**CITY OF FAIR OAKS RANCH**

# CITY COUNCIL REGULAR MEETING

Thursday, August 05, 2021 at 6:30 PM

City Hall Council Chambers, 7286 Dietz Elkhorn, Fair Oaks Ranch

## AGENDA

**OPEN MEETING**

1. Roll Call - Declaration of a Quorum
2. Pledge of Allegiance

**CANVASS OF SPECIAL ELECTION**

3. Consideration and possible action approving a Resolution canvassing the results of the Special Election held on July 31, 2021.

Mayor Gregory C. Maxton

**CITIZENS and GUEST FORUM**

*To address the Council, please sign the Attendance Roster located on the table at the entrance of the Council Chambers. In accordance with the Open Meetings Act, Council may not discuss or take action on any item which has not been posted on the agenda. Speakers shall limit their comments to five (5) minutes each.*

4. Citizens to be heard.

**PRESENTATIONS**

5. Presentation of Employee Service Awards to Eric De La Rosa, Police Officer (5 years).

Joanna Merrill, IPMA-SCP, Director of Human Resources & Communications.

6. Introduction of new employees: Utility Technician: Jordan Garrett; Administrative Clerk: Lilianna Raube; and Animal Services Officer: Zachary Zepeda.

Joanna Merrill, IPMA-SCP, Director of Human Resources & Communications

**CONSENT AGENDA**

*All of the following items are considered to be routine by the City Council, there will be no separate discussion on these items and will be enacted with one motion. Items may be removed by any Council Member by making such request prior to a motion and vote.*

7. Approval of the July 15, 2021 Regular City Council meeting minutes.

Christina Picioccio, City Secretary

8. Approval of the July 22, 2021 Special City Council meeting minutes.

   Christina Picioccio, City Secretary

9. Approval of a Resolution designating authorized representatives to the City's depository account.

   Sarah Buckelew, CPA, Finance Director

## CONSIDERATION/DISCUSSION ITEMS

10. Consideration and possible action to approve the proposed Fiscal Year 2021-22 Municipal Development District (MDD) Budget.

    Mike Lovelace, CPA, CMA, CISA, Fair Oaks Ranch MDD Treasurer

11. Consideration and possible action accepting the submission of calculated Fiscal Year 2021-22 property tax rates to the City Council.

    Sarah Buckelew, CPA, Finance Director

12. Consideration and possible action appointing Lamberto "Bobby" Balli, P.E., to the Boerne-Fair Oaks Ranch-Kendall County Transportation Planning Committee.

    Mayor Gregory C. Maxton

13. Consideration and possible action regarding opportunities to provide multi-platform access and participation to In-Person City Council meetings.

    Joanna Merrill, IPMA-SCP, Director of Human Resources & Communications

## REPORTS FROM STAFF/COMMITTEES/COUNCIL

14. Quarterly Financial Report and Quarterly Investment Report.

    Sarah Buckelew, CPA, Finance Director

15. Update on Committee Applications.

    Christina Picioccio, City Secretary

## CONVENE INTO EXECUTIVE SESSION

*Pursuant to Section 551.101 of the Open Meetings Act, Texas Gov't Code, a quorum of the governing body hereby convenes into closed session:*

**Sec. 551.071 (Consultation with Attorney)** the City Council will meet in private consultation with legal counsel to seek the advice of its attorneys about pending or contemplated litigation, a settlement offer, and/or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflicts with Chapter 551 of the Government Code; to wit:

16. To receive legal advice and to receive and deliberate an offer of settlement for claims made on behalf of a real property owner against the City's operation of well K-2.

17. To receive legal advice from Special Counsel and the City Attorney regarding the City's ground water rights.
18. Cause No. 2018-CI-00202; the City of Fair Oaks Ranch, Texas vs. Edward I. Hill, Robert E. Heckendorn, Craig M. Luitjen, Roger Fuentes, Wesley A. Pieper, Esther W. Hicks, William A. McDowell, Yolanda D. Ayala, PG Pfeiffer Ranches LLC, Maureen Pfeiffer Stevenson Family Trust.

**RECONVENE INTO OPEN SESSION**

*Discussion and possible action on items discussed in Executive Session.*

**ADJOURNMENT**

*Requests for City topic needing additional information/research; or, potential consideration for a future agenda*

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**Signature of Agenda Approval:** s/Tobin E. Maples

Tobin E. Maples, City Manager

I, Christina Picioccio, City Secretary, certify that the above Notice of Meeting was posted on the outside bulletin board at the Fair Oaks Ranch City Hall, 7286 Dietz Elkhorn, Fair Oaks Ranch, Texas, and on the city's website www.fairoaksranchtx.org, both places being convenient and readily accessible to the general public at all times.

As per Texas Government Code 551.045, said Notice was posted by 6:30 PM, August 2, 2021 and remained so posted continuously for at least 72 hours before said meeting was convened.

The Fair Oaks Ranch City Hall is wheelchair accessible at the side entrance of the building from the parking lot. Requests for special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary's office at (210) 698-0900. Braille is not available. The City Council reserves the right to convene into Executive Session at any time regarding an issue on the agenda for which it is legally permissible; pursuant to Texas Government Code Chapter 551. Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

# CITY COUNCIL CONSIDERATION ITEM
## CITY OF FAIR OAKS RANCH, TEXAS
### August 5, 2021

| | |
|---|---|
| AGENDA TOPIC: | Consideration and possible action approving a Resolution canvassing the results of the General and Special Elections held on July 31, 2021 |
| DATE: | August 5, 2021 |
| DEPARTMENT: | City Council |
| PRESENTED BY: | Mayor Garry Manitzas |

**INTRODUCTION/BACKGROUND:**

The attached Resolution is required to approve the canvass of returns and to declare the results of the General Election.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

Complies with State Law.

**LONGTERM FINANCIAL & BUDGETARY IMPACT:**

N/A

**LEGAL ANALYSIS:**
N/A

**RECOMMENDATION/PROPOSED MOTION:**

I move to approve the Resolution canvassing the election returns and declaring the results of the Special Election held on July 31, 2021.

# A RESOLUTION

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS CANVASS OF RETURNS AND DECLARATION OF RESULTS OF THE SPECIAL ELECTION HELD JULY 31, 2021 IN THE CITY OF FAIR OAKS RANCH, TEXAS**

**WHEREAS**, on May 6, 2021, Council Member Hartpence, announced, and the City Council accepted his resignation from City Council Place 3; and

**WHEREAS,** the City Council of the City of Fair Oaks Ranch, Texas called a special election at the May 20, 2021 regularly scheduled City Council meeting to be held in the City on July 31, 2021, to fill a vacancy for the remainder of the unexpired term of office for City Council Member Place 3; and

**WHEREAS,** applications to be placed on the ballot were received and filed with the City Secretary for the position of Council Member Place 3; and

**WHEREAS,** after said election the Presiding Judge of Kendall County holding said elections made the returns of the results thereof as follows, and said returns being made according to law, and it being shown that written notice of said elections was posted for the time and in the manner provided by law, and all other proceedings pertaining to said elections having been shown to have been done and performed at and within the manner provided by law, and all papers pertaining thereto having been returned and filed with the City Secretary and no protest or objection being made to or regarding any matter pertaining to said election; and

**WHEREAS**, on the 5th day of August 2021, at a regular meeting of the City Council of the City of Fair Oaks Ranch, Texas, with at least two council members being present, the meeting was called to order to open, examine, and canvass the official returns of the special election held in the City on the above-mentioned date, for the election of Council Member Place 3.

**CANVASS OF RETURNS AND DECLARATION OF RESULTS**

**NOW, THEREFORE,** be it resolved by the City Council of the City of Fair Oaks Ranch, Texas, after opening said returns and, examining and canvassing the votes of said election, that the results are as follows:

**COUNCIL MEMBER PLACE 3: SPECIAL ELECTION – Filling Vacancy for the Unexpired Term**

| Ballot Style | Rusty Armstrong | | | Michelle Bliss | | | Stephen D. May | | |
|---|---|---|---|---|---|---|---|---|---|
| | Absentee Voting | Early Voting | Election Day | Absentee Voting | Early Voting | Election Day | Absentee Voting | Early Voting | Election Day |
| Bexar-BISD, FOR | | | | | | | | | |
| Comal-FOR | | | | | | | | | |
| Comal-BISD, FOR | | | | | | | | | |
| Kendall-BISD, FOR | | | | | | | | | |
| Totals: | | | | | | | | | |
| Grand Totals: | | | | | | | | | |

It appearing that **Michelle Bliss** was duly elected Council Member, Place 3. Said named candidate received a majority of all votes cast for the office of Council Member, Place 3, is hereby declared to be elected to said office to serve the remainder of a three-year unexpired term ending 2022, subject to taking the Oath of Office as provided by the laws of the State of Texas, and;

**IT IS FURTHER RESOLVED** that this canvass and declaration of results of said special election be entered in the Minutes of the City Council and the Election Register and that said officers, after being qualified and having taken the Oath, shall serve in their respective offices for the terms stated herein, and thereafter until a successor is duly elected and qualified.

This Resolution, declaring results of the election shall become effective immediately after its passage.

**PASSED, APPROVED, and ADOPTED on this 5th day of August, 2021.**

________________________________

Gregory C. Maxton, Mayor

ATTEST:

APPROVED AS TO FORM:

________________________________

Christina Picioccio, City Secretary

________________________________

Denton Navarro Rocha Bernal & Zech, P.C.,
City Attorney

**CITY OF FAIR OAKS RANCH**

# CITY COUNCIL REGULAR MEETING

Thursday, July 15, 2021 at 6:30 PM
City Hall Council Chambers, 7286 Dietz Elkhorn, Fair Oaks Ranch

# MINUTES

## OPEN MEETING

1. Roll Call - Declaration of a Quorum

Council Present: Mayor Maxton and Council Members: Stroup, Elizondo, Koerner, Parker, and Muenchow

Council Absent: Council Member Hartpence

With a quorum present, the meeting was called to order at 6:30 PM.

2. Pledge of Allegiance – The Pledge of Allegiance was led by Mayor Maxton.

## CITIZENS and GUEST FORUM

3. There were no citizens to be heard.

## PRESENTATIONS

4. Joanna Merrill, IPMA-SCP, Director of Human Resources and Communications, announced the hiring of new employee, Juan Ramirez, Utility Technician.

5. Debbie Landrum, Court Administrator, recognized Court Clerk, Maria Pinedo, for her achievement in her Court Clerk Level II Certification and presented her with the certificate of completion.

6. Police Chief, Tim Moring, recognized Allen Paz and Alexander Willis for their promotion to Police Sergeant after which he read their "Authorization to assume the role of Sergeant", and provided new badges.

## CONSENT AGENDA

7. **Approval of the June 28, 2021 Regular City Council meeting minutes.**
8. **Approval of the July 1, 2021 Regular City Council meeting minutes.**

MOTION: Made by Council Member Muenchow, seconded by Council Member Koerner, to approve the Consent Agenda.

