



CITY COUNCIL CONSENT ITEM CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Approval of the proposed FY 2024-25 Municipal Development District (MDD) Budget.

DATE: August 1, 2024

DEPARTMENT: Municipal Development District

PRESENTED BY: Consent Item - Mike Lovelace, CPA, CMA, CISA, Fair Oaks Ranch MDD Treasurer

INTRODUCTION/BACKGROUND:

MDD By-Laws Article IV, Section 1, require MDD Board of Directors budget approval by July 15 each fiscal year and City Council budget approval on or before the Council's last September meeting each fiscal year. The MDD board approved the FY 2024-25 budget on July 10, 2024.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Clarity and open record of all MDD expected revenues and proposed expenditures for the upcoming fiscal year.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

The proposed budget includes \$604,000 in combined revenues from sales tax and interest earnings, and \$67,475 in expenditures.

The proposed operating expenditures budget remains steady except for a 5% increase in audit fees and an increase for biennial PFIA training required for the District's Investment Officer and Treasurer. Additionally, the proposed budget includes \$25,000 in Grant Awards for grant applications that may be approved throughout the fiscal year. Per the Financial Management Policy budget amendments must be approved by City Council, and budgeting for grant awards would allow for grant applications to be approved through the MDD grant process and funded up to the budgeted amount without requiring a budget amendment.

This budget will add \$536,525 to fund balance assigned for future capital projects.

LEGAL ANALYSIS:

Budget submitted for City Council approval as required by MDD Bylaws Article IV, Section 1.

RECOMMENDATION/PROPOSED MOTION:

Consent Item - I move to approve the FY 2024-25 MDD Budget as presented.