



CITY COUNCIL CONSENT ITEM

CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Approval of a resolution approving the Fair Oaks Ranch Municipal Development District Budget for the fiscal year beginning October 1, 2025, and ending September 30, 2026

DATE: August 21, 2025

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 2025-26 budget on July 9, 2025.

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 FY 2025-26 proposed budget (**EXHIBIT A**) includes \$704,320 in combined revenues from sales tax and interest earnings, and \$68,800 in expenditures.

The proposed operating expenditures budget remains steady except for a 3% increase in audit fees and a 4% increase in professional services. 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 \$635,520 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 a resolution approving the FY 2025-26 MDD Budget as presented.