



CITY COUNCIL WORKSHOP

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: FY 2025-26 General Fund Department Budget Workshop - Public Works and Public Safety

DATE: June 5, 2025

DEPARTMENT: Finance, Public Safety, and Public Works

PRESENTED BY: Summer Fleming, CGFO, Director of Finance
Todd Smith, Chief of Police
Grant Watanabe, P.E. Director of Public Works and Engineering Services

INTRODUCTION/BACKGROUND:

This is the first of several workshops for developing the FY 2025-26 Budget. Workshops ensure that the City Council and the public is informed about the proposed budget and have a chance to participate in its development. Each workshop will focus on specific departments over the next four meetings. These workshops aim to produce tangible results, such as revised budget proposals or changes to service priorities based on Council direction during each workshop.

The first budget workshop focuses on the City's two largest General Fund departments: Public Safety and Public Works.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Budget workshops encourage open discussion and collaboration between residents and officials, fostering a sense of ownership and trust in the budget process.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

Preliminary taxable values are averaging 6.1% above last year's preliminary figures. No changes have been made to the City's exemption structure; however, total exempt property values increased 8% to \$354 million, largely due to growth in disabled veteran exemptions.

Compared to last year's budget, the proposed General Fund budget reflects a 4.8% increase in property tax revenue and 2.2% increase in sales tax revenue. Operating expenditures across all departments are increasing 3.7%. However, total expenditures including capital and transfers are decreasing slightly by 0.05%, or \$4,906.

The proposed budget maintains the operating reserve at 50% of operating expenditures and projects \$2.57 million unallocated fund balance remaining.

Public Safety Department:

The proposed Public Safety budget is \$4.7 million, accounting for approximately 43% of the General Fund and reflecting a 7% increase over last year's budget, primarily due to higher fire, EMS, and dispatch costs. Key additions include:

- Nearly \$20,000 in minor equipment for operational efficiency.
- \$94,000 for two replacement vehicles, funded through the Equipment Replacement Fund.
- \$21,600 in restricted asset seizure funds for red dot sights to enhance officer safety and performance.
- \$10,000 in restricted LEOSE funds for specialized training.

Public Works Department:

The proposed Public Works budget is \$3.5 million, covering Maintenance, Building Codes, and Engineering & Planning. It is funded 86% by the General Fund and 14% by the Utility Fund. The budget shows a slight increase of less than 1%, driven by reduced professional services. New investments include:

- \$15,000 to support TSAC-recommended street maintenance.
- \$48,000 for an asphalt patching machine.
- \$21,000 for additional radar feedback signs.
- \$39,000 for a replacement Code Compliance truck, funded through the Equipment Replacement Fund.

Staff will continue refining the budget and will present administrative department budgets at the next workshop.