

A sharp-shinned hawk is perched on a tree branch, facing left with its beak open. The hawk has brown upperparts and a chest with a mix of white and brown mottled feathers. Its eyes are a bright orange-brown, and its beak is dark with a yellowish base. The background is a soft-focus green, suggesting a forest setting.

City of
FAIR OAKS RANCH

ANNUAL BUDGET
FY 2019-2020



Cover Photo was provided by the winner of the Wildlife Education
Committee's photo contest: W.K. "Skip" Shumpes

City of **FAIR OAKS RANCH**



ANNUAL BUDGET **Fiscal Year 2019-2020**

This budget will raise more revenue from property taxes than last year's budget by an amount of \$460,556 which is an 8.1 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 \$162,692.

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	Aye
Roy Elizondo	Aye
Steve Hartpence	Aye
Laura Koerner	Aye
Snehal Patel	Aye
Greg Maxton	Aye

The Governing Body voted on the proposed budget September 19,2019.

Tax Rate					
Fiscal Year	Property Tax Rate	Effective Tax Rate	Effective M&O Tax Rate	Rollback Tax Rate	Debt Rate
2019-20	0.3735	0.3536	0.3269	0.3791	0.0340
2018-19	0.3668	0.3222	0.2860	0.3444	0.0362

Municipal Debt Obligations as of October 1, 2019 - \$6,060,505

ANNUAL BUDGET

FISCAL YEAR 2019-20

THE HONORABLE GARRY MANITZAS
Mayor

COUNCIL MEMBERS

MaryAnne Havard	Council Member, Place 1
Roy Elizondo	Mayor Pro-Tem, 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

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**
Joanna Merrill

CITY SECRETARY
Christina Picioccio



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CITY of FAIR OAKS RANCH

CITY COUNCIL

2019-2020



Garry Manitzas
Mayor



MaryAnne Havard
Council Member, Place 1



Roy Elizondo, Mayor Pro-Tem
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.



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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, 2019 and ending September 30, 2020. In developing the Fiscal Year 2019-2020 budget (FY 19-20), a significant amount of time was devoted by the Mayor and 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 19-20 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 19-20 budget ensures the City's continued financial

strength and resiliency with a balanced budget. The FY 19-20 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 19-20 budget represents the single most important management tool of the Governing Body and staff.

CITIZEN PRIORITIES

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. Through this significant involvement, citizens have set a clear mandate and told us they expected their City government to:

- ◆ Administer a leadership style that ensures power is centralized in the legislative body (City Council) and enables operational (City Staff) ownership and accountability through departmental performance measures;
- ◆ Improve our communication so that we are planning *with* the citizens rather than planning *for* the citizens;
- ◆ Develop a real strategic/business plan that sets clear priorities for delivery of city services both now and in the future;
- ◆ 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 existing Capital Recovery Fees, Water/Wastewater User Fees and capital cost sharing scenarios to ensure that “growth pays for growth;”
- ◆ Leverage the enormous citizen talent we have in our community through participation in the numerous volunteer committees;
- ◆ Practice financial integrity and sound cost build-up planning to meet citizen driven service delivery expectations, recovery of investment, and long-term sustainability
- ◆ Enhance and maintain our unique quality of life through public safety both in the policing function and fire and emergency medical first responder services; and
- ◆ Implement an organizational structure that provides optimal service groupings and enhanced delivery of services.



FY 2018-2019 ACCOMPLISHMENTS

Fiscal year 2018-2019 was another busy and extremely productive year for the City as we were actively engaged in projects which continue to advance long overdue citizen driven initiatives.

Annexation

One of the major FY 17-18 accomplishments was the annexation of the City’s extra territorial jurisdiction (ETJ). This annexation initiative was built around a series of guiding principles charged with managing the physical development of the city to a sustainable and predictable outcome that

protects existing investment and valued community assets. Subsequently, a lawsuit was initiated by 10 residents seeking to invalidate the annexation of their properties. In November of 2018, the City successfully defended the annexation in the 150th District Court in Bexar County. The court confirmed that the annexations were performed legally and the law was followed as prescribed in the Texas Local Government Code. An appeal has been filed by the residents, and it is expected that the City’s annexation will again be upheld.

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.

I am pleased to announce that after two years of work, the UDC was adopted by the City Council in May 2019. This is a major milestone in preparing the city for the future and the growth that will continue over the next decade. The UDC consolidates all development related regulations, including zoning, subdivision regulations, and standards and procedures. Further, it pulls together (unifies) all of the master plans (water, wastewater, and drainage), and provides a structural base for managed and purposeful growth.

Planning and Zoning Commission (P&Z)

Establishment of the City’s first Planning and Zoning

Commission was a critical growth management milestone. The legal authority for the Planning and Zoning Commission in Texas is found in Section 211.007 of the Texas Local Government Code and Section 7.14 of the City of Fair Oaks Ranch Home Rule Charter. The Planning and Zoning Commission is composed of seven (7) members appointed by the City Council. Commission members serve three (3) year staggered terms with no term limits. A quorum consists of a majority of the commission's members and an affirmative vote of a majority of those present is required to pass upon pending questions. The Planning and Zoning Commission is an advisory Board to the City Council and performs both required and discretionary functions relative to the physical development of the City. Although the City Council is the final authority in land use matters, the Commission serves a crucial role relative to managing the build-out of the City. Planning and Zoning Commission meetings are open to the public and subject to the Texas Open Meetings Act.

Zoning Board of Adjustment (ZBOA)

Establishment of the City's first Zoning Board of Adjustment was another critical growth management milestone. The legal authority for the Zoning Board of Adjustment is found in Section 211.008 of the Texas Local Government Code. The Zoning Board of Adjustment is composed of five (5) members and two (2) alternate members appointed by the City Council. Board members serve two (2) year terms with no term limits. All cases before the Board must be heard by at least 75 percent of the members and four (4) affirmative votes are needed in order to reverse an order, requirement, decision, or determination of an administrative official. The Zoning Board of Adjustment is a quasi-judicial body appointed by the City Council to hear and decide appeals relative

to the administration and enforcement of certain zoning and development regulations. As a quasi-judicial body, decisions made by the Board cannot be overturned by the City Council. An aggrieved party or taxpayer of the City may appeal a decision of the Board to a Texas court of competent jurisdiction. Zoning Board of Adjustment meetings are open to the public and subject to the Texas Open Meetings Act.

TxDOT Expansion of FM 3351 (Ralph Fair Road)

Last year, The Texas Department of Transportation (TxDOT) informed the City of their intent to expand FM 3351 through the City from IH-10 to SH 46, inclusive of a new bridge across Cibolo Creek. Recognizing the regional importance of this corridor, the City Council defined a collaborative approach to develop a design and reconstruction plan that reduces traffic accidents and encourages quality, limited growth that is context sensitive. Inclusive in this effort to achieve a shared outcome of effective regional mobility and livability for the City of Fair Oaks Ranch, the City Council hired a planning consultant to serve as the City's owners' representative. In this capacity, the consultant facilitates the City's position to involve the public and incorporate a multidisciplinary design approach early and throughout the process. For Fair Oaks Ranch, the success of regional transportation projects of this scale dictates that planning begin with a clear commitment to discovering our capacities and assets. By updating the City's Comprehensive Plan and adopting the City's first Master Thoroughfare Plan, the City Council has done an exceptional job in this area. The growth management tools adopted over the past two years will prove to be an asset as there is a tremendous amount of ownership in the adopted vision. Specifically,

the success of the FM 3351 expansion project will be a direct result of the City Council's leadership and our new capacity to delineate place making solutions through strong comprehensive foundational planning.

Property Tax Servicing

The City of Fair Oaks Ranch does not have in-house city employees to collect property tax payments. Historically, the City contracted with the Kendall Appraisal District to collect City property tax payments regardless of what county a resident lived in. Last year, the Kendall Appraisal District notified the City they were terminating the contract because the majority of our residents lived in Bexar County. Accordingly, the City was forced to find a new service provider to collect CITY property tax payments. The City Council approved signing an Interlocal Services Agreement for Tax Assessment and Collection Services with the Bexar County Tax Assessor-Collector office. The Bexar County Tax Assessor-Collector is now the official servicing agency for our CITY taxes. Residents are billed separately by the county they reside in for the other portions of their property tax bill, inclusive of respective school district property taxes. Although this transition hit a few bumps along the way, the City Council's overarching goal to leverage the opportunity resulted in the delivery of an enhanced portfolio of tax assessment-collection services at a reduced cost to the citizenry.

Cross Connection Control and Back Flow Prevention Ordinance

The Texas Commission on Environmental Quality requires all public water systems to maintain a cross connection control program to protect the

drinking water supplied to homes. After months of work by the Engineering Services Department, City Council approved an Ordinance that takes effect on October 1, 2019. This ordinance will require all residents on the city utility system to have backflow prevention devices on any cross connection with non-potable water (this applies mostly to irrigation systems for residents). These devices will prevent contaminated water from being siphoned back into the drinking water supply. The devices will also need to be inspected initially in the first 12 months, and then every 3 years after that by a licensed and authorized inspection provider.

Financial Management & Strategic Planning Linkage

The City's 2018 Comprehensive Annual Financial Report (CAFR) was awarded the GOFA's Certificate of Achievement for Excellence in Financial Reporting. This is an extraordinary accomplishment for the first year of participation, and demonstrates the city's commitment to financial transparency.

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.

This year, an outside consultant (SGR) was utilized to facilitate Strategic Planning workshops with city staff and council, to help synthesize key strategic pillars for the future, and mile-markers for each pillar. The pillars are reflected throughout the budget and tie in to the cost

build-up for projects and initiatives each department will engage in over the next few years. The FY 19-20 budget year will be the second to provide a linkage between the annual budget and the Strategic Action Plan. This is a forward thinking and mature form of financial planning.

Mayor's State of the City Address

In January, we held our second annual State of the City luncheon at the Fair Oaks Ranch Golf & Country Club. Mayor Manitzas addressed a group of citizens, city staff and guests, discussing the achievements and challenges of the previous year, and the City Council's vision for the future. This event is an example of the Mayor's commitment to open communication with the residents and an informed citizenry. The Employee of the Year was also recognized during this luncheon.

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-one (31) 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 have concluded and the

findings and recommendations were adopted by the City Council as appendices to the Unified Development Code. The next step in the process is to sequence the criticality of identified projects, inclusive of community-wide discussions charged with framing and implementing funding strategies necessary to advance and maintain desired and/or mandated capital improvements. This is just the beginning of a multi-year process to address the City's aging infrastructure.

Open Government and Transparency

The office of the City Secretary places a great emphasis on open government and the transparency of city records. For FY 18-19, nearly fifty 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 response to an unprecedented number of open records requests this year, the City Council passed an Ordinance authorizing the City to set a reasonable monthly and annual limit of time to be spent without charge for repeat requests. This ordinance does not impact in any way the city's obligation to provide information.



The website is still being updated regularly and is a useful source for dates and information. Quarterly financial reports for the City are located here, as well as the current issue of the From the Mayor's Desk

monthly newsletter. The Facebook page is also regularly updated with events and important announcements.

Household Hazardous Waste

In March, the City held its second annual household hazardous waste collection in conjunction with Republic Services. 168 cars came through, depositing 12,141 pounds of household waste, a little less than half of what was collected last year. Many thanks go out to the city staff members and Rotary Club volunteers who came out to help make this event a success.

New in the City

The City is excited to welcome several new businesses to the area. At the corner of Fair Oaks Parkway and Dietz Elkhorn, Parker's Ice Cream, Spotted Deer Coffee, Blume-Haus florist, and Fair



Oaks Salon opened their doors in May 2019. Coco Bistro, located on Old Dietz Elkhorn, opened this past Spring.

City Hall Renovation Project

With growth comes the demand for expanded city services. Currently, the City provides services through 74 full time employees with every department doubling-up on office/workspace. Further, the adoption of the home rule charter

expanded the City Council from six (6) to seven (7) positions so even the City Council is working within confined space as the current Council Dias was built to accommodate six (6). In an effort to minimize cost, improve customer service, and interdepartmental functionality, the City is advancing plans to repurpose the former police building and modify areas within City Hall, inclusive of audio and recording improvements in the Council Chambers. The first phase of work encompassing architectural services is complete. In the coming months, the City will be seeking bids to perform the construction elements associated with planned renovations.

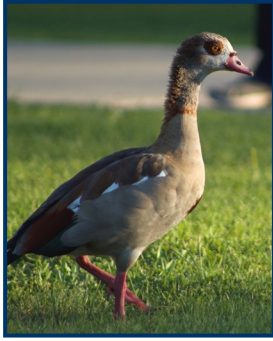
Independence Day Fireworks

In response to the overwhelming positive feedback after the 30th Anniversary Celebration fireworks show, the City decided to sponsor an Independence Day event. On July 3rd, the City in conjunction with the Fair Oaks Ranch Golf and Country Club, held a fun and patriotic evening capped off with a firework show from Magic in the Sky. With over 2,000 attendees, the event was well liked by all.

Wildlife Education Committee

This year, the City Council continued the success of enacting a wildlife education program through an established 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 FY 18-19, 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.
- ◆ Continuance of joint Wildlife Education programs with Fair Oaks Ranch elementary schools, inclusive of donating educational material toward their respective program.
- ◆ Improved awareness of wildlife issues through posted banners and signs.
- ◆ Administration 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.
- ◆ 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.
- ◆ Assisting FORHA with understanding nature related items within the 75 acre Preserve.

FY 2019-2020 BUDGET REVENUE COMPONENTS

General Fund - Revenue Sources

General fund revenue sources for the City total \$7,718,770 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, 71.34% 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 71.34% 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 \$.3735 cents for each \$100 valuation. For FY 2019-2020, of the \$.3735 cents for each \$100 valuation of the property, \$.0340 cents are allocated towards debt service (\$7 MM voter

approved general obligation bonds), with the remaining \$.3395 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 10% 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 Development 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 \$5,046,147 and are comprised of user charges for water and wastewater services and interest. 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 2019-2020 BUDGET EXPENDITURE

COMPONENTS

General Fund

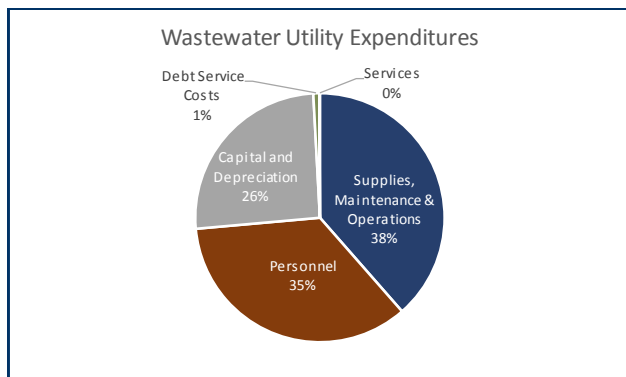
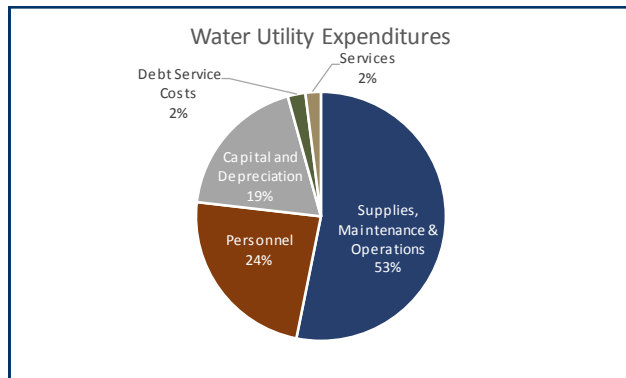
The average appraised home value within the City is \$504,541. Provided below is an example of how Fair Oaks Ranch tax dollars are being used in fiscal year 2019-2020, for a home with the average appraised value of \$504,541:

Budget Breakdown for Avg Home	Avg Home Value	Tax Rate	Amount
at 98% collection	\$ 504,541	\$0.3735	\$ 1,847
Debt Service			
Roads and Drainage		\$0.0340	\$ 168
Maintenance & Operations			
Public Safety and Emergency		\$0.1068	\$ 528
Strategic Projects		\$0.0600	\$ 297
Non-Departmental & Shared		\$0.0594	\$ 294
Engineering and Planning		\$0.0253	\$ 125
City Administration		\$0.0194	\$ 96
Maintenance		\$0.0185	\$ 91
Finance		\$0.0133	\$ 66
Building Codes and Permits		\$0.0086	\$ 43
City Secretary		\$0.0079	\$ 39
HR and Communications		\$0.0073	\$ 36
Municipal Court		\$0.0069	\$ 34
Equip Replacement		\$0.0052	\$ 26
Mayor & Council		\$0.0010	\$ 5
Total Tax Bill		\$0.3735	\$ 1,847

Utility Fund

Through 3,042 active water accounts and 1,841

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 2019-2020.



FY 2019-2020 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 2019-2020 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 organization. The Strategic Plan developed by the City Council focuses on five main pillars, or goals, with the approved budget making the following investment in each category.

Financial Integrity

Responsible Growth Management

Reliable and Sustainable Infrastructure

Public Health, Safety and Welfare

Operational Excellence

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 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-one (31) 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 19-20 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" with a stylized flourish at the end.

Tobin E. Maples, AICP
City Manager



COMMUNITY PROFILE

OVERVIEW

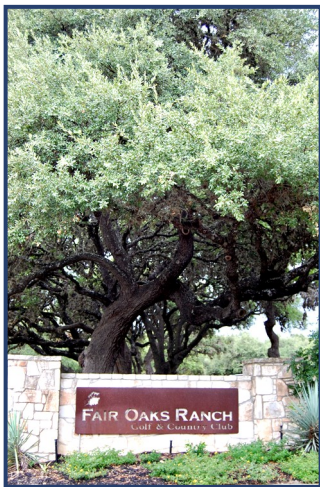
The City of Fair Oaks Ranch is located on the edge of the beautiful Texas Hill Country, 27 miles northwest of downtown San Antonio. It is home to an estimated 9,400 people, and it continues to grow as more people are drawn out by the lure of country living. The city spans over three separate counties, 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



Boots Gaubatz as the president.

In 1985 the Fair Oaks Ranch Homeowners Association began to consider incorporation as a Type A General Law Municipality. Boots, 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 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

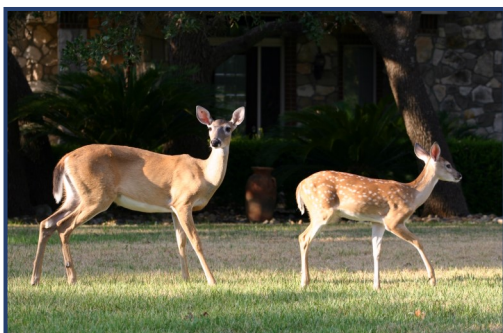
Fair Oaks Ranch is located immediately northwest of the 7th largest U.S. city, San Antonio. Proximity to the Alamo City, with its vast retail, professional, and medical offerings, paired with a unique Hill Country lifestyle, support a growing commuter population. San Antonio is also home to Joint Base San Antonio, the largest joint base in the U.S. Department of Defense, which adds to the economy and diversity of the entire metro area. 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



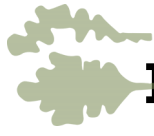
Fair Oaks Ranch is part of Boerne and Comal ISDs, and is home to two elementary schools, Fair Oaks Ranch Elementary and Van Raub Elementary. The public school system is large enough to offer diverse

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.

