Consistent with our Vision



Goal: Enforce Zoning Ordinance, Sign Ordinance, Outdoor Lighting (Night Sky) Ordinance

Priority Ranking: Imperative

FY 18-19 Action Item: Zoning interdepartmental workshop & develop SOP

Resources Budgeted: \$5,850 funded for vehicle maintenance. Building Inspector position funded as full -time in FY 2018-19 to support this goal.

HT-1 Ensure a High Standard of Public Services



Goal: Increase Building Inspector Hours

Priority Ranking: Essential

FY 18-19 Action Item: Develop Budget Item for Full Time Inspector

Resources Budgeted: Building Inspector position funded as full -time in FY 2018-19 to support this goal.

Goal: Provide In-House Fire Inspections – New & Existing Commercial

Priority Ranking: Essential

FY 18-19 Action Item: Develop contract or Job Description

Resources Budgeted: \$5,000 funded for Fire Inspection contract

Goal: Update City Building Codes

Priority Ranking: Essential

FY 18-19 Action Item: Propose adoption of 2018 IBC & 2017 NEC

Resources Budgeted: No additional resources needed

HT-3 Create and Promote the COFOR Brand

Goal: Reflect the COFOR Brand in all Communications

Priority Ranking: Important

FY 18-19 Action Item: Printed Material, Welcome Packets, Website Update with Communications Department coordination.

Resources Budgeted: Building Inspector position funded as full -time in FY 2018-19 to support this goal.

Goal: Refer to the COFOR Brand in all Interactions with Public

Priority Ranking: Important

FY 18-19 Action Item: Update Website with Communications Department.

Resources Budgeted: Building Inspector position funded as full -time in FY 2018-19 to support this goal.



Inspection in Progress



Jim Earl, Building Official

SIGNIFICANT CHANGES FOR THE FY 2018-19 BUDGET

Smart Phones

Office supply materials for educational publications and flyers

Part Time Inspector reclassified to Full Time



Scott Davis, Inspector

PUBLIC WORKS OPERATIONS



MISSION STATEMENT

It is the mission of the Public Works Operations Division to provide a secure and reliable infrastructure for all members of the community while continuing to find innovative ways to improve the delivery of services.

SCOPE OF SERVICES SUMMARY

To provide executive and administrative support and oversight to the Water and Wastewater operations utility. To provide executive and administrative support and oversight to the maintenance department responsible for all city buildings, streets, drainage, and rights-of-way. To provide our residents with the best quality, responsive, and dependable service on a daily basis.

OPPORTUNITIES AND CHALLENGES

Maintenance objectives for the coming year will be to improve the street sweeping, right-of-way maintenance and the implementation of a road maintenance program. Utility objectives for the coming year will be launching a new online bill viewer, start CCTV /man hole inspections, improve sludge handling, implementation of a data processing program, valve and maintenance program and complete asset management tracking.

Recent Accomplishments

- Street sweeper contract brought in house
- Right-of-way mowing contract brought in house
- Completed separation of water and wastewater departments
- Siemens overview for meter replacements
- SCADA dash board launched



Julio Colunga, Public Works Superintendent

STAFFING

Title	2016-17	2017-18	2018-19
Public Works Superintendent	1	1	1
Total Staffing	1	1	1

MAINTENANCE



MISSION STATEMENT

To maintain a safe, clean, and attractive city appearance with the preservation of all city owned facilities, roads, right of ways, and drainage features that promote a welcoming environment for the residents and visitors of Fair Oaks Ranch.

SCOPE OF SERVICES SUMMARY

The Maintenance Department is responsible for the maintenance and repairs of all city owned property. City buildings include City Hall, the Public Safety Building, EMS station, 2 Fire stations, maintenance shop, and HOA building. The Maintenance department is responsible for maintaining 60 miles of roads, 35 miles of sweeping, 60 miles of right-of-way mowing, vehicle/ equipment maintenance/repairs and all City-owned drainage easements.

STAFFING			
Title	2016-17	2017-18	2018-19
Maintenance Supervisor	1	1	1
Maintenance Lead	1	1	1
Maintenance Worker	3	4	4
Custodian	0	0	1
Total Staffing	5	6	7

Recent Accomplishments

- New street sweeper program launched
- 100 sq. yards of chip seal and crack sealing
- Right-of-way mowing contract brought in house
- Added one employee to staffing

OPPORTUNITIES AND CHALLENGES

The maintenance department seeks to improve its current maintenance of it new street sweeping and right of way mowing by moving from a paper format tracking system to a digital field. This year's objective will focus on improving the future chip seal and crack seal application process.



The City of Fair Oaks Ranch Maintenance Department

MAINTENANCE EXPENDITURES

Expenditure Type	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Personnel				
Salaries	261,377	376,446	372,756	257,876
Overtime	1,870	3,666	4,353	955
Taxes - Social Security	16,313	24,817	23,192	16,048
Taxes - Medicare	3,841	5,512	5,424	3,753
Taxes SUTA/FUTA	225	2,250	1,848	1,575
Retirement	31,436	20,879	46,696	30,904
Health Insurance	46,775	45,727	69,576	50,667
Workmans' Compensation	10,009	73,553	9,707	22,956
Uniform Allowance	-	-	-	-
Car Allowance	-	-	-	-
Relocation Allowance	-	-	-	-
Total Personnel Costs	371,848	552,850	533,552	384,734
Supplies, Maintenance & Operations				
Supplies and Consumables	2,819	3,453	3,414	3,500
Minor Equipment and Furniture	8,102	12,800	8,963	13,560
Fuel	6,596	10,200	9,667	10,200
Uniforms	6,753	8,826	5,375	7,359
Miscellaneous	656	500	484	700
Vehicle Maintenance/Repairs	6,064	12,100	12,113	17,850
Equipment Maintenance/Repairs	5,032	11,713	12,359	6,580
Building Maintenance/Repairs	8,654	12,850	12,698	13,000
Landscaping & Greenspace Maintenance	34,777	7,250	5,005	-
Street Maintenance	346,573	337,260	325,963	80,000
Drainage Work	27,452	29,000	2,157	25,000
Committees - Other	-	-	-	-
Committees - Planning & Zoning	-	-	-	-
Committee - Board of Adj	-	-	-	-
Urban Wildlife	-	-	-	-
Donations & Grants	-	-	-	-
Total Supplies, Maintenance & Operations Costs	453,477	445,952	398,198	177,749
Services				
Professional Services	10,784	200	-	-
Dues/Subscriptions	494	888	330	600
Training/Seminars & Related Travel	3,593	11,324	9,268	8,541
Meetings and Related Travel	-	-	-	750
Elections	-	-	-	-
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	-	-	-	-
Employee Appreciation	-	-	-	-
Employment Costs	-	-	-	-
Recording/Reporting/History	-	-	-	-
Total Services Costs	14,871	12,411	9,598	9,891
Shared Services				
Facility Contracts & Services	-	-	-	-
Tech/Internet/Software Maintenance	-	-	-	-
Postage	-	-	-	-
General Liability Insurance	-	-	-	-
Electricity	-	-	-	-
Phone/Cable/Alarms	-	-	-	-
Total Shared Services Costs	-	-	-	-
Capital Outlay				
Land/Land Improvement	-	-	-	-
Building/Building Improvement	-	-	-	-
Infrastructure	-	-	-	-
Furniture, Fixtures, Equipment & Vehicles	-	-	-	53,750
Transfer to Intergov Fund 06	-	-	-	-
Transfer to Cap Improv Fund 02	-	-	-	-
Transfer to GF Veh/Equip F 31	-	-	-	-
Fund Balance	-	-	-	-
Total Capital Outlay Costs	-	-	-	53,750
Total Departmental Budget	840,196 *	1,011,212 *	941,347 *	626,124

* See Appendix A regarding prior year budget amounts

MAINTENANCE GOALS AND ACTION ITEMS FOR FY 2018-19

WC-5 Improve Citizen Communications



Goal: Educate Residents on the use of IWorQ's Work Order System and Application as well as other City Programs

Priority Ranking: Essential

FY 18-19 Action Item: Coordinate with Communications Department

Resources Budgeted: No additional resources needed.

HT-1 Ensure a High Standard of Public Services



Goal: City Hall Safety

Priority Ranking: Essential

FY 18-19 Action Item: Secure City Hall doors while meeting code standards

Resources Budgeted: Included with the city campus redesign budgeted funds



Goal: Vehicle Replacement Program

Priority Ranking: Essential

FY 18-19 Action Item: Add a new Truck with box lift

Resources Budgeted: Funded with Equipment Replacement Fund General Account



Goal: Beautification City R.O.W's

Priority Ranking: Essential

FY 18-19 Action Item: Improve city maintained areas, particularly gateway thoroughfares.

Resources Budgeted: \$1,500 funded for back hoe thumb

HT-2 Ensure and Maintain the Aesthetics of the Community



Goal: Street Sign Replacement (shared goal with Engineering Services)

Priority Ranking: Essential

FY 18-19 Action Item: Maintain street sign replacement program and develop inspection and plan process

Resources Budgeted: \$5,000 funded for annual street sign replacement

HT-3 Create and Promote the COFOR Brand



Goal: Fix up Fire Station 3 with Sleeping Quarters

Priority Ranking: Important

FY 18-19 Action Item: Construct sleeping area for internal use when flooding or weather demands

Resources Budgeted: No additional resources needed.

SIGNIFICANT CHANGES FOR THE FY 2018-19 BUDGET

Add truck with box lift for Maintenance

Ongoing sign upgrade replacement program

Add FTE for Custodian/Maintenance Worker

NON-DEPARTMENTAL AND SHARED EXPENSES

Expenditure Type	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Personnel				
Salaries	-	-	-	-
Overtime	-	-	-	-
Taxes - Social Security	-	-	-	-
Taxes - Medicare	-	-	-	-
Taxes SUTA/FUTA	-	-	-	-
Retirement	-	-	-	-
Health Insurance	-	-	-	-
Workmans' Compensation	-	-	-	-
Uniform Allowance	-	-	-	-
Car Allowance	-	-	-	-
Relocation Allowance	-	-	-	-
Total Personnel Costs	-	-	-	-
Supplies, Maintenance & Operations				
Supplies and Consumables	-	-	-	6,000
Minor Equipment and Furniture	-	-	-	-
Fuel	-	-	-	-
Uniforms	-	-	-	-
Miscellaneous	-	-	-	-
Vehicle Maintenance/Repairs	-	-	-	-
Equipment Maintenance/Repairs	-	-	-	-
Building Maintenance/Repairs	-	-	-	-
Landscaping & Greenspace Maintenance	-	-	-	-
Street Maintenance	-	-	-	-
Drainage Work	-	-	-	-
Committees - Other	-	-	-	-
Committees - Planning & Zoning	-	-	-	-
Committee - Board of Adj	-	-	-	-
Urban Wildlife	-	-	-	-
Donations & Grants	-	-	-	-
Total Supplies, Maintenance & Operations Costs	-	-	-	6,000
Services				
Professional Services	-	-	-	-
Dues/Subscriptions	-	-	-	-
Training/Seminars & Related Travel	-	-	-	-
Meetings and Related Travel	-	-	-	-
Elections	-	-	-	-
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	-	-	-	-
Employee Appreciation	-	-	-	-
Employment Costs	-	-	-	-
Recording/Reporting/History	-	-	-	-
Total Services Costs	-	-	-	-
Shared Services				
Facility Contracts & Services	27,670	33,805	31,853	20,739
Tech/Internet/Software Maintenance	113,925	131,623	135,744	192,810
Postage	3,339	11,000	4,990	7,500
General Liability Insurance	40,752	60,000	48,477	58,000
Electricity	31,459	36,200	33,213	32,700
Phone/Cable/Alarms	25,665	26,666	24,029	25,843
Total Shared Services Costs	242,809	299,295	278,306	337,592
Capital Outlay				
Land/Land Improvement	-	-	-	-
Building/Building Improvement	-	-	-	-
Infrastructure	-	-	-	-
Furniture, Fixtures, Equipment & Vehicles	-	-	-	-
Transfer to Intergov Fund 06	-	-	-	-
Transfer to Cap Improv Fund 02	462,579	330,411	394,106	310,000
Transfer to GF Veh/Equip F 31	587,737	358,296	376,581	160,503
Fund Balance	-	143,000	143,000	151,235
Total Capital Outlay Costs	1,050,316	831,707	913,687	621,738
Total Departmental Budget	1,293,126 *	1,131,002 *	1,191,993 *	965,330

