



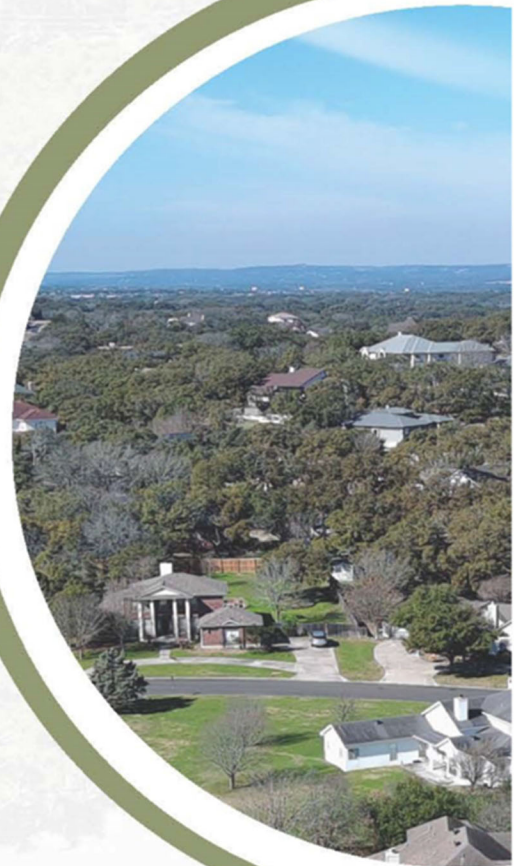
CITY OF
Fair Oaks Ranch

Budget in Brief

FY 2025-26

Prepared By:

City of Fair Oaks Ranch
Finance Department





City of Fair Oaks Ranch by the Numbers

The City:

Population: est. 11,744 Incorporation: 1988
Land Area: 7,861 Acres Home Rule Charter: 2017
Spans 3 Counties: Bexar, Kendall and Comal

City Staff: 86 Budgeted Full Time Employees

Public Works: 37 Municipal Court: 2
Public Safety: 30
General Government*: 17

*General Government includes Administration, City Secretary, HR, Finance, IT, and Communications

Infrastructure and Utilities:

Streets: 60 miles
Water Lines: 77 miles
Water Wells: 42
5 Water Plants
1 Wastewater Treatment Plant
Water Service Connections: 3,308
Sewer Service Connections: 2,041

Strategic Goals

Vision: To offer the ideal place to call home in the hill country, guided by strong community values and responsible growth, that provides residents of all ages a place to relax and reconnect.

Mission: To deliver exceptional public services, preserve the natural beauty of our City, protect and promote quality of life, and foster community engagement.



Financial Resilience and Responsibility

Responsibly managing finances through sound fiscal policy, strategic planning and risk management.



Responsible Growth Management

Leveraging planning tools to manage growth and maintain the Hill Country feel that residents expect.



Reliable and Sustainable Infrastructure

Maintaining, repairing and enhancing the City's infrastructure to promote safety and efficient delivery of services.



Public Health and Safety

Continuing to prioritize the safety of the public, hiring and training quality first responders and working to ensure continuity of 3rd party provided services.



Operational Excellence

Addressing the needs of our citizens in a timely and professional manner by hiring quality employees and strengthening the communication channels between the City and stakeholders.