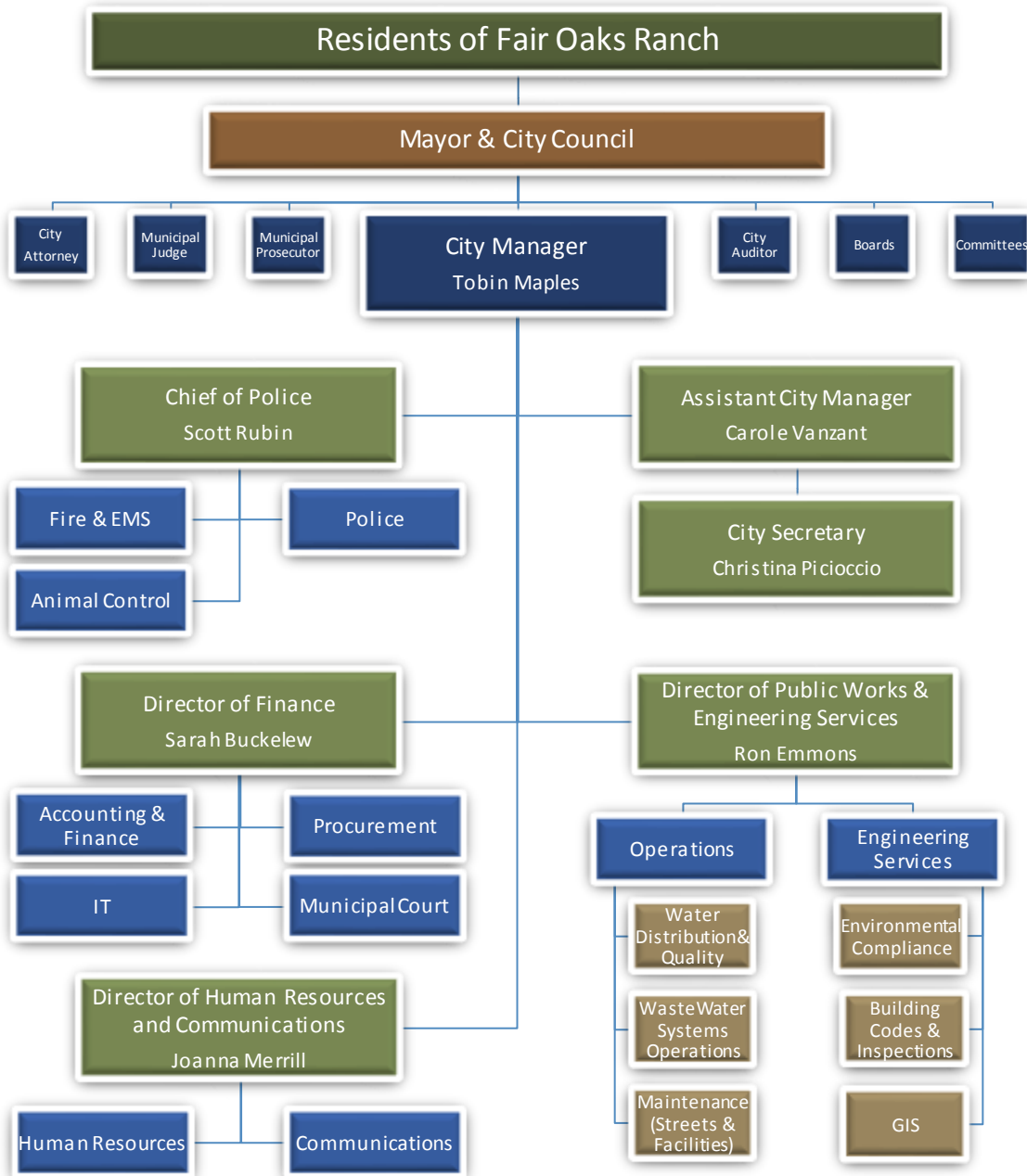


LOCATION OF FAIR OAKS RANCH



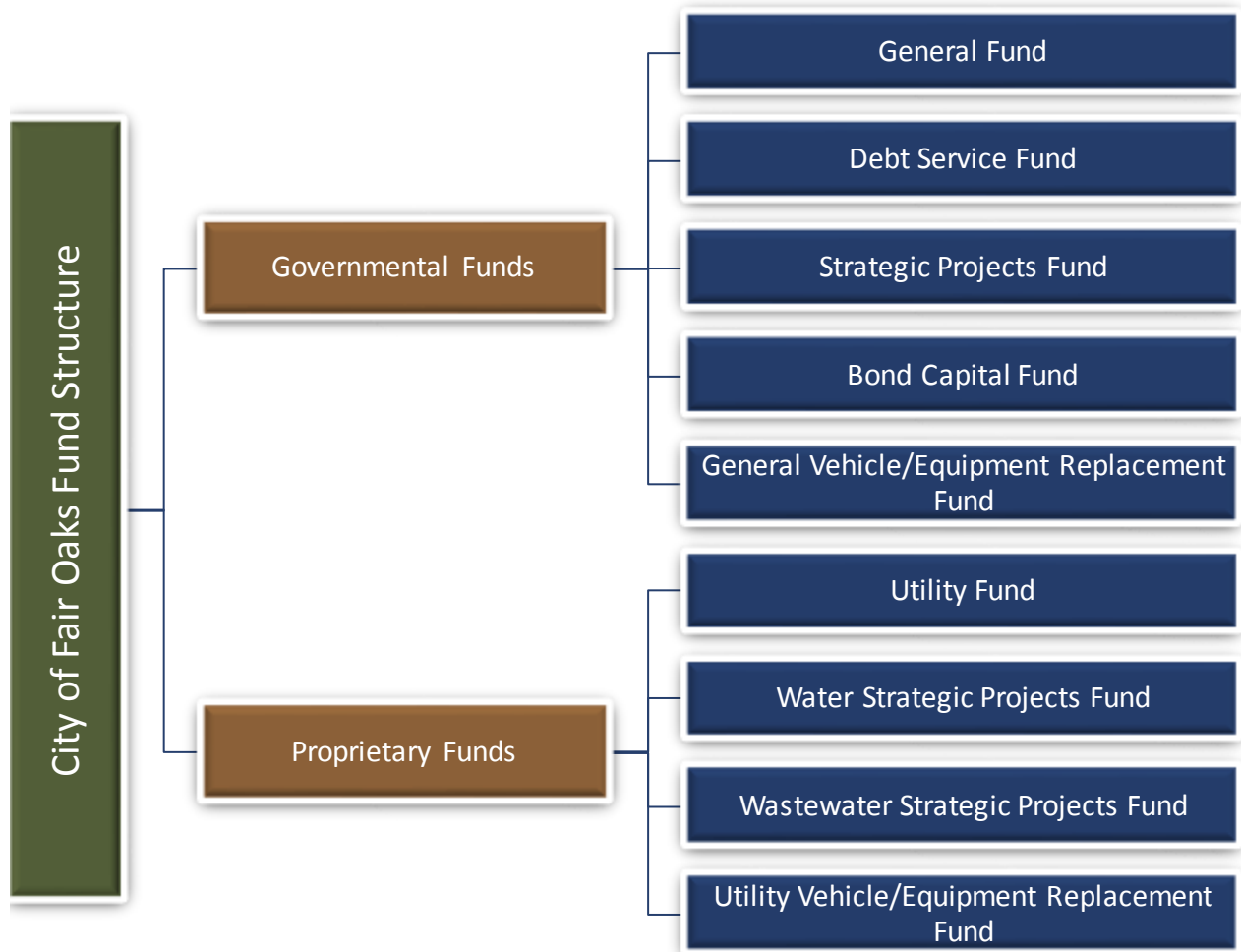


ORGANIZATIONAL CHART OF THE CITY





FUND STRUCTURE OF THE CITY





ACCOUNT STRUCTURE AND DESCRIPTION OF FUNDS

The City maintains budgetary control of its operating accounts through the use of various funds. A “fund” is a self-balancing set of accounts with identifiable revenue sources and expenditures. It is segregated for the purpose of measuring a specific activity. Additionally, these funds are further separated into either major funds or non-major funds based on criterion that compares the amount of assets, liabilities, revenues or expenditures they report in comparison to the total governmental funds or the combination of the governmental funds and the enterprise funds.

Governmental Funds

Most of the City’s government functions are financed through the governmental funds. These funds are generally used to account for tax-supported activities. Long-term liabilities and fixed assets are not accounted for through governmental funds. The measurement focus is to determine changes in financial position (fund balance) rather than to determine net income.

General Fund

The General Fund is a governmental fund type and the City’s primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. The General Fund includes expenditures for general government, public safety, public works, engineering and planning, and the municipal court.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest. These resources are funded through ad valorem property tax at the interest and sinking (I&S) tax rate.

Capital Project Funds

Capital Project Funds account for the proceeds of debt issuance and internal funding for the completion of capital or strategic action plan projects outside the scope of general operations, and will generally span more than one fiscal year to complete. The City currently has two capital project funds: Strategic Projects Fund, which is funded through internal transfers from the General Fund, and the 2015 General Obligation Bond Fund, which is funded from proceeds of debt.

Equipment Replacement Fund

The Equipment Replacement Fund is used to account for the replacement of all City-owned vehicles and equipment, except those assigned to the City's enterprise funds. The City annually makes contributions into the fund to build up sufficient reserves to purchase replacement vehicles and equipment when scheduled.

Proprietary Funds

Proprietary funds are generally used to account for services for which the City charges customers, either outside customers or internal cost centers of the City. These funds include all assets, liabilities, equities, revenues, expenses and transfers relating to the City's business activities. The City maintains only one type of proprietary fund: enterprise funds.

Enterprise Funds

Enterprise funds are used to account for an activity for which a fee is charged to external users for goods and services. The City reports activities for a Utility Fund. Services provided by the Utility Fund include utility administration (billing and collections), water treatment and distribution, and wastewater collection and treatment. The Utility Fund also provides funding for an Equipment Replacement Fund for the replacement of all vehicles and equipment assigned to the utility fund, as well as Capital Project Funds for capital improvement projects and Strategic Action Plan budgets.

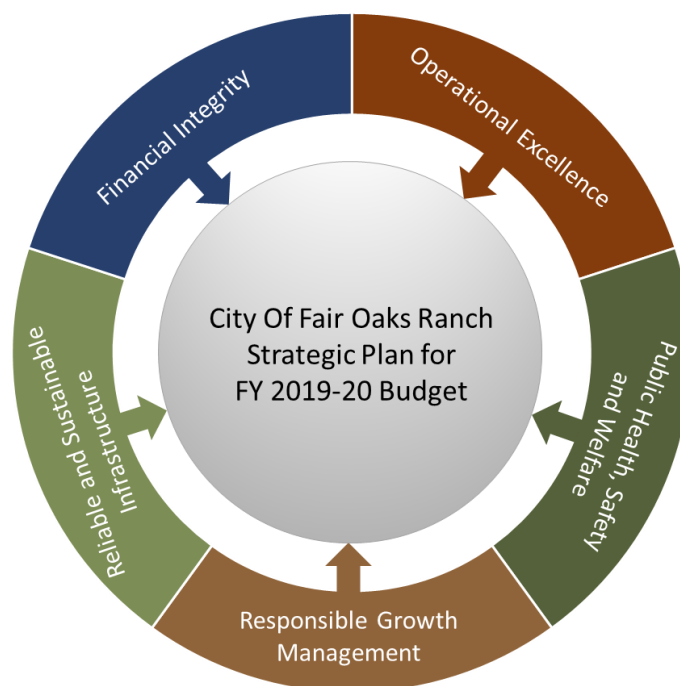


BUDGET PROCESS

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.

STRATEGIC ACTION PLAN

Strategic Planning Workshops (November - January) -Several strategic planning workshops were held with senior staff and the City Council. During these sessions the council members 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 pillars which were used as the starting point for all strategic project discussions and can be seen reflected throughout each department's SAP Budget.



Development of Departmental Strategic Plan Drafts (April)

Based off of the goals set forth by Council, each department head reviews and begins developing departmental Strategic Plans and operational 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)

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 (May)

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)

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 ESTIMATES**City Manager and Finance Develop a Baseline Budget (March)**

- **Budget Orientation (March)**

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 Action Plan occurs. The calendar and operations for the upcoming budget cycle are reviewed. Department Heads begin to draft Departmental Strategic Action budget requests for the upcoming year.

A standardized approach for budgeting operational costs was established during this budget cycle. Operational Budgets for each department were defined separately from strategic projects. Operational line items including Supplies/Consumables, Minor Equipment/Furniture, Uniforms, Meetings/Related Travel and Employee Appreciation base budgets were standardized across the city. One-time

expenditures were also identified, and large one-time expenditures and Strategic Action Projects were budgeted in a separate Capital Projects Fund.

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)

Each department aligns its Strategic Action Plan with operational and strategic project 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 2019-2020 Annual Budget and Tax Rate (September 19)

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 2019-20 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)

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.

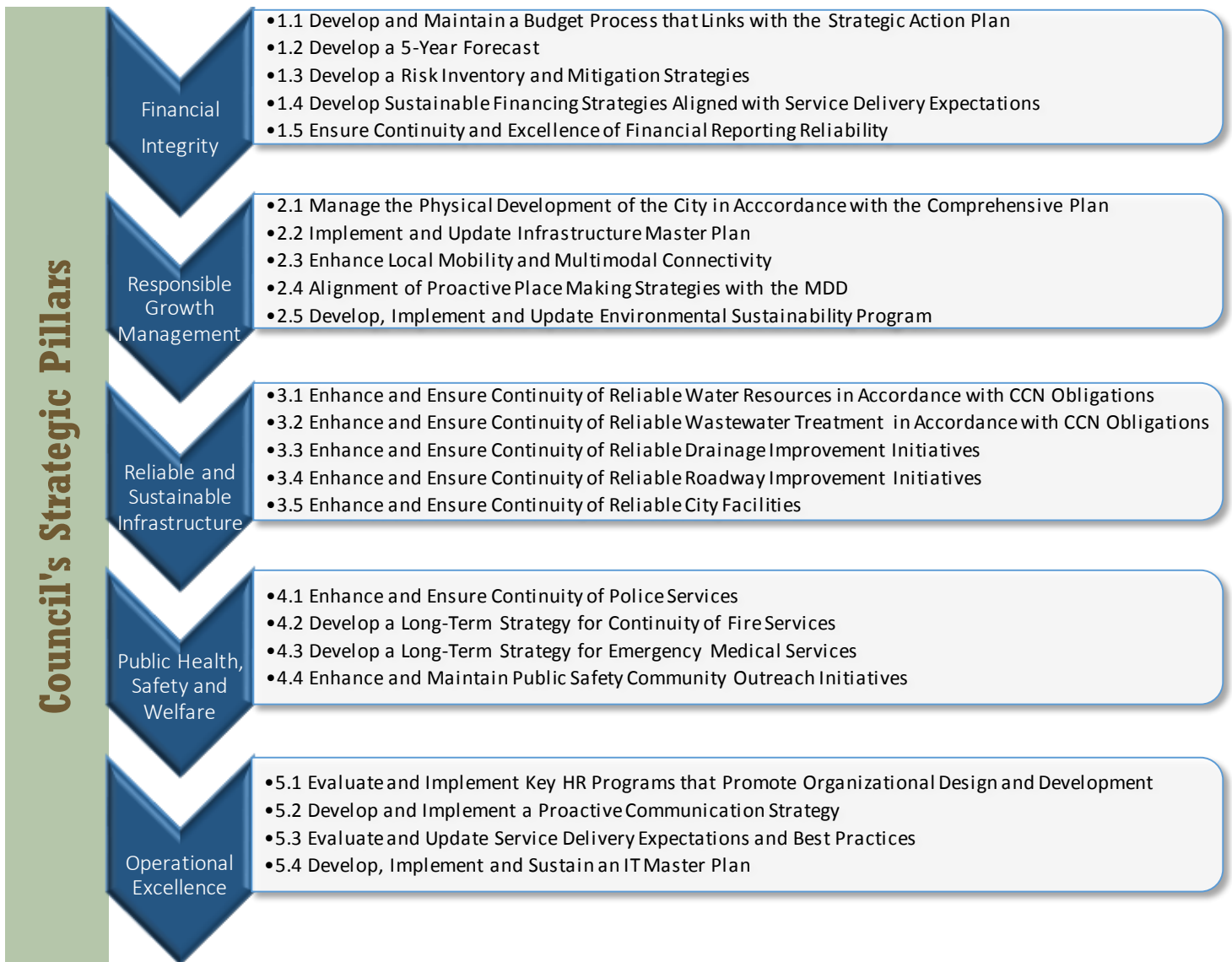
Transfer of Appropriations: At any time during the fiscal year the City Manager may transfer part or all of any unencumbered appropriation balance among programs within a fund.

Upon written request by the City Manager, the Council may, by ordinance, transfer part or all of any unencumbered appropriation balance from one Fund to another, or make an adjustment to a restricted fund.

FY 2019-20 BUDGET CALENDAR

Budget Planning	Oct-Nov	Staff Planning Session - Part 1 Review Goals, Targets and Prior Year SAP
	Oct-Nov	Staff Planning Session - Part 2
Strategic Action Plan Development	Early January	Staff SAP workshop
	Mid January	Council SAP workshop
	Early March	Preliminary SAP framework approved by Council
Budget Development	Mid April	Preliminary General Fund Operating Budget meetings with Finance
	April	SAP Action Plans and Budget requests submitted to Finance
	Early May	General Fund Operating Budget review sessions with City Manager
	Mid May	SAP Action Plan Review sessions with City Manager
	Mid May	Preliminary Utility Fund Operating Budget meetings with Finance
	May 22	Staff SAP workshop
	May 29	SAP and Budget work session with Council and Staff
	June 6	SAP and Budget work session with Council and Staff
	June 17	Utility Fund SAP and Budget work session with Council and Staff
	Mid July (TBD)	SAP and Budget work sessions with Council and Staff
Budget Presentation, Consideration and Adoption	July 25	Deadline for chief appraiser to certify rolls to taxing units and certification of anticipated collection rate by tax collector.
	July 26	Calculation of effective and rollback rates.
	June 26	Finance Director delivers proposed budget City Manager
	June 29	City Manager delivers proposed budget to Council
	August 1	Final Budget workshop with Council to present proposed budget; submit effective and rollback tax rates; and to propose tax rate to support the budget.
	August 15	At regular City Council meeting, City Council confirms proposed tax rate. If exceeds the rollback rate or the effective tax rate (whichever is lower), Council takes record vote and schedules two public hearings (September 5 and 19) and adoption date (September 19).
	August 19	City Manager files budget with City Secretary (LGC102.005).
	August 23	Finance Director publishes <i>Notice of Proposed Property Tax Rate in August 23rd edition of Boerne Star</i> and posts on the City's website (LGC 140.010e). City Secretary publishes <i>Notice of Budget Availability and Notice of Public Hearing in the August 23rd edition of Boerne Star</i> and posts on city's website (LGC 102.0065 and Tax Code)
	September 5	City Council holds 1st Public Hearing and 1st reading of Budget and Tax Rate ordinances; announces 2nd Public Hearing date (September 12) and Adoption date of Budget and Tax Rate (September 19). (LGC 102.007)
	September 12	City Council holds 2nd Public Hearing (may not be earlier than 3 days after first public hearing) and 2nd reading of Budget and Tax Rate ordinances; announces September 19 as adoption date to adopt budget and tax rate (LGC 102.007 - must be 3-14 days from this date)
	September 19	City Council adopts 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).

COUNCIL'S STRATEGIC PILLARS WITH MILESTONES





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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 - 41.5% of Total City Revenue, (71.3% 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 2020, the property tax rate was increased by \$0.0067 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 is situated in 3 counties - Bexar, Kendall and Comal. Based on the assessed valuation of appraised property provided to the city by the three appraisal districts, the 2019-20 budget reflects estimated property tax collection for both current and delinquent of \$6,062,712. This third party appraisal analysis is the major factor in projecting our Ad Valorem revenue. Property valuation increased by 6.1% from \$1.56M to \$1.65M in FY 2019-20.

Sales Tax - 5.6% of Total City Revenue, (10% 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 10.8% for 2019-2020 over last's year's budgeted amount.

An important source of sales tax revenue relates to changes in 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 and within city mixed-use areas 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 - 38.3% of Total City 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 and commercial developments.

Transfers and Non-Cash Adjustments:

This includes transfers from other funds within the city (i.e. capital projects, vehicle replacement) used to fund programmed replacements and projects. Non-cash adjustments refer primarily to the depreciation on adjustments in the Utility Funds to convert its budget from GASB to GAAP presentation (cash to accrual.)

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 2019-20, the City is estimating to receive \$529,700 in Franchise Fees. This amount is 6.5% less than prior year's budgeted franchise fee revenue due to the passage of legislation that will limit cable or phone company's reimbursement to municipalities. S.B. 1152 authorizes a cable or phone company to stop paying the lesser of its state cable franchise or telephone access line fees, whichever are less for the company statewide. The legislation will go into effect January 1, 2020, and the City estimates that lost revenue will be approximately \$77,500.

Permits:

The source of this revenue includes fees charged by the City for general construction permits and other miscellaneous permits. The City of Fair Oaks Ranch projects to receive \$252,500 for FY 2019-20, which is a 7% decrease from the prior budget year. The City has seen an overall decrease in New Residential Permit revenue due to trending decreases in the fee amount associated with smaller square-footage houses being built.

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 2019-20. 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 2019-20 and is contingent on the total available cash. The City estimates to receive \$163,000 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, and sale of assets.



OVERVIEW OF EXPENDITURE ASSUMPTIONS

The City of Fair Oaks Ranch projects expenditures through a cost build-up approach 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, investigations, training and reporting costs.

Debt Service Expenditures:

Debt Service expenditures include the debt obligations due in FY 2019-20.