* See Appendix A regarding prior year budget amounts



GENERAL FUND CAPITAL IMPROVEMENTS

A Capital Improvement Program (CIP) is a schedule of public physical improvements to be constructed with estimated resources available to finance the projected expenditures. It represents the City's plan for development. The Capital Improvements Program is reviewed each year to reflect changing priorities and to provide a framework for identifying capital requirements; the impact of capital projects on operating budgets; scheduling; and coordinating related projects.

Capital Improvements are any expenditure of public funds for the purchase, construction, rehabilitation, replacement or expansion of the physical assets of the community when the project is relatively large in size, expensive, long-term and permanent.

The General Fund CIP represents non-utility projects such as streets, master planning and general government facilities. Typically, these projects will be funded via general obligation bonds, certificates of obligation, tax revenue, or other financing methods.

The CIP budget is compiled by City staff and the CIAC. Necessary projects are identified; costs are estimated; and possible funding sources are acknowledged. Additional operating and maintenance costs are also reflected for each project. Recommended capital improvements are reviewed by the City Manager. Afterwards, they are sent to City Council for final approval.

CAPITAL IMPROVEMENTS POLICY

The City prioritizes the funding of capital projects on the basis of a Capital Improvements Plan. The functions of the Capital Improvement Plan are as follows:

- Estimating capital project requirements.
- Scheduling all capital projects over a fixed period with appropriate planning and implementation.
- Budgeting priority projects and developing revenue sources for proposed improvements.
- Coordinating the activities of various departments in meeting project schedules.
- Monitoring and evaluating the progress of capital projects.
- Informing the public of projected capital projects.

GENERAL CAPITAL IMPROVEMENT FUND

Capital Improvement Fund				
	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
<u>Revenues:</u>				
Transfer from General Fund	-	-	-	-
Transfer from General Fund	462,579	330,411	394,106	310,000
Total Revenue	462,579	330,411	394,106	310,000
<u>Professional and Contractual Services</u>				
Professional Services	-	-	-	-
Update Subdivision Regulations	20,861	9,167	9,167	-
Master Land Use Plan	223,386	9,167	9,167	60,000
Annexation Plan	13,266	9,167	9,167	-
Master Drainage Plan	175,719	128,141	111,836	-
Zoning Regulations	13,266	9,167	9,167	-
Development Handbook	698	9,167	9,167	-
Master Roadway	-	9,167	85,167	-
MS4 and SSO Permitting	15,383	47,270	47,270	-
Total Professional and Contractual Services Costs	462,579	230,411	290,106	60,000
<u>Capital Improvement</u>				
Land/Land Improvement	-	-	-	-
Bldg/Bldg Improvement	-	100,000	104,000	250,000
Infrastructure	-	-	-	-
Personal Property	-	-	-	-
Total Capital Improvement Costs	-	100,000	104,000	250,000
Total Expenditures	462,579	330,411	394,106	310,000

GENERAL CAPITAL IMPROVEMENT FUND BY YEAR

Capital Improvement Fund by Year						
	Actual 2014-15	Actual 2015-16	Actual 2016-17	Estimated 2017-18	Budget 2018-19	Cumulative Est. Fund Balance
<u>Revenues:</u>						
Transfer from General Fund	2,260,000	482,140	-	-	-	2,742,140
Transfer from General Fund	-	-	462,579	394,106	310,000	1,166,685
Total Revenue	2,260,000	482,140	462,579	394,106	310,000	3,908,825
<u>Professional and Contractual Services</u>						
Professional Services	-	18,578	-	-	-	18,578
Update Subdivision Regulations	-	-	20,861	9,167	-	30,028
Master Land Use Plan	-	-	223,386	9,167	60,000	292,552
Annexation Plan	-	-	13,266	9,167	-	22,433
Master Drainage Plan	-	-	175,719	111,836	-	287,555
Zoning Regulations	-	-	13,266	9,167	-	22,433
Development Handbook	-	-	698	9,167	-	9,864
Master Roadway	-	-	-	85,167	-	85,167
MS4 and SSO Permitting	-	-	15,383	47,270	-	62,653
Total Professional and Contractual Services Costs	-	18,578	462,579	290,106	60,000	831,264
<u>Capital Improvement</u>						
Land/Land Improvement	-	127,816	-	-	-	127,816
Bldg/Bldg Improvement	312,519	1,956,573	-	104,000	250,000	2,623,092
Infrastructure	51,642	-	-	-	-	51,642
Personal Property	-	220,029	-	-	-	220,029
Total Capital Improvement Costs	364,162	2,304,419	-	104,000	250,000	3,022,580
Total Expenditures	364,162	2,322,997	462,579	394,106	310,000	3,853,844

Capital Improvement projects in FY 2017-18 that are expected to continue into FY 2018-19 center around Storm Water Drainage and Municipal Separate Storm Sewer System (MS4) studies.

Drainage

Several water bodies traverse the City which include: the Cibolo Creek, Post Oak Creek, and the headwaters of Salado and Leon Creek. Although these creeks remain dry most of the year, they play an important role during rain events, for the overall drainage of the City. The City maintains the quality and quantity of this drainage via our Storm Water Management Plan and Management of the FEMA designated floodplain, respectively.



Drainage Project in Progress

MS4 (Storm Water Management Plan)

The City is a permitted Phase II, Municipal Separate Storm Sewer System (MS4) due to its location within the urbanized area of San Antonio. This permit requires us to regulate certain activities that may negatively impact the water quality of the receiving water bodies within and around the City. The City employs a Storm Water Management Plan to accomplish the task of protecting storm water quality. This plan contains the following elements:

- Public Education and Outreach
- Public Participation and Involvement
- Illicit Discharge Elimination and Detection
- Construction Site Runoff Control
- Good Housekeeping

Flood Plain Management

Approximately 13% of the City falls within the Federal Emergency Management Agency (FEMA) designated 100-year floodplain and 15% falls within the 500-year floodplain. Resident safety and property damage prevention are of the utmost importance during large rain events. Therefore, the City manages activities within these designated areas with the Flood Damage Prevention ordinance.



Cibolo Creek Storm Waters



PW Superintendent Observing a Swallet

GENERAL VEHICLE/EQUIPMENT REPLACEMENT FUNDS

The purpose of the Vehicle/Equipment Replacement Funds is to ensure that adequate funds are available to purchase these high dollar items, to stabilize budgeting for major purchases, and to provide a systematic approach to procurement and disposition of the fleet. The fund is not designed to equal the replacement value of the entire fleet.

Equipment and Vehicle Replacement				
	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
<u>Revenues:</u>				
Transfer from General Fund	353,286	217,101	217,101	160,503
Transfer from Capital Improvement Fund	-	-	-	-
Transfer from other General Fund Departments	234,451	141,195	159,480	-
Interest Income on Investments	-	208	208	-
Total Revenue	587,737	358,504	376,789	160,503
<u>Professional and Contractual Services</u>				
Maintenance Furniture	-	-	4,588	-
Maintenance Vehicles	109,881	-	-	-
Maintenance Equipment	40,593	223,195	202,730	-
Police Equipment	-	-	-	-
Police Package/Incode Software	-	-	-	-
Patrol Vehicle	83,342	62,000	57,308	-
Computer Equipment	-	-	-	-
Electronic Equipment Maint.	-	-	-	-
Transfer to General Fund for Purchases	-	-	-	111,750
Fund Balance	353,921	73,309	112,163	48,753
Total Professional and Contractual Services Costs	587,737	358,504	376,789	160,503
Net Budget	-	-	-	-

General Fund Equipment Replacement by Year						
	Actual 2014-15	Actual 2015-16	Actual 2016-17	Estimated 2017-18	Budget 2018-19	Cumulative Est. Fund Balance
<u>Revenues:</u>						
Transfer from General Fund	-	-	353,286	217,101	160,503	730,890
Transfer from Capital Improvement Fund	-	-	-	-	-	-
Transfer in from Gen. Fund Depts.	-	-	234,451	159,480	-	393,931
Transfer from WWW Equip Repl Fund	-	-	-	-	-	-
Transfer from Enterprise Fund	-	-	-	-	-	-
Interest Income	-	-	-	208	-	208
Total Revenue	-	-	587,737	376,789	160,503	1,125,029
<u>Expenditures:</u>						
Maintenance Furniture	-	-	-	4,588	-	4,588
Maintenance Vehicles	-	-	109,881	-	-	109,881
Maintenance Equipment	-	-	40,593	202,730	-	243,323
Public Safety Equipment	-	-	-	-	-	-
Public Safety Vehicle	-	-	83,342	57,308	-	140,650
Computer Equipment	-	-	-	-	-	-
Transfer to General Fund for Purchases	-	-	-	-	111,750	111,750
Transfer to Fund Balance	-	-	353,921	112,163	48,753	514,837
Total Expenditures	-	-	587,737	376,789	160,503	1,125,029

MAJOR EQUIPMENT PURCHASES FY 2017-18

Tymco Model 435 Mid-Sized
Street Sweeper



Caterpillar Skid Steer Attachment
Cold Planer - PC104B

Caterpillar Backhoe Loader 416F2





OVERVIEW OF BONDS & DEBT SERVICE

OVERVIEW

Major capital improvements such as streets, drainage, buildings, and other facilities are often financed by bonds. This funding mechanism allows payment for infrastructure improvements to be made over multiple years, usually over the life of the improvement.

DEBT SERVICE POLICY

For large infrastructure projects or large pieces of equipment, debt financing is sometimes required. The City's debt management objective is to maintain a level of debt service that does not adversely impact tax or utility rates and does not hinder the City's ability to effectively operate the utility systems, street network, or other facilities.

When the City of Fair Oaks Ranch utilizes long-term debt financing, it will ensure that the debt is soundly financed by:

- Conservatively projecting the revenue sources that will be utilized to pay the debt.
- Financing the improvement over a period of time not greater than the useful life of the asset.

