



FY 2025-26 Budget Overview



August 7, 2025

Summer Fleming, CGFO
Director of Finance

Budget Process Next Steps



Date	Action
August 7	<ul style="list-style-type: none">• Submit calculated tax rates to City Council• Approve a resolution setting maximum tax rate and Public Hearing date• Budget Workshop with tax rate impacts• Funding decision package
August 18	<ul style="list-style-type: none">• City Manager officially files the Proposed Budget with the City Secretary
September 15 Special Meeting	<ul style="list-style-type: none">• Public Hearing for Proposed Budget and Tax Rate• First reading of an ordinance adopting the Proposed Budget• First reading of an ordinance adopting the Tax Rate
September 18 Regular Meeting	<ul style="list-style-type: none">• Second reading of an ordinance adopting the Proposed Budget• Second reading of an ordinance adopting the Tax Rate• Approve a resolution ratifying the Tax Rate

General Fund Budget Highlights



- Property tax growth at 6.4% over prior year budget
- Sales tax growth at 2.2% over the prior year budget
- Operating expenditures increasing 7.5%, total expenditures including capital and transfers increasing 3.4%
- Personnel costs include 4.5% increase
- Transfer to Equipment Replacement Fund for future capital needs
- Maintains 6 months operating reserve



Changes to the Budget Since Last Workshop

Category	Amount
Revenues	
Property Tax Revenue	\$107,786
Expenditures	
Public Safety Contract	\$371,748
Net Change	(\$263,962)

General Fund Summary



Category	Amount
Revenues	\$11,084,839
Expenditures	(\$10,624,371)
Operating surplus/(deficit)	\$460,468
Capital Outlay	(\$234,103)
Net transfer (to)/from Equipment Replacement Fund	(\$226,365)
Transfer (to)/from Strategic Projects Fund	\$-
Total surplus/(deficit)	\$-

Fund Balance Summary



Category	FY 2024-25 Ending	FY 2025-26 Budget	FY 2025-26 Ending
Court Technology	\$14,634	(\$1,125)	\$13,509
Court Security	19,211	(1,750)	17,461
Public Safety	64,702	(29,700)	35,002
Other Restricted	32,664	1,850	34,514
Non-spendable	85,344	-	85,344
Tree Mitigation	142,000	(42,850)	99,150
Operating Reserve	4,848,119	464,000	5,312,119
Unassigned	2,862,465	(390,425)	2,472,040
Total Fund Balance	\$8,069,139	\$-	\$8,069,139

Funded items



Item	Total Cost
Zen City Software (split with Utility)	\$10,000
Recodification Contract	12,449
Cell phones for Police Officers	5,265
6 radar signs	21,000
Asphalt patching machine	47,968
Red dot sights (restricted funds)	21,600
Carpet replacement in Public Safety Building	26,000
Total	\$144,282

Unfunded items



Item	Total Cost
IT Master Plan Initiatives (split with Utility)	\$496,507



Strategic and Capital Projects

Strategic Projects Fund



Reliable and Sustainable Infrastructure

- City facilities master plan - \$100,000
- Drainage CIP – completion of two projects in process
 - 8472 Rolling Acres Trail (#2) - \$162,240
 - 8040 Rolling Acres Trail (#4) - \$162,240

Public Health, Safety and Welfare

- Fire Station #3 Fence - \$36,000

Operational Excellence

- Strategic Planning Workshop - \$35,000

Bond Capital Fund – Roadway CIP



	Prior	2026	2027	2028	2029	Total
Dietz Elkhorn Roadway Reconstruction	\$2,704,072	\$-	\$1,581,078	\$625,000	\$-	\$4,910,150
Battle Intense near Trailside	158,861	-	-	-	-	158,861
Rolling Acres Trail Reconstruction		315,000	315,000	1,260,000	1,260,000	3,150,000
Ammann Road Reconstruction	700,838	108,555	2,769,375	2,769,375	-	6,348,143
Roadway Total	\$3,563,771	\$423,555	\$4,665,453	\$4,654,375	\$1,260,000	\$14,567,154



Utility Fund

Utility Fund Budget Highlights



- Personnel costs include 4.5% increase
- Total operating expenditures increasing 8%
- Includes new investment in utility infrastructure and one-time improvements to meet TCEQ requirements
- Includes transfer to Equipment Replacement Fund for future capital needs
- Maintains an operating reserve equal to 7 months of operating expense