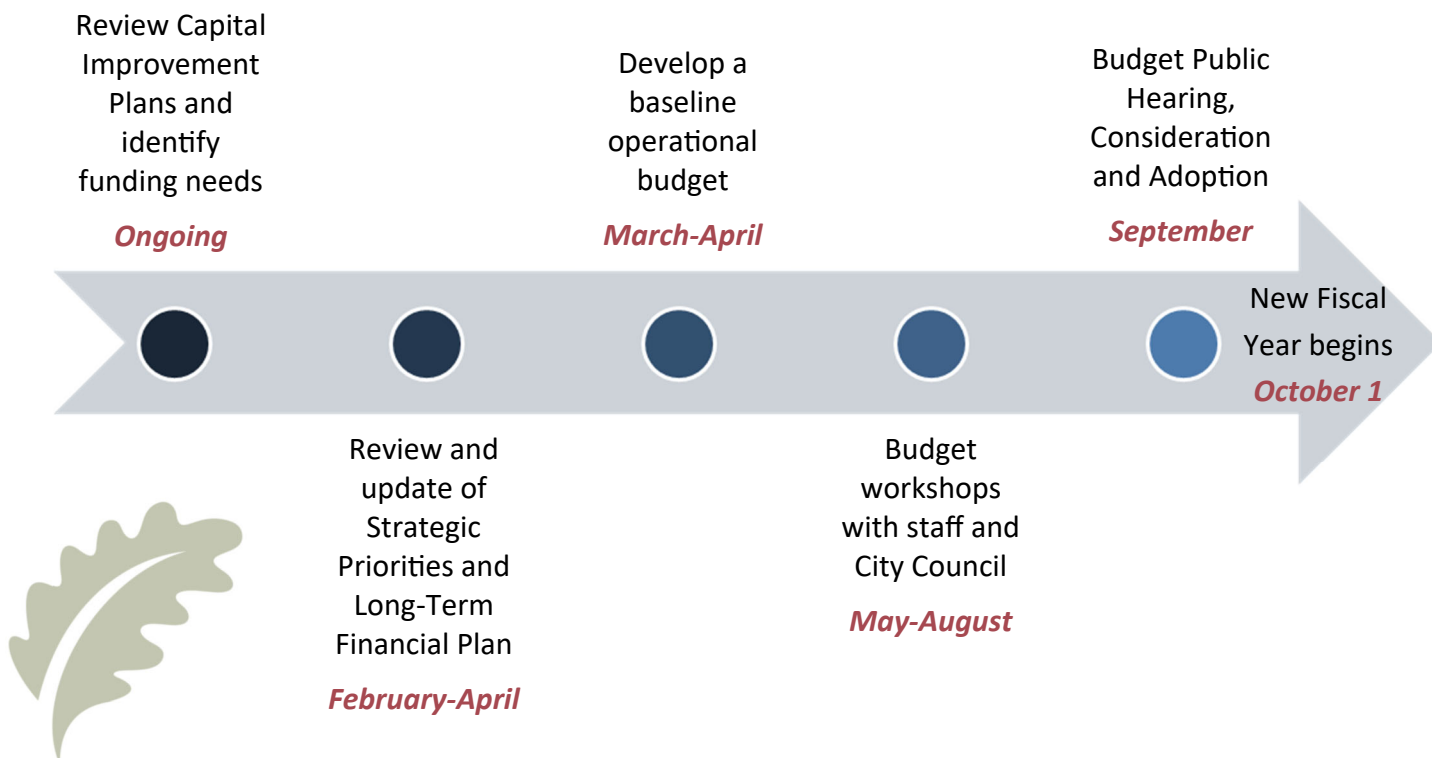
What is a budget?

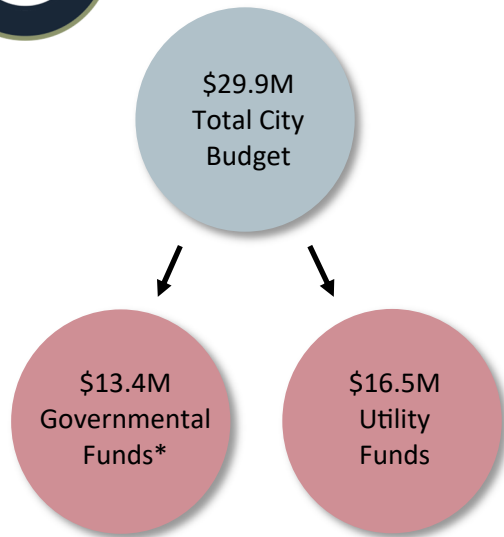
- **Policy Document** – A budget reflects the goals and policies of the City. It captures the City’s priorities for the coming year and beyond.
- **Financial Plan** – A budget connects the goals and objectives with the funding of activities that support those goals, both in the short and long-term.
- **Operations Guide** – A budget reflects how resources will be used by the City staff to accomplish the stated goals through operations and activities.
- **Communications Device** – A budget communicates information to the citizens and stakeholders, explaining where the revenues come from and how they will be spent to provide crucial services.