THE CITY OF FAIR OAKS RANCH'S BOND IS RATED:

	<u>GO</u>
Standard & Poor's	AA+

GENERAL OBLIGATION (GO) INTEREST AND SINKING FUND

This fund derives its revenue from property taxes. The function of this fund is to retire bonded indebtedness and pay the interest on the indebtedness. The debt, which this fund retires, was issued by the City for General Fund street reconstruction.

Street Bond Program:

- Bond Election 11/4/14 passed
- \$7,000,000 for a Roadway Reconstruction Project
- Major thoroughfare roads were rehabilitated
- Construction project completed during 2018

CURRENT DEBT REQUIREMENTS

The total Debt Service requirement for the City of Fair Oaks Ranch in fiscal year 2018-19 is \$552,008.75.

Funds for the GO Debt Service expenses will come from ad valorem taxes.

The following pages detail the annual principal and interest requirements for the City's outstanding debt obligation. Through 2030, the City's General Obligation debt has as total of \$5,755,000 in principal to retire and \$857,514 in interest payments.

STREET BOND DEBT SERVICE FUND

Street Bond Debt Service Fund				
	Actual	Budget	Estimated	Budget
	2016-17	2017-18	2017-18	2018-19
<u>Revenues:</u>				
General Property-I & S	543,530	552,278	543,899	552,409
Delinquent Property	3,489	3,000	3,442	3,000
Penalty & Interest	2,604	2,000	2,213	1,500
Interest Income on Investments	713	900	1,844	1,000
Miscellaneous Income	-	-	-	-
Total Revenue	550,335	558,178	551,398	557,909
<u>Expenditures:</u>				
Bond Principal	425,000	430,000	430,000	435,000
Bond Interest Payable	126,153	121,877	121,878	117,009
Bond Agent Fees	400	400	600	400
Transfer to Fund Balance	(1,218)	5,901	(1,080)	5,500
Total Departmental Budget	550,335	558,178	551,398	557,909



Resurfacing in Progress



Completed Roadway-Dietz Elkhorn

STREET BOND AMORTIZATION TABLE

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
2/1/2016	390,000	1.000%	110,147.92	500,147.92	
8/1/2016			64,138.75	64,138.75	
9/30/2016					564,286.67
2/1/2017	425,000	1.000%	64,138.75	489,138.75	
8/1/2017			62,013.75	62,013.75	
9/30/2017					551,152.50
2/1/2018	430,000	1.000%	62,013.75	492,013.75	
8/1/2018			59,863.75	59,863.75	
9/30/2018					551,877.50
2/1/2019	435,000	1.250%	59,863.75	494,863.75	
8/1/2019			57,145.00	57,145.00	
9/30/2019					552,008.75
2/1/2020	440,000	1.250%	57,145.00	497,145.00	
8/1/2020			54,395.00	54,395.00	
9/30/2020					551,540.00
2/1/2021	445,000	1.400%	54,395.00	499,395.00	
8/1/2021			51,280.00	51,280.00	
9/30/2021					550,675.00
2/1/2022	450,000	1.500%	51,280.00	501,280.00	
8/1/2022			47,905.00	47,905.00	
9/30/2022					549,185.00
2/1/2023	460,000	1.600%	47,905.00	507,905.00	
8/1/2023			44,225.00	44,225.00	
9/30/2023					552,130.00
2/1/2024	470,000	2.250%	44,225.00	514,225.00	
8/1/2024			38,937.50	38,937.50	
9/30/2024					553,162.50
2/1/2025	480,000	2.250%	38,937.50	518,937.50	
8/1/2025			33,537.50	33,537.50	
9/30/2025					552,475.00
2/1/2026	490,000	2.500%	33,537.50	523,537.50	
8/1/2026			27,412.50	27,412.50	
9/30/2026					550,950.00
2/1/2027	500,000	2.500%	27,412.50	527,412.50	
8/1/2027			21,162.50	21,162.50	
9/30/2027					548,575.00
2/1/2028	515,000	2.500%	21,162.50	536,162.50	
8/1/2028			14,725.00	14,725.00	
9/30/2028					550,887.50
2/1/2029	530,000	2.500%	14,725.00	544,725.00	
8/1/2029			8,100.00	8,100.00	
9/30/2029					552,825.00
2/1/2030	540,000	3.000%	8,100.00	548,100.00	
9/30/2030					548,100.00
	7,000,000		1,279,830.42	8,279,830.42	8,279,830.42

STREET BOND CAPITAL FUND

Street Bond Program				
	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
<u>Revenues:</u>				
Interest Income on Investments	30,437	15,000	29,653	-
Transfer from Fund Balance	-	1,115,538	-	-
Total Revenue	30,437	1,130,538	29,653	-
<u>Expenditures:</u>				
Professional Services	172,794	64,944	28,554	-
Land/Land Improvement	17,000	-	-	-
Construction Costs	3,773,714	1,065,594	1,890,090	-
Total Departmental Budget	3,963,508	1,130,538	1,918,644	-

Street Bond Program Amortization of Bond Proceeds						
	Actual 2014-15	Actual 2015-16	Actual 2016-17	Estimated 2017-18	Budget 2018-19	Cumulative 5-year total
<u>Revenues:</u>						
Bond Proceeds	7,000,000	-	-	-	-	7,000,000
Bond Premium	100,090	-	-	-	-	100,090
Miscellaneous	90	-	-	-	-	90
Interest Income on Investments	17,250	19,126	30,437	15,578	-	82,391
Transfer	-	-	-	-	-	-
Total Revenue	7,117,430	19,126	30,437	15,578		7,182,571
<u>Expenditures:</u>						
Professional Services	98,147	685,378	172,794	28,554	-	984,873
Land/Land Improvement	-	-	17,000	-	-	17,000
Construction Costs	-	-	3,773,714	1,890,090	-	5,663,804
Total Expenditures	98,147	685,378	3,963,508	1,918,644		6,665,677



This page intentionally left blank.



UTILITY FUND

The Utility Fund is an Enterprise Fund of the City. Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Services provided by the Utility Fund include Utility Administration (utility billing and collection and customer service), meter reading, water treatment and distribution, and wastewater collection and treatment.

The Fund's source of revenue is the charge for water and sewer services. Utility rates are set by the City Council.



Elmo Davis Water Treatment Plant

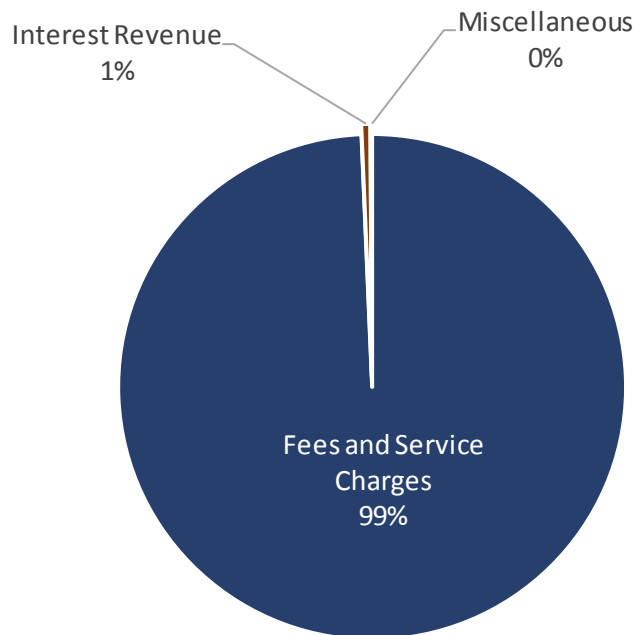
CONSOLIDATED UTILITY FUND BUDGET

Consolidated Utility Fund Budget Summary				
	Water	Wastewater	Equipment Repl	Utility Fund Total
Utility Revenues	3,804,008	1,064,661	-	4,868,669
Utility Operating Expenses				
Personnel	717,398	611,820	-	1,329,218
Supplies, Maintenance & Operations	2,277,581	1,015,943	-	3,293,524
Services	47,081	1,162	-	48,243
Debt Service Costs	82,729	15,758	-	98,487
Total Utility Operating Expenses	3,124,789	1,644,683	-	4,769,472
Operating Income/(Loss)	679,219	(580,022)	-	99,197
Capital Outlay	472,000	420,000	-	892,000
Non Cash Adjustments	(280,334)	(298,814)	(78,846)	(657,994)
Net Income/(Loss)	487,553	(701,208)	78,846	(134,808)

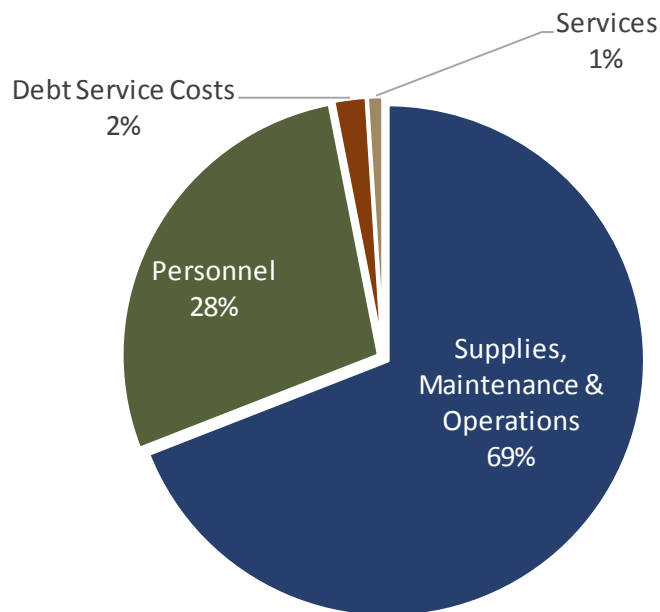
FUND DESCRIPTION:

The Utility Fund is used to account for the revenues from water and wastewater operating and maintenance activities and the expenses of the departments that support these activities. These departments include the water and wastewater treatment plants, the water distribution and wastewater collection. This fund also funds the fleet maintenance, building maintenance and community services functions.