Shared Services Expenditures:

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

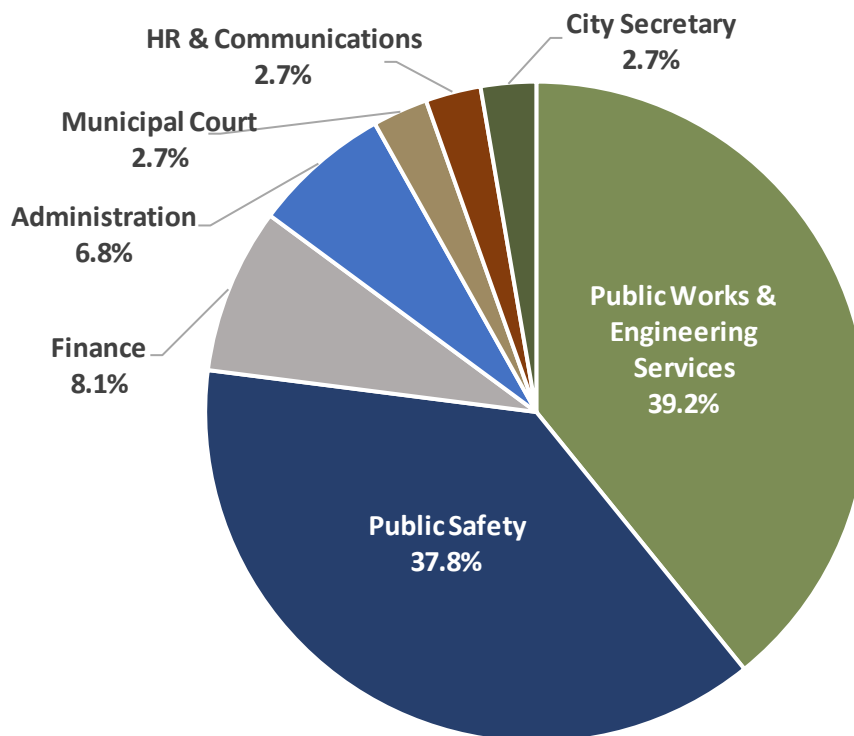
Transfers and Non-Cash Adjustments:

This includes transfers to other funds within the city and depreciation.

CITY OF FAIR OAKS RANCH BUDGETED STAFFING

Department	FY 16-17		FY 17-18		FY 18-19		FY 19-20	
	PT	FTE	PT	FTE	PT	FTE	PT	FTE
Administration	0	2	0	2	0	3	0	5
Public Works & Engineering Services	0.5	20	0.5	25	0	29	0	29
Public Safety	0	22	0	25	0	28	0	28
Finance	0	3	0	3	0	6	0	6
Municipal Court	0	1	0	2	0	2	0	2
HR & Communications	0	1	0	1	0	2	0	2
City Secretary	0	2	0	3	0	4	0	2
Subtotal	0.5	51	0.5	61	0	74	0	74
Total	51.5		61.5		74		74	

FULL-TIME EQUIVALENTS (FTE) BY DEPARTMENT



CONSOLIDATED BUDGET SUMMARY

By Division and Fund

	Government Operations	Government SAP	Government Equip Repl	Government Total	Debt Service	Bond Street Improvements	TOTAL GOVERNMENTAL	Utility Water	Utility Wastewater	Utility Total	GRAND TOTAL
Beginning Fund Balance Projected	3,495,382	955,378	796,396	5,247,156	18,560	181,345	5,447,061			13,749,166	19,196,227
Revenues:											
Taxes	6,277,653			6,277,653	555,431		6,833,084				6,833,084
Franchise Fees	529,700			529,700			529,700				529,700
Interest	115,000			115,000	1,000		116,000	35,000	12,000	47,000	163,000
Permits	252,500			252,500			252,500				252,500
Animal Control	3,400			3,400			3,400				3,400
Fines & Forfeitures	127,570			127,570			127,570				127,570
Fees & Services	243,847			243,847			243,847	3,936,147	1,063,001	4,999,147	5,242,994
Miscellaneous Income	15,100			15,100			15,100				15,100
Transfers from other Funds	154,000	1,199,525	230,492	1,584,017			1,584,017				1,584,017
Total Revenues	7,718,770	1,199,525	230,492	9,148,787	556,431	-	9,705,218	3,971,147	1,075,001	5,046,147	14,751,365
Expenditures:											
Personnel	4,536,909			4,536,909	-		4,536,909	783,911	644,490	1,428,402	5,965,311
Supplies, Maintenance & Operations	644,358			644,358	-		644,358	1,760,076	709,223	2,469,300	3,113,657
Professional Services	994,002	734,000		1,728,002	-		1,728,002	66,138	1,320	67,458	1,795,460
Shared Services	327,617			327,617			327,617			-	327,617
Capital Outlay	216,000	1,050,000		1,266,000	-	181,345	1,447,345	1,181,028	298,978	1,480,006	2,927,351
Debt Service	-			-	551,940		551,940	75,522	14,385	89,907	641,847
Transfers & Non-Cash Adjustments	1,430,017		154,000	1,584,017	-		1,584,017	(555,580)	171,334	(384,246)	1,199,771
Total Expenditures	8,148,903	1,784,000	154,000	10,086,903	551,940	181,345	10,820,188	3,311,096	1,839,731	5,150,827	15,971,015
Transfer to 6 month Reserve	160,597	-	-	160,597			160,597			140,079	300,676
Allocated Fund Balance	-	(584,475)	76,492	(507,983)			(507,983)			75,000	(432,983)
Restricted Fund Balance	9,270			9,270	4,491	(181,345)	(167,584)			(622,528)	(790,112)
Use of Fund Balance	(600,000)			(600,000)			(600,000)			-	(600,000)
Net investment in Capital Assets	-			-			-			648,845	648,845
Change in Unallocated Fund Balance	(0)			(0)		-	(0)	660,051	(764,730)	(346,076)	(346,076)
Total change in Fund Balance	(430,133)	(584,475)	76,492	(938,116)	4,491	(181,345)	(1,114,970)	660,051	(764,730)	(104,678)	(1,219,650)
Ending Fund Balance	3,065,249	370,903	872,888	4,309,040	23,051	-	4,332,091	660,051	(764,730)	13,644,488	17,976,577



GOVERNMENTAL FUNDS

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), Engineering Services (Development, Planning, Inspections), and Administrative Services (Finance and Purchasing). The General Fund also includes two sub-funds: the Capital Project Fund and the Vehicle/Equipment Replacement Fund

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.

DEBT SERVICE AND STREET BOND IMPROVEMENTS FUNDS

The I&S rate is set to pay debt service on general obligation bonds like the \$7 million the City issued to reconstruct its 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 \$.0340 per \$100 which is \$.0022 less than last year's rate of \$.0362 per \$100.

The M&O rate pays for services like police, fire protection, and maintenance. The M&O rate proposed (\$.3395 per \$100) is \$.0089 greater than last year's rate of \$.3306 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 $($.0340 + $.3395) = $.3735$, an increase of \$.0067 per \$100 over the previous year.



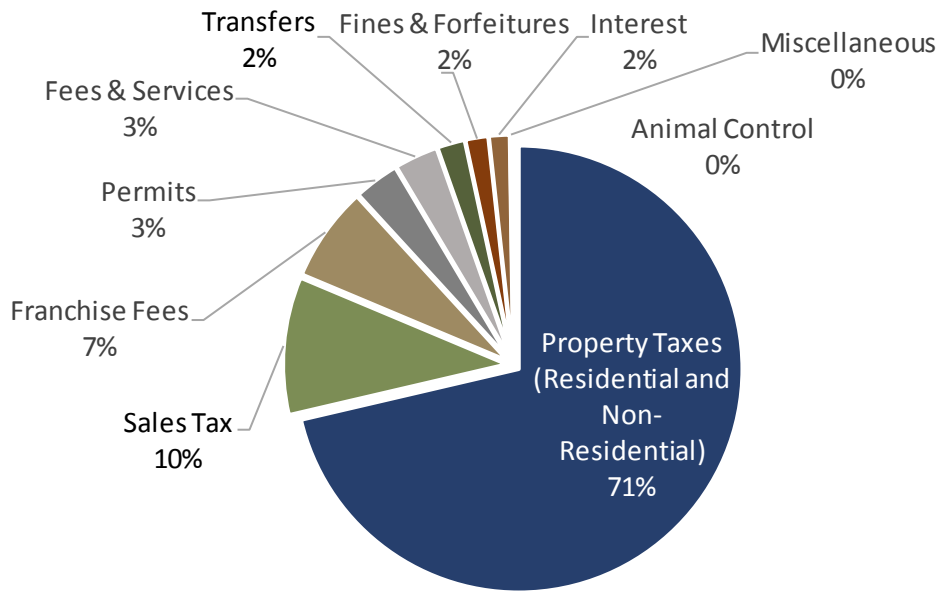
Fair Oaks Ranch City Hall

CONSOLIDATED GOVERNMENTAL BUDGET SUMMARY

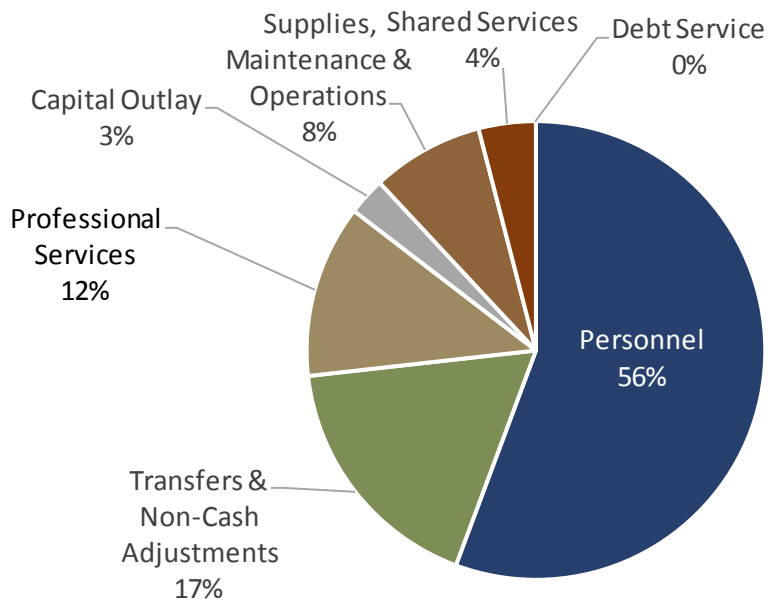
BY DIVISION AND FUND

	General Operations	General SAP	General Equip Repl	General Fund Total	Debt Service	Street Bond Improvements	TOTAL GOVERNMENTAL
Beginning Fund Balance Projected	3,495,382	955,378	796,396	5,247,156	18,560	181,345	5,447,061
<u>Revenues:</u>							
Taxes	6,277,653			6,277,653	555,431		6,833,084
Franchise Fees	529,700			529,700			529,700
Interest	115,000			115,000	1,000		116,000
Permits	252,500			252,500			252,500
Animal Control	3,400			3,400			3,400
Fines & Forfeitures	127,570			127,570			127,570
Fees & Services	243,847			243,847			243,847
Miscellaneous Income	15,100			15,100			15,100
Transfers from other Funds	154,000	1,199,525	230,492	1,584,017			1,584,017
Total Revenues	7,718,770	1,199,525	230,492	9,148,787	556,431	-	9,705,218
<u>Expenditures:</u>							
Personnel	4,536,909			4,536,909	-		4,536,909
Supplies, Maintenance & Operations	644,358			644,358	-		644,358
Professional Services	994,002	734,000		1,728,002	-		1,728,002
Shared Services	327,617			327,617			327,617
Capital Outlay	216,000	1,050,000		1,266,000	-	181,345	1,447,345
Debt Service	-			-	551,940		551,940
Transfers & Non-Cash Adjustments	1,430,017		154,000	1,584,017	-		1,584,017
Total Expenditures	8,148,903	1,784,000	154,000	10,086,903	551,940	181,345	10,820,188
Transfer to 6 month Reserve	160,597	-	-	160,597			160,597
Allocated Fund Balance	-	(584,475)	76,492	(507,983)			(507,983)
Restricted Fund Balance	9,270			9,270	4,491	(181,345)	(167,584)
Use of Fund Balance	(600,000)			(600,000)			(600,000)
Change in Unallocated Fund Balance	(0)			(0)		-	(0)
Total change in Fund Balance	(430,133)	(584,475)	76,492	(938,116)	4,491	(181,345)	(1,114,970)
Ending Fund Balance	3,065,249	370,903	872,888	4,309,040	23,051	-	4,332,091

GENERAL FUND REVENUES



GENERAL FUND EXPENDITURES



GENERAL OPERATIONS FUND REVENUES (DETAIL)

General Fund Revenue Detail				
Revenue Type	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Taxes				
General Property	4,109,977 -	4,999,835	5,084,835	5,452,281
Delinquent Property	37,759	30,000	10,394	30,000
Penalty & Interest	21,267	15,000	39,500	25,000
Mixed Beverage	23,814	20,000	21,800	25,000
Local Sales	485,691	450,000	500,000	505,000
Street Maintenance	121,266	112,500	125,000	120,186
Property Reduction	121,266	112,500	125,000	120,186
Total Taxes	4,921,041	5,739,835	5,906,530	6,277,653
Franchise Fees				
Time Warner Cable	65,618	62,000	66,000	31,000
GVTC Cable/Telephone	71,040	72,000	74,000	36,000
AT&T Cable/Telephone	20,138	21,000	21,000	10,500
Miscellaneous	979	1,500	500	1,500
City Public Service	336,432	330,000	350,000	370,000
Pedernales Electric Company	42,597	41,000	39,500	41,000
Grey Forest Utilities	12,216	10,500	14,500	10,500
Garbage Regular	24,822	27,000	26,000	27,000
Garbage Recycling	2,339	1,500	2,500	2,200
Total Franchise Fees	576,181	566,500	594,000	529,700
Interest				
Bank/Investment Interest	73,833	63,500	113,500	115,000
Total Interest	73,833	63,500	113,500	115,000
Permits				
New Residential Permits	151,033	200,200	187,700	180,000
New Commerical Permits	3,803	2,600	-	2,600
Remodeling/Additions	30,454	31,200	31,200	31,200
Other BC and Permits	21,836	26,000	26,000	26,000
Contractor Registration	9,450	10,000	10,000	10,000
Food/Health	2,415	2,700	4,145	2,700
Total Permits Costs	218,990	272,700	259,045	252,500

Revenue Type	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Animal Control				
Pet Licenses	2,595	1,500	2,100	1,500
Pet Impound/Quarantine	2,295	1,900	1,500	1,900
Animal Traps	-	-	-	-
Total Animal Control	4,890	3,400	3,600	3,400
Fines & Forfeitures				
Municipal Court Fines	118,822	120,000	129,000	120,000
Municipal Court Security	3,123	3,200	3,456	3,200
Municipal Court Technology	4,166	4,300	4,644	4,300
Municipal Court Efficiency	41	70	76	70
Total Fines & Forfeitures	126,152	127,570	137,176	127,570
Fees & Services				
FORU Management	205,959	194,884	182,402	202,017
Special Fees	8,645	4,900	18,000	10,480
FORMDD Management	10,000	26,750	26,750	26,750
Credit Card Service Fee	3,177	3,500	4,600	4,600
Total Fees & Services	227,782	230,034	231,752	243,847
Miscellaneous				
Miscellaneous	8,225	4,000	5,626	4,000
City Event Sponsorships	19,720	-	2,230	2,000
Street Bond Reimbursements	-	-	-	-
Sale of Assets	28,197	7,000	7,000	-
Donations/Grants	29,108	-	500	-
School Guard Crossing Fund	7,752	7,400	7,800	7,400
Lease Proceeds	1,785	1,700	1,825	1,700
Police Seized Proceeds	5,136	-	638	-
Total Miscellaneous	94,787	20,100	25,620	15,100
Total Revenue	6,243,656	7,023,639	7,271,221	7,564,770
Transfers				
Fund Balance	-	-	-	-
Court Technology	-	11,500	-	-
Court Security Building	-	-	-	-
Capital Replacement	-	256,750	152,706	154,000
Court Efficiency	-	-	-	-
Lease Training Funds	-	-	-	-
Committed Contracts	-	-	-	-
Total Transfers	-	268,250	152,706	154,000
Total Resources	6,243,656	7,291,889	7,423,927	7,718,770

GENERAL FUND EXPENDITURES (DETAIL)

General Fund Budget by Department									
	Mayor & Council	City Administration	City Secretary	HR & Communications	Finance	Municipal Court	Public Safety and Emergency	Maintenance	Building Codes and Permits
Personnel									
Salaries	-	375,002	113,389	117,603	231,250	103,468	1,625,186	286,552	174,828
Overtime	-	235	-	-	231	458	24,722	1,002	173
Taxes - Social Security	-	23,265	7,030	7,291	14,352	6,443	102,294	17,828	10,850
Taxes - Medicare	-	5,441	1,644	1,705	3,356	1,507	23,924	4,170	2,538
Taxes SUTA/FUTA	-	900	450	450	675	450	6,300	1,688	675
Retirement	-	1,544	489	512	1,000	439	69,329	23,518	1,511
Health Insurance	-	44,475	13,439	13,939	27,436	12,318	195,555	34,082	20,742
Workmans' Compensation	-	39,969	18,841	16,385	21,693	14,447	243,435	62,677	25,290
Uniform Allowance	-	-	-	-	-	-	20,800	-	-
Car Allowance	-	7,200	-	-	-	-	-	-	-
Relocation Allowance	-	-	-	-	-	-	-	-	-
Total Personnel Costs	-	498,031	155,283	157,885	299,993	139,531	2,311,545	431,517	236,608
Supplies, Maintenance & Operations									
Supplies and Consumables	-	650	1,150	1,700	1,425	2,200	4,000	6,100	450
Minor Equipment and Furniture	-	2,900	200	200	600	1,400	22,950	10,800	2,200
Fuel	-	300	-	-	-	-	30,000	10,200	1,300
Uniforms	350	250	100	100	300	100	12,000	6,275	530
Miscellaneous	-	-	481	-	-	-	-	200	-
Vehicle Maintenance/Repairs	-	-	-	-	-	-	17,000	12,000	-
Equipment Maintenance/Repairs	-	-	-	-	-	-	-	5,580	-
Building Maintenance/Repairs	-	-	-	-	-	-	-	15,480	-
Landscaping & Greenspace Maintenance	-	-	-	-	-	-	-	5,000	-
Street Maintenance	-	-	-	-	-	-	-	31,000	-
Drainage Work	-	-	-	-	-	-	-	5,000	-
Committees - Other	2,000	-	-	-	-	-	-	-	-
Committees - Planning & Zoning	1,000	-	-	-	-	-	-	-	-
Committee - Board of Adj	1,000	-	-	-	-	-	-	-	-
Urban Wildlife	1,000	-	-	-	-	-	-	-	-
Donations & Grants	1,000	-	-	-	-	-	-	-	-
Total Supplies, Maintenance & Operations Costs	6,350	4,100	1,931	2,000	2,325	3,700	85,950	107,635	4,480
Services									
Professional Services	-	100,000	5,000	-	78,835	58,230	518,767	-	9,560
Dues/Subscriptions	2,800	2,390	912	1,755	1,430	800	4,100	600	290
Training/Seminars & Related Travel	7,000	15,320	6,789	13,663	10,900	2,000	14,000	8,541	4,075
Elections	-	-	10,000	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	12,000	-	-
Lease Training	-	-	-	-	-	-	1,700	-	-
K-9 Program	-	-	-	-	-	-	-	-	-
Public Relations	8,000	-	-	30,200	-	-	6,000	-	-
Employee Appreciation	-	250	100	8,370	300	100	1,400	400	150
Employment Costs	-	-	-	3,000	-	-	-	-	-
Recording/Reporting/History	-	-	3,000	-	-	-	-	-	-
Meetings and Related Travel	6,200	5,345	1,326	300	500	500	2,500	100	600
Total Services Costs	24,000	123,305	27,127	57,288	91,965	61,630	560,467	9,641	14,675
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	-	-	-	-	-	-	216,000	-	-
Capital Projects	-	-	-	-	-	-	-	-	-
Total Capital Outlay Costs	-	-	-	-	-	-	216,000	-	-
Transfers									
Transfer to Intergov Fund 06	-	-	-	-	-	-	-	-	-
Transfer to Cap Improv Fund 02	-	-	-	-	-	-	-	-	-
Transfer to GF Veh/Equip F 31	-	-	-	-	-	-	-	-	-
Total Transfers Costs	-	-	-	-	-	-	-	-	-
Total General Fund Budget by Department	30,350	625,436	184,341	217,172	394,284	204,861	3,173,962	548,793	255,763

GENERAL FUND EXPENDITURES (DETAIL)