Budget development

The development of the Fiscal Year 2025-26 budget was guided by City Council’s strategic priorities and long-range fiscal sustainability and resiliency, matching citizen-driven service expectations with available resources.

The City’s Finance Department, with direction from the City Manager, works closely with each department and presents a draft budget to City Council for further review and input during a series of workshops. The City Manager files an official proposed budget with the City Secretary and a public hearing is scheduled to receive citizen input. The City Council adopts the budget and a tax rate to support the budget.





**includes General Fund, Strategic Projects Fund, Bond Capital Fund, Debt Service Fund and Equipment Replacement Fund*

Tax Rate
\$0.2853
Per \$100
Valuation

No change from previous year

\$10.4M
Capital
Projects and
Equipment

89.6% funded through bonds

\$5.0 M
Public Safety
Budget

44% of the total General Fund budget



Public Safety The budget for FY 2025-26 highlights the City's commitment to citizen safety and welfare through investments in new public safety equipment. It also addresses rising costs in essential public safety contracts and implements adjustments to the benefits and wages of the officers based on the results of the recent compensation study. These investments will help to increase retention while improving the safety and welfare of both the community and the officers who serve it.



Staff Investment For FY 2025-26, the City remains committed to investing in its most important asset, its employees. This budget incorporates the recommendations of the recent compensation study, positioning the City to remain competitive in the market.



Infrastructure Maintenance A new position (maintenance lead) will be added to the Maintenance Department in FY 2025-26. This FTE is part of the initiative to restructure the department into three specialized divisions: Facilities, Roadways, and Drainage. This change will improve focus, allow more projects to be completed in-house, and support proactive upkeep of infrastructure to help prevent costly repairs in the future.



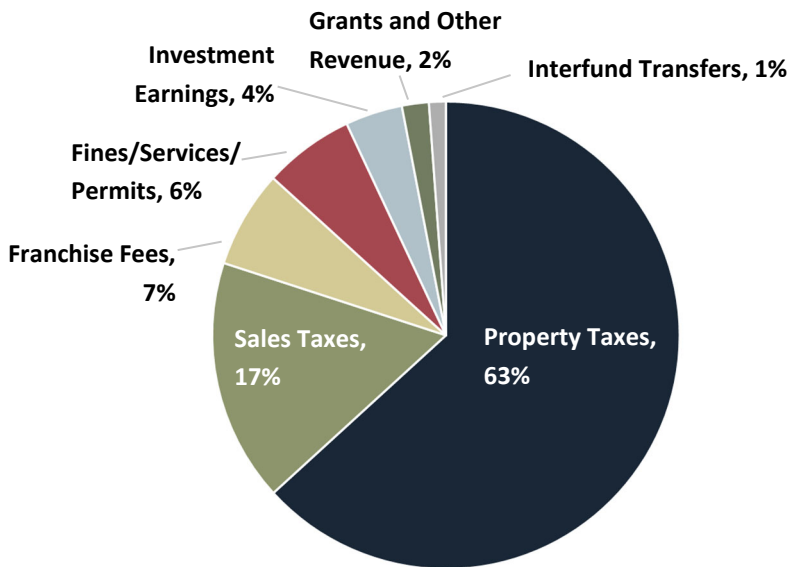
Communications In FY 2025-26, the Communications function will be removed from Human Resources and elevated to its own division under Administration. This change will promote a more focused, effective and responsive engagement with residents. This budget includes funds for new software that will allow staff to practice more proactive communications by staying informed of public sentiment.



General Fund Budget FY2025-26



Where does the money come from?