Utility Fees



Water Fees			
	FY 2025	FY 2026	Change
Surface Water Fee	\$15.90	\$18.50	\$2.60
TCEQ Fee	0.19	0.20	0.01
Debt Service Fee	23.85	23.89	0.04
Capital Reserve Fee	2.67	2.67	-
Total Fees	\$42.61	\$45.26	\$2.65

Wastewater Fees			
	FY 2025	FY 2026	Change
TCEQ Fee	\$0.05	\$0.05	\$-
Debt Service Fee	17.03	16.91	(0.12)
Capital Reserve Fee	-	-	-
Total Fees	\$17.08	\$16.96	(\$0.12)

Operating Budget



Operating Revenue and Expenses



Category	Water Utility	Wastewater Utility	Total
Operating Revenue	\$4,471,417	\$1,767,160	\$6,238,577
Operating Expenses			
Personnel	1,048,631	1,075,894	2,124,525
Supplies, Maintenance, and Operations	2,845,037	709,701	3,554,738
Services	339,791	78,255	418,046
Total Operating Expenses	4,233,459	1,863,850	6,097,309
Operating Income / (Loss)	\$237,958	(\$96,690)	\$141,268
Depreciation & Amortization	(550,000)	(270,600)	(820,600)
Operating Income / (Loss) after Depreciation	(\$312,042)	(\$367,290)	(\$679,332)

Non-Operating Revenue and Expenses



Category	Water Utility	Wastewater Utility	Equipment Replacement	Total
Non-Operating Revenues				
Impact, Capital and Debt Fees	\$1,244,069	\$590,630	-	\$1,834,699
Interest Earnings	200,000	200,000	-	400,000
Non-Operating Expenses				
Capital Contribution (GBRA waterline)	(750,000)	-	-	(750,000)
Debt Service Costs	(103,927)	(53,046)	-	(156,973)
Transfers In/(Out)	(82,651)	(35,651)	118,302	-
Non-Operating Revenue (Expenses)	\$507,491	\$701,933	\$118,302	\$1,327,726

Combined Net Position



Category	Projected 9/30/2025	FY 2025-26 Change	Projected 9/30/2026
Net Investment in Capital Assets	\$13,447,601	\$270,175	\$13,717,776
Unrestricted Net Position			
Water Capital Fund	194,562	(15,086)	179,476
Wastewater Capital Fund	1,266,874	(473,508)	793,366
Equipment Replacement Fund	718,690	118,302	836,992
Operating Reserve	3,313,156	269,906	3,583,062
Debt Service Reserve	1,358,684	478,607	1,837,291
Total Unrestricted Net Position	6,851,966	378,221	7,230,187
Total Net Position	\$20,299,567	\$648,396	\$20,947,963

*

*Operating Reserve equal to 7 months of operating expense.

Water CIP Projects



	Prior	2025	2026	2027	Total
Willow Wind Dr./Red Bud Hill Waterline (29R)	\$70,705	\$879,807	\$-	\$-	\$950,512
Elevated Storage Tank (2W)	496,950	-	4,367,901	3,914,527	8,779,378
Rolling Acres Trail Waterline Rehabilitation (28R)	66,794	610,941	-	-	677,735
Expand Plant No. 5 (5W)	229,499	1,320,800	-	-	1,550,299
Old Fredericksburg Rd. Waterline (21W)	291,920	270,400	-	-	562,320
Upgrade Electrical at Plant No. 3 Pump Station (5R)	-	74,419	100,000	-	174,419
SAWS Emergency Interconnect	-	30,000	352,340	-	382,340
Ground Storage Tank at Plant No. 4	-	-	-	400,000	400,000
NEW Dietz Elkhorn Road Waterline	-	-	1,500,000	-	1,500,000
NEW GBRA Waterline	-	-	750,000	-	750,000
Water Total	\$1,155,868	\$3,186,367	\$7,070,241	\$4,314,527	\$15,727,003

Wastewater CIP Projects



	Prior	2025	2026	2027	Total
Wastewater Treatment Plant Phase 1 Expansion (2S)	\$1,211,249	\$-	\$1,714,987	\$2,387,530	\$5,313,766
Install Sewer Line/Decommission Falls Lift Station (1S)	-	-	113,521	811,763	925,284
Wastewater Total	\$1,211,249	\$-	\$1,828,508	\$3,199,293	\$6,239,050



Questions?