General Fund Budget by Department						
	Engineering and Planning	Non-Departmental & Shared	Total General Operations	SAP	Equip Replacement	Grand Total
Personnel						
Salaries	226,787	-	3,254,065	-	-	3,254,065
Overtime	1,058	-	27,881	-	-	27,881
Taxes - Social Security	14,126	-	203,481	-	-	203,481
Taxes - Medicare	3,304	-	47,588	-	-	47,588
Taxes SUTA/FUTA	788	-	12,375	-	-	12,375
Retirement	2,451	-	100,793	-	-	100,793
Health Insurance	27,005	-	388,993	-	-	388,993
Workmans' Compensation	30,998	-	473,734	-	-	473,734
Uniform Allowance	-	-	20,800	-	-	20,800
Car Allowance	-	-	7,200	-	-	7,200
Relocation Allowance	-	-	-	-	-	-
Total Personnel Costs	306,516	-	4,536,909	-	-	4,536,909
Supplies, Maintenance & Operations						
Supplies and Consumables	6,495	6,000	30,170	-	-	30,170
Minor Equipment and Furniture	950	-	42,200	-	-	42,200
Fuel	1,301	-	43,101	-	-	43,101
Uniforms	1,140	-	21,145	-	-	21,145
Miscellaneous	-	-	681	-	-	681
Vehicle Maintenance/Repairs	-	-	29,000	-	-	29,000
Equipment Maintenance/Repairs	-	-	5,580	-	-	5,580
Building Maintenance/Repairs	-	-	15,480	-	-	15,480
Landscaping & Greenspace Maintenance	-	-	5,000	-	-	5,000
Street Maintenance	410,000	-	441,000	-	-	441,000
Drainage Work	-	-	5,000	-	-	5,000
Committees - Other	-	-	2,000	-	-	2,000
Committees - Planning & Zoning	-	-	1,000	-	-	1,000
Committee - Board of Adj	-	-	1,000	-	-	1,000
Urban Wildlife	-	-	1,000	-	-	1,000
Donations & Grants	-	-	1,000	-	-	1,000
Total Supplies, Maintenance & Operations Costs	419,887	6,000	644,358	-	-	644,358
Services						
Professional Services	15,000	-	785,392	734,000	-	1,519,392
Dues/Subscriptions	333	-	15,410	-	-	15,410
Training/Seminars & Related Travel	7,323	-	89,610	-	-	89,610
Elections	-	-	10,000	-	-	10,000
Investigations	-	-	12,000	-	-	12,000
Lease Training	-	-	1,700	-	-	1,700
K-9 Program	-	-	-	-	-	-
Public Relations	-	-	44,200	-	-	44,200
Employee Appreciation	350	-	11,420	-	-	11,420
Employment Costs	-	-	3,000	-	-	3,000
Recording/Reporting/History	-	-	3,000	-	-	3,000
Meetings and Related Travel	900	-	18,271	-	-	18,271
Total Services Costs	23,905	-	994,002	734,000	-	1,728,002
Shared Services						
Facility Contracts & Services	-	50,777	50,777	-	-	50,777
Tech/Internet/Software Maintenance	-	156,481	156,481	-	-	156,481
Postage	-	9,500	9,500	-	-	9,500
General Liability Insurance	-	51,418	51,418	-	-	51,418
Electricity	-	32,700	32,700	-	-	32,700
Phone/Cable/Alarms	-	26,742	26,742	-	-	26,742
Total Shared Services Costs	-	327,617	327,617	-	-	327,617
Capital Outlay						
Land/Land Improvement	-	-	-	-	-	-
Building/Building Improvement	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-
Furniture, Fixtures, Equipment & Vehicles	-	-	216,000	-	-	216,000
Capital Projects	-	-	-	1,050,000	-	1,050,000
Total Capital Outlay Costs	-	-	216,000	1,050,000	-	1,266,000
Transfers						
Transfer to Intergov Fund 06	-	-	-	-	-	-
Transfer to Cap Improv Fund 02	-	1,199,525	1,199,525	-	-	1,199,525
Transfer to GF Veh/Equip F 31	-	230,492	230,492	-	154,000	384,492
Total Transfers Costs	-	1,430,017	1,430,017	-	154,000	1,584,017
Total General Fund Budget by Department	750,308	1,763,634	8,148,903	1,784,000	154,000	10,086,903

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, City Secretary and Investment Officer 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

Performance Measure	Actual 2018-19
# Regular City Council Meetings	19
# Special City Council Meetings	11

Recent Accomplishments

- Finalized master drainage, water, and wastewater plans
- Planned and delivered City's first Independence Day fireworks
- Delivered 2nd household hazardous waste pickup
- Began development of comprehensive internal control framework
- Began FM3351 discussions with TxDOT and military installation; joining forces with the City of Boerne and Kendall County to develop a joint transportation plan
- Successfully defended annexation at the district court level
- Completed 1st round of work to plan for the renovation of City Hall and the old police building
- Updated the strategic plan with a Council retreat
- Finalized and implemented a Unified Development Code
- Formed and seated a Zoning Board of Adjustments; ZBOA has been trained, written procedures, and elected officers
- Formed and seated a Planning and Zoning Commission
- Appointed and seated council advisory committees for Stormwater, Water/Wastewater Rate Study, and Internal Audit
- Implemented environmental compliance services
- Passed an Ordinance authorizing the City to set a reasonable monthly and annual limit of time to be spent without charge for repeat PIA requests.
- City received the GFOA Award for Excellence in Financial Reporting

(Numbers are through 7/19)



MAYOR & CITY COUNCIL OPERATIONAL BUDGET FY 2019-20

Expenditure Type	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
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	200	-
Minor Equipment and Furniture	-	-	-	-
Fuel	-	-	-	-
Uniforms	-	-	225	350
Miscellaneous	-	-	-	-
Vehicle Maintenance/Repairs	-	-	-	-
Equipment Maintenance/Repairs	-	-	-	-
Building Maintenance/Repairs	-	-	-	-
Landscaping & Greenspace Maintenance	-	-	-	-
Street Maintenance	-	-	-	-
Drainage Work	-	-	-	-
Committees - Other	4,909	1,000	500	2,000
Committees - Planning & Zoning	94	1,000	1,000	1,000
Committee - Board of Adj	-	1,000	500	1,000
Urban Wildlife	17,402	1,500	1,050	1,000
Donations & Grants	-	-	-	1,000
Court Technology	-	-	-	-
Total Supplies, Maintenance & Operations Costs	22,405	4,700	3,475	6,350
Services				
Professional Services	-	-	-	-
Dues/Subscriptions	-	-	-	2,800
Training/Seminars & Related Travel	-	3,000	1,500	7,000
Meetings and Related Travel	-	4,796	3,000	6,200
Elections	-	-	-	-
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	-	4,504	6,758	8,000
Employee Appreciation	-	-	-	-
Employment Costs	-	-	-	-
Recording/Reporting/History	-	-	-	-
Total Services Costs	-	12,300	11,258	24,000
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	22,405 *	17,000	14,733	30,350

* See Appendix A regarding prior year budget amounts

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, an Executive Assistant, and two Customer Service Clerks. 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 and front office staff.



Entrance to City Hall Complex

Recent Accomplishments

- Attended and testified at 2019 State of Texas Legislative Hearings
- Established Zoning Board of Adjustment and Planning and Zoning Commission Training
- Reviewed and enhanced Council's Strategic Action Plan
- Implemented a Unified Development Code
- Enhanced security of historical city records
- Obtained CCN for 350 acres
- Obtained easement to city property leading to the Arbor's Preserve
- Updated city-wide fees
- Enhanced Wildlife Education Committee communication
- Appointment to the Texas City Management Association Legislative Advocacy Committee
- Appointment to the Texas City Management Association Membership Committee
- Earned 3rd recertification as Texas Municipal Registered Clerk from University of North Texas
- Cultivated effective alliances with regional governments and organizations
- Solidified departmental KPI reports and dissemination schedule
- City named a 2018 Top Workplace by the SA Express News

STAFFING				
Title	2016-17	2017-18	2018-19	2019-20
City Manager	1	1	1	1
Assistant City Manager	1	1	1	1
Executive Assistant	0	0	1	1
Customer Service Clerk*				2
Total Funded Staffing	2	2	3	5

*Prior to 2019-20, the Cust. Serv. Clerks were in the City Secretary Department



Carole Vanzant, CPM, TRMC, MMC
Assistant City Manager

The customer service clerks are the first point of contact for citizen information regarding City services, programs and events. They also collect fees, issue various permits and licenses, and offer free notary service to City residents for non-business documents.

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), 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. These challenges encompass everything from



Fair Oaks Ranch City Hall

infrastructure (water, wastewater, drainage, mobility, open space, etc.) to police and fire. It is essential for City Management to 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.

Performance Measure	Actual 2018-19
# City Council/City Board Meetings	65
# of Meetings Held with Outside Entities	64
# of Citizens Interactions	468

*This is the first year Performance Measures for each department were documented.
(Numbers are through 7/19)

ADMINISTRATION SAP BUDGET ITEMS FOR FY 2019-20 *

RELIABLE AND SUSTAINABLE INFRASTRUCTURE		
5.3	Enhance & Ensure Continuity of Reliable City Facilities	
5.3.5	Repurpose City Hall Interior	600,000
5.3.6	Renovate City Campus Outbuilding (Old Police Building)	450,000

*These items are funded in the SAP budget, not in each department's operational budget.



City of Fair Oaks Ranch Front Office Staff



ADMINISTRATION OPERATIONAL BUDGET FY 2019-20

Expenditure Type	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Personnel				
Salaries	511,106	271,306	265,704	375,002
Overtime	849	-	-	235
Taxes - Social Security	29,965	18,681	15,723	23,265
Taxes - Medicare	7,165	4,369	3,993	5,441
Taxes SUTA/FUTA	1,097	675	27	900
Retirement	765	1,356	791	1,544
Health Insurance	63,511	35,976	32,568	44,475
Workmans' Compensation	59,806	30,690	22,176	39,969
Uniform Allowance	-	-	-	-
Car Allowance	-	7,200	7,200	7,200
Relocation Allowance	-	-	-	-
Total Personnel Costs	674,264	370,253	348,182	498,031
Supplies, Maintenance & Operations				
Supplies and Consumables	6,152	550	550	650
Minor Equipment and Furniture	12,224	2,290	2,290	2,900
Fuel	281	200	200	300
Uniforms	557	150	150	250
Miscellaneous	1,754	200	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	-	-	-	-
Court Technology	-	-	-	-
Total Supplies, Maintenance & Operations Costs	20,968	3,390	3,390	4,100
Services				
Professional Services	252,020	128,199	128,199	100,000
Dues/Subscriptions	6,423	3,580	3,580	2,390
Training/Seminars & Related Travel	15,806	18,443	3,500	15,320
Meetings and Related Travel	1,412	1,475	1,475	5,345
Elections	-	-	-	-
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	-	-	-	-
Employee Appreciation	-	-	-	250
Employment Costs	-	-	-	-
Recording/Reporting/History	-	-	-	-
Total Services Costs	275,661	151,697	136,754	123,305
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	15,908	-	-	-
Transfer to Intergov Fund 06	-	-	-	-
Transfer to Cap Improv Fund 02	-	-	-	-
Transfer to GF Veh/Equip F 31	-	-	-	-
Fund Balance	15,908	-	-	-
Total Capital Outlay Costs	15,908	-	-	-
Total Departmental Budget	986,801 *	525,340	488,326	625,436
* See Appendix A regarding prior year budget amounts				

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, and also receives bids (Conflicts Disclosure Statement Information.)

STAFFING				
Title	2016-17	2017-18	2018-19	2019-20
City Secretary	1	1	1	1
Deputy City Secretary	0	0	1	1
Customer Service Clerk*	1	2	2	0
Total Funded Staffing	2	3	4	2

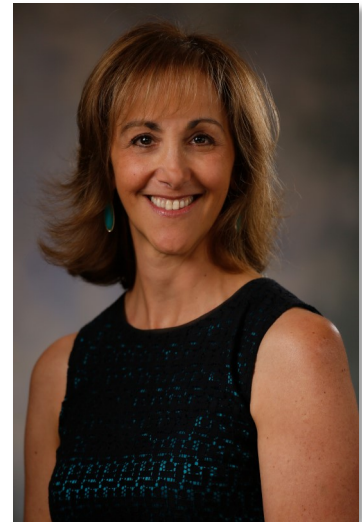
*The Customer Service Clerks have been moved to the Administration Department effective FY 2019-20

Recent Accomplishments

- Enhanced security screening of solicitation permit issuance
- Electronically filed over 250 administration and city council documents
- Streamlined multi-departmental purchases process
- Ensured exceptional customer service by providing proper training and resources to front staff
- Ensured City Charter and Code of Ordinances comply with federal and state laws
- Elected to Treasurer of Texas Municipal Clerks Association, Alamo Area Chapter

Performance Measure	Actual 2018-19
# City Council Meetings/Agendas/Minutes	30
# MDD Meetings/Agendas/Minutes	4
# P&Z Meetings/Agendas/Minutes	13
# Ordinances and Resolutions Passed	18
# Public Information Requests Processed	61
# of Solicitation Permits	23

*This is the first year Performance Measures for each department were documented.
(Numbers are through 7/19)



Christina Picioccio, City Secretary

CITY SECRETARY SAP BUDGET ITEMS FOR FY 2019-20 *

OPERATIONAL EXCELLENCE		
5.3	Evaluate & Update Service Delivery Expectations & Best Practices	
5.3.2	Develop and implement a records management plan	12,000

*These items are funded in the SAP budget, not in each department's operational budget.





CITY SECRETARY OPERATIONAL BUDGET FY 2019-20

Expenditure Type	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Personnel				
Salaries	-	129,390	93,226	113,389
Overtime	-	100	100	-
Taxes - Social Security	-	8,028	5,605	7,030
Taxes - Medicare	-	1,878	1,311	1,644
Taxes SUTA/FUTA	-	675	27	450
Retirement	-	583	337	489
Health Insurance	-	15,461	11,136	13,439
Workmans' Compensation	-	27,397	18,260	18,841
Uniform Allowance	-	-	-	-
Car Allowance	-	-	-	-
Relocation Allowance	-	-	-	-
Total Personnel Costs	-	183,513	130,003	155,283
Supplies, Maintenance & Operations				
Supplies and Consumables	-	1,000	1,000	1,150
Minor Equipment and Furniture	-	2,000	2,000	200
Fuel	-	-	-	-
Uniforms	-	200	130	100
Miscellaneous	-	250	250	481
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	-	-	-	-
Court Technology	-	-	-	-
Total Supplies, Maintenance & Operations Costs	-	3,450	3,380	1,931
Services				
Professional Services	-	7,000	7,000	5,000
Dues/Subscriptions	-	2,940	2,940	912
Training/Seminars & Related Travel	-	3,555	2,425	6,789
Meetings and Related Travel	-	1,676	323	1,326
Elections	3,038	19,300	2,000	10,000
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	-	-	-	-
Employee Appreciation	-	-	-	100
Employment Costs	-	-	-	-
Recording/Reporting/History	4,159	3,000	3,000	3,000
Total Services Costs	7,198	37,471	17,688	27,127
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	7,198 *	224,434	151,071	184,341

* See Appendix A regarding prior year budget amounts

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, and serves as the staff liaison with the communications committee.

Recent Accomplishments

- Implemented new Offer Letter Format
- Implemented mid-year performance reviews for new hires
- Created a Performance Improvement Plan, and Onboarding, Requisition Request, Corrective Action, and Termination Forms
- Created templates for new job descriptions and compensation changes
- Posted up to date E-Verify and Right to Work Compliance Posters
- Created a format for tracking personnel turnover more accurately
- Coordinated CPR/AED training for all City employees
- Coordinated 4th of July fireworks show
- Enhanced circulation of "From the Mayor's Desk" newsletter
- City named a 2018 Top Workplace by the SA Express News
- Expanded the City's social media presence on Facebook

STAFFING

Title	2016-17	2017-18	2018-19	2019-20
Director of HR & Communications	1	1	1	1
Public Relations/HR Assistant	0	0	1	1
Total Funded Staffing	1	1	2	2

Performance Measure	Actual 2018-19
# Applications Processed	941
# Interviews Conducted	55
FTE Filled/Funded Headcount	65/74
Days Positions Vacant (avg.)	30
# Employee Recognition Events	16
# Social Media/Website Posts	40



Joanna Merrill, HR & Comm. Director

*This is the first year Performance Measures for each department were documented.
(Numbers are through 7/19)

HUMAN RESOURCES AND COMMUNICATIONS SAP BUDGET ITEMS FOR FY 2019-20 *

OPERATIONAL EXCELLENCE		
5.1	Evaluate and Implement key HR Programs that Promote Organizational Design and Development	
5.1.1	Evaluate & Update Compensation and Benefit Plans inclusive of Exempt/Non-Exempt status	50,000
5.1.2	Evaluate & Update Employee Handbook	5,000
5.1.4	Evaluate & Update Technology to Improve Efficiency within HR (align with IT master plan)	32,000
5.1.5	Research & Design Learning & Development Training Programs	5,000
5.2	Develop & Implement a Proactive Communication Strategy	
5.2.2	Develop a communications strategy and marketing program	5,000

*These items are funded in the SAP budget, not in each department's operational budget.

HUMAN RESOURCES AND COMMUNICATIONS OPERATIONAL BUDGET FY 2019-20

Expenditure Type	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Personnel				
Salaries	-	78,376	55,662	117,603
Overtime	-	-	-	-
Taxes - Social Security	-	5,473	3,528	7,291
Taxes - Medicare	-	1,280	825	1,705
Taxes SUTA/FUTA	-	450	18	450
Retirement	-	397	230	512
Health Insurance	-	10,540	6,644	13,939
Workmans' Compensation	-	15,056	5,841	16,385
Uniform Allowance	-	-	-	-
Car Allowance	-	-	-	-
Relocation Allowance	-	-	-	-
Total Personnel Costs	-	111,572	72,747	157,885
Supplies, Maintenance & Operations				
Supplies and Consumables	-	1,118	1,118	1,700
Minor Equipment and Furniture	-	3,400	3,400	200
Fuel	-	-	-	-
Uniforms	-	100	100	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	-	-	-	-
Court Technology	-	-	-	-
Total Supplies, Maintenance & Operations Costs	-	4,618	4,618	2,000
Services				
Professional Services	-	13,000	10,252	-
Dues/Subscriptions	-	275	1,044	1,755
Training/Seminars & Related Travel	-	14,025	14,025	13,663
Meetings and Related Travel	-	-	-	300
Elections	-	-	-	-
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	55,689	10,000	11,042	30,200
Employee Appreciation	6,262	4,750	4,750	8,370
Employment Costs	-	1,600	1,600	3,000
Recording/Reporting/History	-	-	-	-
Total Services Costs	61,950	43,650	42,713	57,288
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	61,950 *	159,840	120,079	217,172

* See Appendix A regarding prior year budget amounts

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 Strategic Action 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 is the Council appointed Investment Officer, oversees the IT function, Municipal Court, and serves as the City liaison to the Municipal Development District.

STAFFING				
Title	2016-17	2017-18	2018-19	2019-20
Finance Director	1	1	1	1
Accounting Manager	0	1	1	1
Accountant	0	0	1	1
Procurement Manager	0	0	1	1
IT Manager	0	0	1	1
AP/Payroll Specialist	1	1	1	1
Total Funded Staffing	2	3	6	6

Recent Accomplishments

- Received the GFOA Award for Excellence in Financial Reporting on the City's 17-18 CAFR for the first time.
- Continued the process of implementing internal controls within the Finance Department
- Onboarded an IT Manager
- Updated and improved financial management tools
- Continued to improve the City's budgeting and strategic planning process by adding five year outlook and standardizing operational costs across departments
- Established documented processes and forms for budget transfer and adjustment requests
- Initiated development of updated Strategic Action Plan
- Standardized departmental costs

Performance Measure	Actual 2018-19
# Invoices Processed	1907
# Journal Entries Processed	221
# Payrolls Processed	21
% of Property Taxes Collected	98

*This is the first year Performance Measures for each department were documented.
(Numbers are through 7/19)



Sarah Buckelew, CPA
Finance Director

FINANCE SAP BUDGET ITEMS FOR FY 2019-20 *

FINANCIAL INTEGRITY		
1.2	Develop a 5-Year Forecast	
1.2.1	Develop 5-year Revenue Projections	10,000
1.3	Develop a Risk Inventory and mitigation strategies	
1.3.1	Complete Internal controls framework for Financial Statement Controls	20,000
1.4	Develop Sustainable Financing Strategies aligned with service delivery expectations	
1.4.4	Update General Fund and Utility Fund Leverage Guidelines and update Debt Policy	15,000
1.5	Ensure continuity and excellence of Financial Reporting Reliability	
1.5.2	Determine reporting requirements for grants, new utilities, etc.	10,000
1.5.6	Evaluate, update and implement Financial Management Policy	15,000
1.5.7	Implement Storm Water Utility Cost Center and Business Functions	50,000

*These items are funded in the SAP budget, not in each department's operational budget.

