



Public Hearing FY 2025-26 Proposed Budget

September 15, 2025

**PUBLIC
HEARING**

Summer Fleming, CGFO
Director of Finance

General Fund Budget Highlights



- Property tax growth at 8.9% over prior year budget
- Sales tax growth at 2.2% over the prior year budget
- Operating expenditures increasing 7.5%, total expenditures including capital and transfers increasing 4.9%
- Transfer to Equipment Replacement Fund for future capital needs
- Maintains operating reserve in accordance with City Policy

General Fund Summary



Category	Amount
Revenues	\$11,248,556
Expenditures	(\$10,624,371)
Operating surplus/(deficit)	\$624,185
Capital Outlay	(\$234,103)
Transfer (to)/from Strategic Projects Fund	(\$163,717)
Net transfer (to)/from Equipment Replacement Fund	(\$226,365)
Total surplus/(deficit)	\$-

Fund Balance Summary – General Fund



Category	FY 2024-25 Ending	FY 2025-26 Budget	FY 2025-26 Ending
Court Restricted	\$62,191	(\$1,025)	\$61,166
Public Safety Restricted	64,702	(29,700)	35,002
Other Restricted	4,319	-	4,319
Non-spendable	85,344	-	85,344
Tree Mitigation	142,000	(42,850)	99,150
Operating Reserve	4,848,119	464,000	5,312,119
Unassigned	2,862,465	(390,425)	2,472,040
Total Fund Balance	\$8,069,140	\$-	\$8,069,140

Budget Changes – General Fund Revenue



Category	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Budget	Change	% Change
Taxes	\$8,482,329	\$9,106,213	\$623,884	7.4%
Franchise Fees	762,350	766,780	4,430	0.6%
Interest	450,000	450,000	-	-
Permits	168,200	144,200	(24,000)	(14.3%)
Animal Control	1,495	1,495	-	-
Fines & Forfeitures	207,300	190,475	(16,825)	(8.1%)
Fees & Services	360,415	377,893	17,478	4.8%
Miscellaneous	232,480	211,500	(20,980)	(9.0%)
Total Operating Revenue	\$10,664,569	\$11,248,556	\$583,987	5.5%

Budget Changes – General Fund Expenditures



Category	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Budget	Change	% Change
Personnel	\$6,247,754	\$6,241,248	(\$6,506)	(0.1%)
Supplies, Maintenance & Ops	1,305,396	1,359,493	54,097	4.1%
Services	2,327,084	3,023,630	696,546	29.9%
Total Operating Expenditures	\$9,880,234	\$10,624,371	\$744,137	7.5%
Capital Outlay	\$226,975	\$234,103	\$7,128	3.1%
Transfers	\$743,138	\$523,217	(\$219,921)	(29.6%)

Strategic & Capital Project Fund



Project	Budget
8472 Rolling Acres Trail Drainage CIP #2	\$162,240
8040 Rolling Acres Trail Drainage CIP #4	\$162,240
City Facilities Master Plan	\$100,000
Fire Station #3 Upgrades	\$200,000
Strategic Planning	\$35,000
Total Strategic and Capital Projects	\$659,480

Bond Capital Fund – Roadway CIP



Project	Prior	2026	2027	2028	2029	Total
Dietz Elkhorn Roadway Reconstruction	\$2,704,072	\$-	\$1,581,078	\$625,000	\$-	\$4,910,150
Battle Intense near Trailside	158,861	-	-	-	-	158,861
Rolling Acres Trail Reconstruction		315,000	315,000	1,260,000	1,260,000	3,150,000
Ammann Road Reconstruction	700,838	108,555	2,769,375	2,769,375	-	6,348,143
Roadway Total	\$3,563,771	\$423,555	\$4,665,453	\$4,654,375	\$1,260,000	\$14,567,154

Fund Balance Summary – Other Governmental Funds



Category	FY 2024-25 Ending	FY 2025-26 Budget	FY 2025-26 Ending
Vehicle & Equipment Replacement	\$1,536,604	\$226,365	\$1,762,969
Strategic & Capital Projects	816,914	(495,763)	321,151
Bond Capital Projects	1,060,867	(303,555)	757,312
Debt Service	29,475	9,915	39,390
Total Other Governmental Fund Balance	\$3,443,860	(\$563,038)	\$2,880,822