UTILITY FUND REVENUES



UTILITY FUND EXPENDITURES



UTILITY FUND WATER REVENUES

(DETAIL)

Water Utility Fund Revenue Detail				
	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Water Revenues				
Water Revenue Residential	2,855,848	2,701,673	2,931,074	2,766,817
Rebate Program	-	-	-	-
Water Debt Service	356,971	186,693	189,677	297,785
Water Capital	115,589	232,646	236,423	237,082
Water Revenue Commercial	116,889	134,306	168,796	135,475
Water Contract Commercial	135,805	135,805	152,653	158,268
Water Revenue Non Potable	25,384	16,690	32,350	10,960
Water Service Connect Fees	39,525	39,600	26,975	34,810
Water Penalties	27,959	28,160	35,279	28,440
Water Impact Fees	141,601	59,570	130,760	83,640
Water Impact Fee-Stone Creek	-	23,040	-	9,340
Water Impact Fee-S Bar Ranch	28,670	23,370	-	12,710
Water Impact Fee-Oak Bend	-	-	-	-
Water Impact Fee-Enclave	-	1,600	-	1,600
Water Interest Income	17,983	3,500	14,067	16,000
Water-Bad Debts	592	(3,000)	(2,244)	(3,000)
Water Grant Revenue	-	-	-	-
SECO EECBG	-	-	-	-
Misc./Special Requests	(30)	3,290	629	3,710
Developers Contributions	-	-	-	-
Third Party Reimbursement	1,513	-	-	-
Permits/Variances	425	530	500	370
Credit Card Service Fee	9,272	4,000	11,199	10,000
Sale of Assets	25,883	-	-	-
Fund Balance Transfer In	-	157,885	-	-
Total Water Revenues	3,899,879	3,749,358	3,928,137	3,804,008

UTILITY FUND WATER EXPENDITURES (DETAIL)

Water Utility Fund Operating Expense Detail				
	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Operating Expenses				
Service Salaries	190,021	261,166	229,165	272,713
Service Overtime	5,794	6,527	6,317	1,929
Service Taxes - FICA	12,124	17,217	14,425	18,093
Service Taxes - MEDICARE	2,737	3,882	3,374	4,231
Service Workers' Comp	2,148	13,065	5,083	16,663
Service Texas Workforce Commission	134	1,888	897	1,490
Service Retirement	26,981	32,203	29,169	34,843
Service Insurance	33,351	61,793	45,177	53,301
Administration Salaries	143,682	165,126	160,392	233,679
Administration Overtime	-	540	16	152
Administration Taxes - FICA	8,445	10,620	9,994	14,498
Administration Taxes - MEDICARE	1,983	2,402	2,338	3,391
Administration Workers' Comp	2,602	746	380	1,052
Administration Texas Workforce Commission	112	703	573	911
Administration Retirement	19,831	19,930	20,015	27,919
Administration Insurance	21,477	28,376	23,307	32,532
Uniforms	4,700	5,000	4,960	5,953
Power	134,115	127,530	128,517	126,050
Maintenance of Plants/Lines	109,767	131,680	137,066	135,140
Cost of Meters	-	25,000	-	-
Analysis Fees	7,509	10,310	4,331	5,750
Chemicals	8,780	6,150	5,240	5,090
City Management Fee	157,943	153,644	172,688	153,576
Equipment Maintenance	1,981	10,618	11,147	4,110
Equipment Gas & Oil	7,870	10,010	9,820	11,010
GBRA Water Fees	1,032,227	1,044,170	1,044,805	1,097,699
Equipment Lease	-	850	6	690

UTILITY FUND WATER EXPENDITURES

(DETAIL) CONT.

	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Tools & Minor Equipment	8,216	10,767	10,083	18,663
Training	5,768	7,552	7,775	10,250
Utilities & Radio	18,356	14,891	12,488	19,389
Signal & Telemetry	261	7,720	162	162
Water Building Maintenance	6,013	9,160	9,289	10,000
Supplies & Consumables	1,120	1,450	1,589	1,340
Vehicle Maintenance/Repair	4,117	5,010	4,221	10,450
Capital	-	-	-	543,038
Water Inventory Adjustment	(1,512)	-	-	-
Utilities & Telephone	5,322	4,590	5,179	5,527
Dues & Publications	1,045	860	846	1,102
Water Professional Services	71,417	93,310	55,985	47,081
Permits & Licenses	6,827	7,360	7,881	8,461
General Liability Insurance	10,441	10,353	11,733	12,320
Office Supplies	3,718	4,166	2,463	5,814
Travel & Meetings	4,668	7,800	3,100	7,750
Software & Computer	51,094	69,768	68,792	56,627
Recording/Reporting	25	100	71	100
Postage	2,861	1,120	359	850
Building/Equip Maintenance	1,041	1,220	1,088	1,100
Conservation Ed & Newsletter	169	280	840	250
Billing Statement Charges	3,178	5,020	3,551	3,360
Billing Postage	8,948	8,060	8,085	8,100
Water Miscellaneous	35,273	1,850	231	600
Credit Card Service Fee	5,856	2,952	6,330	7,260
Total Operating Expenses	<u>2,190,537</u>	<u>2,426,505</u>	<u>2,291,343</u>	<u>3,042,060</u>

UTILITY FUND WASTEWATER REVENUES

(DETAIL)

Wastewater Utility Fund Revenue Detail				
	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Wastewater Revenues				
Sewer Revenue Residential	743,924	777,013	790,114	822,004
Sewer Debt Service	155,403	35,561	36,287	56,721
Sewer Capital	42,370	85,927	87,472	88,250
Sewer Revenue Commercial	3,927	4,045	4,045	4,166
Sewer Service Connect Fee	31,000	26,800	18,600	23,670
Sewer Penalties	6,108	4,940	8,057	5,270
Sewer Impact Fee	57,871	36,970	43,444	45,710
Sewer Impact Fee-S Bar Ranch	7,750	14,090	-	6,710
Sewer Impact Fee-<2004	-	-	-	-
Sewer Interest Income	14,917	1,100	10,652	12,000
Sewer Bad Debt	98	(400)	(488)	(400)
Sewer Grant Revenue	-	-	-	-
SECO EECBG	-	-	-	-
Misc/Special Requests	-	610	-	560
Fund Balance Transfer In	-	217,587	-	-
Total Wastewater Revenues	1,063,369	1,204,243	998,182	1,064,661

UTILITY FUND WASTEWATER EXPENDITURES

(DETAIL)

Wastewater Utility Fund Operating Expense Detail				
	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Operating Expenses				
Service Salaries	190,318	209,939	191,965	198,086
Service Overtime	5,794	5,125	3,762	1,414
Service Taxes - FICA	11,334	13,954	12,355	12,369
Service Taxes - Medicare	2,670	3,118	2,889	2,893
Service Workers' Comp	2,148	10,329	3,913	11,391
Service Taxes - SUTA/FUTA	134	1,600	842	956
Service Retirement	26,345	25,872	24,413	23,820
Service Insurance	32,305	42,346	34,402	29,864
Administration Salaries	143,682	148,251	145,882	245,170
Administration Overtime	-	540	16	152
Administration Taxes - FICA	8,252	9,225	9,159	15,210
Administration Taxes - Medicare	1,938	2,157	2,141	3,557
Administration Workers' Comp	2,602	670	324	1,216
Administration Taxes - SUTA/FUTA	112	591	481	956
Administration Retirement	19,381	17,900	18,247	29,291
Administration Insurance	21,442	22,939	21,306	35,474
Uniforms	4,062	5,000	4,636	5,953
Power	34,872	34,390	35,374	35,140
Maintenance Of Plant/ Lines	34,205	66,810	32,179	50,280
Sludge Hauling	149,853	116,180	276,759	330,000
Analysis Fees	24,224	16,350	25,646	21,330
Chemicals	5,699	6,690	5,630	6,280
City Management Fee	37,391	37,916	39,760	41,308
Equipment Maintenance	1,466	4,460	5,712	2,860
Equipment Gas & Oil	8,073	6,580	9,845	6,820
Equipment Lease	5,945	2,590	3,746	3,090

UTILITY FUND WASTEWATER EXPENDITURES (DETAIL) CONT.

	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Tools & Minor Equipment	6,454	8,247	5,839	16,123
Training	2,951	6,360	6,174	9,250
Utilities & Radios	18,356	14,891	14,385	18,127
Signal & Telemetry	508	4,520	461	461
Building Maintenance	2,192	10,360	2,945	10,330
Supplies & Consumables	1,175	1,070	1,581	1,120
Vehicle Maintenance & Repairs	4,327	2,700	3,019	2,500
Capital	-	-	-	353,038
Inventory Adjustment	422	-	-	-
Utilities/Telephone	5,440	3,940	5,494	5,006
Dues & Publications	1,014	760	939	1,162
Professional Fees	27,366	107,530	26,625	26,004
Permits & Licenses	1,616	2,090	3,786	1,718
Liability Insurance	10,441	5,099	11,733	12,320
Office Supplies	3,697	2,156	2,173	4,194
Travel & Meetings	3,944	3,710	2,961	4,800
Software & Computers	24,380	37,803	36,598	34,193
Recording/Reporting	25	100	50	100
Sewer Postage	420	660	254	438
Adm Bldg/Equip. Maintenance	1,041	710	1,088	1,100
Billing Statement Charges	2,384	3,540	3,551	3,360
Billing Postage	8,485	3,970	7,784	8,100
Miscellaneous	655	1,680	126	600
Total Operating Expenses	<u>901,541</u>	<u>1,033,419</u>	<u>1,048,951</u>	<u>1,628,925</u>

UTILITIES



MISSION STATEMENT

To maintain and administrate the utilities, and provide safe, uninterrupted water and wastewater services, while providing exemplary customer assistance to its consumers.

SCOPE OF SERVICES SUMMARY

The utility purchases the majority of its water from GBRA with other water sources provided from 40 ground water wells located throughout the city. The utility sewage is transported and treated at the city's local wastewater treatment plant rated for .5 MGD. Staff is responsible for maintaining 70 miles of water lines, 35 miles of sewage lines, 270 fire hydrants, 290 man-holes, 3800 water services, 1950 sewer services, 5 water plants and 1 wastewater treatment plant.

The utility department is responsible for the billing and collection of payments for water and sewer. Another major function of the utility administration is customer service, both in person and by phone. This office works closely with field operations handling all work orders pertaining to utility service accounts, included but not limited to: service connections, disconnections, transfers, collections and related duties. The Water Quality Department is responsible for producing safe and acceptable water in accordance with state and federal health standards. The water quality team also handles the daily field operations and maintenance of all water plants, distribution systems, water wells, and work orders. The Wastewater Department is responsible for treatment of all sewage water produced by its customers to meet all health and safety standards required by TCEQ for discharging of effluent as irrigation. The wastewater department handles the daily field operations and maintenance of the wastewater plant, collection systems, lift stations, and wastewater work orders.