VOTE: 6-0; Motion Passed.

**CONSIDERATION/DISCUSSION ITEMS**

9. **Consideration and possible action authorizing the City Manager to sign a Professional Services Agreement with Avenu Insights & Analytics, LLC for verification of sales tax receipts.**

MOTION: Made by Council Member Elizondo, seconded by Council Member Muenchow, to authorize the City Manager to sign the Professional Services Agreement with Avenu Insights & Analytics, LLC for a Sales/Use Tax Compliance Review.

VOTE: 6-0; Motion Passed.

10. **Consideration and Possible Action appointing additional members to the Utility Rate Advisory Panel and amending the Panel's Charter to allow for additional members.**

MOTION: Made by Council Member Parker, seconded by Council Member Stroup, to amend the first sentence of the section of the Fair Oaks Ranch Water, Wastewater and Reuse Rate Study Advisory Panel Charter titled Composition, Size, and Recruitment of the Panel to read as follows: The panel will be made up of no more than 20 members from the community, with members selected by Council after receiving and reviewing applicants.

VOTE: 6-0; Motion Passed.

There was no motion to appoint additional individuals to the Utility Rate Advisory Panel due to lack of applicants from Zone A.

**CONVENE INTO EXECUTIVE SESSION**

City Council convened into Executive Session at 6:56 PM regarding:

**Sec. 551.072 (Deliberation regarding real property)**

14. The City Council will meet in closed session to deliberate the purchase, exchange, lease, or value of real property that may be considered for future location of water and wastewater system improvements.

City Council did not convene into Executive Session regarding:

**Sec. 551.071 (Consultation with Attorney)** the City Council will meet in private consultation with legal counsel to seek the advice of its attorneys about pending or contemplated litigation, a settlement offer, and/or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflicts with Chapter 551 of the Government Code; to wit:

11. To receive legal advice and to receive and deliberate an offer of settlement for claims made on behalf of a real property owner against the City's operation of well K-2.
12. To receive legal advice from Special Counsel and the City Attorney regarding the City's ground water rights.

13. Cause No. 2018-CI-00202; the City of Fair Oaks Ranch, Texas vs. Edward I. Hill, Robert E. Heckendorn, Craig M. Luitjen, Roger Fuentes, Wesley A. Pieper, Esther W. Hicks, William A. McDowell, Yolanda D. Ayala, PG Pfeiffer Ranches LLC, Maureen Pfeiffer Stevenson Family Trust.

**RECONVENE INTO OPEN SESSION**

Mayor Maxton reconvened into Open Session at 7:24 PM. No action was taken.

**ADJOURNMENT**

Council Member Elizondo asked for an agenda item to consider the MDD FY 2021-22 budget.

Mayor Maxton adjourned the meeting at 7:26 PM.

ATTEST:

Gregory C. Maxton, Mayor

Christina Picioccio, City Secretary

**CITY OF FAIR OAKS RANCH**

# CITY COUNCIL SPECIAL MEETING

Thursday, July 22, 2021 at 6:00 PM
City Hall Council Chambers, 7286 Dietz Elkhorn, Fair Oaks Ranch

# MINUTES

## OPEN MEETING

1. Roll Call - Declaration of a Quorum.

Council Present: Mayor Maxton and Council Members: Stroup, Elizondo, Koerner, Parker, and Muenchow

Council Absent: Council Member Hartpence

With a quorum present, the meeting was called to order at 6:00 PM.

2. Pledge of Allegiance – The pledge of Allegiance was led by Mayor Maxton.

## CITIZENS and GUEST FORUM

3. Citizens to be heard.

Rich Nichols, past president of the Home Rule Charter Commission asked Council to consider reviewing the charter for possible inclusion on next year's ballot.

## CONSIDERATION/DISCUSSION ITEMS

4. **Consideration and possible action ratifying the City Manager's appointment of a Director of Public Works and Engineering Services for the City of Fair Oaks Ranch.**

MOTION: Made by Council Member Elizondo, seconded by Council Member Stroup, to ratify the City Manager's appointment of Mr. Grant Watanabe, P.E., to the position of Director of Public Works and Engineering Services.

VOTE: 6-0; Motion Passed.

5. **Consideration and possible action authorizing the advancement of Phase Two of the solids handling volute dewatering press system.**

MOTION1: Made by Council Member Koerner, seconded by Council Member Muenchow, to authorize the advancement of Phase Two of the solids handling volute dewatering press system project with the understanding the construction of this project will paid through the American Rescue Plan Act funds or issuance of short-term debt.

MOTION 2: Made by Mayor Maxton, seconded by Council Member Koerner, to amend the original motion by excluding language that referred to the funding source to read as follows: I move to authorize the advancement of Phase Two of the solids handling volute dewatering press system project.

VOTE: 6-0; Motion Passed.

VOTE ON AMENDED MOTION: 6-0; Motion Passed.

**WORKSHOP**

6. Presentation and discussion of the draft FY 2021-22 General Fund and Enterprise Fund Budgets.

   Sarah Buckelew, CPA, Finance Director presented to Council an updated version of the FY 2021-22 General Fund and Enterprise Fund Budgets based off previous workshops. Tobin E. Maples, AICP, City Manager, presented to Council how the City of Fair Oaks Ranch compares to other cities financially.

**ADJOURNMENT**

Council Member Muenchow asked for a follow up agenda item on multi-platform meetings to be provided at the August 5, 2021 council meeting.

Mayor Maxton adjourned the meeting at 7:32 PM.

ATTEST:

Gregory C. Maxton, Mayor

Christina Picioccio, City Secretary

# CITY COUNCIL CONSIDERATION ITEM
## CITY OF FAIR OAKS RANCH, TEXAS
### August 5, 2021

| | |
|---|---|
| AGENDA TOPIC: | Approval of a Resolution designating authorized representatives to the City's depository account |
| DATE: | August 5, 2021 |
| DEPARTMENT: | Finance |
| PRESENTED BY: | Sarah Buckelew, CPA, Finance Director |

**INTRODUCTION/BACKGROUND:**

Frost Bank, the City's depository account, requires authorized representatives of the City signing checks be designated by Resolution. As a result of the May 2021 election and recent changes to the comprehensive framework of internal controls, the authorized representatives need to be amended.

Current City policy requires two signatures on all drawn checks. Current signatories on the City's bank account are former Mayor Manitzas, former Council Member Havard, the City Manager, and the Assistant City Manager.

The City recently engaged a third party to analyze and propose recommendations to the City's internal controls. Check disbursements was an area where improvements/efficiencies were recommended. In the past, the City did not have enough personnel to ensure appropriate segregation of duties between vendor setup, payment, and expense authorizations. For that reason, and because the City was previously a General Law City, the Mayor, and elected officials were utilized in the Treasury function of the City. Further, the authorizations were occurring after the purchase had been made, upon receipt of the invoice. The payment (Treasury) function was utilized for authorization purposes by individuals who did not have disbursement authority. This caused a conflict with incompatible duties. As the City has matured in its processes and has transitioned to a home-rule form of government with a charter assigning operational duties under the City Manager, it is no longer appropriate to include elected officials in the Treasury function of the City. It is also not advisable that individuals outside of the Finance Department be utilized in the Treasury (disbursement of funds) function. As noted by the Internal Controls Consultant, a gap was found in this area of review:

> *"Currently, invoices are required to be reviewed by the individual requesting payment and the department head. Checks are also required to be signed by the City manager and Mayor, who do not have payment authority to review and release payments for processing."*
>
> *"To help alleviate inefficiencies in the process from waiting on approvals, we recommend that invoice approvals from the department be authorized by the approval authority matrix [prior to purchase] instead of the dual review by the individual and department head. We also recommend the same for check signing. The Mayor or council members do not have payment authority to review and release checks. A copy of the disbursements can be provided for viewing, but the responsibility for processing payments should be kept in the accounting and finance department See control AP-05 and AP-08."*

| | | | |
|---|---|---|---|
| AP-05 | Three way match | Payment may be made for incorrect orders, price, product type, or for goods or services never received. | For purchases related to a Purchase Order (PO), the AP and Payroll Specialist verifies a three-way match of the vendor invoice, to the PO and receipt of goods/services prior to processing payment. |
| AP-08 | Check signatures | Checks are not authorized appropriately. | Checks are signed for disbursement by the Accounting Manager or Finance Director. A copy of the disbursement report will be provided to city manager or designee. |

As stated in control AP-05, a three-way-match has been implemented between the Purchase order (or documentation of purchase authorization), invoice, and verified receipt of goods/services prior to disbursement. As additional safeguards, setup of new vendors in the system is managed only by the procurement manager, and the weekly accounts payable batches are prepared by individuals separate from check signers. Under the new process, the check signers perform the review function of Accounts Payable and are authorized to disburse funds. Internal controls around vendor setup, purchase authorizations, and treasury (funds disbursement) have been implemented, and as a mature organization, the Treasury function should be formally moved to the Finance Department. Further, the City utilizes Positive Pay, a safeguard provided by the bank that ensures only checks contained on the check register are processed. The check register is prepared by the AP Clerk or Accountant who do not have check signing authority, with the additional confirmation of a three-way match. For this reason, the internal controls framework calls for the Finance Director or Accounting Manager to sign checks, with a single check signature. Backups to the process can be the City Manager and the two Assistant City Managers. A weekly packet of disbursements made with supporting documentation will be given to the City Manager and/or Mayor if requested for an overall review of disbursements and purchases made.

## POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

1. Maintains an efficient process of financial documents.
2. Maintains appropriate internal controls relating to cash disbursements.
3. Corrects an inefficient process, as well as incompatible duties

## LONGTERM FINANCIAL & BUDGETARY IMPACT:

None

## LEGAL ANALYSIS:

The designation, by City resolution is a requirement of Frost Bank and is written with the verbiage of the signature card. The resolution has been reviewed by the City Attorney.

## RECOMMENDATION/PROPOSED MOTION:

I move to approve a Resolution designating authorized representatives to the City's depository account, and that only a single signature on checks is required moving forward.

# A RESOLUTION

## DESIGNATING AUTHORIZED REPRESENTATIVES TO THE CITY'S DEPOSITORY ACCOUNT

**WHEREAS,** the City Council of Fair Oaks Ranch, by Resolution 2013-14, has designated Frost National Bank to serve as the City's depository for city funds; and,

**WHEREAS**, Frost National Bank requires a city resolution designating authorized representatives to endorse all checks, drafts, notes and other payable items; and,

**WHEREAS**, Resolution 2017-09, passed and approved June 2017, authorized the Mayor, a Council member, the City Manager and the Assistant City Manager as authorized representatives of the City; and,

**WHEREAS**, as a result of the May 2021 Election, City Council finds it necessary to amend the City's authorized representatives.

**WHEREAS**, as a result of a comprehensive internal control framework implementation, only one signature is necessary on checks.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAIR OAKS RANCH, TEXAS:**

Section 1. Designation of Authorized Representatives.