INFORMATION TECHNOLOGY (A DIVISION OF FINANCE)

MISSION STATEMENT

Information Technology (IT) is a division of the Finance Department and serves the City through a series of functions that include integrating software systems, providing cybersecurity and technology support, and negotiating and managing IT related contracts.



Brian LeJeune, IT Manager

SCOPE OF SERVICES SUMMARY

Provide all network, software, hardware, and telecommunication support to the City. Develop an annual IT master plan which combines the information technology service plan and supports individual departmental plans. Create the technological environment that enables City employees to quickly access vital information using the most efficient and cost effective system hardware and software. Monitor industry standards, legislative rulings, and vendor recommendations to maintain a secure, current, and viable technological platform for all user's training and education. Maintain a continuous education and training schedule to stay current with the ever changing and evolving field.

IT SAP BUDGET ITEMS FOR FY 2019-20 *

OPERATIONAL EXCELLENCE		
5.4	Develop, Implement and Sustain an IT master plan	
5.4.2	Conduct IT risk vulnerability study	50,000

*These items are funded in the SAP budget, not in each department's operational budget.



FINANCE OPERATIONAL BUDGET FY 2019-20

Expenditure Type	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Personnel				
Salaries	-	150,964	146,009	231,250
Overtime	-	166	43	231
Taxes - Social Security	-	12,470	9,084	14,352
Taxes - Medicare	-	2,916	2,124	3,356
Taxes SUTA/FUTA	-	675	27	675
Retirement	-	905	524	1,000
Health Insurance	-	24,015	17,233	27,436
Workmans' Compensation	-	21,336	10,633	21,693
Uniform Allowance	-	-	-	-
Car Allowance	-	-	-	-
Relocation Allowance	-	-	-	-
Total Personnel Costs	-	213,447	185,677	299,993
Supplies, Maintenance & Operations				
Supplies and Consumables	-	1,027	1,027	1,425
Minor Equipment and Furniture	-	3,520	3,520	600
Fuel	-	-	-	-
Uniforms	-	-	105	300
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	-	-	-	-
Court Technology	-	-	-	-
Total Supplies, Maintenance & Operations Costs	-	4,547	4,652	2,325
Services				
Professional Services	-	109,845	109,845	78,835
Dues/Subscriptions	-	403	653	1,430
Training/Seminars & Related Travel	-	6,200	5,700	10,900
Meetings and Related Travel	-	-	-	500
Elections	-	-	-	-
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	-	-	-	-
Employee Appreciation	-	-	-	300
Employment Costs	-	-	-	-
Recording/Reporting/History	-	-	-	-
Total Services Costs	-	116,448	116,198	91,965
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	- *	334,442	306,527	394,284

* See Appendix A regarding prior year budget amounts

MUNICIPAL COURT



MISSION STATEMENT

The mission of the Municipal Court, and its personnel, is to provide effective and impartial administration of justice, as prescribed by the Texas Code of Criminal Procedure and the Code of Judicial Conduct, with exceptional customer service while building public trust and confidence. The Municipal Court presides over trials for all Class C misdemeanor Penal Code offenses, Transportation Code offenses, Health and Safety Code offenses, Alcoholic Beverage code offenses, City Ordinance offenses as well as to preside over administrative and civil proceedings, as authorized by state law.

The Municipal Court is a Judicial Branch of city government. This Court and its officers are dedicated to the principles of impartiality, fairness, integrity, separation of powers, and judicial independence. These are the principles to which the Court is committed in its role as the Judicial Branch of our local government.

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.

Recent Accomplishments

- Court Administrator certified as a Level III court clerk
- Court Administrator attended a week long Court Administrators Seminar
- Deputy Court Clerk attended the new court clerk boot camp
- Established a more secure and improved storage system for court records
- Improved efficiency in all aspects of the court processes
- Substantive improvements made in internal controls

STAFFING

Title	2016-17	2017-18	2018-19	2019-20
Court Administrator	0	1	1	1
Deputy Court Clerk	1	1	1	1
Total Funded Staffing	1	2	2	2

Performance Measure	Actual 2018-19
# Cases Filed	1,245
# Warrants Cleared	736
# of Defendants Appearing Before the Judge	191
# Outstanding Warrants	0
# Hours of Staff Training	720

*This is the first year Performance Measures for each department were documented. (Numbers are through 7/19)



Debbie Landrum, Court Administrator



City of Fair Oaks Ranch Municipal Court Building



Maria Pinedo, Deputy Court Clerk

MUNICIPAL COURT SAP BUDGET ITEMS FOR FY 2019-20 *

OPERATIONAL EXCELLENCE		
5.3	Evaluate & Update Service Delivery Expectations & Best Practices	
5.3.5	Implement paper-lite processes and procedures - Municipal Court	*
5.3.6	Streamline Judge and Prosecutor case flow processes - Municipal Court	*
5.3.7	Develop Risk mitigations and corrections strategies - Municipal Court	*
5.3.8	Enhance online services for case management and customers - Municipal Court	*

* These projects were funded in the previous year's budget, but work will continue in FY 2019-20



MUNICIPAL COURT OPERATIONAL BUDGET FY 2019-20

Expenditure Type	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Personnel				
Salaries	56,470	97,552	93,045	103,468
Overtime	33	440	-	458
Taxes - Social Security	3,378	6,076	5,901	6,443
Taxes - Medicare	790	1,421	1,380	1,507
Taxes SUTA/FUTA	333	450	18	450
Retirement	225	441	326	439
Health Insurance	7,017	11,700	11,097	12,318
Workmans' Compensation	7,584	16,911	12,801	14,447
Uniform Allowance	-	-	-	-
Car Allowance	-	-	-	-
Relocation Allowance	-	-	-	-
Total Personnel Costs	75,830	134,991	124,568	139,531
Supplies, Maintenance & Operations				
Supplies and Consumables	1,899	2,000	2,000	2,200
Minor Equipment and Furniture	1,836	-	-	1,400
Fuel	-	-	-	-
Uniforms	88	100	96	100
Miscellaneous	128	100	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	-	-	-	-
Court Technology	-	11,500	11,500	-
Total Supplies, Maintenance & Operations Costs	3,951	13,701	13,696	3,700
Services				
Professional Services	30,636	61,000	20,000	58,230
Dues/Subscriptions	1,653	400	200	800
Training/Seminars & Related Travel	2,770	2,000	2,073	2,000
Meetings and Related Travel	-	-	-	500
Elections	-	-	-	-
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	-	-	-	-
Employee Appreciation	-	-	-	100
Employment Costs	-	-	-	-
Recording/Reporting/History	-	-	-	-
Total Services Costs	35,058	63,400	22,273	61,630
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	114,839	212,091	160,537	204,861

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, 3 Civilian Staff, and 1 K-9 Unit. 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, and court preparation. 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.



Scott Rubin, Chief of Police

The patrol division is the largest division in the department with 20 officers. It is made up of 4 sections with day patrol consisting of 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.

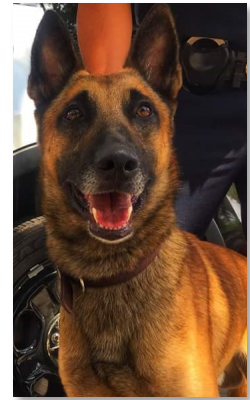
Recent Accomplishments

- Re-recognized in 2019 as a Best Practices Agency by The TPCA.
- Named the 2nd safest Texas city by the National Council for Home Safety and Security
- Engaged with the community through Cafeteria Cops, National Night Out, Citizen's Law Enforcement Academy, Annual Toy Drive, July 4th Parade and Open House.
- Held 2nd annual Junior Police Academy program
- 2 Officers received the Lifesaving Award for displaying extraordinary acts of heroism
- Chief Rubin was recognized for 20 years of service as Chief of Police in Fair Oaks Ranch

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.

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 2019.

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.



Buddy, K-9 Unit

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.



Lieutenant Tim Moring

STAFFING

Title	2016-17	2017-18	2018-19	2019-20
Chief of Police	1	1	1	1
Lieutenant	1	1	1	1
Sergeant	4	4	5	5
Police Investigator	2	2	2	2
Patrol Officer	12	14	16	16
Animal Control	1	1	1	1
PD Admin Assistant	1	1	1	1
PD Admin Clerk	0	0	1	1
K-9 Unit (Buddy)	0	1	1	1
Total Funded Staffing	22	25	29	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. Chief Rubin and several officers served the kids at all 3 lunches in the cafeteria, and it was a fun day for all involved.

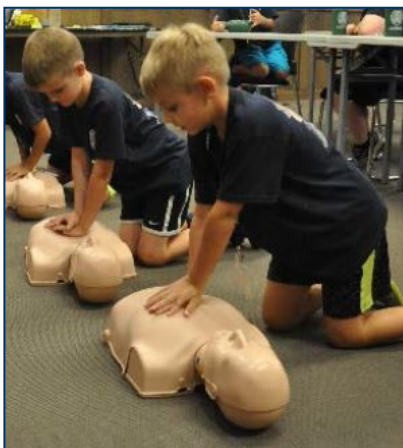


- **National Night Out:** In October 2018, the Police Department coordinated and participated in National Night Out, which resulted in the largest participation we have had since beginning the program. There were over 15 events that evening.

- **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, to raise donations for an officer during his battle with cancer. Officers donate a specific amount in order to grow out their beards for the month. This year's recipient of the donations was a local warrior who is also battling cancer, Inv. Matt Johnson with the Kendall Co. Sheriff's Office.

- **Annual Toy Drive:** For many years the Police Department has participated in the annual Toy Drive during the Christmas holiday. In 2018, the Police Department collected and dropped off over 900 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.

- **Junior Police Academy:** In 2018, this program was initiated to give kids ages 8-11 an idea of what police officers do on a daily basis. Students covered topics including Texas law, patrol procedures, physical readiness, and emergency care.

- **Bike Rodeo:** In cooperation with the Fair Oaks Ranch Elementary

PTO, the department participates in the annual bike rodeo held at the school.

- **July 4th Parade:** Every summer the Police escort an annual neighborhood Golf Cart Parade. With the acquisition of the department's ATV, the Police are able to join in the parade each year.

PUBLIC SAFETY SAP BUDGET ITEMS FOR FY 2018-19

PUBLIC HEALTH, SAFETY, AND WELFARE		
4.1 Enhance & Ensure Continuity of Police Services		
4.1.6	Command Structure Study	25,000
4.2 Develop a Long Term Strategy for Continuity of Fire Services		
4.2.1	Evaluate and develop a sustainable Fire Services Program	25,000
4.3 Develop a Long Term Strategy for Continuity of Emergency Medical Services		
4.3.1	Evaluate and develop a sustainable Emergency Medical Services Program	25,000

Performance Measure	Actual 2018*
# Calls for Services	3,716
# of Arrests Made	224
# of Traffic Stops	5,271
# Calls for Animal Control	995
# of Home Watches	35,078

*(Performance measures for the PD are compiled by calendar year)





PUBLIC SAFETY OPERATIONAL BUDGET FY 2019-20

Expenditure Type	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Personnel				
Salaries	1,330,442	1,493,278	1,479,355	1,625,186
Overtime	16,360	10,246	28,207	24,722
Taxes - Social Security	81,312	97,302	94,995	102,294
Taxes - Medicare	19,016	22,756	22,217	23,924
Taxes SUTA/FUTA	3,917	6,300	252	6,300
Retirement	27,700	69,418	41,100	69,329
Health Insurance	169,492	187,385	180,004	195,555
Workmans' Compensation	203,533	238,031	211,268	243,435
Uniform Allowance	16,000	19,200	16,400	20,800
Car Allowance	-	-	-	-
Relocation Allowance	-	-	-	-
Total Personnel Costs	1,867,772	2,143,916	2,073,797	2,311,545
Supplies, Maintenance & Operations				
Supplies and Consumables	3,276	3,100	3,700	4,000
Minor Equipment and Furniture	74,429	70,600	40,600	22,950
Fuel	33,862	30,000	35,000	30,000
Uniforms	8,614	12,025	12,025	12,000
Miscellaneous	2,667	2,000	2,000	-
Vehicle Maintenance/Repairs	11,861	20,000	17,500	17,000
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	-	-	-	-
Court Technology	-	-	-	-
Total Supplies, Maintenance & Operations Costs	134,708	137,725	110,825	85,950
Services				
Professional Services	452,534	514,816	514,816	518,767
Dues/Subscriptions	1,171	4,100	4,100	4,100
Training/Seminars & Related Travel	26,780	14,000	14,000	14,000
Meetings and Related Travel	-	2,000	2,000	2,500
Elections	-	-	-	-
Investigations	10,218	7,000	9,000	12,000
Lease Training	-	7,600	-	1,700
Asset Forfeiture	-	-	-	-
Public Relations	-	6,000	4,500	6,000
Employee Appreciation	-	-	-	1,400
Employment Costs	-	-	-	-
Recording/Reporting/History	-	-	-	-
Total Services Costs	490,702	555,516	548,416	560,467
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	56,792	216,000
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	56,792	216,000
Total Departmental Budget	2,493,183 *	2,911,257	2,789,830	3,173,962

* See Appendix A regarding prior year budget amounts

PUBLIC WORKS



MISSION STATEMENT

The Public Works Department seeks to maintain and enhance those quality of life factors which influence 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.

As a staff of 29, the Public Works Department anticipates growing with the City in its multi-faceted mission to serve the residents of Fair Oaks Ranch.

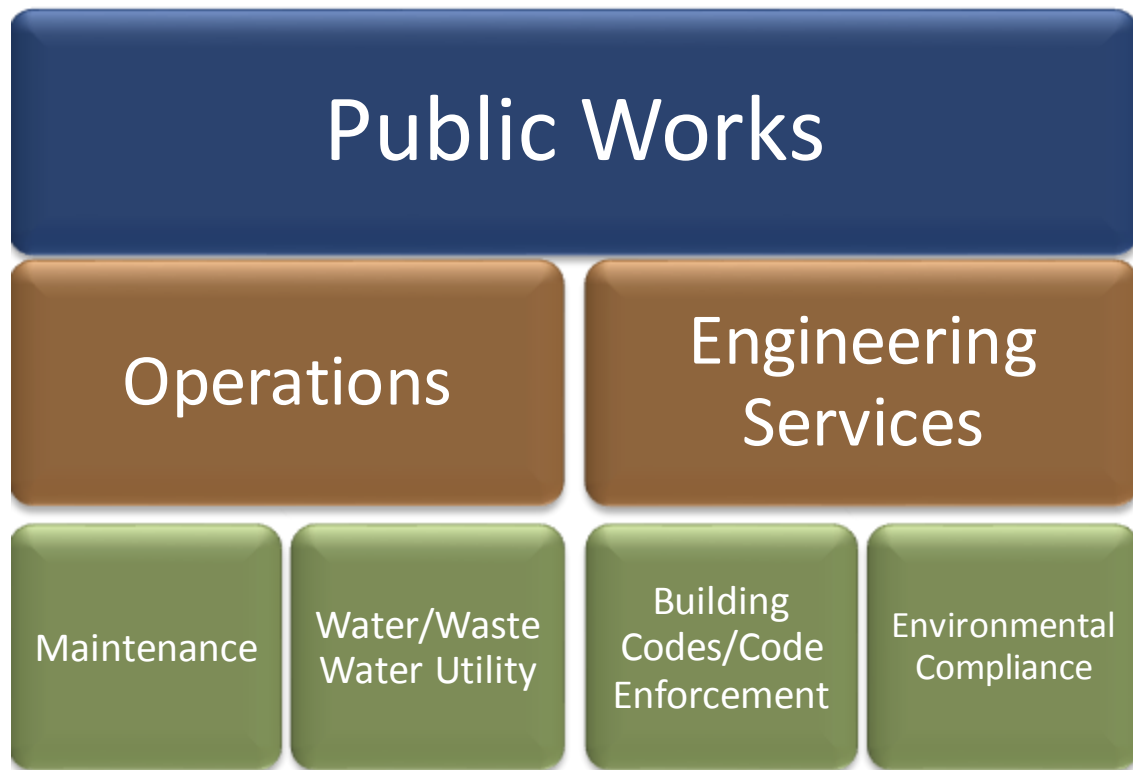
The main objectives for the coming year will be to lead the department in a systematic format to meet Council's goals and to continue to maintain all operations in a safe and efficient manner.



Ron Emmons, P.E.
Public Works Director

Recent Accomplishments

- Completed and adopted Unified Development Code
- Completed Water, Wastewater & Reuse Master Plan
- Completed Master Drainage Plan
- Initiated City's first Elevated Storage Tank Project
- Began programming projects for the recently updated Strategic Action Plan
- Second year in a row that a Public Works staff member was recognized as Employee of the Year



Performance Measure	Actual 2018-19
# Staff Training Hours - Engineering and Planning	252.75
# Staff Training Hours - Utilities	693
# Staff Training Hours - Maintenance	284
# Staff Training Hours - Environmental Services	109.5
# Staff Training Hours - Building Codes	24

*This is the first year Performance Measures for each department were documented.
(Numbers are through 7/19)

STAFFING				
Title	2016-17	2017-18	2018-19	2019-20
Public Works Director	1	1	1	1
Administrative Assistant	1	1	1	1
Total Funded Staffing	2	2	2	2

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 and to the maintenance department with responsibility 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.

Maintenance department objectives for the coming year will be to improve the annual street maintenance operations, collect and update maintenance geo asset data, and continue to improve the city's sweeping and right-of-way maintenance program. Utility department objectives for the coming year will be the establishment and initiation of the new sewer line and manhole cleaning/inspection program for the next 5 years, collect and update utility geo assets, and develop a tank maintenance program.

Recent Accomplishments

- Implemented a facility maintenance and custodial services program
- Implemented the City's first CCTV inspection and cleaning program for water/wastewater lines
- Brought in-house and implemented crack sealing services for City streets
- Completed in-house renewal of TCEQ wastewater treatment plant permit
- Improved operations between country club and staff



**Julio Colunga, Public Works
Superintendent**

STAFFING

Title	2016-17	2017-18	2018-19	2019-20
Public Works	1	1	1	1
Total Funded Staffing	1	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, 23 miles of sweeping, 31 miles of right-of-way mowing, vehicle/equipment maintenance/repairs and all City-owned drainage easements.

The Maintenance Department seeks to improve the annual street maintenance operations with new street maintenance applications and future planning process. This year's objective will be to collect and update maintenance geo assist data and continue the improvement of the City's sweeping and right-of-way maintenance program.



Public Works and Maintenance Building

STAFFING

Title	2016-17	2017-18	2018-19	2019-20
Maintenance Supervisor	1	1	1	1
Maintenance Lead	1	1	1	1
Maintenance Worker	3	4	4	4
Custodian	0	0	1	1
Total Funded Staffing	5	6	7	7

Recent Accomplishments

- Streets- 150,000 sq. yards resurfaced, repaired and crack sealed
- Continued the street signage update program
- Defined and implemented a facilities maintenance program
- One employee received CDL license
- Implementation of crack sealing services

Performance Measure	Actual 2018-19
# iWorQs Work Orders Completed	114
# Hours of Mechanic/Equipment Shop Activity	1,101
# Street Signs Replaced	157
# Miles Street Sweeping	328
Roadway Asphalt/ Pavement Patch Repair (yd ²)	14,649
Pavement Edge/Shoulder Work (LF)	6,519
Crack Seal (LF)	20,360

*This is the first year Performance Measures for each department were documented.
(Numbers are through 7/19)

MAINTENANCE SAP BUDGET ITEMS FOR FY 2019-20 *

RESPONSIBLE GROWTH MANAGEMENT		
2.3	Enhance Local Mobility & Multimodal Connectivity	
2.3.1	Update Street Signage Citywide	*5,000

*This item is funded in the department's operational budget.