City of Fair Oaks Ranch Utilities Department

Recent Accomplishments

- Distributed over 568 million gallons of water
- Treated over 81 million gallons of sewage water
- Utility billing collected \$4,963,247
- Implementations of two divisions water and sewer
- Launch of a new SCADA dash board
- Improved late fee billing process
- Met all state requirements for treatment and reporting

WATER



STAFFING

Title	2016-17	2017-18	2018-19
Water Distribution and Quality Supervisor	1	1	1
Water Operator II	2	2	2
Water Utility Tech	0	3	3
Total Staffing	3	6	6

STAFFING (UTILITY BILLING)

Title	2016-17	2017-18	2018-19
Utility Billing Clerk	1	1	1
Total Staffing	1	1	1

WATER FINANCIAL SUMMARY

Water Utility Fund Summary				
	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Water Revenues	3,899,879	3,749,358	3,928,137	3,804,008
Water Operating Expenses				
Personnel	471,421	626,184	550,622	717,398
Supplies, Maintenance & Operations	1,647,698	1,688,849	1,665,701	2,277,581
Services	71,417	93,310	55,985	47,081
Debt Service Costs	94,380	186,693	89,247	82,729
Total Water Operating Expenses	2,284,917	2,595,036	2,361,554	3,124,789
Operating Income	1,614,963	1,154,322	1,566,583	679,219
Capital Outlay	23,897	380,107	432,926	472,000
Non Cash Adjustments	638,636	440,283	454,922	(280,334)
Net Income/(Loss)	952,429	714,039	1,111,661	487,553

WASTEWATER



STAFFING

Title	2016-17	2017-18	2018-19
Wastewater and Systems Supervisor	1	1	1
WW Operator II	1	2	2
WW Operator I	3	0	0
WW Utility Tech	0	1	1
Total Staffing	5	4	4

WASTEWATER FINANCIAL SUMMARY

Wastewater Utility Fund Summary				
	Actual 2016-17	Budget 2017-18	Estimated 2017-18	Budget 2018-19
Wastewater Revenues	1,063,369	1,204,243	998,182	1,064,661
Wastewater Operating Expenses				
Personnel	468,458	514,556	472,097	611,820
Supplies, Maintenance & Operations	432,069	518,103	575,915	1,015,943
Services	1,014	760	939	1,162
Debt Service Costs	21,317	35,561	16,999	15,758
Total Wastewater Operating Expenses	922,857	1,068,980	1,065,950	1,644,683
Operating Income	140,511	135,263	(67,768)	(580,022)
Capital Outlay	23,892	198,692	209,801	420,000
Non-Cash Adjustments	469,633	252,341	242,018	(298,814)
Net Income/(Loss)	(353,014)	(117,078)	(309,786)	(701,208)

UTILITIES GOALS AND ACTION ITEMS FOR FY 2018-19

FI-1 Provide for Financial Integrity into the Future

Goal: Create / Streamline Enterprise Budget Process Similar to the General Fund Budget Process

Priority Ranking: Imperative

FY 18-19 Action Item: Update Utility Budget format and coordinate with Finance Department

Resources Budgeted: A staff accountant will be hired in FY 2018-19 to support this goal.

WC-6 Plan With, not For our Citizens

Goal: Implement Online Bill Pay Viewer and Rate Page

Priority Ranking: Essential

FY 18-19 Action Item: Incode to Develop bill view and website page showing rates and fees with Communication Department coordination.

Resources Budgeted: Incode implementation and web site access and assistance

CP-3 Develop and Implement a Sustainability Strategy

Goal: Build Elevated Storage Tank with Plant 3 Upgrades

Priority Ranking: Essential

FY 18-19 Action Item: Design Elevated Tank, add 2 VFD Drives to Plant 3 with new pumps & motors along with the implementation of SCADA

Resources Budgeted: \$247,000 cash outlay with \$17K depreciation expense budget impact

Goal: Establish a Water Tank Maintenance and Repair Program

Priority Ranking: Essential

FY 18-19 Action Item: Implement a program for tank painting, repairs, standards update, and add Cathodic Protection

Resources Budgeted: Materials and Supplies

Goal: Replace Existing Waterlines

Priority Ranking: Essential

FY 18-19 Action Item: Select Design Consultant

Resources Budgeted: Consulting Costs

Goal: Improve the Capacity, Management, Operation and Maintenance (CMOM) EPA Required Program

Priority Ranking: Essential

FY 18-19 Action Item: Purchase new camera and sanitary sewer line inspection equipment and install grease treatment system on several collection system lift stations.

Resources Budgeted: Equipment to inspect the collection system & Grease Treatment System \$140,000 cash outlay with \$20K depreciation expense budget impact



**Goal: Water Conservation Improvements****Priority Ranking:** Essential**FY 18-19 Action Item:** Improve water sustainability with Communications Department coordination**Resources Budgeted:** Educational publications and flyers**Goal: Improve Coordination and Agreements with FOR Country Club as it Relates to all Infrastructure****Priority Ranking:** Essential**FY 18-19 Action Item:** Take positive steps – Be initiator of improved relationship**Resources Budgeted:** Communication, Participation & effort**Goal: Improve use of SCADA data****Priority Ranking:** Essential**FY 18-19 Action Item:** Purchase software and implement to automate utility reports with SCADA specialist**Resources Budgeted:** Software purchase & installation fees with FTE SCADA specialist
\$80,000 cash outlay with \$26,667 depreciation expense budget impact

CP-4	Develop a Master Plan for Core Infrastructure Elements
------	--

**Goal: Wrap up - Master Plan for Drainage, Water, Wastewater****Priority Ranking:** Imperative**FY 18-19 Action Item:** Coordinate consultant efforts**Resources Budgeted:** \$125,000 in project costs**Goal: Improve Infrastructure Operations****Priority Ranking:** Imperative**FY 18-19 Action Item:** PRV's for fully looping system, WWTP VFD's Pumps and SCADA, Trencher attachment for Skid Steer, Multiple Lift Stations, SCADA Upgrade, Hydro tank, Grit System, Effluent Transfer Pump Up grade, School Lift Station, Replace existing water lines in areas of city**Resources Budgeted:** Equipment, specialty valves, and SCADA**Goal: Improve Infrastructure Components****Priority Ranking:** Imperative**FY 18-19 Action Item:** Leak Detection Equipment, Air Release Valves, Valve Cutting Tool, Widen drive at WWTP, Plant 4 & 5 Meters with SCADA Upgrade, new WWTP Electrical Panel, 2 Pumps at Water Plant 4 and SCADA Integration for CL2 Alarm, implement a replacement program for undersize water lines**Resources Budgeted:** Equipment, Valves, Tools, Easement acquisition, Meters, SCADA upgrade**Goal: Improve the CMOM EPA required program****Priority Ranking:** Imperative**FY 18-19 Action Item:** Implement a yearly line and man hole cleaning program with a Vacuum & Jet Trailer**Resources Budgeted:** Trailer

**Goal: Install new 500K Gallon tank with solar bee****Priority Ranking:** Imperative**FY 18-19 Action Item:** Install new tank at Plant 5 for future growth and air installation in tank for TTHM removal**Resources Budgeted:** CIP Project

CP-5	Develop a Financial Strategy to Support Growth Management Plan
-------------	---

**Goal: Reallocate existing Operator 2 to be Operator 3****Priority Ranking:** Essential**FY 18-19 Action Item:** Promote two operator 2 to Operator 3 Level, Coordinate with HR Dept.**Resources Budgeted:** Personnel Positions Authorization**Goal: Utility Rate Management****Priority Ranking:** Essential**FY 18-19 Action Item:** Develop a utility rate management plan and conduct a utility rate analysis**Resources Budgeted:** \$200,000 cash outlay with \$200,000 depreciation expense budget impact

HT-1	Ensure a High Standard of Public Services
-------------	--

**Goal: Asset Safety and Protection****Priority Ranking:** Essential**FY 18-19 Action Item:** Trailers to safely transport equipment**Resources Budgeted:** Procure trailer**Goal: Purchase New Trucks for Employees****Priority Ranking:** Essential**FY 18-19 Action Item:** Add 2 new truck to fleet for new employees**Resources Budgeted:** \$80,000, with \$16,000 depreciation expense budget impact**Goal: Establish Online Portals with Computer Access****Priority Ranking:** Essential**FY 18-19 Action Item:** Purchase 2 computers and a screen**Resources Budgeted:** Materials and Supplies

HT-2	Enhance and Maintain the Aesthetics of the Community
-------------	---

**Goal: Update and Repair Treatment Plant Buildings****Priority Ranking:** Essential**FY 18-19 Action Item:** Update and Repair Water and Wastewater Treatment buildings.**Resources Budgeted:** Materials and supplies

SIGNIFICANT CHANGES FOR THE FY 2018-19 BUDGET

Add 2 new trucks to Utilities fleet
Purchase Trailers for equipment
Inspection Equipment, Leak Detection Equipment, Specialty Valves & Specialty Tools, Grease Treatment Tank w/ Solar Bee at Plant 5
Building materials and supplies
Two computers w/ Screen
Incode Billing System Improvements
Software purchase and installation
Water Meters with SCADA
Vacuum and Jet Trailer
Sludge Operation Improvements
Two Operators FTE authorization (Promotions)





UTILITY FUND CAPITAL IMPROVEMENTS

The Utility CIP represents capitalizable costs and projects that benefit the City's Utility Fund. These projects are typically funded with revenue bonds, impact fees, and rate revenue.

Utility Fund Capitalizable Costs and Non-Recurring Projects							
Council's Strategic Goals and Strategies		FY 18-19	Est. Life	Depreciation of New Capital			
		CASH OUTLAY		FY 2018-19	FY 2019-20	FY 2020-21	2020 & beyond
CP-3.1	North Elevated Storage Tower	247,000	15	16,467	16,467	16,467	197,600
CP-3.6	EPA required program - vacuum jetter	80,000	10	8,000	8,000	8,000	56,000
CP-3.6	EPA required program - camera	60,000	5	12,000	12,000	12,000	24,000
CP-3.9	Improve use of SCADA data	80,000	3	26,667	26,667	26,667	0
HT-1.25	Trailers to transport equipment	6,075	5	1,215	1,215	1,215	2,430
HT-1.26	Purchase new trucks for employees	80,000	5	16,000	16,000	16,000	32,000
Operational	Fix exposed water line	400,000	15	26,667	26,667	26,667	320,000
Operational	Sludge dewatering box	150,000	10	15,000	15,000	15,000	105,000
Operational	Replacement Generators	40,000	7	5,714	5,714	5,714	22,857
Operational	Collection System Repairs and Improvements	170,000	10	17,000	17,000	17,000	119,000
Operational	Digester Planning	100,000	10	10,000	10,000	10,000	70,000
CP-4.1	Implement master wastewater plan	125,000	1	125,000	0	0	0
CP-5.3	Utility Rate Analysis	200,000	1	200,000			
Operational	Impact Rate Study	50,000	1	50,000			
		\$ 1,788,075		\$ 529,729	\$ 154,729	\$ 154,729	\$ 948,887

Consolidated Capital Outlays Detail										
		FY 18-19 Cash Outlay			FY 18-19 Depreciation Adjustment			Net FY 17-18 Budget		
		Water	Wastewater	Capital Outlay	Water	Wastewater	Total	Water	Wastewater	Total
<u>Capital Improvement Projects (CIP Fund)</u>										
Operational	Digester Planning		100,000	100,000		(90,000)	(90,000)	-	10,000	10,000
CP-3.1	North Elevated Storage Tower	247,000		247,000	(230,533)		(230,533)	16,467	-	16,467
CP-4.1	Implement master wastewater plan		125,000	125,000		0	0	-	125,000	125,000
Operational	Collection System Repairs and Improvements		170,000	170,000		(153,000)	(153,000)	-	17,000	17,000
CP-5.3	Utility Rate Analysis	200,000		200,000	-	-	0	200,000	-	200,000
Operational	Impact Rate Study	25,000	25,000	50,000	-	-	0	25,000	25,000	50,000
		472,000	420,000	892,000	(230,533)	(243,000)	(473,533)	241,467	177,000	418,467
<u>Operational Capital Outlays (Operations Fund)</u>										
CP-3.6	EPA required program - vacuum jetter		80,000	80,000		(72,000)	(72,000)	-	8,000	8,000
CP-3.6	EPA required program - camera		60,000	60,000		(48,000)	(48,000)	-	12,000	12,000
CP-3.9	Improve use of SCADA data	80,000		80,000	(53,333)		(53,333)	26,667	-	26,667
HT-1.25	T railers to transport equipment	3,038	3,038	6,075	(2,430)	(2,430)	(4,860)	608	608	1,215
HT-1.26	Purchase new trucks for employees	40,000	40,000	80,000	(32,000)	(32,000)	(64,000)	8,000	8,000	16,000
Operational	Fix exposed water line	400,000		400,000	(373,333)		(373,333)	26,667	-	26,667
Operational	Sludge dewatering box		150,000	150,000		(135,000)	(135,000)	-	15,000	15,000
Operational	Replacement Generators	20,000	20,000	40,000	(17,143)	(17,143)	(34,286)	2,857	2,857	5,714
		543,038	353,038	896,075	(478,240)	(306,573)	(784,812)	64,798	46,465	111,263
Utility Fund Total		543,038	353,038	1,788,075	(708,773)	(549,573)	(1,258,346)	306,265	223,465	529,729



This page intentionally left blank.