A. That the Finance Director, the Accounting Manager, the two Assistant City Managers, and the City Manager, are the authorized representatives of the City to endorse all checks, drafts, notes and other payable items.

B. That the individuals who hold those positions as of July 27, 2021 are:

a. Finance Director: Sarah Buckelew
b. Accounting Manager: Summer Fleming
c. City Manager: Tobin Maples
d. Assistant City Manager: Carole Vanzant
e. Assistant City Manager: Vacant

C. That the City Manager shall submit required paperwork to Frost National Bank to implement said changes.

D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the City

Section 2. Findings. The facts and matters contained in the preamble are hereby found to be true and correct.

Section 3. Repealing Clause. All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4. Public Meeting. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

Section 5. Effective Date. This resolution shall be in force and effect from and after its passage.

**PASSED, APPROVED, and ADOPTED on this 5th day of August 2021.**

Greg Maxton, Mayor

ATTEST:

Christina Picioccio, City Secretary

APPROVED AS TO FORM:

Denton Navarro Rocha Bernal & Zech, P.C.,
City Attorney

# CITY COUNCIL CONSIDERATION ITEM
## CITY OF FAIR OAKS RANCH, TEXAS
## August 5, 2021

| | |
|---|---|
| AGENDA TOPIC: | Consideration and possible action to approve the proposed Fiscal Year 2021-22 Municipal Development District (MDD) Budget. |
| DATE: | August 5, 2021 |
| PRESENTED BY: | Mike Lovelace, CPA, CMA, CISA, MDD Treasurer |

**INTRODUCTION/BACKGROUND:**

MDD By-Laws (Article IV, Section 1) require MDD Board of Directors budget approval by 15 July 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 2021-22 budget on July 14, 2021. That budget is submitted today for City Council approval.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

The Fiscal Year 2021-22 MDD Budget provides MDD expected revenues and proposed expenditures for the upcoming fiscal year and is available to all citizens. On 16 September 2020, the MDD board approved a Grant Award Agreement for an amount not to exceed $600,000 to the City of Fair Oaks Ranch. We do not anticipate any change to the FY 2021-22 budget except the possible expenditure of this grant upon completion of and Certificate of Occupancy issued for the Civic Center if the City decides to move forward with the Civic Center project.

**LONGTERM FINANCIAL & BUDGETARY IMPACT:**

Clarity and open record of MDD anticipated revenues and all projected expenditures for upcoming Fiscal Year 2021-22. All MDD funds are invested in accordance with the Texas Public Funds Investment Act.

**LEGAL ANALYSIS:**

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

**RECOMMENDATION/PROPOSED MOTION:**

I move to approve the FY 2021-22 MDD Budget as presented.

# FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT
## Proposed Budget
## FY 2021-22

| REVENUES | | FY 2016-17 ACTUAL | FY 2017-18 ACTUAL | FY 2018-19 ACTUAL | FY 2019-20 ACTUAL | FY 20-21 BUDGET | FY 20-21 PROJECTED | FY 2021-22 PROPOSED BUDGET |
|---|---|---|---|---|---|---|---|---|
| REVENUES | | | | | | | | |
| 20-400-121 | Local Sales Tax | $ 188,715 | $ 210,458 | $ 236,151 | $ 316,733 | $ 229,000 | $ 392,351 | $ 395,000 |
| 20-400-310 | Bank/Investment Interest | $ - | $ 7,984 | $ 20,919 | $ 9,995 | $ 20,000 | $ 1,100 | $ 1,500 |
| 20-400-900 | Miscellaneous Revenue | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| TOTAL REVENUES | | $ 188,715 | $ 218,442 | $ 257,070 | $ 326,727 | $ 249,000 | $ 393,451 | $ 396,500 |

| EXPENDITURES | | FY 2016-17 ACTUAL | FY 2017-18 ACTUAL | FY 2018-19 ACTUAL | FY 2019-20 ACTUAL | FY 20-21 BUDGET | FY 20-21 PROJECTED | FY 2021-22 PROPOSED BUDGET |
|---|---|---|---|---|---|---|---|---|
| ADMINISTRATION | | | | | | | | |
| 20-501-300 | Supplies | $ 66 | $ - | $ - | $ - | $ 250 | $ 100 | $ 250 |
| 20-501-305 | Minor Equipment | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 20-501-307 | Postage | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 20-501-315 | Training/Seminars | $ 480 | $ 32 | $ - | $ - | $ 500 | $ 500 | $ 500 |
| 20-501-323 | Telephone | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 20-501-390 | Miscellaneous | $ - | $ 6 | $ 78 | $ - | $ 100 | $ - | $ 100 |
| TOTAL ADMINISTRATION | | $ 546 | $ 38 | $ 78 | $ - | $ 850 | $ 600 | $ 850 |
| CONTRACTUAL SERVICES | | | | | | | | |
| 20-501-500 | Attorney fees | $ 3,405 | $ 2,221 | $ 1,651 | $ 1,945 | $ 9,300 | $ 3,500 | $ 3,500 |
| 20-501-501 | Auditor Fees | $ 1,800 | $ 3,050 | $ 4,300 | $ 3,800 | $ 5,000 | $ 3,900 | $ 5,000 |
| 20-501-502 | Professional Services | $ 6,000 | $ 10,000 | $ 26,750 | $ 30,150 | $ 33,450 | $ 33,450 | $ 33,450 |
| 20-501-510 | Insurance | $ 35 | $ 33 | $ 33 | $ 50 | $ 50 | $ 50 | $ 50 |
| TOTAL CONTRACTUAL SERVICES | | $ 11,240 | $ 15,304 | $ 32,735 | $ 35,945 | $ 47,800 | $ 40,900 | $ 42,000 |
| GRANTS AWARDED | | | | | | | | |
| 20-501-530 | Grants Awarded | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| TOTAL GRANTS AWARDED | | $ - | $ - | $ - | $ - | $ - | $ - | $ - |

| TRANSFERS IN/OUT | | FY 2016-17 ACTUAL | FY 2017-18 ACTUAL | FY 2018-19 ACTUAL | FY 2019-20 ACTUAL | FY 20-21 BUDGET | FY 20-21 PROJECTED | FY 2021-22 PROPOSED BUDGET |
|---|---|---|---|---|---|---|---|---|
| 20-501-981 | Transfer from Committed Fund Balance | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 20-501-981 | Transfer to Assigned Fund Balance | $ 176,929 | $ 203,099 | $ 224,257 | $ 290,783 | $ 200,350 | $ 351,951 | $ 353,650 |
| TOTAL TRANSFERS OUT | | $ 176,929 | $ 203,099 | $ 224,257 | $ 290,783 | $ 200,350 | $ 351,951 | $ 353,650 |
| TOTAL EXPENDITURES | | $ 188,715 | $ 218,442 | $ 257,070 | $ 326,727 | $ 249,000 | $ 393,451 | $ 396,500 |
| **REVENUE OVER EXPENSES** | | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |

## Fund Balance Rollforward

| | Final 9/30/2020 | FY 20-21 Projected Closeout | Projected 9/30/2021 | FY 21-22 Budgeted Closeout | Estimated 9/30/2022 |
|---|---|---|---|---|---|
| Committed - Infrastructure Improvements | 600,000 | | 600,000 | - | 600,000 |
| Assigned - Infrastructure Improvements | 728,140 | 351,951 | 1,080,091 | 353,650 | 1,433,741 |
| Unassigned - Operating | 100,000 | - | 100,000 | - | 100,000 |
| Total Fund Balances | 1,428,140 | 351,951 | 1,780,091 | 353,650 | 2,133,741 |

**CITY COUNCIL CONSIDERATION ITEM**
**CITY OF FAIR OAKS RANCH, TEXAS**
**August 5, 2021**

| | |
|---|---|
| AGENDA TOPIC: | Consideration and possible action accepting the submission of calculated Fiscal Year 2021-22 property tax rates to the City Council. |
| DATE: | August 5, 2021 |
| DEPARTMENT: | Finance |
| PRESENTED BY: | Sarah Buckelew, CPA, Finance Director |

## INTRODUCTION/BACKGROUND:

Truth-in-taxation is a concept embodied in the Texas Constitution (art VIII § 21a) that requires taxing units to make taxpayers aware of property tax rate proposals. Additionally, Senate Bill 2, also known as the Texas Property Tax Reform and Transparency Act of 2019, was passed by the Texas Legislature in 2019, and is effective for the Fiscal Year 2021-2022 budget process. Pursuant to this and state law, the following steps are required to officially submit the No New Revenue Rate and the Voter Approval Rate to the governing body.

1. By August 7 or as soon thereafter as practicable, the Finance Director shall submit the rates to the Governing Body using the tax rate calculation forms prescribed by the comptroller (Sec. 5.07).
2. The Finance Director shall submit the tax rate calculation forms to the county assessor-collector for each county in which all or part of the territory of the taxing unit is located.
3. The rates shall be posted prominently on the home page of the taxing unit's website, in the form prescribed by the comptroller.

As of the date of preparation of the agenda packet, the tax rate calculations were not yet available. If the tax rate calculations are made available by August 5th, the calculations will be provided to Council at the meeting and posted on the City's Truth in Taxation website:

https://www.fairoaksranchtx.org/514/Taxes-Truth-in-Taxation

If the tax calculations are not available on or before August 5th, this agenda item will be deferred until the next regularly scheduled council meeting on August 19th.

## POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Increases transparency in the process of setting the tax rate for the City and documents compliance with the Texas Property Tax Reform and Transparency Act of 2019.

## LONGTERM FINANCIAL & BUDGETARY IMPACT:

N/A

## LEGAL ANALYSIS:

N/A

**RECOMMENDATION/PROPOSED MOTION:**

I move to accept the Fiscal Year 2021-2022 property tax rate calculations as submitted by the Finance Director.

# CITY COUNCIL CONSIDERATION ITEM
## CITY OF FAIR OAKS RANCH, TEXAS
## August 5, 2021

| | |
|---|---|
| AGENDA TOPIC: | Consideration and possible action appointing Lamberto "Bobby" Balli, P.E., to the Boerne-Fair Oaks Ranch-Kendall County Transportation Planning Committee. |
| DATE: | August 5, 2021 |
| DEPARTMENT: | City Council |
| PRESENTED BY: | Mayor Greg Maxton |

**INTRODUCTION/BACKGROUND:**

Kendall County Commissioner Don Durden leads a committee of appointed residents from Kendall County, Boerne, and Fair Oaks Ranch to develop a recommended transportation plan that supports future transportation needs. The focus is to build a plan to mitigate current and future congestion in Kendall County in a way that preserves cultural and environment resources. Fair Oaks Ranch has been designated two positions for citizen volunteers to assist the Committee in this project.

The committee meets twice a month (1st and 3rd Tuesday) at 2:00 pm in the main meeting room at Boerne City Hall.