The City of Fair Oaks Ranch Maintenance Department



MAINTENANCE OPERATIONAL BUDGET FY 2019-20

Expenditure Type	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Personnel				
Salaries	371,339	257,876	230,664	286,552
Overtime	5,437	955	1,555	1,002
Taxes - Social Security	22,344	16,048	14,395	17,828
Taxes - Medicare	5,226	3,753	3,367	4,170
Taxes SUTA/FUTA	1,635	1,575	64	1,688
Retirement	9,707	22,956	15,066	23,518
Health Insurance	46,717	30,904	27,031	34,082
Workmans' Compensation	69,300	50,667	50,826	62,677
Uniform Allowance	-	-	-	-
Car Allowance	-	-	-	-
Relocation Allowance	-	-	-	-
Total Personnel Costs	531,705	384,734	342,966	431,517
Supplies, Maintenance & Operations				
Supplies and Consumables	4,213	3,500	3,500	6,100
Minor Equipment and Furniture	12,622	8,560	8,560	10,800
Fuel	10,124	10,200	10,200	10,200
Uniforms	4,681	7,359	7,359	6,275
Miscellaneous	484	700	-	200
Vehicle Maintenance/Repairs	11,811	7,159	7,159	12,000
Equipment Maintenance/Repairs	12,408	6,580	19,580	5,580
Building Maintenance/Repairs	14,550	14,500	14,500	15,480
Landscaping & Greenspace Maintenance	3,505	1,000	2,096	5,000
Street Maintenance	255,291	-	-	31,000
Drainage Work	3,256	213	213	5,000
Committees - Other	-	-	-	-
Committees - Planning & Zoning	-	-	-	-
Committee - Board of Adj	-	-	-	-
Urban Wildlife	-	-	-	-
Donations & Grants	-	-	-	-
Court Technology	-	-	-	-
Total Supplies, Maintenance & Operations Costs	332,946	59,772	73,167	107,635
Services				
Professional Services	-	-	-	-
Dues/Subscriptions	494	600	-	600
Training/Seminars & Related Travel	8,699	4,509	4,509	8,541
Meetings and Related Travel	-	750	400	100
Elections	-	-	-	-
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	-	-	-	-
Employee Appreciation	-	-	-	400
Employment Costs	-	-	-	-
Recording/Reporting/History	-	-	-	-
Total Services Costs	9,192	5,859	4,909	9,641
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	-	218,473	147,681	-
Transfer to Intergov Fund 06	-	-	-	-
Transfer to Cap Improv Fund 02	-	-	-	-
Transfer to GF Veh/Equip F 31	-	-	-	-
Fund Balance	-	-	-	-
Total Capital Outlay Costs	-	218,473	147,681	-
Total Departmental Budget	873,843 *	668,837	568,723	548,793

* See Appendix A regarding prior year budget amounts

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.

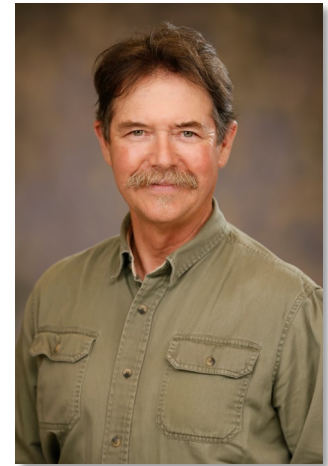
Recent Accomplishments

- Adoption of 2018 International Building Codes and 2017 National Electric Code
- Adoption of new permit fee schedule in response to HB 852
- Rachel Brown, Building Dept Administrative Assistant awarded Employee of the Year
- Establishment of a contract Fire Inspector to conduct inspections on all new commercial construction as well as yearly inspections on all existing commercial establishments
- Assumed management of Fair Oaks Health Dept activities to include issuance of Retail Food Operations permits and performance inspections

STAFFING

Title	2016-17	2017-18	2018-19	2019-20
Building Official	1	1	1	1
Building Codes Inspector	.5	.5	1	1
Admin Assistant	1	1	1	1
Total Funded Staffing	2.5	2.5	3	3

Performance Measure	Actual 2018-19
# Contractor Registrations	76
# Total Building Permits Issued	541
# Total Inspections/Reinspection	1589
#Health and Sanitation Permits Issued	16
# New Residential Properties	102
# New Commercial Properties	0



Jim Earl, Building Codes Official

*This is the first year Performance Measures for each department were documented.
(Numbers are through 7/19)

BUILDING CODES SAP BUDGET ITEMS FOR FY 2019-20 *

RESPONSIBLE GROWTH MANAGEMENT		
2.1	Manage the physical development of the city in accordance with the Comprehensive Plan	
2.1.1	Update International Family of Building and Life Safety Codes	**
2.1.4	Establish Grease Trap Ordinance	*

* This project is funded in the department's operational budget

**This project was funded in the previous year's budget, but work will continue in FY 2019-20



Scott Davis, Inspector



Inspection in Progress



BUILDING CODES OPERATIONAL BUDGET FY 2019-20

Expenditure Type	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Personnel				
Salaries	136,665	167,727	163,168	174,828
Overtime	233	171	248	173
Taxes - Social Security	8,257	10,410	10,265	10,850
Taxes - Medicare	1,931	2,435	2,401	2,538
Taxes SUTA/FUTA	491	675	27	675
Retirement	635	1,512	915	1,511
Health Insurance	17,073	20,047	19,504	20,742
Workmans' Compensation	16,853	24,337	24,238	25,290
Uniform Allowance	-	-	-	-
Car Allowance	-	-	-	-
Relocation Allowance	-	-	-	-
Total Personnel Costs	182,137	227,313	220,767	236,608
Supplies, Maintenance & Operations				
Supplies and Consumables	1,270	600	619	450
Minor Equipment and Furniture	1,248	1,180	1,180	2,200
Fuel	1,127	1,300	1,300	1,300
Uniforms	66	280	280	530
Miscellaneous	102	150	128	-
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	-	-	-	-
Court Technology	-	-	-	-
Total Supplies, Maintenance & Operations Costs	3,813	3,510	3,506	4,480
Services				
Professional Services	-	9,200	8,130	9,560
Dues/Subscriptions	405	290	265	290
Training/Seminars & Related Travel	2,223	3,555	3,555	4,075
Meetings and Related Travel	-	200	200	600
Elections	-	-	-	-
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	-	-	-	-
Employee Appreciation	-	-	-	150
Employment Costs	-	-	-	-
Recording/Reporting/History	-	-	-	-
Total Services Costs	2,628	13,245	12,150	14,675
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	188,578	244,068	236,423	255,763

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.



**Adrian Garcia, P.E., Mgr. of
Engineering Services**

STAFFING

Title	2016-17	2017-18	2018-19	2019-20
Manager of Engineering Services	1	1	1	1
Environmental Compliance Manager	0	1	1	1
GIS Technician	1	1	1	1
Infrastructure Inspector	0	1	1	1
Code Compliance	0	0	1	1
Total Funded Staffing	2	4	5	5

Recent Accomplishments

- Championed the City's first Backflow Prevention and Cross-Connection Control Program
- Kicked off the design for the City's first Elevated Storage Tank
- Implemented the City's first infrastructure inspection process to oversee new developments and capital improvement projects
- Provided technical support on adoption of Unified Development Code, Water/Wastewater Master Plan, and Master Drainage Plan
- Submitted updated MS4 Stormwater discharge permit to TCEQ
- Serve as staff liaison to the P&Z and ZBOA

Performance Measure	Actual 2018-19
# New Residential Lots Platted/Approved	153
# Maps/Exhibits Created	60
# Infrastructure Inspections (Street, Water/WW, Other)	585
#Planning and Zoning Commission Meetings	13
# Resident Correspondence	121



Melissa Castro, Environmental Compliance Manager

*This is the first year Performance Measures for each department were documented.
(Numbers are through 7/19)

ENGINEERING SERVICES SAP BUDGET ITEMS FOR FY 2018-19 *

FINANCIAL INTEGRITY		
1.4	Develop Sustainable Financing Strategies aligned with Service Delivery Expectations	
1.4.1	Implement a sustainable and equitable drainage funding source for stormwater	120,000
RESPONSIBLE GROWTH MANAGEMENT		
2.1	Manage the physical development of the city in accordance with the Comprehensive Plan	
2.1.2	Administer Comprehensive Plan and Unified Development Code	50,000
2.1.7	FM 3351 Owners Rep/Project Management	75,000
2.2	Implement and update Infrastructure Master Plans	
2.2.3	Develop project criticality chain and funding plan (Drainage CIP)	50,000
2.5	Develop, Implement & Update Environmental Sustainability Programs	
2.5.1	Implement Municipal Separate Storm Sewer System (MS4) permit requirements	5,000
RELIABLE AND SUSTAINABLE INFRASTRUCTURE		
3.1	Enhance & Ensure Continuity of Reliable Water Resources in Accordance with CNN Obligations	
3.1.1	Implement & Educate regarding the Backflow Prevention Compliance Program	**2,300
3.4	Enhance & Ensure Continuity of Reliable Roadway Improvement Initiatives	
3.4.3	Conduct long-term road condition analysis (traffic studies, PCI, etc.)	80,000

*These items are funded in the SAP budget, not in each department's operational budget.

** This project is funded in the department's operational budget.



ENGINEERING SERVICES OPERATIONAL BUDGET FY 2019-20

Expenditure Type	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Personnel				
Salaries	-	198,573	186,098	226,787
Overtime	-	-	72	1,058
Taxes - Social Security	-	12,945	11,263	14,126
Taxes - Medicare	-	3,027	2,635	3,304
Taxes SUTA/FUTA	-	788	32	788
Retirement	-	2,380	1,420	2,451
Health Insurance	-	24,929	22,215	27,005
Workmans' Compensation	-	31,973	25,103	30,998
Uniform Allowance	-	-	-	-
Car Allowance	-	-	-	-
Relocation Allowance	-	-	-	-
Total Personnel Costs	-	274,615	248,836	306,516
Supplies, Maintenance & Operations				
Supplies and Consumables	-	4,654	4,654	6,495
Minor Equipment and Furniture	-	2,786	2,786	950
Fuel	-	1,859	1,859	1,301
Uniforms	-	815	815	1,140
Miscellaneous	-	200	200	-
Vehicle Maintenance/Repairs	-	-	-	-
Equipment Maintenance/Repairs	-	-	-	-
Building Maintenance/Repairs	-	-	-	-
Landscaping & Greenspace Maintenance	-	-	-	-
Street Maintenance	-	-	-	410,000
Drainage Work	-	-	-	-
Committees - Other	-	-	-	-
Committees - Planning & Zoning	-	-	-	-
Committee - Board of Adj	-	-	-	-
Urban Wildlife	-	-	-	-
Donations & Grants	-	-	-	-
Court Technology	-	-	-	-
Total Supplies, Maintenance & Operations Costs	-	10,314	10,314	419,887
Services				
Professional Services	-	-	-	15,000
Dues/Subscriptions	-	363	885	333
Training/Seminars & Related Travel	-	8,138	8,138	7,323
Meetings and Related Travel	-	500	500	900
Elections	-	-	-	-
Investigations	-	-	-	-
Lease Training	-	-	-	-
Asset Forfeiture	-	-	-	-
Public Relations	-	-	-	-
Employee Appreciation	-	-	-	350
Employment Costs	-	-	-	-
Recording/Reporting/History	-	-	-	-
Total Services Costs	-	9,001	9,523	23,905
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	- *	293,930	268,673	750,308

* See Appendix A regarding prior year budget amounts



NON-DEPARTMENTAL AND SHARED OPERATIONAL BUDGET FY 2019-20

Expenditure Type	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
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	6,000	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	-	-	-	-
Court Technology	-	-	-	-
Total Supplies, Maintenance & Operations Costs	-	6,000	6,000	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	33,264	28,839	28,839	50,777
Tech/Internet/Software Maintenance	140,327	252,810	252,810	156,481
Postage	5,354	7,500	5,500	9,500
General Liability Insurance	48,838	51,000	49,586	51,418
Electricity	31,135	32,700	32,700	32,700
Phone/Cable/Alarms	21,547	24,743	24,743	26,742
Total Shared Services Costs	280,465	397,592	394,178	327,617
Capital Outlay				
Land/Land Improvement	-	-	-	-
Building/Building Improvement	-	-	-	-
Infrastructure	-	-	-	-
Furniture, Fixtures, Equipment & Vehicles	-	12,750	12,750	-
Transfer to Intergov Fund 06	-	-	-	-
Transfer to Cap Improv Fund 02	527,890	972,571	972,571	1,199,525
Transfer to GF Veh/Equip F 31	703,781	160,503	195,503	230,492
Fund Balance	-	-	-	-
Total Capital Outlay Costs	1,231,671	1,145,824	1,180,824	1,430,017
Total Departmental Budget	1,512,136 *	1,549,416	1,581,002	1,763,634

* See Appendix A regarding prior year budget amounts



GOVERNMENTAL STRATEGIC ACTION PROJECT FUND

Purpose of the 5-year Strategic Action Plan

The City of Fair Oaks Ranch initiated its first 5-year planning process for the 2019-20 budget year. The Strategic Action Plan acts as a planning and budgeting tool that guides the annual development of the City's budget. The purpose of this Fund is to separate costs associated with the 5-year plan that qualify as non-operational, or which may span over multiple budget years. Non-Operational costs are typically associated with one-time projects that are not annually recurring, exceed \$5,000, or may span multiple budget years.

While the City of Fair Oaks Ranch installs and maintains a significant number of capital projects within its jurisdiction, there are numerous other entities responsible for infrastructure in the area. Bexar County, Kendall County, Comal County, the Texas Department of Transportation (TxDOT), San Antonio Water System (SAWS), the Trinity Glen Rose Groundwater Conservation District are just a few of the other partners that play a critical role in building and maintaining the infrastructure in the area surrounding the City of Fair Oaks Ranch. This Plan is limited to projects the City contributes funding through the City's budget.

The Strategic Action Planning Process

The Strategic Action Plan is reviewed each year to reflect changing priorities and to provide a framework for identifying financial requirements; the impact of the projects on operating budgets; scheduling; and coordinating related projects. 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 projects are reviewed by the City Manager. Afterwards, they are sent to City Council for final approval.

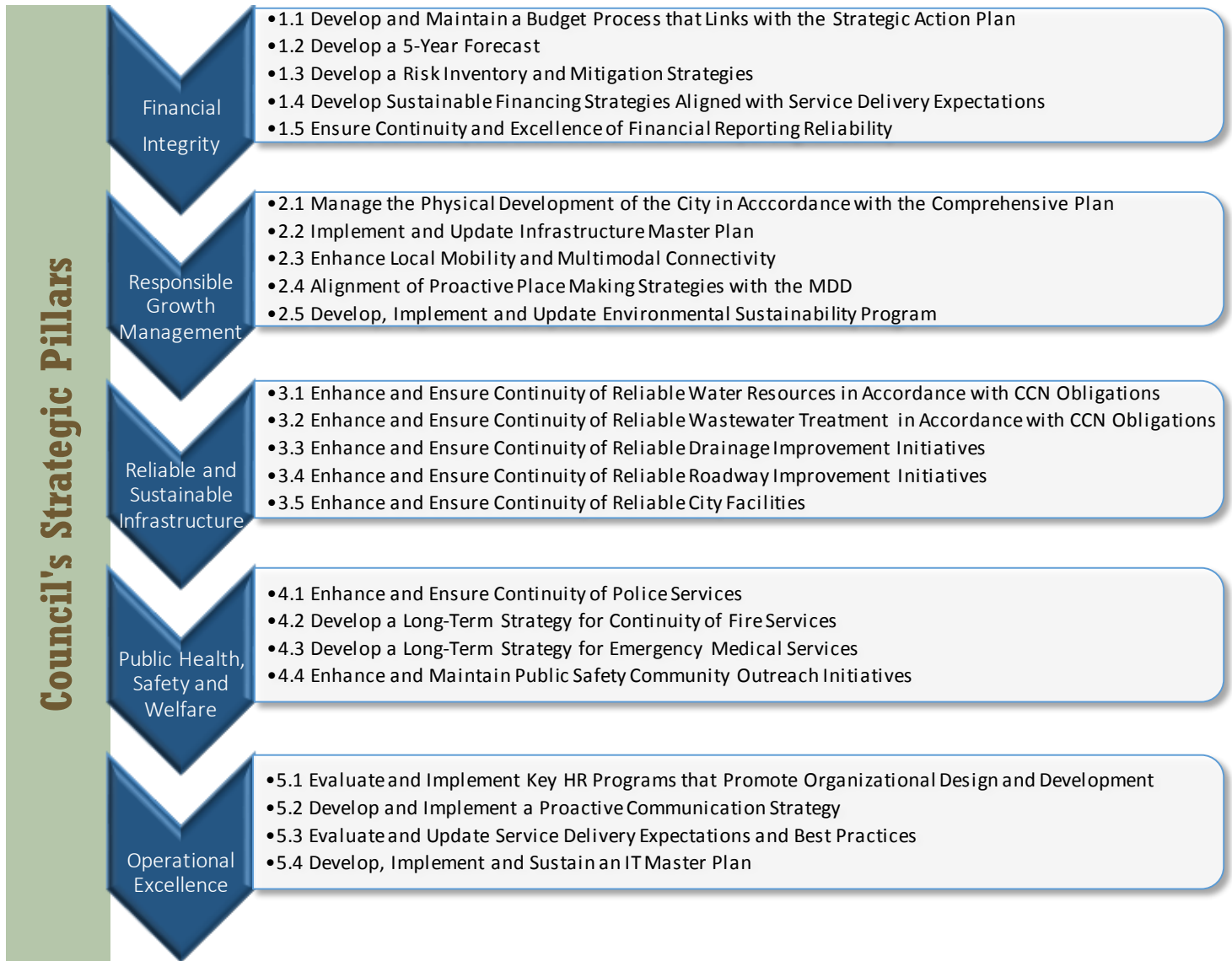
Costs included in the Strategic Projects Fund

The Strategic Projects Fund qualifies as a Capital Improvement Project Fund for purposes of GASB reporting. The Fund includes public physical improvements to be constructed with estimated resources available to finance the projected expenditures, as well as large expenditures for building foundational tools in the City's Growth Management, Operational Excellence and Risk Mitigation frameworks.

Capital Improvements are defined as 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 Governmental Strategic Projects Fund 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.

STRATEGIC ACTION PLAN



Strategic Projects Fund				
	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Beginning Fund Balance	-	223,508	223,508	955,378
<u>Revenues:</u>				
Transfer from General Fund	527,890	979,571	979,571	1,199,525
Total Revenue	527,890	979,571	979,571	1,199,525
<u>Financial Integrity</u>				
Revenue Projections	-	-	-	10,000
Internal Controls Framework	-	-	-	20,000
Stormwater Funding	-	120,000	-	120,000
Debt Review and Policy Implementation	-	-	-	15,000
Grants and Utilities Reporting Requirements	-	-	-	10,000
Financial Management Policy Review	-	-	-	15,000
Stormwater Utility cost center set-up	-	-	-	50,000
<u>Responsible Growth Management</u>				
Comprehensive Plan and Unified Development Code	-	-	-	50,000
FM 3351 Owners Representative and Project Manager	-	-	-	75,000
Project Development and Funding Plan for Drainage	-	-	-	50,000
Municipal Separate Storm Sewer System (MS4)	-	-	-	5,000
<u>Reliable and Sustainable Infrastructure</u>				
City Hall Building Renovation	-	-	-	600,000
City Campus Outbuilding Renovation	-	-	-	450,000
Long-term road condition analysis (traffic studies and PCI, etc)	-	-	-	80,000
<u>Public Health, Safety, and Welfare</u>				
Public Safety Command Structure Program Review	-	-	-	25,000
Fire Services Program Review	-	-	-	25,000
Emergency Medical Services Program Review	-	-	-	25,000
<u>Operational Excellence</u>				
Compensation and Benefit Plan Study	-	-	-	50,000
Employee Handbook	-	-	-	5,000
HR Technology Upgrade	-	-	-	32,000
Learning and Development Training Program	-	-	-	5,000
Communications and Marketing Strategy	-	-	-	5,000
Records Management	-	-	-	12,000
IT Risk Analysis and Vulnerability Assessment	-	-	-	50,000
<u>Prior Year Projects</u>				
Professional Services	-	-	-	-
Update Subdivision Regulations	1,782	-	-	-
Master Land Use Plan	34,706	60,000	60,000	-
Annexation Plan	29,805	-	-	-
Master Drainage Plan	89,177	-	7,679	-
Zoning Regulations	29,805	-	-	-
Development Handbook	12,919	-	-	-
Master Roadway	587	-	-	-
MS4 and SSO Permitting	43,745	-	34,492	-
			-	
<u>Capital Improvement</u>				
Land/Land Improvement	-	-	-	-
Bldg/Bldg Improvement	61,855	488,149	23,670	-
Infrastructure	-	121,860	121,860	-
Personal Property	-	-	-	-
Total Expenditures	304,383	790,009	247,701	1,784,000
Use of Fund Balance	-	(38,149)	-	584,475
Ending Fund Balance	223,508	374,921	955,378	370,903

GENERAL VEHICLE/EQUIPMENT REPLACEMENT FUND

The General Vehicle/Equipment Replacement Fund (VERF) is dedicated for the replacement of General Fund capital items such as fleet vehicles and heavy equipment. The purpose of the VERF is to ensure that adequate funds are available to purchase vehicles and equipment, to stabilize budgeting for major purchases, and to provide a systematic approach to procurement and disposition of the fleet.