ADVISORY BOARDS AND COMMISSIONS

Planning and Zoning Commission. The Planning and Zoning Commission (P&Z) acts as an advisory group to the City Council in required and discretionary land use matters associated with the following: Comprehensive Planning, Zoning, Subdivision Platting and other growth management initiatives related to the physical development of the city. Commission members serve three year staggered terms with no term limits. Members are appointed by the City Council.

Bobbe Barnes

Conrad Fothergill

David Horwath

Douglas Leonard

Dale Pearson

Michael Rey

Frank Trapasso

Municipal Development District Board. The Fair Oaks Ranch Municipal Development Board (MDD) was created by voters on May 7, 2011 in accordance with Chapter 377 of the Texas Local Government Code. It began receiving a 1/2 percent sales tax in 2011 on all items in the district that are subject to the local sales tax. As a result of the MDD formation our ad valorem tax rate did not increase but these funds can now directly benefit our City and residents.

The MDD's mission is to approve funding for economic development, retention and improvement of the district, and for improvement of short and long term property values. Priorities for expenditures of resources are aligned to the City's Comprehensive Plan and the MDD's adopted mission, goals and objectives. MDD boundaries include the City of Fair Oaks Ranch and portions of the ETJ within Bexar and Kendall Counties, but not Comal County.

Al McDavid, President

Brad Dutton, Vice President

Laura Koerner, Secretary

Roy Elizando, Treasurer

Chris Cook

Debra Grandjean

Faira Stevick

Sarah Buckelew, Investment Officer

Construction & Appeals Board. Hears and renders decisions on rulings by City building inspectors or officials in regards to code interpretation, enforcement and substandard housing or structures within the City.

Jenks Boston

Walter Wong

Earl Hamilton

Darrell White

Zoning Board of Adjustments. The Zoning Board of Adjustments is a quasi-judicial board that is charged with reviewing requests for variances. It can also make special exceptions to the terms of the Zoning Ordinance that are consistent with the general purpose and intent of the ordinance, and in accordance with any applicable rules contained in the ordinances. The Board may authorize in specific cases a variance from the terms of a zoning ordinance if a literal enforcement of the ordinance would result in unnecessary hardship due to special conditions. A financial hardship is not a consideration.

Stakeholders Committee. The Stakeholders Committee is a committee of involved citizens appointed by the Council to participate in the updating of the City's Comprehensive Plan and developing of master drainage, water and wastewater plans.

Garry Manitzas	MaryAnne Havard	Roy Elizondo
Steve Hartpence	Laura Koerner	Snehal Patel
Greg Maxton	Bob Weiss	Al McDavid
Debra Grandjean	Paul Bimler	Jim Cannizzo
Michael Rey	John Merritt	

Capital Improvements Advisory Committee. The Capital Improvements Advisory Committee (CIAC) was established to comply with the Section 395.058 Texas Local Government Code-Chapter 395. This committee is responsible for assisting the City in development of Land Use Assumptions, Capital Improvement Plans, and reviewing of impact fees.

John Merritt, Chairman	Harold Manning, Vice Chair	John Weir
Fran Driskell	Paul Lampe	Ed Barron
Monte McCormick	Paul Mebane	Dana Green
City Representatives: Snehal Patel, Ron Emmons, Sandra Gorski, Tobin Maples, Garry Manitzas		

Wildlife Education Committee. The Wildlife Education Committee (WEC) is responsible for developing a proactive program using educational materials to help us all better enjoy and coexist with the bounties of nature we are blessed to have in our community.

Bruce Nicholson, Chairman	Chris Cook	Teal Harris
Dedie Manitzas	Paul Mebane	Debby Stephens
Scott Russell		
Liasons: MaryAnne Havard, Garry Manitzas, Carole Vanzant		

Communications Committee. The Communications Committee is charged with enhancing the communication efforts of the City to the citizens. This includes recommending initiatives and tools for daily communications, publicizing city events, and marketing our city.

Greg Buschman	Laura Koerner	Julie Hall
Candice Collins		
Liason: Kim Stahr		



UTILITY RATE SCHEDULE



7286 Dietz Elkhorn · Fair Oaks Ranch, Texas 78015 · 210-698-7685 · 866-258-2505 · Fax 210-698-3565 ·
www.fairoaksranchtx.org

Fair Oaks Ranch Utilities - Water / Wastewater Rate

The water rate is established on a base service availability charge and various associated fees.

Water Service Availability Charge

<u>Meter Size</u>	<u>Service Availability Charge</u>
¾"	\$26.48
1"	\$28.01
1½"	\$41.02
2"	\$48.33
3"	\$62.94
4"	\$94.42

Tiered Volume Charges:

Residential

<u>Gallons</u>	<u>Cost per 1,000 gallons</u>
0 to 6,000	Base Service Charge
6,001 to 12,500	\$3.81
12,501 to 25,000	\$4.76
25,001 to 50,000	\$7.14
50,001 to 75,000	\$10.72
75,001 to 100,000	\$16.07
Over 100,000	\$24.11

Commercial

<u>Gallons</u>	<u>Cost per 1,000 gallons</u>
0 to 6,000	Base Service Charge
6,001 to 50,000	\$3.25
50,001 to 100,000	\$4.87
100,001 to 150,000	\$7.31
Over 150,000	\$10.97

Water Service Itemized Fees:

- Surface Water Fee: \$13.72
- Texas Commission on Environmental Quality Fee: \$0.18
- Trinity Glen Rose Groundwater Conservation District Fee: varies per customer usage
- Debt Service Fee: \$ 5.39
- Capital Reserve Fund: \$ 6.72

Wastewater Service Availability: \$ 37.39

The sewer rate is established on a base service availability charge and various associated fees.

- Texas Commission on Environmental Quality Fee: \$0.06
- Debt Service Fee: \$1.71
- Capital Reserve Fund: \$4.12

Revision -Effective Nov 1, 2017 re



7286 Dietz Elkhorn · Fair Oaks Ranch, Texas 78015 · 210-698-7685 · 866-258-2505 · Fax 210-698-3565 ·
www.fairoaksranchtx.org

Definitions:

Water Fees:

- Surface water: the cost of water distributed by the Guadalupe-Blanco River calculated in dollars per one-thousand gallons' times 6,000 gallons minimum.
- Texas commission of Environmental Quality (TCEQ): The annual TCEQ water fee divided by number of service connections the month payment is made to TCEQ.
- Trinity Glen Rose Groundwater Conservation District: The ratio of total monthly water produced divided by total monthly water billed times the TGRGCD prevailing rate per thousand gallons.
- Debt Service: The water portion of the total bond payment (including principal and interest) in the upcoming fiscal year divided by number of service connections as determined on June 1st.
- Capital Reserve: The budget goal divided by number of service connections as determined on June 1st.

Wastewater Rates:

- Service Availability: Average of three previous fiscal year actual wastewater expenditures less debt interest divided by number of service connections as determined on June 1st.

Wastewater Fees:

- Texas Commission on Environmental Quality (TCEQ): The annual TCEQ wastewater fee divided by number of service connections the month payment is made to TCEQ.
- Debt Service: The wastewater portion of the total bond payment (including principal and interest) in upcoming fiscal year divided by number of service connections as determined on June 1st.
- Capital Reserve: The budget goal divided by number of service connections as determined on June 1st.

Revision -Effective Nov 1, 2017 re

ORDINANCE 2018-09**ADOPTING THE CITY OF FAIR OAKS RANCH ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018 AND ENDING SEPTEMBER 30, 2019; AND OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, the City Manager submitted to the City Council a proposed budget for the next ensuing budget year, and filed the proposed budget with the City Secretary for public review pursuant to LGC §102.005; and,

WHEREAS, the Council set September 6, 2019 and September 13, 2019 as the dates for the public hearings thereon and caused notice of such public hearings to be posted on the City's website and published in the Boerne Star pursuant to LGC §102.006 and 102.0065; and,

WHEREAS, the public hearings were held on said dates and all persons were then afforded an opportunity to appear and object to any or all items and estimates in the proposed budgets; and,

WHEREAS, pursuant to Local Government Code §102.007, the City Council, by passage of the Budget Ordinance shall adopt the budget for the ensuing fiscal year and appropriate such sums of money as the Council deems necessary to defray all expenditures of the City during the 2018-19 budget year.

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

SECTION 1. BUDGET.

- a. The City hereby approves and adopts the "FY2018-19 Municipal Budget", attached as **Exhibit A**, in all respects as the city's annual budget for the fiscal year beginning October 1, 2018 and ending September 30, 2019.
- b. The City Manager may reallocate budget amounts within and between departmental accounts, but reallocation of amounts between funds must be approved by the City Council by ordinance. For purposes of this section the term "fund" refers to the Governmental Accounting definition of a fund (i.e. "General Fund", "Utility Fund", and "Debt Service Fund").
- c. In accordance to LGC §102.008(a), the adopted budget shall be filed with the City Secretary; and a copy of the adopted budget including the cover page shall be posted on the city's website.

SECTION 2. SEVERABILITY.

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 3. CONFLICT OF ORDINANCES.

Ordinances or parts of ordinances in conflict herewith are hereby repealed, and are no longer of any force and effect.

Section 4. EFFECTIVE DATE.

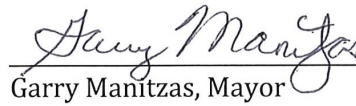
This Ordinance shall take effect on the first day of October 2018.