In August 2019, Marcus Garcia and Dan Banks were appointed to serve and represent Fair Oaks Ranch on this committee. In May 2021, Dan Banks resigned from the committee creating a vacancy.

Lamberto "Bobby" Balli, a Fair Oaks Ranch resident, has volunteered to fill this vacant position. Commissioner Durden has reviewed Lamberto "Bobby" Balli's credentials and welcomes his expertise to the committee. See Exhibit A for a brief bio on Mr. Balli.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

1. Lamberto "Bobby" Balli is a Professional Engineer and has been a resident of Fair Oaks Ranch for 4 years.
2. He has served on our City's Planning and Zoning Commission for a year.

**LONGTERM FINANCIAL & BUDGETARY IMPACT:**

N/A

**LEGAL ANALYSIS:**

N/A

**RECOMMENDATION/PROPOSED MOTION:**

I move to approve the appointment of Lamberto "Bobby" Balli, P.E., to the Boerne-Fair Oaks Ranch-Kendall County Transportation Planning Committee.

EXHIBIT A

# Lamberto "Bobby" Balli, P.E.
# Biography

Mr. Balli has been a resident of The Woods at Fair Oaks Ranch for the last four years. He has served on the City of Fair Oaks Ranch Planning and Zoning Commission since August of 2020. Additionally, he was elected to the Homeowners Association Board of Directors for 3 of the last 4 neighborhoods in which he and his family have resided, serving as president for two of the HOAs. He currently assists The Woods HOA with matters involving Public Works Maintenance and Infrastructure management. He was appointed by Governor Rick Perry to the Texas Board of Professional Engineers and Land Surveyors and re-appointed by Governor Greg Abbott. He currently serves as Vice-Chairman of the board.

He is past Director of Public Works/City Engineer for the Cities of McAllen, South Padre Island and Brownsville. He was also the Stormwater Utility Manager for the City of San Antonio. His volunteerism in the Public Works industry includes board positions as the regional and state level of the American Public Works Association, culminating with being elected to serve as the 2012 State Chapter President of the American Public Works Association. His volunteerism with the National Council of Examiners for Engineering and Surveying (NCEES) earned him the 2021 Southern Zone Distinguished Service Award.

Lamberto "Bobby" Balli received a bachelor's degree in Civil Engineering from Texas A&M University where he was a member of the Texas A&M Corps of Cadets. He is Vice President and Director of Public Works for Halff Associates. He resides in The Woods subdivision with his longhorn wife Fernanda and two children, Jose Alberto (Freshman at Texas A&M University) and Mari-Fer (Junior at Geneva School of Boerne).

# CITY COUNCIL CONSIDERATION ITEM
## CITY OF FAIR OAKS RANCH, TEXAS
## August 5, 2021

| | |
|---|---|
| AGENDA TOPIC: | Consideration and possible action to adopt a Multiplatform Communications option for live streaming public meetings. |
| DATE: | August 5, 2021 |
| DEPARTMENT: | Human Resources & Communications |
| PRESENTED BY: | Joanna Merrill, IPMA-SCP |

**INTRODUCTION/BACKGROUND:**

Recently, staff was given a directive to provide council with information regarding an option to live stream public meetings as an initiative to provide transparency and accessibility to our community.

As a result, staff was given direction to research and provide cost projections for a platform that would allow the city to live stream audio and video of the public meetings, and to provide an avenue for citizens to call in and speak during the "Citizens to be Heard" portion of the agenda.

Staff formed a project team for this initiative and has since taken this directive to put together preliminary cost estimations for the requested platform option listed below as Option #1.

During the course of our research staff also wanted to provide 2 additional alternatives to the above request for council's consideration this evening based off of the premise that renovations to City Hall are still being considered. Staff is requesting that council review all three options with the above renovation considerations in mind to prevent duplication of work and/or services.

Staff would also like to offer another suggestion to council for consideration when reviewing the options below. There are additional options to be considered when discussing dedicated staff capacity for the below options, for example, estimated annual costs for a full-time equivalent would be a higher cost to the City versus the option for a part-time equivalent, which would decrease the base salary costs and would eliminate benefit costs as an alternative for council to consider.

Dedicated staff capacity would be required at each meeting and council would need to determine which meetings would be performed in order for staffing capacity to be determined. If all city meetings will need to be covered, we will need to determine how to provide the staffing capacity needed to cover all meetings (ex: P&Z, CIAC, etc.).

Staff's recommendation would be utilization of the additional communications FTE recently discussed and added to the upcoming FY 2021-22 budget. As the City Manager and myself shape and frame that new position we would include duties to aide our team in providing bandwidth for the options that may require additional dedicated staff capacity.

- <u>Option #1 – Staff Directed / Managed:</u>
  - Cost Build-Up – details provided on attached PowerPoint
    - Estimated one-time costs ($29,000)
      - Dedicated staff capacity will be needed to run/monitor equipment and video software.
    - Additional estimated annual cloud backup costs ($849/year for first two (2) years – increasing to $1,698 for years 3 and 4 – then increasing to $2,547 for years 5 and 6)

  - *Unknowns / Challenges / Concerns*
    - Above costs are only estimations
      - Cost, if any, for dedicated staff capacity will vary depending on direction provided by council
    - Quality of actual video can only be tested once purchased and installed
    - Quality of sound can only be tested once purchased and installed
    - Integration of sound for recording with our current system is possible but may require additional changes to our current system that may not be foreseen until work is actually being performed.
    - Captioning for accessibility compliance may be limited or not available
      - This is not currently mandated by law for municipalities but is encouraged and highly recommended to mitigate risk and liability
    - The above cost includes estimations for the calculation of additional bandwidth and internal storage needs, but costs may increase once we are in full production if adjustments are needed
    - Cost to move equipment if renovations proceed may vary

- <u>Option #2 – Zoom Conversion / Integration</u>
  - Cost Build-Up – cost details provided on attached PowerPoint
    - Estimated one-time costs ($52,000)
      - Bulk of cost is due to acquisition of laptops for council members
    - Additional estimated annual cloud backup costs ($849/year for first two (2) years – increasing to $1,698 for years 3 and 4 – then increasing to $2,547 for years 5 and 6)

  - This is the most mobile of the 3 options presented.

  - *Unknowns / Challenges / Concerns*
    - Cost, if any, for dedicated staff capacity will vary depending on direction provided by council
    - Quality of sound will be unknown until tested, possibility for feedback noise issues due to confined space and number of devices in use
    - Integration of sound for recording with our current system is possible but may require additional changes to our current system that may not be foreseen until work is actually being performed.
    - The above cost includes estimations for the calculation of additional bandwidth and internal storage needs, but costs may increase once we are in full production if adjustments are needed

        - Captioning for accessibility compliance may be limited or not available
            - This is not currently mandated by law for municipalities but is encouraged and highly recommended to mitigate risk and liability

- Option #3 – Third-Party Administrator (TPA)
    - Cost Build-Up – details provided on attached PowerPoint
        - Estimated one-time costs ($45,000)
        - Estimated annual operational cost ($19,200)
        - Current Quote includes 50 covered meetings per year
    - No additional FTE's or dedicated staff members would be required – TPA would manage everything

    - *Unknowns / Challenges / Concerns*
        - At this time staff found little to no concerns, challenges, or unknowns to this option
            - One item for consideration is there may be an additional cost that we would need to budget for if we had to move equipment due to renovations.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

- Will address opportunities to create an easily accessible and transparent option for citizens to participate in local government public meetings
- Will provide an opportunity to display professionalism and technological advancement in meeting service expectations

**LONG-TERM FINANCIAL & BUDGETARY IMPACT:**

Monies were not allocated in the 2019/20 FY Budget for any of the above options and direction to staff would be required to determine funding.

Options may include but are not limited to the following:

- Surplus/Reserves
- Identify Budget Reduction to Cover Costs
- Other sources

**LEGAL ANALYSIS:**

None needed at this time.

**RECOMMENDATION/PROPOSED MOTION:**

I move to authorize the City Council to adopt one of the proposed options listed above for staff to begin developing a project management and completion timeline.

# Communications:

## Multiplatform Options

- Staff Directed / Managed
- Zoom Conversion / Integration
- Third-Party Administrator (TPA)

# Communications:
## Multiplatform Options

### Guidance Criteria Provided by Council

- Video managed internally by staff
- Ability to live stream the video
- Citizen interaction
  - Only allowed during “Citizens to Be Heard” agenda item

### Overall Challenges

- Cost of Equipment Purchases
- Who will manage video/audio
- Quality of video/audio unknown
- Captioning Accessibility

# Staff Directed / Managed Option #1

## Costs

- Estimated minimum equipment purchase forecast:
  - Estimated Cost - $29,000
    - Video – 2 ceiling mounted cameras (speaker view & council view)
    - 1 New Laptop
    - Audio – additional microphones
  - Telephony line, video software, wiring, encoder, dedicated network connection, internal storage capacity, etc.
  - Initial additional estimated cost for annual cloud backup storage – ($849/yr. up to $$2,547)
    - This cost will continue to increase depending on council's guidance for record retention
- 1 dedicated staff capacity needed to run/monitor equipment/video stream
  - Considerations
    - Audio/Visual Technician
    - Audio/Visual Communications Manager
    - Utilize newly budgeted Communications position

## Concerns

- Cost estimations may change
  - FTE estimations depend on council's guidance
  - Estimations may increase if we need to have equipment moved due to renovations
- Ability to produce a professional quality video
- Sound quality of the video with proposed equipment may not be sufficient
- Integration with current sound system
- Captioning for accessibility
- Bandwidth speeds and internal storage