Equipment and Vehicle Replacement				
	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
<u>Revenues:</u>				
Transfer from General Fund	380,701	160,503	195,503	230,492
Transfer from Capital Improvement Fund	-	-	-	-
Transfer from other General Fund Departments	323,080	-	-	-
Interest Income on Investments	-	-	-	-
Total Revenue	703,781	160,503	195,503	230,492
<u>Professional and Contractual Services</u>				
Maintenance Furniture	9,176	-	-	-
Maintenance Equipment	201,430	-	-	-
Patrol Vehicle	86,498	-	-	-
Transfer to General Fund for Purchases	-	263,750	159,706	154,000
Fund Balance	-	-	-	-
Total Professional and Contractual Services Costs	297,104	263,750	159,706	154,000
Net Budget	406,677	(103,247)	35,797	76,492

Programmed Replacements Funded by Equipment Replacement Fund		
Programmed Purchase or Replacement	Funded From	Cost
Public Safety Vehicle replacement	Public Safety	32,000
Public Safety Vehicle replacement	Public Safety	32,000
Public Safety new fleet vehicle and outfit	Public Safety	54,000
Costs to Salvage Vehicle for Building Codes	Maintenance	4,000
		<u>154,000</u>

MAJOR EQUIPMENT PURCHASES DURING PREVIOUS BUDGET YEAR

Gravely USA Atlas JSV 6000 Diesel Crew

CRAFCO Super Shot 125 DC
with 100 CFM Compressor (Crack Seal Machine)



Grasshopper Model 725DT
Front Mount Mower

2019 Ford Explorer
Police Interceptor





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 2019

CURRENT DEBT REQUIREMENTS

The total Debt Service requirement for the City of Fair Oaks Ranch in fiscal year 2019-20 is \$551,540. During the previous budget year, excess debt collections in the amount of \$1,009 were received. The excess will be applied against the 2019-20 budget year.

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 \$5,320,000 in principal to retire and \$740,505 in interest payments.

STREET BOND DEBT SERVICE FUND

Street Bond Debt Service Fund				
	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
<u>Revenues:</u>				
General Property-I & S	545,358	552,409	554,703	550,931
Delinquent Property	4,010	3,000	2,000	3,000
Penalty & Interest	2,578	1,500	4,361	1,500
Interest Income on Investments	1,691	1,000	1,300	1,000
Miscellaneous Income	-	-	-	-
Total Revenue	553,637	557,909	562,364	556,431
<u>Expenditures:</u>				
Bond Principal	430,000	435,000	435,000	440,000
Bond Interest Payable	121,878	117,009	117,009	111,540
Bond Agent Fees	400	400	400	400
Transfer to Fund Balance	-	-	-	-
Total Departmental Budget	552,278	552,409	552,409	551,940



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

2015 GENERAL OBLIGATION BOND FUND

The 2015 General Obligation (GO) Bond Fund is a capital improvement fund, which is funded from proceeds of debt, and accounts for the use of funds spent on the Roadway Reconstruction Project.

Street Bond Program				
	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Revenues:				
Interest Income on Investments	19,033	-	9,000	-
Transfer from Equipment Replacement Fund	-	-	-	-
Transfer from Fund Balance	-	456,344	463,344	-
Total Revenue	19,033	456,344	472,344	-
Expenditures:				
Professional Services	36,253	-	-	-
Land/Land Improvement	-	-	-	-
Construction Costs	1,846,305	456,344	283,999	181,345
Total Departmental Budget	1,882,558	456,344	283,999	181,345

Street Bond Program Amortization of Bond Proceeds							
	Actual 2014-15	Actual 2015-16	Actual 2016-17	Actual 2017-18	Estimated 2018-19	Budget 2019-20	Cumulative 5-year total
Revenues:							
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	19,033	9,000	-	94,846
Transfer from Equipment Replacement Fund	-	-	-	-	-	-	-
Total Revenue	7,117,430	19,126	30,437	19,033	9,000	-	7,195,026
Expenditures:							
Bond Issuance Costs	100,090	-	-	-	-	-	100,090
Professional Services	98,147	685,378	172,794	36,253	-	-	992,572
Land/Land Improvement	-	-	17,000	-	-	-	17,000
Construction Costs	-	-	3,773,714	1,846,305	283,999	181,345	6,085,363
Total Expenditures	198,237	685,378	3,963,508	1,882,558	283,999	181,345	7,195,025
Net Budget	6,919,193	(666,252)	(3,933,071)	(1,863,525)	(274,999)	(181,345)	0



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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

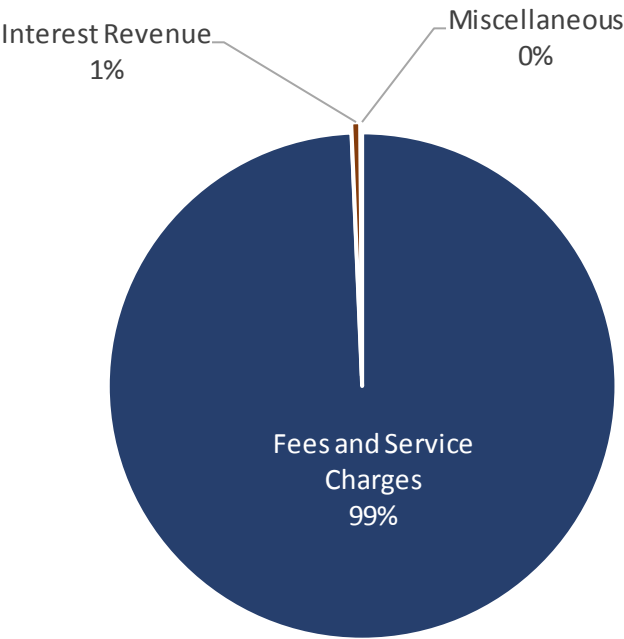
CONSOLIDATED UTILITY FUND BUDGET

Consolidated Utility Fund Budget Summary			
	Water	Wastewater	Utility Fund Total
Utility Revenues	3,971,147	1,075,001	5,046,147
Utility Operating Expenses			
Personnel	783,911	644,490	1,428,402
Supplies, Maintenance & Operations	1,760,076	709,223	2,469,300
Services	66,138	1,320	67,458
Debt Service Costs	75,522	14,385	89,907
Total Utility Operating Expenses	2,685,648	1,369,418	4,055,067
Operating Income/(Loss)	1,285,499	(294,417)	991,080
Capital Outlay	1,181,028	298,978	1,480,006
Non Cash Adjustments	(555,580)	171,334	(384,246)
Net Income/(Loss)	660,051	(764,730)	(104,679)

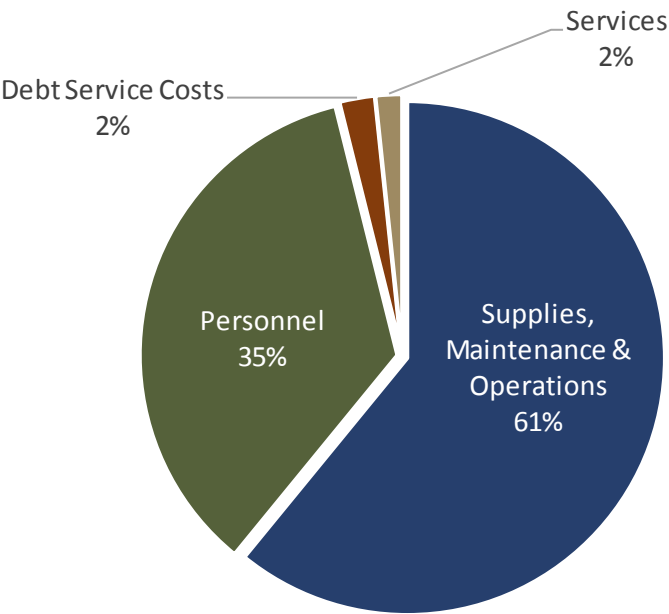
FUND DESCRIPTION:

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 OPERATING EXPENDITURES




WATER FINANCIAL SUMMARY

Water Utility Fund Summary				
	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Water Revenues	3,966,868	3,804,008	3,619,922	3,971,147
Water Operating Expenses				
Personnel	551,327	717,398	648,919	783,911
Supplies, Maintenance & Operations	1,647,703	1,734,543	1,641,836	1,760,076
Services	58,241	47,081	161,036	66,138
Total Water Operating Expenses	2,257,271	2,499,022	2,451,791	2,610,126
Operating Income	1,709,597	1,304,986	1,168,131	1,361,021
Lease Interest Expense	89,776	82,729	82,729	75,522
Capital Outlay	426,534	1,015,038	172,102	1,181,028
Non Cash Adjustments	123,282	(319,757)	307,649	(555,580)
Net Income/(Loss)	1,070,004	526,976	605,650	660,050


WASTEWATER FINANCIAL SUMMARY

Wastewater Utility Fund Summary				
	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Wastewater Revenues	1,020,293	1,064,661	1,102,617	1,075,001
Wastewater Operating Expenses				
Personnel	471,238	611,820	539,015	644,490
Supplies, Maintenance & Operations	597,410	662,906	678,653	709,223
Services	1,032	1,162	1,162	1,320
Total Wastewater Operating Expenses	1,069,680	1,275,887	1,218,830	1,355,033
Operating Income	(49,387)	(211,226)	(116,213)	(280,032)
Lease Interest Expense	16,471	15,758	15,758	14,385
Capital Outlay	77,310	773,038	519,479	298,978
Non-Cash Adjustments	279,003	(338,237)	(225,928)	171,334
Net Income/(Loss)	(422,170)	(661,785)	(425,522)	(764,730)

UTILITY FUND WATER REVENUES

(DETAIL)

Water Utility Operations Revenue Detail				
	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Water Revenues				
Water Revenue Residential	2,972,996	2,766,817	2,477,164	2,883,483
Rebate Program	-	-	-	-
Water Debt Service	189,735	297,785	297,785	304,738
Water Capital	236,492	237,082	237,082	244,420
Water Revenue Commercial	168,772	135,475	175,475	152,657
Water Contract Commercial	152,653	158,268	158,268	158,268
Water Revenue Non Potable	29,660	10,960	10,960	10,960
Water Service Connect Fees	25,150	34,810	34,810	34,810
Water Penalties	34,997	28,440	34,235	28,440
Water Impact Fees	105,830	83,640	129,960	107,290
Water Impact Fees - Stone Creek	-	9,340	-	-
Water Impact Fee-S Bar Ranch	-	12,710	-	-
Water Impact Fee-Oak Bend	-	-	-	-
Water Impact Fee-Enclave	-	1,600	-	-
Water Interest Income	39,982	16,000	45,904	35,000
Water-Bad Debts	(1,494)	(3,000)	(945)	(3,000)
Water Grant Revenue	-	-	-	-
SECO EECBG	-	-	-	-
Misc./Special Requests	629	3,710	2,460	3,710
Developers Contributions	-	-	-	-
Third Party Reimbursement	-	-	5,484	-
Permits/Variances	375	370	780	370
Credit Card Service Fee	11,092	10,000	10,500	10,000
Sale of Assets	-	-	-	-
Fund Balance Transfer In	-	-	-	-
Total Water Revenues	3,966,868	3,804,008	3,619,922	3,971,147

UTILITY FUND WATER EXPENDITURES (DETAIL)

Water Utility Fund Operating Expense Detail				
	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Operating Expenses				
Service Salaries	233,405	272,713	230,616	265,777
Service Overtime	9,391	1,929	7,874	2,627
Service Taxes - FICA	14,035	18,093	14,369	16,641
Service Taxes - MEDICARE	3,282	4,231	3,361	3,892
Service Workers' Comp	5,083	16,663	10,446	13,376
Service Texas Workforce Commission	794	1,490	56	1,350
Service Retirement	24,165	34,843	28,355	31,813
Service Insurance	45,282	53,301	53,435	52,649
Water Service OPEB	722	-	-	-
Administration Salaries	162,067	233,679	225,462	294,818
Administration Overtime	147	152	82	762
Administration Taxes - FICA	9,632	14,498	14,008	18,326
Administration Taxes - MEDICARE	2,253	3,391	3,276	4,286
Administration Workers' Comp	380	1,052	1,052	2,616
Administration Texas Workforce Commission	507	911	64	1,069
Administration Retirement	16,379	27,919	26,910	35,034
Administration Insurance	23,315	32,532	29,553	38,875
Water Admin OPEB	489	-	-	-
Uniforms	4,764	5,953	5,953	5,750
Power	135,083	126,050	126,050	135,000
Maintenance of Plants/Lines	100,941	135,140	100,000	115,000
Cost of Meters	6,300	-	-	-
Analysis Fees	4,540	5,750	5,750	7,400
Chemicals	5,250	5,090	2,590	5,090
City Management Fee	166,204	153,576	141,093	160,268
Equipment Maintenance	9,805	4,110	10,628	12,110
Equipment Gas & Oil	9,822	11,010	11,010	11,010
GBRA Water Fees	1,044,497	1,097,699	1,047,699	1,097,699
Equipment Lease	6	690	690	690

UTILITY FUND WATER EXPENDITURES

(DETAIL) CONT'D.

	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Tools & Minor Equipment	9,889	23,457	23,457	10,000
Training	7,798	10,250	10,250	9,460
Utilities & Radio	15,425	19,389	19,389	19,328
Signal & Telemetry	162	162	162	162
Water Building Maintenance	9,799	10,000	10,000	12,250
Supplies & Consumables	1,631	1,340	1,340	1,340
Vehicle Maintenance/Repair	4,092	5,656	6,156	6,500
Water Inventory Adjustment	2,402	-	-	-
Utilities & Telephone	4,924	5,527	5,527	6,309
Dues & Publications	775	1,102	1,402	1,056
Water Professional Services	58,241	47,081	161,036	66,138
Permits & Licenses	7,992	8,461	8,461	8,741
General Liability Insurance	11,733	12,320	11,917	25,709
Office Supplies	3,292	5,814	5,814	4,616
Travel & Meetings	3,140	7,750	7,750	6,500
Software & Computer	54,230	56,627	57,127	70,218
Recording/Reporting	71	100	100	100
Mileage	206	-	-	-
Copier Lease	1,322	-	-	-
Postage	353	850	850	850
Building/Equip Maintenance	1,088	1,100	1,100	150
Conservation Ed & Newsletter	840	250	250	250
Billing Statement Charges	3,548	3,360	3,360	3,360
Billing Postage	7,867	8,100	8,100	8,100
Water Miscellaneous	273	600	600	7,800
Credit Card Service Fee	7,638	7,260	7,260	7,260
Total Operating Expenses	<u>2,257,271</u>	<u>2,499,022</u>	<u>2,451,791</u>	<u>2,610,126</u>

UTILITY FUND WASTEWATER REVENUES

(DETAIL)

Wastewater Utility Fund Revenue Detail				
	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Wastewater Revenues				
Sewer Revenue Residential	791,058	822,004	822,004	830,798
Sewer Debt Service	36,298	56,721	56,721	57,327
Sewer Capital	87,472	88,250	88,250	89,190
Sewer Revenue Commercial	4,045	4,166	4,166	4,166
Sewer Service Connect Fee	17,000	23,670	23,670	23,670
Sewer Penalties	7,644	5,270	8,470	5,270
Sewer Impact Fee	38,760	45,710	52,420	45,710
Sewer Impact Fee-S Bar Ranch	-	6,710	-	6,710
Sewer Impact Fee-<2004	-	-	-	-
Sewer Interest Income	38,254	12,000	47,116	12,000
Sewer Bad Debt	(238)	(400)	(200)	(400)
Sewer Grant Revenue	-	-	-	-
SECO EECBG	-	560	-	560
Misc/Special Requests	-	-	-	-
Fund Balance Transfer In	-	-	-	-
Total Wastewater Revenues	1,020,293	1,064,661	1,102,617	1,075,001

UTILITY FUND WASTEWATER EXPENDITURES (DETAIL)

Wastewater Utility Fund Operating Expense Detail				
	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Operating Expenses				
Service Salaries	195,955	198,086	189,747	199,331
Service Overtime	5,020	1,414	3,179	2,392
Service Taxes - FICA	11,943	12,369	12,311	12,507
Service Taxes - Medicare	2,793	2,893	2,879	2,925
Service Workers' Comp	3,913	11,391	7,432	10,404
Service Taxes - SUTA/FUTA	745	956	39	900
Service Retirement	20,088	23,820	23,022	23,909
Service Insurance	34,483	29,864	28,475	30,566
Service OPEB	599	-	-	-
Administration Salaries	147,385	245,170	204,654	270,387
Administration Overtime	45	152	82	762
Administration Taxes - FICA	8,785	15,210	12,657	16,811
Administration Taxes - Medicare	2,054	3,557	2,959	3,932
Administration Workers' Comp	324	1,216	704	1,295
Administration Taxes - SUTA/FUTA	426	956	59	956
Administration Retirement	14,924	29,291	24,423	32,138
Administration OPEB	445	-	-	-
Administration Insurance	21,309	35,474	26,393	35,276
Uniforms	4,333	5,953	5,953	4,150
Power	35,938	35,140	35,140	36,350
Maintenance Of Plant/ Lines	39,161	50,280	50,280	40,000
Sludge Hauling	282,734	330,000	330,000	350,000
Analysis Fees	26,910	21,330	23,330	26,000
Chemicals	5,740	6,280	7,680	7,240
City Management Fee	39,755	41,308	41,308	41,748
Equipment Maintenance	5,273	2,860	7,860	6,860
Equipment Gas & Oil	9,738	6,820	8,320	9,180
Equipment Lease	8,306	3,090	6,240	4,500

UTILITY FUND WASTEWATER EXPENDITURES (DETAIL) CONT'D

	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Tools & Minor Equipment	6,508	16,123	16,123	5,500
Training	6,576	9,250	9,250	8,380
Utilities & Radios	14,331	18,127	18,127	18,056
Signal & Telemetry	461	461	461	461
Building Maintenance	6,577	10,330	10,330	9,080
Supplies & Consumables	1,409	1,120	1,120	1,120
Vehicle Maintenance & Repairs	2,913	2,500	2,600	5,000
Inventory Adjustment	(759)	-	-	-
Utilities/Telephone	5,308	5,006	5,006	6,098
Dues & Publications	1,032	1,162	1,162	1,320
Professional Fees	26,625	26,004	29,004	30,804
Permits & Licenses	3,286	1,718	1,718	1,718
Liability Insurance	11,733	12,320	11,917	25,709
Office Supplies	3,001	4,194	4,194	4,181
Travel & Meetings	2,589	4,800	4,800	4,800
Software & Computers	34,690	34,193	34,193	44,640
Recording/Reporting	25	100	100	100
Sewer Postage	307	438	438	438
Adm Bldg/Equip. Maintenance	1,088	1,100	1,100	150
Billing Statement Charges	3,796	3,360	3,360	3,360
Billing Postage	7,567	8,100	8,100	8,100
Copier Lease	1,322	-	-	-
Miscellaneous	169	600	600	5,500
Total Operating Expenses	<u>1,069,680</u>	<u>1,275,887</u>	<u>1,218,830</u>	<u>1,355,033</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 wastewater is transported and treated at the City's local wastewater treatment plant rated for .5 million gallons/day. Staff is responsible for maintaining 70 miles of water lines, 35 miles of sanitary sewer lines, 270 fire hydrants, 290 man-holes, 3,042 water services, 1,841 wastewater services, 5 water plants, 1 wastewater plant, and 6 wastewater lift stations.