PASSED on first reading this 13th day of September, 2018 and recorded as follows:

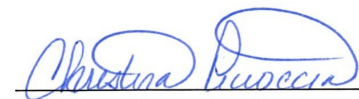
	FOR	AGAINST	ABSTAIN
Mayor Garry Manitzas	✓		
Mayor Pro Tem Havard	✓		
Council Member Elizondo	✓		
Council Member Hartpence	✓		
Council Member Koerner	✓		
Council Member Maxton	✓		
Council Member Patel	✓		

PASSED, APPROVED and ADOPTED on second reading, this the 20th day of September, 2018 and recorded as follows:

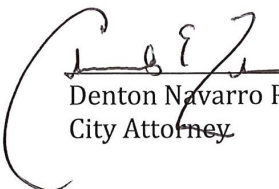
	FOR	AGAINST	ABSTAIN
Mayor Garry Manitzas	✓		
Mayor Pro Tem Havard - Absent			
Council Member Elizondo	✓		
Council Member Hartpence	✓		
Council Member Koerner	✓		
Council Member Maxton	✓		
Council Member Patel	✓		


Garry Manitzas, Mayor

ATTEST:


Christina Picioccio, City Secretary

APPROVED AS TO FORM:


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

ORDINANCE 2018-10**LEVYING AD VALOREM TAXES FOR USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF FAIR OAKS RANCH, TEXAS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018 AND ENDING SEPTEMBER 30, 2019; PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT; AND PROVIDING AN EFFECTIVE DATE**

WHEREAS, on August 16, 2018, the City Council established a proposed ad valorem tax rate to support the proposed FY2018-19 budget and, set September 6, 2018 and September 13, 2018 as dates for the public hearings thereon and caused notice of such public hearings to be posted pursuant to Local Government Code §140.010(e)(f) and (g); and,

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

WHEREAS, on September 20, by ordinance, the Council approved the municipal budget for the fiscal year beginning October 1, 2018 and ending September 30, 2019; and

WHEREAS, it is necessary that an ordinance be passed levying an ad valorem tax on all property, both real and personal, within the corporate limits of the City of Fair Oaks Ranch, Texas in accordance with said budget and Texas Property Tax Code, §26.05(b).

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

SECTION 1. TAX LEVY.

- a. That there is hereby levied and there shall be collected for the use and support of the municipal government of the City of Fair Oaks Ranch (herein the "City"), upon all property, real, personal, and mixed, in the corporate limits of said City subject to taxation, a tax rate of **\$.3306** on each \$100 taxable valuation of property, said tax being so levied for the maintenance and operations of the General Fund of the municipal government for the 2018-19 Fiscal Year.
- b. That there is hereby levied and there shall be collected for the use and support of the municipal government of the City of Fair Oaks Ranch (herein the "City"), upon all property, real, personal, and mixed, in the corporate limits of said City subject to taxation, a tax rate of **\$.03618** on each \$100 taxable valuation of property, said tax being so levied for the debt service principal and interest of the Debt Service Fund of the municipal government for the 2018-19 Fiscal Year.
- c. **THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 17.8% ON EACH \$100 TAXABLE VALUATION OF PROPERTY AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$39.70.**

SECTION 2. TAX PAYMENT DUE DATE AND DELINQUENT EFFECTIVE DATE.

- a. Taxes assessed and levied under this ordinance shall be due on October 1, 2018.
- b. Taxes not paid on or before January 31, 2019 shall immediately become delinquent.
- c. Taxes shall become a lien upon the property against which assessed, and the Bexar County Tax Office as the collector of property taxes is hereby authorized and empowered to enforce the

collection of such taxes according to the Constitution and laws of the State of Texas and ordinances of the City and shall, by virtue of the tax rolls, fix and establish a lien by levying upon such property, whether real or personal, for the payment of said taxes, penalty and interest, and, the interest and penalty collected from such delinquent taxes shall be apportioned to the general fund of the City. All delinquent taxes shall bear interest from date of delinquency at the rate as prescribed by state law.

SECTION 3. SEVERABILITY.

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 4. EFFECTIVE DATE

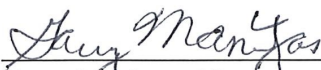
This ordinance shall take effect and be in force from the date after its passage.

PASSED and APPROVED on first reading this 13th day of September 2018 and recorded as follows:

	FOR	AGAINST	ABSTAIN
Mayor Garry Manitzas	✓		
Mayor Pro Tem Havard	✓		
Council Member Elizondo	✓		
Council Member Hartpence	✓		
Council Member Koerner	✓		
Council Member Maxton	✓		
Council Member Patel	✓		

PASSED, APPROVED, AND ADOPTED on second reading this 20th day of September 2018 and recorded as follows:

	FOR	AGAINST	ABSTAIN
Mayor Garry Manitzas	✓		
Mayor Pro Tem Havard - Absent			
Council Member Elizondo	✓		
Council Member Hartpence	✓		
Council Member Koerner	✓		
Council Member Maxton	✓		
Council Member Patel	✓		



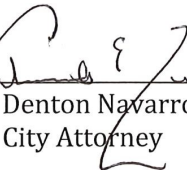
Garry Manitzas, Mayor

ATTEST:



Christina Picioccio, City Secretary

APPROVED AS TO FORM:



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



APPENDIX A

Effective Fiscal Year 2018-19 the City has changed the Departmental Structure of the General Fund by splitting the Administration Department into the following new departments: Mayor and City Council, City Administration, City Secretary, HR & Communications, and Finance. The City has also added the Engineering Services Department which was previously reported in Maintenance, and Non-Departmental & Shared Services which was previously allocated across multiple departments. The Public Safety department now includes both police and fire, which were previously two separate departments. Comparability of budgets between prior years and the current year might be challenging for the newly created departments, or those affected by the Accounting change.





This page intentionally left blank.



BUDGET GLOSSARY

The Annual Budget contains specialized and technical terminology that is unique to the public finance and budgeting. To help the reader of the Annual Budget document to better understand these terms, a budget glossary has been included.

ACCOUNT - A term used to identify an individual asset, liability, expenditure, revenue, encumbrance, or fund balance.

ACCOUNTING STANDARDS - The generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB), which guides the recording and reporting of financial information by state and local governments. The standards establish such guidelines as when transactions are recognized, the types and purposes of funds, and the content and organization of the annual financial report.

ACCOUNTING SYSTEM - Records and procedures which are used to classify, record, and report information on the financial status and operations of the entity.

ACCRUAL BASIS OF ACCOUNTING - A basis of accounting under which revenues are recorded when earned and expenditures are recorded as soon as they result in liabilities for benefits received, not withstanding that the receipt of the revenue or the payment of the expenditure may take place, in whole or in part, in another accounting period.

ACTIVITY - A specific and distinguishable line of work performed by one or more organizational components of a governmental unit for the purpose of accomplishing a function for which the governmental unit is responsible. See also **FUNCTION**.

ADOPTED BUDGET - An annual spending plan that is adopted by the City Council.

AD VALOREM TAXES - Taxes levied on real property according to the property's valuation and the tax rate. See **PROPERTY TAXES**.

AMENDED BUDGET - Includes the adopted budget for a fiscal year, plus any budget amendments or budget transfers.

APPRAISED VALUE (Assessed Valuation) - The value of real and/or personal property assigned by the appraiser as a basis for the levying property taxes. (Property values are established by the Bexar, Comal and Kendall County Tax Appraisal Districts.)

APPROPRIATION - A legal authorization granted by the legislative body to make expenditures and to incur obligations for specific purposes.

ASSETS - Resources owned or held by the City, which have a monetary value.

AUTHORIZED POSITIONS - Employee positions which are authorized in the adopted budget, to be filled during the year.

AUDIT - A comprehensive review of the manner in which the City's resources were actually utilized. The main purpose of an audit is to issue an opinion over the presentation of financial statements and to test the controls over the safekeeping of assets while making any recommendations for improvement where necessary. The City's annual audit is conducted by an independent auditor.

BALANCED BUDGET – A budget with total expenditures not exceeding total revenues and monies available in the fund balance within an individual fund.

BASE BUDGET - Cost of continuing the existing levels of service in the current budget year.

BEXAR COUNTY APPRAISAL DISTRICT - An entity established by the State of Texas to insure uniform property appraisals for all taxing entities in Bexar County.

BOND - A way of borrowing money long term for capital projects. A long-term indebtedness of a specified sum of money (the face amount of the bond) on a specific date(s) (the bond maturity date) at a specified interest rate. The most common types of bonds are general obligation (G.O.) and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings and streets.

BONDED DEBT - That portion of indebtedness represented by outstanding bonds.

BOND ORDINANCE - An ordinance or resolution authorizing the sale of government bonds that specifies how revenues may be spent.

BUDGET - A plan of financial operation embodying an estimate of proposed expenditures and the estimated means of financing them over a fixed time period, usually a year. The approved budget is authorized by ordinance and thus specifies the legal spending limits for the fiscal year.

BUDGET AMENDMENT – The budget may be formally amended after it has been approved.

BUDGET CALENDAR - The schedule of key dates which the City follows in the preparation and adoption of the budget.

BUDGET DOCUMENT - The instrument used by the budget-making authority to present a comprehensive financial plan of operations to the City Council.

BUDGET MESSAGE - The opening section of the budget which provides the City Council and the public with a summary of the most important aspects of the budget, changes from previous years and views and recommendations of the City Manager.

BUDGET ORDINANCE - The official enactment, by the City Council, to legally authorize the City Staff to obligate and expend the resources of the City.

BUDGET YEAR - The fiscal year of the City which begins October 1 and ends September 30.

CAFR – see *Comprehensive Annual Financial Report*

CAPITAL ASSETS - Assets of a long-term character, which are intended to continue to be held or used. Examples of capital assets include items such as land, buildings, machinery, furniture and other equipment.

CAPITAL EXPENDITURES – Defined as the charges for the acquisition at the delivered price including transportation, costs of equipment, land, buildings, or improvements of land or buildings, fixtures, and other permanent improvements with a value in excess of \$5,000 and a useful life expectancy of greater than 1 year.

CAPITAL IMPROVEMENT PROGRAM (CIP) - A long-range plan for providing the capital outlays necessary to insure that adequate services are provided to the residents of the City. The plan includes improvements, or the acquisition of structural improvements, and major equipment purchases.

CAPITAL PROJECTS FUND - A fund created to account for financial resources to be used for the acquisition and/or the construction of major capital facilities or equipment.

CAPITALIZED INTEREST – A portion of the proceeds of a bond issue set aside, upon issuance of the bonds, to pay interest on the bonds for a specified period of time. Interest is commonly capitalized during the construction of a revenue-producing project.

CASH BASIS OF ACCOUNTING - The basis of accounting in which transactions are recorded when cash is either received or disbursed for goods and services.

CASH FLOW – A sufficient amount of cash on hand to cover disbursement or payments that are coming due. Part of the duties of the finance director is to ensure sufficient cash is on hand or available in short term investments to meet expected disbursements.

CASH MANAGEMENT - The proper management of the cash necessary to pay for government services while investing temporary, idle, excess cash in order to earn interest revenue.

CERTIFICATE OF DEPOSIT – A deposit with a financial institution for a specified period that earns a specified interest rate.

CERTIFICATES OF OBLIGATION (CO's) - Bonds that finance a variety of public improvement projects which can be backed by general revenues, backed by a specific revenue stream, or a combination of both. Certificates of obligation will be used to fund capital assets where bond issues are not warranted as a result of the cost of the asset(s) to be funded through the instrument. This type of bond generally does not require voter approval.

CHANGE ORDERS – A change in the design or specification of an already approved capital project that often creates a need for an increased expense.

CHART OF ACCOUNTS – A way of recording revenues and expenditures that includes all transactions and that fits the organizational structure. A chart of accounts assigns a unique number to each type of transaction and to each budgetary unit in the organization.

COMAL COUNTY APPRAISAL DISTRICT - An entity established by the State of Texas to insure uniform property appraisals for all taxing entities in Comal County.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) – This report summarizes financial data for the previous fiscal year in a standardized format.

CITY CHARTER - The document that establishes the City as an incorporated political subdivision (municipal government) in accordance with the statutes of the State of Texas.

