



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Consideration and possible action approving the first reading of an ordinance adopting the City budget for fiscal year beginning October 1, 2025, and ending September 30, 2026

DATE: September 15, 2025

DEPARTMENT: Finance

PRESENTED BY: Summer Fleming, CGFO, Director of Finance

INTRODUCTION/BACKGROUND:

Texas Local Government Code Chapter 102 establishes the requirements for adopting a municipal budget in home rule cities. Under this chapter, the City Manager serves as the budget officer and is responsible for preparing a budget that outlines the proposed expenditures of the municipal government for the upcoming fiscal year.

The law requires the proposed budget to be filed with the City Secretary at least 30 days before the City Council adopts the tax levy for the new fiscal year. The proposed budget was filed with the City Secretary on August 18, 2025, meeting this requirement. On August 7, 2025, the City Council scheduled the Public Hearing on the proposed budget for September 15, 2025, with final adoption set for September 18, 2025.

After the proposed budget was filed with the City Secretary, the City Council directed staff to add a new full-time Drainage Lead position. To accommodate this addition, appropriations for street maintenance were reduced by the same amount. This adjustment did not affect the overall appropriations in the General Fund Proposed Budget, but it did result in changes between the Maintenance and Engineering departments and their associated expense categories.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

1. Provides citizens, elected officials, and City staff with a comprehensive financial plan for allocating available resources in the upcoming fiscal year to achieve the City's goals and objectives.
2. Establishes programmatic priorities and defines the financial framework for monitoring and evaluating the performance of City operations.
3. Identifies the level of taxation required to fund City programs and services.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

See budget presented in **Exhibit A**.

LEGAL ANALYSIS:

Ordinance reviewed and approved as to form.

RECOMMENDATION/PROPOSED MOTION:

*****LGC 102.007 mandates a vote to adopt the budget must be a record vote*****

I move to approve an ordinance adopting the FY 2025-26 Budget as presented.