The utility department is responsible for the billing and collection of payments for water and wastewater accounts. 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, including 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 wastewater produced by its customers to meet all health and safety standards required by TCEQ for discharging of effluent as irrigation. The wastewater team 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

- Launch of online bill viewer and pay by phone
- Implemented merchant account retrieval system
- Improved accuracy of water loss reporting
- 1 employee received TCEQ Class B Water License
- 3 employees received TCEQ Class C Water License
- 1 employee received TCEQ Class C Wastewater License
- Implementation of Inflow & Infiltration improvements systemwide

WATER



STAFFING

Title	2016-17	2017-18	2018-19	2019-20
Water Distribution and Quality Supervisor	1	1	1	1
Water Operator III	0	0	0	2
Water Operator II	2	2	2	0
Water Operator I	0	0	0	1
Water Utility Tech	0	3	3	2
Total Funded Staffing	3	6	6	6

STAFFING (UTILITY BILLING)

Title	2016-17	2017-18	2018-19	2019-20
Utility Billing Clerk	1	1	1	1
Total Funded Staffing	1	1	1	1

Performance Measure	Actual 2018-19
# iWorQs Work Orders Completed	703
# of Water Connections	3,042
Water Production/Pumpage (gallons)	70,027,658
Water Purchased (gallons)	255,989,000
#Fire Hydrants Inspected/Repaired/Replaced	273

*This is the first year Performance Measures for each department were documented.
(Numbers are through 7/19)

WASTEWATER



STAFFING				
Title	2016-17	2017-18	2018-19	2019-20
Wastewater and Systems Supervisor	1	1	1	1
WW Operator II	1	2	2	2
WW Operator I	3	0	0	0
WW Utility Tech	0	1	1	1
Total Funded Staffing	5	4	4	4

Performance Measure	Actual 2018-19
# iWorQs Work Orders Completed	72
# of Wastewater Connections	1,840
Solid Waste Hauled (gallons)	1,575,600
Effluent Treated (gallons)	78,674,939
#Manhole Maintenance	14

*This is the first year Performance Measures for each department were documented.
(Numbers are through 7/19)

UTILITIES SAP BUDGET ITEMS FOR FY 2019-20

FINANCIAL INTEGRITY		
1.4	Develop Sustainable Financing Strategies aligned with service delivery expectations	
1.4.3	Update Impact Fee Study - Marry with GEC	75,000
RESPONSIBLE GROWTH MANAGEMENT		
2.2	Implement and update Infrastructure Master Plans	
2.2.1	Develop project criticality chain and funding plan (Water CIP)	50,000
2.2.2	Develop project criticality chain and funding plan (Wastewater CIP)	50,000
RELIABLE AND SUSTAINABLE INFRASTRUCTURE		
3.1	Enhance & Ensure Continuity of Reliable Water Resources in Accordance with CCN Obligations	
3.1.1	Implement & Educate regarding the Backflow Prevention Compliance Program	2,300
3.1.2	Upgrade to 9,000 gallon Hydropneumatic Tank at Plant No. 2	45,000
3.1.4	Replace existing waterline - Creek Crossings West	400,000
3.1.6	Build Elevated Storage Tank with Plant 3 Upgrades, System PRVs, and 12-inch waterline	628,528
3.1.7	Update and Repair Water Treatment Plant Buildings	5,000
3.2	Enhance & Ensure Continuity of Reliable Wastewater Treatment in Accordance with CCN Obligations	
3.2.2	Existing Wastewater Treatment Plant Improvements - Solids Handling Improvements	100,000
3.2.4	Finalize & Advance New Wastewater Treatment Plant - Regional/Local Plant Options	81,478
3.2.13	Update and Repair Wastewater Treatment Plant Buildings - Repair Road	30,000



UTILITY FUND CAPITAL, DEBT AND NON-OPERATING DETAIL

Water Utility Fund				
	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Operational Capital Outlays				
Water Operational Capital Outlays	96,703	143,038	53,029	5,000
Water Equipment Replacement Purchases	-	-	-	15,000
Total Operational Capital Outlays	96,703	143,038	53,029	20,000
Strategic Action Plan Capital Outlays				
Elevated Storage Tower	-	247,000	99,296	628,528
Master Water Plan	33,209	-	19,777	-
Project Development	-	-	-	50,000
Plant 2 Hydro Tank	-	-	-	45,000
Water Rate Study	-	200,000	-	-
Impact Rate Study	-	25,000	-	37,500
Capital Improvement Plan	33,209	-	-	-
Intrepid/Silver Spur Water line	53,799	-	-	-
Meadow Creek water line	160,728	-	-	-
Water Distribution Interconnect	48,886	-	-	-
Creek Crossing West Water Line	-	400,000	-	400,000
				-
				-
Total Strategic Action Plan Capital Outlays	329,831	872,000	119,073	1,161,028
Total Capital Outlays	426,534	1,015,038	172,102	1,181,028
Lease Interest Expense				
Bond Principal	-	-	-	-
Bond Water Issuance Fees	-	-	-	-
Bond Interest Cost	-	-	-	-
Tax Exempt Lease Interest	89,776	82,729	82,729	75,522
Total Lease Interest Expense	89,776	82,729	82,729	75,522
Non-Cash Adjustments				
Transfer to Vehicle/Equip Replacement Fund	63,081	39,423	39,423	30,000
Transfer from Water Operations	-	(39,423)	(39,423)	(30,000)
Water Service Depreciation	420,317	470,281	469,974	532,948
Transfer of Assets to Balance Sheet	(360,116)	(790,038)	(162,325)	(1,088,528)
Transfer to Water CIP	89,303	400,000	390,000	-
Transfer from Water Operations	(89,303)	(400,000)	(390,000)	-
Total Non-Cash Adjustments	123,282	(319,757)	307,649	(555,580)
Total Non-Operating Expenses	639,592	778,010	562,481	700,970

Wastewater Utility Fund				
	Actual 2017-18	Budget 2018-19	Estimated 2018-19	Budget 2019-20
Operational Capital Outlays				
Wastewater Operational Capital Outlays	10,910	353,038	306,802	30,000
Wastewater Equipment Purchases				
	10,910	353,038	306,802	30,000
Strategic Action Plan Capital Outlays				
Solids Handling and Digester Planning	-	100,000	-	100,000
Impact Fee Study	-	25,000	-	37,500
Project Development	-	-	-	50,000
Future Wastewater Treatment Plant	-	-	-	81,478
Master Wastewater Plan	66,400	125,000	19,805	-
Collection Systems repairs	-	170,000	192,872	-
Utility Rate Analysis	-	-	-	-
	66,400	420,000	212,677	268,978
Total Capital Outlays	77,310	773,038	519,479	298,978
Lease Interest Expense				
Water Bond Principal	-	-	-	-
Bond Issuance Costs	-	-	-	-
OB Bond Interest Cost	-	-	-	-
Tax Exempt Lease Interest	16,471	15,758	15,758	14,385
Total Lease Interest Expense	16,471	15,758	15,758	14,385
Non-Cash Adjustments				
Transfer To Vehicle Repl. Fund	63,081	39,423	39,423	45,000
Transfer from Wastewater Operations	-	(39,423)	(39,423)	(45,000)
Sewer Service Depreciation	226,831	284,801	273,746	301,334
Asset Transfer to Balance Sheet	(10,910)	(623,038)	(499,674)	(130,000)
Transfer to Wastewater CIP	21,723	-	-	-
Transfer from Wastewater Operations	(21,723)	-	-	-
Total Non-Cash Adjustments	279,003	(338,237)	(225,928)	171,334
Total Capital, Debt, and Non-Cash	372,783	450,558	309,309	484,698

UTILITY VEHICLE/EQUIPMENT REPLACEMENT FUNDS

The Utility Vehicle/Equipment Replacement Fund (VERF) is dedicated for the replacement of Enterprise Fund capital items such as fleet vehicles and heavy equipment. The purpose of the VERF is to ensure that adequate funds are available to purchase vehicles and equipment, to stabilize budgeting for major purchases, and to provide a systematic approach to procurement and disposition of the fleet.

Budgeted Utility Vehicle & Equipment Purchases			
Programmed Purchase or Replacement	Fund	Funded by	Cost
Towable Manlift	Water	Equip. Repl. Fund	15,000
			<u>15,000</u>

MAJOR EQUIPMENT PURCHASES PRIOR YEAR



2- Ford F250 Regular Cab, Utility Bed Trucks

20' Equipment Trailer with Mega Ramps



Ring-O-Matic 550VX High-CFM Hydro Vacuum Excavator and Trailer

IBAK D059 Mainlite Portable System (pipeline and manhole inspection system)





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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

Linda Tom

David Horwath

Douglas Leonard

Dale Pearson

Michael Rey, Chairperson

Frank Trapasso, Vice Chairperson

Municipal Development District Board. The Fair Oaks Ranch Municipal Development District 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 Elizondo, Treasurer

Chris Cook

Vacant

Faira Stevick

Sarah Buckelew, Investment Officer

Christina Picioccio, City Secretary

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.

Richard Morris, Chairperson	Warren Needels	Shane Stolarczyk
John Wall, Vice Chairperson	Laurence Nichols	Christopher Weigand, Alternate
Craig Matson, Alternate		

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		
Liaisons: 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		
Liaison: Joanna Merrill		



UTILITY RATE SCHEDULE

Effective October 1, 2018

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: \$14.06
- Texas Commission on Environmental Quality Fee: \$0.20
- Trinity Glen Rose Groundwater Conservation District Fee: varies per customer usage
- Debt Service Fee: \$8.38
- Capital Reserve Fund: \$6.72

Wastewater Service Availability: \$ 38.51

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

Itemized Fees:

- Texas Commission on Environmental Quality Fee: \$0.06
- Debt Service Fee: \$2.66
- Capital Reserve Fund: \$4.12

Rates Effective October 1 2018

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.

Rates Effective October 1 2018

ORDINANCE 2019-13**AN ORDINANCE ADOPTING THE CITY OF FAIR OAKS RANCH ANNUAL BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019 AND ENDING SEPTEMBER 30, 2020; AND OTHER MATTERS IN CONNECTION THEREWITH**

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

WHEREAS, on August 15, 2019, the Council set September 5, 2019 and September 12, 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 2019-20 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 "Fiscal Year 2019-20 Municipal Budget", attached as **Exhibit A**, in all respects as the city's annual budget for the fiscal year beginning October 1, 2019 and ending September 30, 2020.
- 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.

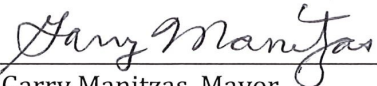
This Ordinance shall take effect on the first day of October 2019.

PASSED and APPROVED on first reading this 12th day of September, 2019 and recorded as follows:

	FOR	AGAINST	ABSTAIN
Mayor Garry Manitzas	✓		
Mayor Pro Tem Elizondo	Not Present		
Council Member Hartpence	✓		
Council Member Havard	✓		
Council Member Koerner	✓		
Council Member Maxton	✓		
Council Member Patel	✓		

PASSED, APPROVED and ADOPTED on second reading, this the 19th day of September, 2019 and recorded as follows:

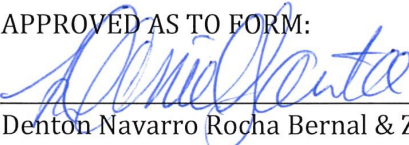
	FOR	AGAINST	ABSTAIN
Mayor Garry Manitzas	✓		
Mayor Pro Tem Elizondo	✓		
Council Member Hartpence	✓		
Council Member Havard	✓		
Council Member Koerner	✓		
Council Member Maxton	✓		
Council Member Patel	✓		


Garry Manitzas, Mayor

ATTEST:


Christina Picioccio, City Secretary

APPROVED AS TO FORM:


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

ORDINANCE 2019-14

AN ORDINANCE 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, 2019 AND ENDING SEPTEMBER 30, 2020; PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, on August 15, 2019, the City Council established a proposed ad valorem tax rate to support the proposed FY2019-20 budget and, set September 5, 2019 and September 12, 2019 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 19, by ordinance, the Council approved the municipal budget for the fiscal year beginning October 1, 2019 and ending September 30, 2020; 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 **\$.3395** 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 2019-20 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 **\$.0340** 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 2019-20 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 5.6% ON EACH \$100 TAXABLE VALUATION OF PROPERTY AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$8.90.

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

- a. Taxes assessed and levied under this ordinance shall be due on October 1, 2019.
- b. Taxes not paid on or before January 31, 2020 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

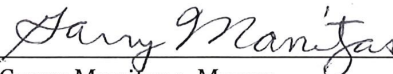
This ordinance shall take effect and be in force from the date after its passage.

PASSED and APPROVED on first reading this 12th day of September 2019 and recorded as follows:

	FOR	AGAINST	ABSTAIN
Mayor Garry Manitzas	✓		
Mayor Pro Tem Elizondo	Not Present		
Council Member Hartpence	✓		
Council Member Havard	✓		
Council Member Koerner	✓		
Council Member Maxton	✓		
Council Member Patel	✓		

PASSED, APPROVED, AND ADOPTED on second reading this 19th day of September 2019 and recorded as follows:

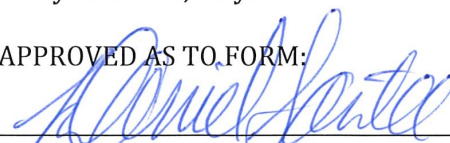
	FOR	AGAINST	ABSTAIN
Mayor Garry Manitzas	✓		
Mayor Pro Tem Elizondo	✓		
Council Member Hartpence	✓		
Council Member Havard	✓		
Council Member Koerner	✓		
Council Member Maxton	✓		
Council Member Patel	✓		


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 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 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 fiscal years prior to 2018-19 and those after might be challenging for the newly created departments, or those affected by the Accounting change.





BASIS OF ACCOUNTING & BUDGETING

The City's Basis of Accounting is as follows:

Governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on the balance sheet. Revenues are recognized when susceptible to accrual (i.e. when they become measurable and available) and expenditures are recorded when the related fund liability is incurred.

Proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred. These funds are accounted for on a flow of economic resources measurement focus whereby all assets and liabilities associated with the operation of these funds are included on the balance sheet.

The City's basis of budgeting essentially follows the basis of accounting (modified accrual for government funds and full accrual for proprietary funds); however, there are exceptions, which are described below.

- A. Only revenues expected to be received during the year or soon thereafter are included in revenue estimates (budget basis).
- B. Only amounts that will be spent or encumbered by the end of the fiscal year are recorded as expenditures (budget basis).
- C. Depreciation expense is not displayed and capital expenditures and bond principal payments are shown as utilized by each fund (budget basis).
- D. Compensated absences (accrued but unused leave) and employee benefits are not reflected in the budget.
- E. Transfers are classified as revenues and expenditures (budget basis) rather than as "other financing sources or uses" (accounting basis).



FISCAL MANAGEMENT POLICY

The City of Fair Oaks Ranch is committed to financial management through integrity, prudent stewardship, planning, accountability, full disclosure and communication. The broad purpose of the Financial Management Policy is to enable the City to achieve and maintain a long-term stable and positive financial condition, and provide guidelines for the day-to-day planning and operations of the City's financial affairs.

The Financial Management Policy includes areas of accounting and fiscal reporting, internal controls, operating and capital budgeting, revenue, expense, asset, investment and debt management. The following is a summary of the major components of the Financial Management Policy.

Operating Budget

The City's "operating budget" is the annual financial operating plan and consists of governmental and proprietary funds. The City's goal is to have a balanced operating budget; whereby the appropriations for each fund do not exceed the resources available to that fund for the fiscal year.

The budget is prepared by the Finance Department with the cooperation of all city departments, and is submitted to the City Manager for review prior to presenting to City Council for approval.

Revenue Management

The City will strive to understand its revenue sources and enact consistent collection policies to provide assurances that the revenue base will materialize according to budget. Revenues received will be regularly compared to budget, and variances will be analyzed. One-time or non-recurring revenues will not be used for ongoing operations.

Property tax revenues will be budgeted at a *minimum* of 97% collection rate with a delinquency rate of 3%. Property shall be assessed at 100% of the fair market value as appraised by the appropriate Appraisal District. Reappraisal and reassessment shall be done regularly as required by State law.

The City will seek to minimize or eliminate all forms of subsidization between entities, funds, services, utilities and customers. User-based charges and fees will be established at a level related to the cost of providing the service when possible. There will be an annual review of fees to ensure they provide adequate coverage of direct and indirect costs of services.

Water and wastewater rates will be reviewed annually by City Administration and the City Council. If necessary, new rates may be adopted in order to generate the revenue required to cover operating expenditures, meet the legal restrictions of all applicable bond covenants, and provide for an adequate level of working capital needs.

Expenditure Control

The level of budgetary control is at the fund level in all funds. Budget adjustments between funds must be approved by the City Council.

The City will only pay from receipts, invoices and disbursement vouchers that have the appropriate authorizing signature, total dollar amount excluding tax, and general ledger account code. All invoices will be paid 30 days of receipt in accordance with the prompt payment requirements of State law. All credit card purchases shall be in accordance with the credit card policies as defined in the Personnel Policy Manual.

Professional service expenditures will be processed through a request for qualifications as defined by the Texas local government code. The City Manager may execute any professional services contract, except for insurance, less than \$25,000 provided there is an appropriation for such contract.

A detailed list of capital expenses and projects will be prepared annually by the City Manager as part of the fiscal year budget. All departments will be involved in preparing the list of capital expenditures, and the Finance department will be responsible for recording and properly capitalizing applicable capital purchases.



BUDGET ADOPTION PROCEDURE

Step 1 – Budget Officer Prepares Budget. The City Manager serves as the budget officer (LGC 102.001b) and is required to prepare a budget to cover all proposed expenditures of the municipality for the succeeding year (Charter 5.01 C.8 and LGC 102.002). A proposed budget that requires raising more revenue from property taxes than in the previous year must contain a cover page with the following statement in 18-point or larger type (LGC 102.005):

“This budget will raise more total property taxes than last year’s budget by (insert total dollar amount of increase and percentage increase), and of that amount (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll) is tax revenue to be raised from new property added to the tax roll this year.”

Step 2 - Budget Filed with City Secretary and Public Hearing Set. City Manager shall file the proposed budget with the City Secretary before the 30th day before the date the City Council passes the tax levy ordinance for the fiscal year (LGC 102.005). The proposed budget shall be available for inspection by any person and shall be maintained on the city’s website (LGC 102.005c). Council shall call a public hearing on the proposed budget on a date at least 15 days after the date of filing it with the city secretary and prior to the date that the city council will pass the tax levy ordinance (LGC 102.006).

Filing Date: August 19, 2019

Public Hearing Date: September 5

NOTE: When the proposed tax rate requires two public hearings, budget hearing may follow the tax rate public hearing schedule.

Step 3 – Notice of Public Hearing on Budget. Public notice of the date, time, and place of the hearing on the budget shall be published in one newspaper at least 10 days before the day of the hearing but not more than 30 days before the date of the hearing (LGC 102.0065).

Notice Date: August 23

Public Hearing Date: September 5

Step 4 – Public Hearing. At the conclusion of the public hearing, Council shall, by motion, either adopt the budget or postpone consideration/action until a later date. The Council may make any changes in the budget that it considers warranted by the law or by the best interest of the city tax payers (LGC 102.007).

1st Reading of Budget Ordinance: September 5

2nd Reading of Budget Ordinance: September 19

Adoption Date: September 19

NOTE: As City Charter requires two readings of an Ordinance, City Council action at 1st reading is to postpone adoption until 2nd reading.

Step 5 – Adoption of Budget/Separate Vote. Two separate votes of the City Council are required to enact a budget that will require raising more revenue from property tax than was raised in previous year:

1st Vote: To ratify the property tax increase reflected in the budget (LGC 102.007c)

2nd Vote: By record to adopt the budget (LGC 102.007a)

Step 6 – After Adoption. City Council files the adopted budget with the City Secretary, ensures placement of the budget on the city's website and provides for the filing of a copy of the budget in the office of the county clerks of the counties in which the City is located (102.008 and 102.009d). As the budget raises more revenue from property taxes than in the previous year, it must contain a cover page with the following statement in 18-point font or larger type (LGC 102.007d):

This budget will raise more revenue from property taxes than last year's budget by an amount (insert total dollar amount of increase) which is a (insert percentage increase) percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax rolls this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).

The record vote of each member of the City Council by name voting on the adoption of the budget.

The city's property tax rates for the preceding fiscal year, and each city property tax rate that has been adopted or calculated for the current fiscal year including:

The property tax rate;

The effective tax rate;

The effective maintenance and operations tax rate;

The rollback tax rate; and

The debt rate and total amount of municipal debt obligation(s)



PROPERTY TAX ADOPTION PROCEDURE

(Assumes above Effective Rate but below Rollback Rate)

Proposed Tax Rate:	.3735
Current Tax Rate:	.3668 (all in)
Effective Tax Rate:	.3536 (the tax rate that would impose the same total taxes as last year)
Rollback Tax Rate:	.3791 (the highest tax rate we can set before the taxpayers can start a rollback procedure)

Step 1 - By July 25, Appraisal Districts submit certified tax rolls to the Mayor (Tax Code 26.01). The Finance Director shall verify the effective tax rate and the rollback tax rate as calculated by Bexar County tax assessor collector.

Step 2 – Before July 31, the City Manager determines how much property tax revenue is needed to fund the budget and recommends the tax levy to the City Council.

Proposed property tax rate: .3735
City Council Meeting Date: August 15

Step 3 – If the proposed tax rate *exceeds* the effective or rollback tax rate (whichever is lower) City Council calls for two public hearings (the second hearing may not be held earlier than the 3rd day after the date of the first hearing) and the proposed property tax rate. (Tax Code 26.05d).

Council Date for Property Tax Proposal: August 15
Public Hearing Dates: September 5 and September 12
Tax Rate Adoption Date: September 19

(A quorum of the Council must hold two public hearings; at each hearing, Council must announce the date, time and place of the meeting at which it will vote on the tax rate)

Step 4 – No later than September 1 or the 30th day after the first date that the City received each applicable certified appraisal roll the City Manager shall publish in the newspaper and on the city's website the applicable *Notice of Proposed Property Tax Rate* as detailed LGC 140.010(e)(f)(g).

Publication Date: August 23

Step 5 – Council must adopt the tax rate, by record vote, no less than three days but no more than 14 days after the second public hearing (Tax Code 26.05b).

Tax Rate Adoption Date: September 19



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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, rights-of-way 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.