COFOR - City of Fair Oaks Ranch

CONTINGENCY - A budgetary reserve set aside for emergencies or unforeseen expenditures.

CURRENT TAXES - Taxes that are due within one year.

DEBT LIMIT – The maximum amount of debt which an issuer of municipal securities is permitted to incur under constitutional, statutory or charter provisions.

DEBT RATIO – Comparative statistics showing the relationship between the issuer’s total debt service obligation and the net operating income.

DEBT SERVICE FUND - The fund used to account for accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs other than debt serviced by Proprietary Fund Types. The revenue source is principally ad valorem taxes levied by the City.

DEFICIT - The excess of expenditures over revenues during an accounting period.

DELINQUENT TAXES - Real or personal property taxes that remain unpaid on or after February 1st of each year upon which penalties and interest are assessed.

DEPARTMENT - A major administrative organizational unit of the City, which indicates overall management responsibility of one or more activities.

DEPRECIATION - The process of estimating and recording the expired useful life of a fixed asset which is used to distribute its cost over its revenue producing years.

ENCUMBRANCE - The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for specified future expenditure.

ENTERPRISE FUND - A fund established to finance and account for operations

(1) that are financed and operated in a manner similar to private business enterprises- where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or

(2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

EXPENDITURE - Funds spent in accordance with the budgeted appropriations on assets or goods and services obtained.

EXPENSES - A decrease in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

FINANCIAL REPORT – see *Comprehensive Annual Financial Report*

FISCAL YEAR - A 12-month period to which the annual operating budget applies. (The City of Fair Oaks Ranch has established October 1 through September 30 as its fiscal year.)

FIXED ASSETS – see *Capital Assets*

FRANCHISE FEE - A fee paid by public service businesses for the use of City streets, right-of-ways and property in providing their services to the citizens of the City. Services requiring franchises include electricity, telephone, natural gas, cable television, sanitation, water and wastewater.

FULL FAITH AND CREDIT - A pledge of the general taxing power of the City to repay debt obligations (the term typically used in reference to bonds.)

FULL TIME EQUIVALENT (FTE) - A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year, or full value of one full-time position.

FUNCTION - A group of related activities aimed at accomplishing a major service for which the City is responsible. For example, public safety is a function.

FUND - An accounting entity with a self-balancing set of accounts that record financial transactions for specific activities or government functions.

FUND BALANCE - The difference between a fund's assets and its liabilities. Portion of the fund balance may be reserved for various purposes such as contingencies or encumbrances at the end of the fiscal year.

FUNDING SOURCE - Identifies the source of revenue to fund both the operating and capital appropriations.

GAAP – see *Generally Accepted Accounting Principles*

GASB – see *Governmental Accounting Standard Board*

GASB STATEMENT 34 - This Statement establishes financial reporting standards for state and local governments, including states, cities, towns, villages, and special-purpose governments such as school districts and public utilities.

GBRA - Guadalupe-Blanco River Authority

GENERAL FUND - The general operating fund of the City that accounts for the ordinary maintenance and operations of the City that are financed from taxes and other general revenues. It is used to account for all financial resources except those required to be accounted for in another fund. Major functions financed by the General Fund include: Administration, Financial Services, Public Safety, Community Development, Public Works and Streets, and Parks and Recreation.

GENERAL LEDGER - A listing of various accounts, which are necessary to reflect the financial position of a fund.

GENERAL OBLIGATION (GO) BONDS - Bonds that finance a variety of public improvement projects, backed by the full faith, credit and taxing power of the City. Such bonds constitute debts of the issuer and normally require approval by election prior to issuance.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) - The uniform minimum standards and guidelines for financial accounting and reporting. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).

GFOA – see *Governmental Finance Officers Association*.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) - The authoritative accounting and financial reporting standard-setting body for governmental entities.

GOVERNMENTAL FINANCE OFFICER ASSOCIATION – Professional organization primarily of state and local government finance officers.

GOVERNMENTAL FUNDS – Funds that record the types of activities that are tax-supported and not designed to be self-supporting. Examples include General, Debt Service, and Capital Projects funds.

GRANT - Contributions of assets by one government unit or other organization to another. Grants are usually to be used or expended for specific purposes.

HOME RULE – A limited grant of discretion from state governments to local governments, concerning either the organization of functions or the raising of revenue. Without home rule, local governments are restricted to whatever functions, organization, and revenue sources are specified by the state government, and are bound by whatever limits in revenue or borrowing that state requires.

IMPACT FEES - Fees assessed to developers to help defray a portion of the costs that naturally result from increased development. By Texas law, these fees must be used for capital acquisition or debt service relating to capital projects.

INDIRECT COST (SHARED COST) (NON-DEPARTMENTAL COST)– A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

INFRASTRUCTURE - Roads, bridges, curbs and gutters, street, sidewalks, drainage systems, lighting systems, water lines, wastewater lines and other improvements that are installed for the common good.

INTEREST – Compensation for the use of borrowed money, generally expressed as an annual percentage of the principal amount.

INTEREST RATE – The annual percentage of principal payable for the use of borrowed money.

INTRAFUND TRANSFERS - The movement of money from one fund to another in a governmental unit for specific purposes: i.e., debt service, reimbursement for services.

INTERGOVERNMENTAL REVENUE - Funds received from federal, state and other local government sources in the form of grants, shared revenues and payments in lieu of taxes.

INVESTMENTS - Securities purchased and held for the production of income in the form of interest, dividends, rentals or base payments.

INVOICE - A bill requesting payment for goods or services by a vendor or other governmental unit.

ISSUANCE – Authorization, sale, and delivery of a new issue of municipal securities.

KENDALL COUNTY APPRAISAL DISTRICT - An entity established by the State of Texas to insure uniform property appraisals for all taxing entities in Kendall County.

LEVY - To impose taxes, special assessments, or service charges for the support of City activities.

LIABILITIES - Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded at some future date. This term does not include encumbrances.

LIQUIDITY – Usually refers to the ability to convert assets (such as investments) into cash.

LONG-TERM DEBT – Debt with a maturity of more than one year after the date of issuance.

MAJOR FUND – Funds whose revenues, expenditures, assets, or liabilities are at least 10 percent of corresponding total for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds.

MARKET VALUE – Valuing the inventory of held securities at its current market value, as opposed to book value.

MODIFIED ACCRUAL ACCOUNTING - A basis of accounting in which expenditures are accrued, but revenues are accounted for on a cash basis. This accounting technique is combination of cash and accrual accounting since expenditures are immediately incurred as a liability, while revenues are not recorded until they are actually received.

NET ASSETS – In the proprietary and fiduciary funds this is the difference between assets and liabilities.

ORGANIZATIONAL CHART - A graphic presentation, by function of programs and services.

OPERATING BUDGET - Operating budgets serve many purposes within a governmental entity, but they have two primary purposes:

- (1) to plan the services that are going to be offered during the coming year and set priorities;
 - (2) to conform with legal requirements to ensure that expenditures do not exceed those appropriated.
- Operating budgets are also called Annual Budgets. See **BUDGET**.

ORDINANCE - A formal legislative enactment by the governing board of a municipality.

PER CAPITA DEBT – The amount of an issuer’s debt divided by population, which is used as an indication of the issuer’s credit position by reference to the proportionate debt borne per resident.

PERFORMANCE MEASURE - Data collected to determine how effective or efficient a program is in achieving its objectives.

PERSONNEL COSTS - Costs related to compensating employees including salaries, wages, insurance, payroll taxes and retirement contributions.

PROPERTY TAX - Ad valorem tax levied on both real and personal property according to the property’s valuation and the tax rate.

PROPRIETARY FUNDS - *see ENTERPRISE FUND*

PUBLIC HEARINGS - Meetings that provide citizens an opportunity to voice their views on the merits of the City’s proposals and services.

PURCHASE ORDERS – An agreement drawn up to buy goods and services from a specific vendor with a promise to pay when delivered.

REAL PROPERTY - Property classified by the State Property Tax Board including residential single and multi-family, vacant lots, acreage, farm and ranch improvements, commercial and industrial, and oil, gas and other mineral reserves.

REFUNDING BONDS - Bonds issued to retire bonds already outstanding. The refunding bonds may be sold for cash and outstanding bonds redeemed in cash, or the refunding bonds may be exchanged with holders of outstanding bonds.

REPLACEMENT COST – The cost as of certain date of a property which can render similar service (but which need not be of the same structural form) as the property to be replaced.

REQUEST FOR BID (RFB) - A formal document used to invite vendors to submit pricing in response to a clearly defined set of requirements.

REQUEST FOR PROPOSAL (RFP) - An official request for proposals to be submitted to the City to perform specified services.

RESERVES - An account used to indicate that a portion of a fund balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

RESOLUTION - A special or temporary order of the City; an order of the City requiring less legal formality than an ordinance.

RETAINED EARNINGS - The equity account reflecting the accumulated earnings of the Proprietary Funds.

REVENUE - Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, shared revenues and interest income.

REVENUE BONDS - Legal debt instruments which finance public projects for such services as water or sewer. Bonds whose principal and interest are payable exclusively from a revenue enterprise or project, pledged as the funding source before issuance.

SERVICES - Operational expenses related to professional or technical services and other outside organizations.

SPECIAL ASSESMENT - Charges imposed against property because that property receives a special benefit by virtue of some public improvement, separate and apart from the general benefit accruing to the public at large.

SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) - Electronic monitoring of water pump stations, sewer lift stations and pumps and motors at wastewater treatment plant.

SURPLUS - The excess of the assets of a fund over its liabilities; or if the fund has other resources and obligations; the excess of resources over the obligations. The term should not be used without a properly descriptive adjective unless its meaning is apparent from the context. See also Fund Balance.

TAX BASE - The total value of all real, personal and mineral property in the City as of January 1st of each year, as certified by the Bexar, Comal and Kendall County Appraisal Districts. The tax base represents net value after all exemptions.

TAX EXPENDITURES – Abatements, partial of full exemptions, tax credits, deductions or other foregone tax revenues.

TAX LEVY - The total amount to be raised by general property taxes for purposes specified in the Tax Levy Ordinance.

TAX LEVY ORDINANCE - An ordinance by means of which taxes are levied.

TAX RATE - The amount of tax stated in terms of a unit of the tax base; for example, 44 cents per \$100 of assessed valuation of taxable property.

TAX ROLL - The official list showing the amount of taxes levied against each taxpayer or property.

TRANSFERS IN/OUT - Amounts transferred from one fund to another to assist in financing the services or programs for the recipient fund.

USER CHARGES - The payment of a fee for a direct receipt of a public service by the party benefiting from the service.

UNENCUMBERED FUND BALANCE - For budget purposes, the unencumbered fund balance is the amount of unassigned fund balance of a fund available for allocation.

UNRESERVED FUND BALANCE - The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

UTILITY FUND - This fund accounts for water, sewer and services for the residents of the City. All activities necessary to provide such services are accounted for in the fund, including administration, operation, and maintenance, financing and related debt service, and billing and collection.

WORKING CAPITAL - For enterprise funds, the excess of current assets over current liabilities. Working capital of a fund is important because budgeted expenditures of the fund must be provided for from cash receipts during the year supplemented by working capital carried over from prior years, if any.