# Video Comparisons

Video Clips

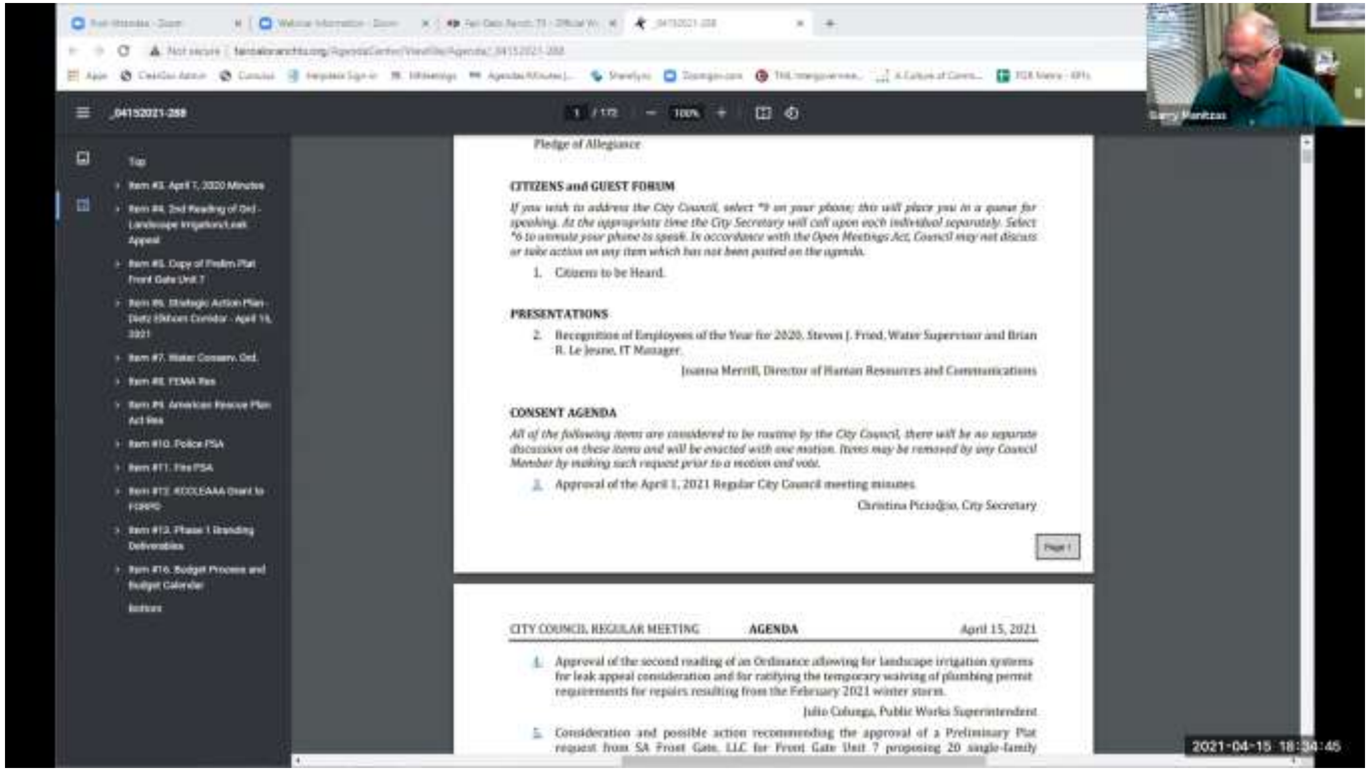
# Zoom Conversion / Integration Option #2

## Costs

- Estimated minimum equipment purchase forecast:
  - Estimated cost - $52,000
    - 8 new laptops
    - Telephony line, video software, wiring, encoder, dedicated network connection, internal storage capacity, etc.
  - Initial additional estimated cost for annual cloud backup storage – ($849/yr. up to $$2,547)
    - This cost will continue to increase depending on council's guidance for record retention
- 1 dedicated staff capacity needed to run/monitor zoom meeting/live stream
  - Possibility to utilize current staff
    - Contingent upon council's decision regarding which meetings will be live streamed
  - Staffing cost may vary
    - FTE, PTE, Internal staff member
    - Cost ranges ($35,000 - $45,000) plus cost of benefits ($12,000 - $15,00)
      - May be less if part time or internal staff member

## Concerns

- Cost estimations may change
  - Dedicated staffing costs may vary
  - Costs to move equipment may vary
- Integration with current sound system
- Bandwidth speeds and internal storage
- Captioning for accessibility




# Video Comparisons

Video Clips

# Third-Party Administrator (TPA) Option #3

## Costs

- One-time equipment purchase through vendor
  - Estimated One-time cost $45,000
  - Installation, configuration, and integration with current system is included in one-time cost
- Annual operation cost
  - Estimated at less than $20,000
  - Cost covers up to 50 meetings per year
- Add-on’s may increase annual cost
  - $175/meeting if we exceed 50 meetings annually
  - $250/month - Sound Search – speech to text document
  - $300/month – Sound Media eXstream
- No additional dedicated staff are needed
  - TPA provides a team to produce and monitor process start to finish

## Concerns

- Up front cost is minimal
  - Benefit is that we are locked in at the current annual operational cost provided by TPA
  - Overall cost of project may increase we need to have equipment moved due to renovations

# Video Comparisons

- Video Clips


https://boernetx.new.swagit.com/videos/129646

# CITY COUNCIL CONSIDERATION ITEM
## CITY OF FAIR OAKS RANCH, TEXAS
## August 5, 2021

| | |
|---|---|
| AGENDA TOPIC: | Quarterly Financial Report and Quarterly Investment Report – Q2 2021 |
| DATE: | August 5, 2021 |
| DEPARTMENT: | Finance |
| PRESENTED BY: | Sarah Buckelew, CPA, Finance Director |

**INTRODUCTION/BACKGROUND:**

Pursuant to Texas Government Code Section 2256.023 and the City's Investment Policy Section 12, the Finance Director is required, on a quarterly basis, to prepare and submit to City Council a written report of investment transactions that have occurred since the previous report, and the market value of the current investments.

The attached presentation is being made to comply with the Q2 2021 reporting requirements.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

Frequent review and reporting of the City's assets and investment vehicles is both prudent and necessary to verify that the City's investment portfolio is being managed according to the investment policy.

**LONGTERM FINANCIAL & BUDGETARY IMPACT:**

The investment portfolio shall be managed in accordance with the objectives specified in the investment policy (safety, liquidity, diversification, and yield). The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates.

**LEGAL ANALYSIS:**

Not applicable at this time.

**RECOMMENDATION/PROPOSED MOTION:**

This presentation is for informational purposes only and to comply with requirements under Texas Government Code Section 2256.023 and the City's Investment Policy.

# Quarterly Financial Update
# and
# Quarterly Investment Report

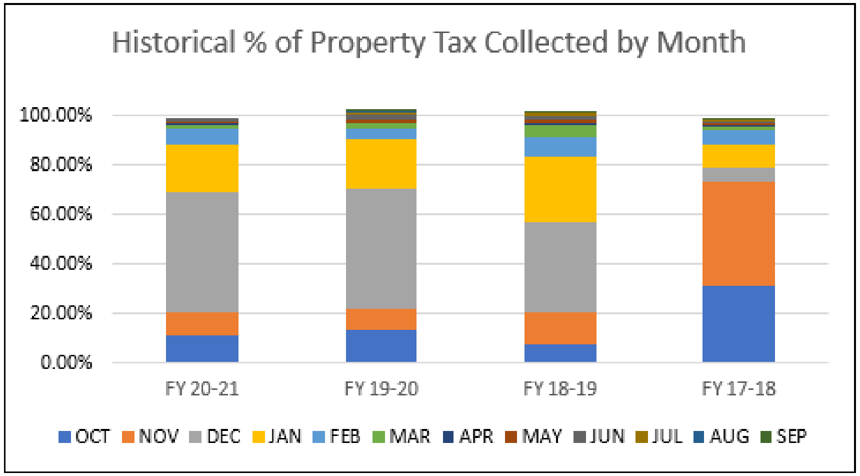
City of Fair Oaks Ranch

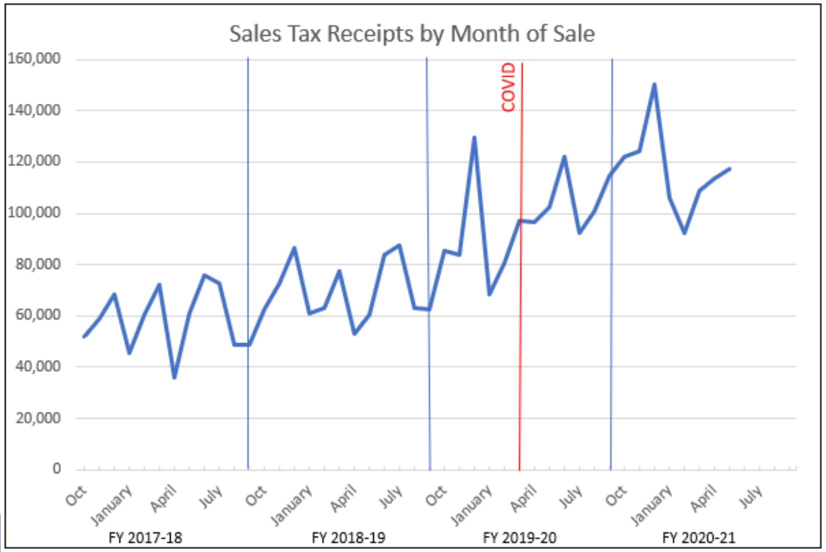
August 5, 2021

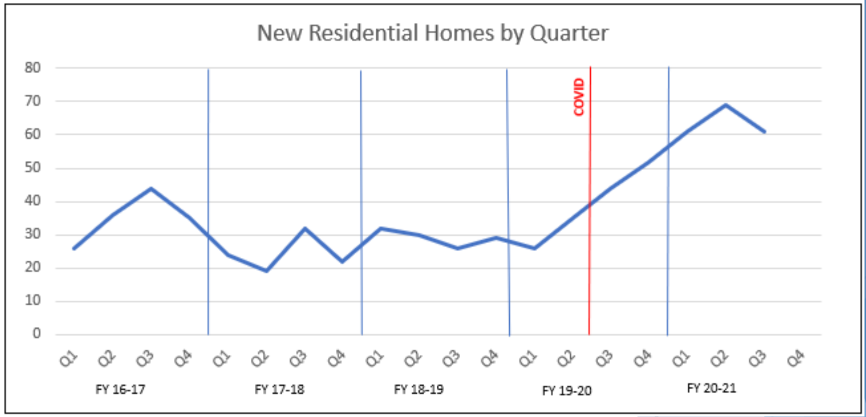
# General Fund

# General Fund Highlights Through Jun 30

- 99.5% of Budgeted Ad Valorem Tax levy collected through June.
- 130% of Budgeted Sales Tax Revenue collected through May sales.
- New Residential Home permits decreased slightly.