General Fund Revenues: \$11.38M

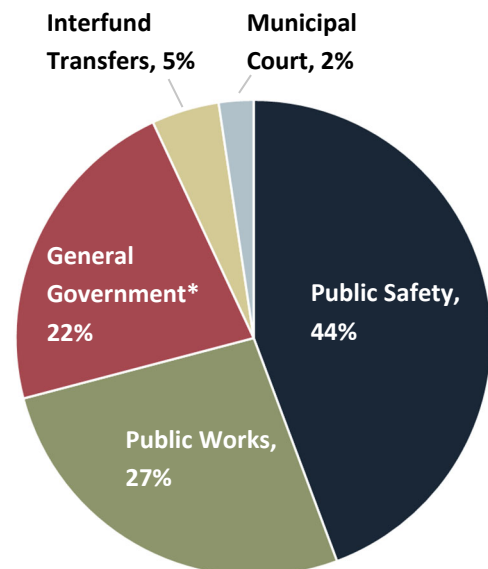
- Property Taxes (M&O): \$7.2M
- Sales Taxes: \$1.9M
- Franchise Fees: \$766K
- Fines/Permits/Svc Chgs: \$714K
- Investment Earnings: \$450K
- Grants and Other Revenue: \$211K
- Interfund Transfers: \$133K

The largest revenue source for the General Fund is ad valorem taxes, also known as property taxes. The citizens have overwhelmingly dictated that Fair Oaks Ranch should remain a bedroom community with limited commercial areas. This plan, by design, leaves the City highly dependent on residential property taxes. The City is estimating to receive **\$7.2M** in M&O (operations) property tax revenue for FY 2025-26. Sales Tax is the next largest revenue source. The City is projecting to receive almost **\$1.9M**, due mostly to online shopping activity. Franchise Fee revenue is expected to remain steady, while a decrease is anticipated for fines, permits and service charges. Investment earnings are projected to remain high, **\$450K**, while interest rates continue to be elevated. Interfund transfer revenue is from the equipment replacement fund and will be used to purchase replacement vehicles.

How does the City of Fair Oaks Ranch serve you?

General Fund Expenditures: \$11.38M

- Public Safety: \$5.0M
- Public Works: \$3.0M
- General Government*: \$2.5M
- Interfund Transfers: \$523K
- Municipal Court: \$268K



*General Government includes Administration, City Secretary, HR, Communications, Finance, IT, and Non-Departmental





General Fund Expenditures

As a service based organization, personnel costs are the largest expenditure in the General Fund totaling **\$6.3M** for FY 2025-26, **up 1%** from last year due to the addition of a maintenance lead to the Public Works staff and changes resulting from the compensation study.

Professional services are the next highest expenditure at **\$3.0M**, and include consulting expenses, legal fees, dispatch, fire and EMS services, audits, elections, training, technology/software, and reporting costs. This category is **increasing 30%** over the prior year's budget to manage increases in public safety service contracts and cybersecurity initiatives.

The budget for supplies, maintenance and operations is **decreasing 1%** over the prior year to **\$1.3M**. This category includes consumables, minor equipment, fuel, vehicle repair costs and in-house street maintenance expenses.

The interfund transfers budget includes transfers to the equipment replacement fund and the strategic projects fund.

Strategic and Capital Investments

Governmental Funds Capital Projects

- **\$324K** Rolling Acres drainage projects
- **\$315K** Rolling Acres roadway design
- **\$108K** Ammann Rd roadway design
- **\$ 36K** Fencing around Fire Station 3

General Fund Equipment Purchases

- **\$ 94K** Two replacement vehicles for Public Safety
- **\$ 39K** Replacement vehicle for Code Compliance
- **\$ 48K** Asphalt Patching Machine
- **\$ 21K** Permanent Radar Feedback Signs (6)

Governmental Funds Strategic Projects

- **\$100K** City Facilities Plan
- **\$ 35K** Strategic Plan development

Utility Fund Capital Projects

- **\$4.4M** Begin elevated storage tank construction
- **\$1.7M** Begin wastewater treatment plant expansion
- **\$1.5M** Dietz Elkhorn waterline
- **\$750K** GBRA waterline
- **\$352K** SAWS emergency interconnect construction
- **\$113K** Sewer line installation
- **\$100K** Upgrades to Plant 3 electrical