Utility Funds

Utility Fund Budget Highlights



- Operating expenditures increasing 8%
- Includes new investment in utility infrastructure and one-time improvements to meet TCEQ requirements
- Includes transfer to Equipment Replacement Fund for future capital needs
- Maintains an operating reserve equal to 7 months of operating expense

Operating Revenue and Expenses



Category	Water Utility	Wastewater Utility	Total
Operating Revenue	\$4,471,417	\$1,767,160	\$6,238,577
Operating Expenses			
Personnel	1,048,631	1,075,894	2,124,525
Supplies, Maintenance, and Operations	2,845,037	709,701	3,554,738
Services	339,791	78,255	418,046
Total Operating Expenses	4,233,459	1,863,850	6,097,309
Operating Income / (Loss)	\$237,958	(\$96,690)	\$141,268
Depreciation & Amortization	(550,000)	(270,600)	(820,600)
Operating Income / (Loss) after Depreciation	(\$312,042)	(\$367,290)	(\$679,332)

Budget Changes – Utility Fund



Category	FY 2024-25 Adopted Budget	FY 2025-26 Proposed Budget	Change	% Change
Water Operating Revenues	\$4,296,696	\$4,471,417	\$174,721	4.1%
Wastewater Operating Revenues	1,713,153	1,767,160	54,007	3.2%
Total Operating Revenues	\$6,009,849	\$6,238,577	\$228,728	3.8%
Personnel	\$2,113,684	\$2,124,525	\$10,841	0.5%
Supplies, Maintenance & Ops.	3,165,074	3,554,738	389,664	12.3%
Services	368,552	418,046	49,494	13.4%
Total Operating Expenses	\$5,647,310	\$6,097,309	\$449,999	8.0%
Operating Income/(Loss)	\$362,539	\$141,268	(\$221,271)	(61.0%)

Combined Net Position



Category	Projected 9/30/2025	FY 2025-26 Change	Projected 9/30/2026
Net Investment in Capital Assets	\$13,447,601	\$270,175	\$13,717,776
Unrestricted Net Position			
Water Capital Fund	194,562	(15,086)	179,476
Wastewater Capital Fund	1,266,874	(473,508)	793,366
Equipment Replacement Fund	718,690	118,302	836,992
Debt Service Reserve	1,358,684	478,607	1,837,291
Operating Reserve	3,313,156	269,906	3,583,062
Total Unrestricted Net Position	6,851,966	378,221	7,230,187
Total Net Position	\$20,299,567	\$648,396	\$20,947,963

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*Operating Reserve equal to 7 months of operating expense.

Water Capital Projects Fund



Project	Prior	2025	2026	2027	Total
Willow Wind Dr./Red Bud Hill Waterline (29R)	\$70,705	\$879,807	\$-	\$-	\$950,512
Elevated Storage Tank (2W)	496,950	-	4,367,901	3,914,527	8,779,378
Rolling Acres Trail Waterline Rehabilitation (28R)	66,794	610,941	-	-	677,735
Expand Plant No. 5 (5W)	229,499	1,320,800	-	-	1,550,299
Old Fredericksburg Rd. Waterline (21W)	291,920	270,400	-	-	562,320
Upgrade Electrical at Plant No. 3 Pump Station (5R)	-	74,419	100,000	-	174,419
SAWS Emergency Interconnect	-	30,000	352,340	-	382,340
Ground Storage Tank at Plant No. 4	-	-	-	400,000	400,000
NEW Dietz Elkhorn Road Waterline	-	-	1,500,000	-	1,500,000
NEW GBRA Waterline	-	-	750,000	-	750,000
Water Total	\$1,155,868	\$3,186,367	\$7,070,241	\$4,314,527	\$15,727,003

Wastewater Capital Projects Fund



Project	Prior	2025	2026	2027	Total
Wastewater Treatment Plant Phase 1 Expansion (2S)	\$1,211,249	\$-	\$1,714,987	\$2,387,530	\$5,313,766
Install Sewer Line/Decommission Falls Lift Station (1S)	-	-	113,521	811,763	925,284
Wastewater Total	\$1,211,249	\$-	\$1,828,508	\$3,199,293	\$6,239,050



Questions?