CITY OF FAIR OAKS RANCH TEXAS

# General Operations Year-to-Date Summary
## June 30, 2021
## 75% of Fiscal Year

| | Original Budget | Budget Adjustments | Amended Budget | Projection | Amended Budget vs Projection | | Year-to Date Actual | Percent of Budget | Budget Balance |
|---|---|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | | | |
| Taxes | 6,161,691 | 423,237 | 6,584,928 | 7,286,219 | 701,291 | (a) | 6,520,402 | 99.0% | (64,526) |
| Franchise Fees | 632,700 | - | 632,700 | 627,700 | (5,000) | (b) | 339,383 | 53.6% | (293,317) |
| Interest | 69,000 | - | 69,000 | 20,000 | (49,000) | (c) | 3,767 | 5.5% | (65,233) |
| Permits | 242,750 | - | 242,750 | 450,596 | 207,846 | (d) | 388,422 | 160.0% | 145,672 |
| Animal Control | 3,400 | - | 3,400 | 1,400 | (2,000) | | 610 | 17.9% | (2,790) |
| Fines & Forfeitures | 100,263 | - | 100,263 | 110,263 | 10,000 | (e) | 93,738 | 93.5% | (6,525) |
| Fees & Services | 268,711 | - | 268,711 | 255,296 | (13,415) | (f) | 181,287 | 67.5% | (87,424) |
| Miscellaneous Income | 18,400 | - | 18,400 | 222,605 | 204,205 | (g) | 217,693 | 1183.1% | 199,293 |
| Transfers | 240,000 | 165,648 | 405,648 | 328,642 | (77,006) | (h) | 244,638 | 60.3% | (161,010) |
| **Total Revenues** | **7,736,915** | **588,885** | **8,325,800** | **9,302,721** | **976,921** | | **7,989,941** | **95.97%** | **(335,859)** |
| Expenditures: | | | | | | | | | |
| Personnel | 4,751,988 | 95,081 | 4,847,069 | 4,307,435 | (539,635) | (i) | 3,072,779 | 63.39% | 1,774,290 |
| Supplies, Maintenance & Operations | 702,325 | 20,464 | 722,789 | 781,769 | 58,980 | (j) | 168,962 | 23.38% | 553,826 |
| Professional Services | 1,243,318 | 61,120 | 1,304,438 | 1,255,255 | (49,183) | (k) | 810,624 | 62.14% | 493,814 |
| Shared Services | 371,466 | 29,750 | 401,216 | 373,242 | (27,974) | (l) | 290,960 | 72.52% | 110,256 |
| Capital Outlay | 240,000 | 177,827 | 433,827 | 356,821 | (77,006) | (h) | 266,871 | 61.52% | 166,956 |
| Debt Service | - | - | - | - | - | | - | 0.00% | - |
| Transfers & Non-Cash Adjustments | 442,993 | 15,000 | 457,993 | 457,993 | - | | 457,993 | 100.00% | - |
| **Total Expenditures** | **7,752,090** | **399,243** | **8,167,333** | **7,532,514** | **(634,818)** | | **5,068,191** | **62.05%** | **3,099,142** |
| Transfer to 6 month Reserve | 157,251 | - | 157,251 | 157,251 | - | | 160,597 | | |
| Allocated Fund Balance | (184,539) | - | (184,539) | | 184,539 | | | | |
| Restricted Fund Balance | 12,113 | - | 12,113 | (1,910) | (14,023) | | 5,297 | | |
| Use of Fund Balance | - | - | - | (16,823) | (16,823) | | (16,823) | | |
| Change in Unallocated Fund Balance | - | - | - | 1,631,689 | 1,631,689 | | 2,772,679 | | |
| **Surplus/(Deficit)** | - | - | - | - | - | | - | | |

**NOTES**

(a) Sales Tax collections are at 130% of budget through May sales.
(b) Decreased projection for AT&T franchise fees due to SB1152.
(c) Decreased projection for interest based on current rates.
(d) Increased projection for New Residential Permits due to current growth.
(e) Increased court fines based on current YTD actuals.
(f) Decreased projection for Special fees and removal of Civic Center Rental Income.
(g) Covid Relief, WebEx refund and sale of patrol vehicle.
(h) Projection decreased for Public Safety Building HVAC contract less than budgeted.
(i) Updated projection to include vacancies for 2 Police Sergeants, Public Works Director, IT Tech and routine turnover. This projection of savings may increase if the City continues to have difficulty filling positions. This savings line is earmarked for use by City Council's direction only.
(j) Covid related supplies not budgeted; will be receiving Covid relief funds to offset.
(k) Decreased projection for City Secretary digitization and recodification, and Court professional fees to Judge and Prosecutor due to lower number of citations.
(l) Liability insurance lower than budgeted.

# General Fund Strategic and Capital Projects

June 30, 2021

75% of Fiscal Year

| | Budget | Budget Amendment | Amended Budget | Projection | Year-to-Date Actual | Percent of Budget | Budget Balance | Comments |
|---|---|---|---|---|---|---|---|---|
| **Beginning Fund Balance** | **1,006,190** | | **1,154,394** | **1,154,394** | **1,154,394** | | **1,006,190** | |
| Revenues: | | | | | | | | |
| Grant Funding | 600,000 | | 600,000 | - | - | 0% | 600,000 | |
| Transfer from General Fund | 152,500 | 15,000 | 167,500 | 167,500 | 167,500 | 100% | - | |
| **Total Revenue** | **752,500** | **15,000** | **767,500** | **167,500** | **167,500** | **21.8%** | **600,000** | |
| **Financial Integrity** | | | | | | | | |
| Master Drainage Plan | - | | - | - | - | 0% | - | |
| MS4 and SSO Permitting | - | | - | - | - | 0% | - | |
| Stormwater Funding | - | 77,729 | 77,729 | 33,925 | 33,925 | 44% | 43,804 | Project has been cancelled. |
| Revenue Projections | - | | - | - | - | 0% | - | |
| Internal Controls Framework | - | See Note below | - | - | - | 0% | - | |
| Debt Review & Policy Implementation | - | | - | - | - | 0% | - | |
| Grants & Utilities Reporting | 10,000 | | 10,000 | - | - | 0% | 10,000 | No costs expected this FY. |
| Financial Mgmt Policy Review | - | | - | - | - | 0% | - | |
| Stormwater Utility Cost Center | 50,000 | | 50,000 | - | - | 0% | 50,000 | Project has been cancelled. |
| Total Financial Integrity | 60,000 | 77,729 | 137,729 | 33,925 | 33,925 | | 103,804 | |
| **Responsible Growth Management** | - | | - | | | | | |
| Comprehensive Plan & UDC | - | | - | - | - | 0% | - | |
| FM 3351 Owners Rep & Project Mgr | - | | - | - | - | 0% | - | |
| Drainage Criticality | - | | - | - | - | 0% | - | |
| MS4 Program | - | | - | - | - | 0% | - | |
| City Right of Way Beautification | 10,000 | | 10,000 | - | - | 0% | 10,000 | |
| Tree Preservation and Oak Wilt Program | 15,000 | | 15,000 | 9,000 | 3,318 | 22% | 11,682 | Decreased projection for Oak Wilt program savings |
| Total Responsible Growth Management | 25,000 | - | 25,000 | 9,000 | 3,318 | | 21,682 | |
| **Reliable & Sustainable Infrastructure** | | | | | | | | |
| Long-term Road Cond Analysis | - | 32,754 | 32,754 | 41,020 | 41,020 | 125% | (8,266) | PY project completed. |
| City Civic Center | 600,000 | | 600,000 | 713 | 713 | 0% | 599,288 | |
| City Campus Renovation | 436,729 | | 436,729 | 13,814 | 13,814 | 3% | 422,916 | |
| Total Reliable & Sustainable Infrastructure | 1,036,729 | 32,754 | 1,069,483 | 55,546 | 55,546 | | 1,013,938 | |

**Note regarding Funding of the Civic Center:**

Grant funding from the Municipal Development District has been made available in the amount not to exceed $600,000 for this project. Funding from the Municipal Development District comes from Sales Tax Revenue.

Item #14.