Utility Fund Equipment Purchases

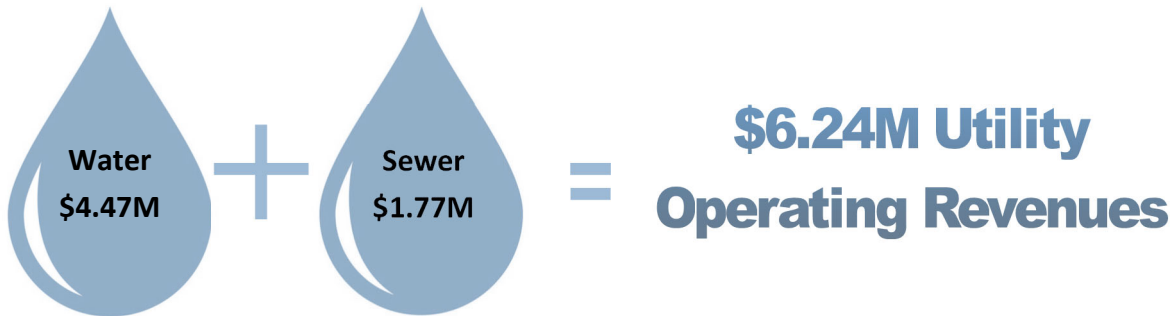
- **\$111K** Water plant flow meters (4)
- **\$ 63K** Replacement Mini Excavator
- **\$ 35K** Replacement Firewalls for SCADA



Utility Fund Budget

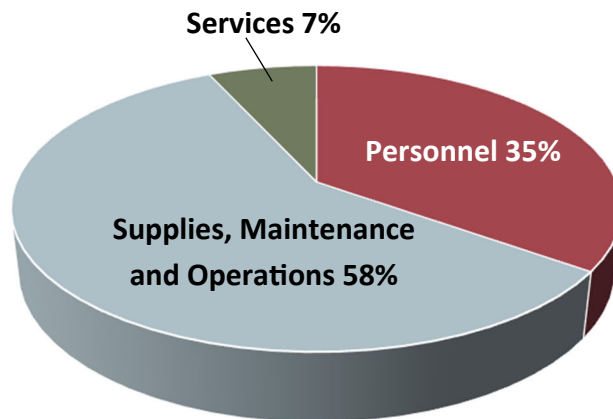


The Utility Fund is used to account for operations that are financed and operated in a manner similar to a private business. The intent is that the costs of providing services be financed or recovered primarily through user charges; water and wastewater customer fees, **not** property taxes. Utility bills are made up of several components, including a service availability charge, volumetric rates based on usage, and fixed fees for specific purposes that are not tied to usage. These fees cover the operations, infrastructure and administrative functions of the utility.



Utility operating revenues will increase by an estimated **\$228K** in FY 2025-26. This modest change can be attributed to an anticipated increase in the number of customer connections. In non-operating revenues, water debt service revenue will increase slightly, **0.3%**, while wastewater debt service revenue will remain constant. This revenue will cover repayment of the Certificates of Obligation issued for designated utility system projects, and will be collected from monthly utility bills. Customers' monthly water debt service fee will increase **\$0.04**, and the monthly wastewater debt fee will decrease **\$0.12**.

\$6.10M Utility Operating Expenses



The operating expense budget for FY 2025-26 reflects an **8%** increase over the prior year's budget. Guadalupe Blanco River Authority (GBRA) provides over half of the City's potable water and is crucial to the vitality of the City. The Utility budget reflects an increase of **\$208K, or 13%**, in the City's water service agreement with GBRA. The budget provides **\$227K** for the second year of the water tank maintenance program, a **\$30K or 25%** increase in the maintenance of plant and lines budget ensure critical infrastructure remains reliable, and **\$100K** for a manhole rehabilitation program required by the Texas Commission on Environmental Quality (TCEQ.) Like the General Fund budget, the Utility Fund budget also includes wage and benefit changes from the compensation study.

On the non-operating expense side, **\$8.9M** is budgeted for crucial infrastructure investments in the utility system. These expenses are debt funded from the issuance of the Certificates of Obligation mentioned above.





Contact Us

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(830) 249-8645



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Check Us Out on Nextdoor:



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Subscribe to the Fair Oaks Ranch YouTube Channel:



<https://www.youtube.com/channel/UCDqRvLvReqxr1lbajwshKA>

View Upcoming Meeting Details Here:



[https://www.fairoaksranchtx.org/calendar.aspx?CID=14,](https://www.fairoaksranchtx.org/calendar.aspx?CID=14)

City Council meetings take place on the 1st and 3rd Thursdays of the month at 6:30pm. All meetings are live-streamed on the YouTube Channel.