# General Fund Strategic and Capital Projects continued

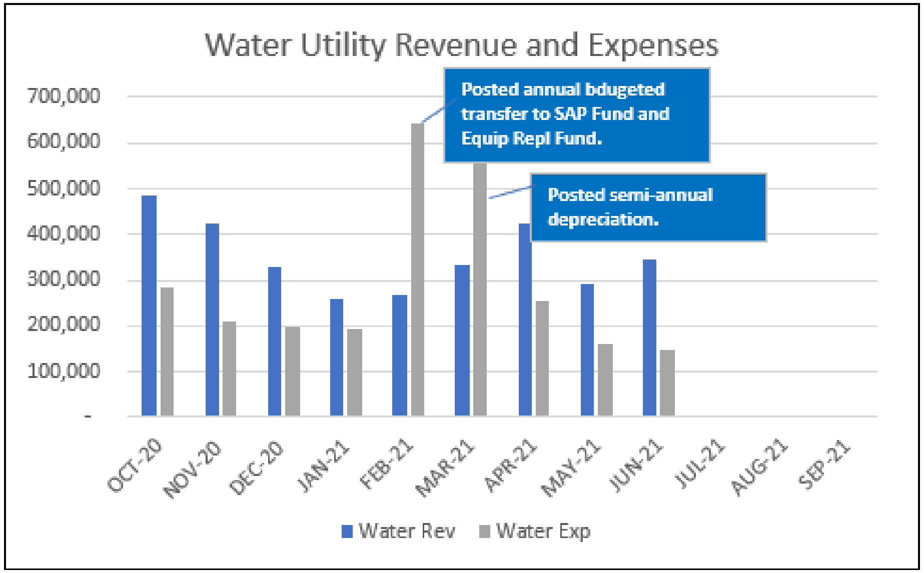
## June 30, 2021

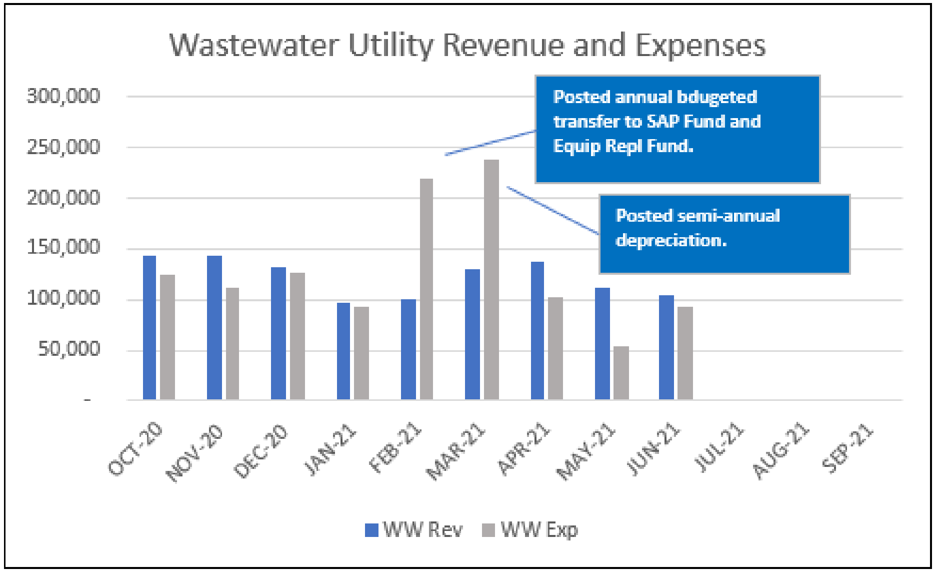
## 75% of Fiscal Year

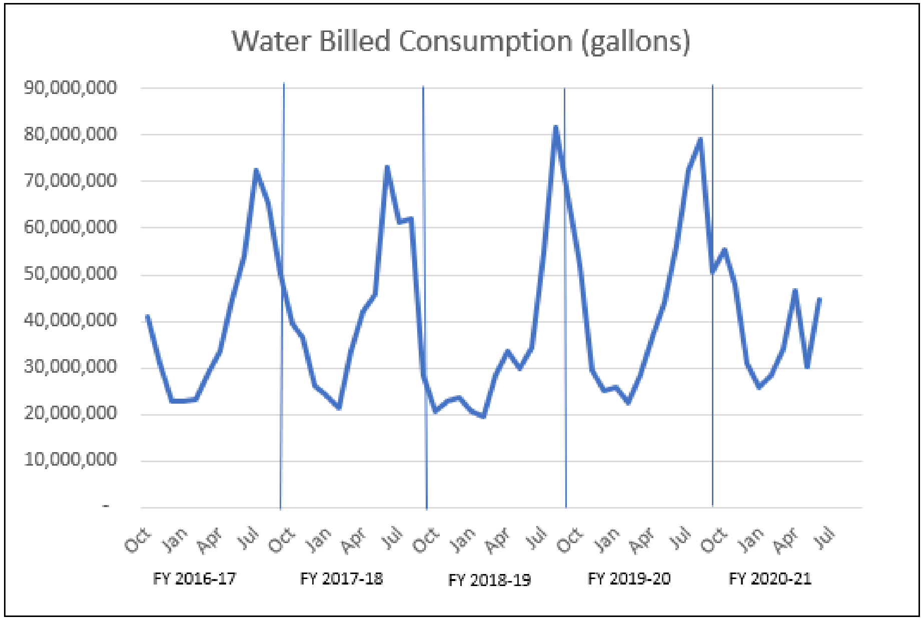
| | Budget | Budget Amendment | Amended Budget | Projection | Year-to-Date Actual | Percent of Budget | Budget Balance | Comments |
|---|---|---|---|---|---|---|---|---|
| Beginning Fund Balance | 1,006,190 | | 1,154,394 | 1,154,394 | 1,154,394 | | 1,006,190 | |
| Revenues: | | | | | | | | |
| Grant Funding | 600,000 | | 600,000 | - | - | 0% | 600,000 | |
| Transfer from General Fund | 152,500 | 15,000 | 167,500 | 167,500 | 167,500 | 100% | - | |
| Total Revenue | 752,500 | 15,000 | 767,500 | 167,500 | 167,500 | 21.8% | 600,000 | |
| **Public Health, Safety and Welfare** | | | | | | | | |
| PS Command Structure Review | 25,000 | | 25,000 | 20,000 | 7,513 | 30% | 17,487 | Project in progress |
| Fire Services Program Review | 25,000 | | 25,000 | 20,000 | 108 | 0% | 24,892 | Project in progress |
| EMS Program Review | 25,000 | | 25,000 | 20,000 | 108 | 0% | 24,892 | Project in progress |
| Total Public Health, Safety and Welfare | 75,000 | - | 75,000 | 60,000 | 7,729 | | 67,271 | |
| **Operational Excellence** | | | | | | | | |
| Compensation & Benefit Plan Study | - | - | - | - | - | 0% | - | |
| Employee Handbook | - | 3,034 | 3,034 | 3,034 | - | 0% | 3,034 | |
| HR Technology Upgrade | - | | - | - | - | 0% | - | |
| Development Training Program | - | | - | - | - | 0% | - | |
| Communications & Mktg Strategy | 29,000 | | 29,000 | 29,000 | 8,082 | 28% | 20,919 | |
| Records Management | - | 7,850 | 7,850 | 7,850 | - | 0% | 7,850 | |
| IT Risk Analysis | 166,185 | | 166,185 | 166,185 | 69,763 | 42% | 96,422 | |
| Public Communications Technology | - | | - | - | - | 0% | - | |
| City Records Digitization | 26,000 | | 26,000 | 26,000 | - | 0% | 26,000 | |
| Agenda and Minutes Software Program | 10,000 | | 10,000 | 6,600 | 6,600 | 66% | 3,400 | Project complete; savings for not implementing timestamp |
| Ticketing with GIS Compatibility | 12,500 | | 12,500 | 12,500 | - | 0% | 12,500 | Procurement process started. |
| Total Operational Excellence | 243,685 | 10,884 | 254,569 | 251,169 | 84,445 | | 170,124 | |
| **Capital Outlays** | | | | | | | | |
| Infrastructure | - | | | - | - | 0% | - | |
| Personal Property | 261,000 | 4,239 | 265,239 | 4,559 | 4,559 | 2% | 260,681 | |
| Total Capital Outlays | 261,000 | 4,239 | 265,239 | 4,559 | 4,559 | | 260,681 | |
| Total Expenditures | 1,701,414 | 125,606 | 1,827,020 | 414,198 | 189,521 | 10.4% | 1,637,499 | |
| Revenue Over / (Under) Expenditures | (948,914) | (110,606) | (1,059,520) | (246,698) | (22,021) | 2.1% | (1,037,499) | |
| Ending Fund Balance | 57,276 | (110,606) | 94,874 | 907,696 | 1,132,373 | | (31,309) | |

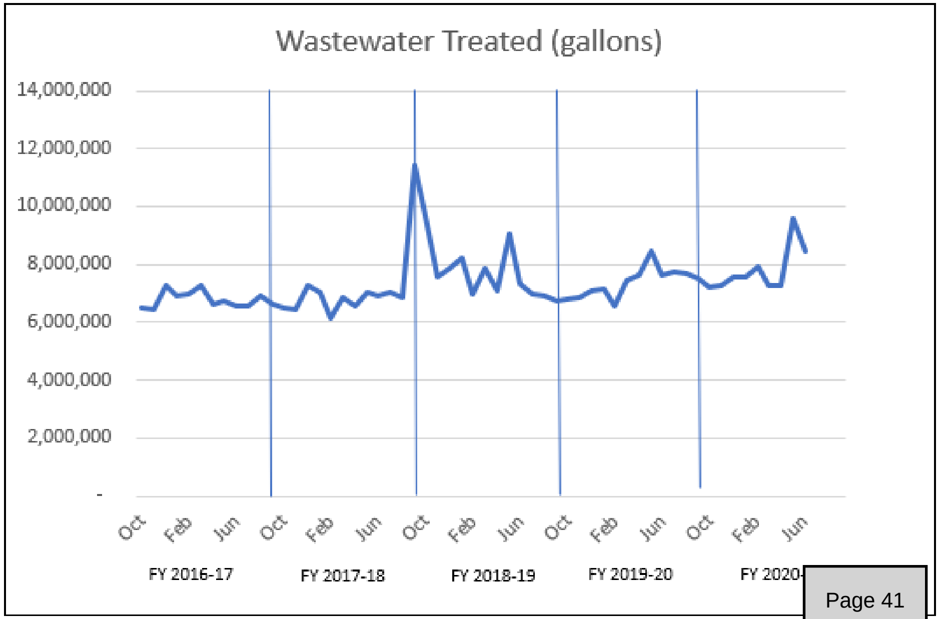
# Enterprise Fund

# Enterprise Fund Highlights



# Combined Utilities
## June 30, 2021
## 75% of Fiscal Year

| | Amended Budget | Projection | Amended Budget vs Projection | | Year-to-Date Actual | Percent of Budget | Budget Balance |
|---|---|---|---|---|---|---|---|
| Revenues | 5,402,116 | 5,533,551 | 131,435 | (a) | 3,849,807 | 71.3% | (1,552,309) |
| Operating Expenses | - | | | | | | |
| Personnel | 1,527,801 | 1,379,728 | (148,073) | (b) | 983,100 | 64.3% | 544,701 |
| Supplies, Maintenance & Operations | 2,458,988 | 2,373,144 | (85,844) | (c) | 1,558,665 | 63.4% | 900,323 |
| Services | 217,604 | 325,011 | 107,407 | (d) | 270,327 | 124.2% | (52,723) |
| Total Operating Expenses | 4,204,393 | 4,077,883 | (126,510) | | 2,812,092 | | 1,392,301 |
| Operating Income | 1,197,723 | 1,455,668 | 257,945 | | 1,037,715 | | (160,008) |
| Capital Outlay | 1,784,628 | 668,619 | (1,116,009) | (e) | 279,462 | 15.7% | 1,505,166 |
| Debt Service Expense | 81,040 | 21,824 | (59,216) | (f) | 9,552 | 11.8% | 71,488 |
| Transfers & Non-Cash | (305,069) | 460,110 | 765,179 | (g) | 519,135 | -170.2% | (824,204) |
| **Net Income/(Loss)** | **(362,876)** | **305,115** | **527,407** | | **229,565** | | **592,442** |

**Notes:**

(a) Projection includes increase in Impact Fee revenue due to increase in rate and development.

(b) Updated projection to include vacancies for Public Works Director, IT Tech, and routine turnover.

(c) Projection decreased for Stormwater Utility expenses.

(d) Projection includes increase for water rights legal and professional fees.

(e) Projection decreased for Creek Crossing West waterline project, which will continue into next year.

(f) Projection includes updated bond interest for refinance of capital lease.

(g) Projection updated to reflect capitalizable project costs transferred to the Balance Sheet per GAAP.

# Water Utility Fund Summary
## June 30, 2021
## 75% of Fiscal Year

| | Amended Budget | Projection | Date Actual | Percent of Budget | Budget Balance | |
|---|---|---|---|---|---|---|
| Water Revenues | 3,951,644 | 4,242,084 | 2,841,284 | 71.9% | (1,110,360) | Projection includes increase in Impact Fee revenue due to increase in rate and development. |
| Water Operating Expenses | | | | | | |
| Personnel | 841,355 | 692,544 | 498,806 | 59.3% | 342,549 | Updated projection to include vacancies for Public Works Director, IT Tech, and routine turnover. |
| Supplies, Maintenance & Operations | 1,733,967 | 1,737,848 | 1,121,290 | 64.7% | 612,677 | GBRA fees lower than anticipated, training virtual or canceled |
| Services | 117,908 | 242,908 | 228,692 | 194.0% | (110,784) | Water rights legal and professional fees not budgeted. |
| Total Water Operating Expenses | 2,693,230 | 2,673,300 | 1,848,788 | | 844,442 | |
| Operating Income | 1,258,414 | 1,568,784 | 992,497 | | (265,917) | |
| Capital Outlay | 1,393,378 | 427,609 | 271,295 | 19.5% | 1,122,083 | See Schedule Below |
| Debt Service Expense | 68,074 | 18,332 | 8,024 | 11.8% | 60,050 | Projection updated bond interest for refinance of capital lease. |
| Transfers & Non-Cash | (437,046) | 328,133 | 363,146 | -83.1% | (800,192) | Asset transfer to B/S once all invoices are in. |
| **Net Income/(Loss)** | **234,008** | **794,710** | **350,032** | | **116,024** | |

| | Amended Budget | Projected | Actual | Budget Balance | Notes |
|---|---|---|---|---|---|
| **Water CIP** | | | | | |
| Elevated Storage Tank | 482,318 | 62,890 | 62,890 | 419,428 | Project will be rolled forward to next fiscal year. |
| Creek Crossings West Waterline | 245,000 | 52,659 | 2,659 | 242,341 | Project on hold; will be rolled forward to next Fiscal Year. |
| Plant 2 HydroTank and Variable Drives | 364,810 | 42,810 | 28,848 | 335,962 | Project will roll into next Fiscal Year. |
| SCADA System Upgrades | 159,800 | 159,800 | 159,800 | - | Project complete. |
| GIS Compatible Work Order System | 6,250 | 6,250 | - | 6,250 | Project in process. |
| Water Rate Study | 75,000 | 50,000 | - | 75,000 | Rate study is in process; will roll forward to next Fiscal Year. |
| Water System EPA Risk Assessment | 40,200 | 33,200 | 17,098 | 23,102 | Risk Assessment is in process, but will carry over to next Fiscal Year. |
| | 1,373,378 | 407,609 | 271,295 | 1,102,083 | |
| **Water Operations** | | | | | |
| Utility lights | 5,000 | 5,000 | - | 5,000 | Order has been placed. |
| Towable Manlift | 15,000 | 15,000 | - | 15,000 | Will not be purchasing this year. |
| | 20,000 | 20,000 | - | 20,000 | |
| Total Capital Outlay | 1,393,378 | 427,609 | 271,295 | 1,122,083 | |
| | - | - | - | - | |

# Wastewater Utility Fund Summary
## June 30, 2021
## 75% of Fiscal Year

| | Amended Budget | Projection | Year-to-Date Actual | Percent of Budget | Budget Balance | |
|---|---|---|---|---|---|---|
| Wastewater Revenues | 1,168,461 | 1,291,467 | 1,008,523 | 86.3% | (159,939) | Projection includes increase in Impact Fee revenue due to increase in rate and development. |
| Wastewater Operating Expenses | | | | | | |
| Personnel | 686,447 | 687,184 | 484,294 | 70.6% | 202,153 | Updated projection to include vacancies for Public Works Director, IT Tech, and routine turnover. |
| Supplies, Maintenance & Operations | 673,994 | 635,297 | 437,375 | 64.9% | 236,619 | Training virtual or canceled. Vehicle manitenance costs low. |
| Services | 82,103 | 82,103 | 41,636 | 50.7% | 40,467 | Professional fees lower than anticipated. |
| Total Wastewater Operating Expenses | 1,442,544 | 1,404,583 | 963,304 | | 479,240 | |
| Operating Income | (274,083) | (113,116) | 45,218 | | 319,301 | |
| Capital Outlay | 391,250 | 241,010 | 8,168 | 2.1% | 383,082 | See Schedule Below |
| Debt Service Expense | 12,966 | 3,492 | 1,528 | 11.8% | 11,438 | Projection updated bond interest for refinance of capital lease. |
| Transfers & Non-Cash | 206,977 | 206,977 | 155,989 | 75.4% | 50,988 | |
| Net Income/(Loss) | (885,276) | (564,595) | (120,467) | | 764,809 | |

| | Amended Budget | Projection | YTD Actual | Budget Balance | Notes |
|---|---|---|---|---|---|
| **Wastewater CIP Fund** | | | | | |
| Solids Handling | - | 82,260 | 3,088 | (3,088) | Prior Year unspent budget rolled forward for this project. |
| Future WWTP | 200,000 | - | - | 200,000 | Project on hold; will roll forward to next Fiscal Year. |
| GIS Compatible Work Order System | 6,250 | 6,250 | - | 6,250 | Project in process. |
| Wastewater Rate Study | 75,000 | 50,000 | - | 75,000 | Rate study is in process; will roll forward to next Fiscal Year. |
| Wastewater System EPA Risk Assess | 50,000 | 42,500 | 5,080 | 44,920 | Risk Assessment is in process, but will carry over to next Fiscal Year. |
| | 331,250 | 181,010 | 8,168 | 323,082 | |
| **Wastewater Operations** | | | | | |
| Replacement Pump | 5,000 | 5,000 | - | 5,000 | Procurement in process |
| Replacement Pump | 5,000 | 5,000 | - | 5,000 | Procurement in process |
| Replacement Pump | 5,000 | 5,000 | - | 5,000 | Procurement in process |
| Pump | 45,000 | 45,000 | - | 45,000 | Pump has been ordered. |
| | 60,000 | 60,000 | - | 60,000 | |
| Total budgeted purchases | 391,250 | 241,010 | 8,168 | 383,082 | |
| | - | - | - | - | |

# Investment Report

CITY OF FAIR OAKS RANCH TEXAS

# Investment Report Q2 2021

**Investment Inventory**
**4/1/2021 - 6/30/2021**

**Governmental Fund Investments**

| Security | Yield | Beg Bal | Transfers In/Out | Interest Earnings | Ending Bal | Ending Market | Weighted Avg Maturity |
|---|---|---|---|---|---|---|---|
| Pool (Texpool 004) General | 0.010% | 15,655,839 | (261,613) | 470 | 15,394,696 | 15,394,696 | 29 days |
| Pool (Texpool 006) Debt Service | 0.010% | 471 | - | - | 471 | 471 | 29 days |
| TOTAL | | 15,656,310 | (261,613) | 470 | 15,395,167 | 15,395,167 | - |

**Utility Fund Investments**

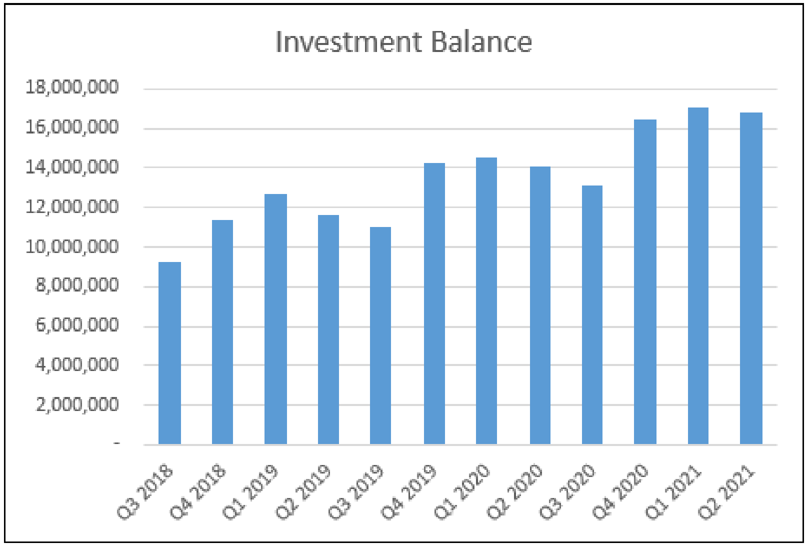
| Security | Yield | Beg Bal | Transfers In/Out | Interest Earnings | Ending Bal | Ending Market | Weighted Avg Maturity |
|---|---|---|---|---|---|---|---|
| Pool (Texpool 001) Utility | 0.010% | 1,135,584 | - | 34 | 1,135,618 | 1,135,618 | 29 days |
| Pool (Texpool 002) Water Cap | 0.010% | 179,417 | - | 5 | 179,422 | 179,422 | 29 days |
| Pool (Texpool 003) Sewer Cap | 0.010% | 84,321 | - | 2 | 84,323 | 84,323 | 29 days |
| Pool (Texpool 005) 1997 CO | 0.010% | - | - | - | - | - | 29 days |
| TOTAL | | 1,399,321 | - | 42 | 1,399,364 | 1,399,364 | - |

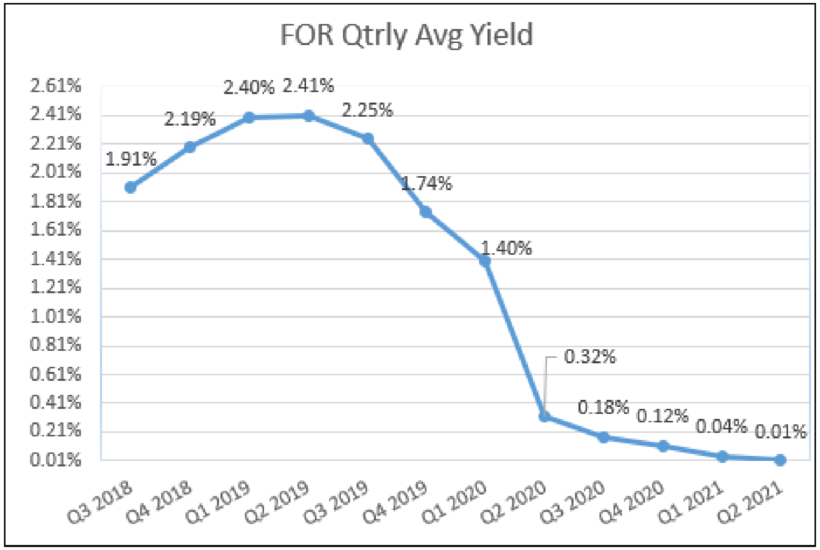
*This report is in compliance with the City's Investment Policy Section 9 and 11 and Texas Government Code Section 2256.023.*

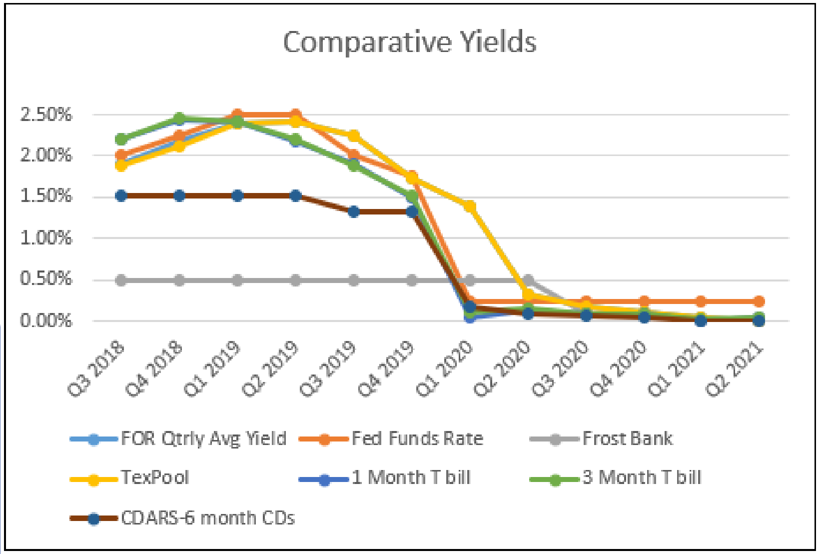
Transfers In/Out
Transfers out of TexPool accounts represent vendor payments made, or funding of city operations by transferring funds to the City's operating cash account. Transfers into TexPool accounts represent deposits of property tax revenue.

*Weighted Average Maturity
Per the City's investment policy, the City will not directly invest in securities maturing more than 13 months from the date of purchase. Reserve funds may be invested in securities up to 2 years. The Weighted Average Maturity of these investments is in compliance with the City's investment policy.

# Investment Report Q2 2021




As an investor of public funds, the City of Fair Oaks Ranch is subject to investment limitations as defined under the Public Funds Investment Act (Government Code Chapter 2256).

This comparative yields chart is provided to demonstrate alternative investment vehicles that are permitted under the stringent guidelines of the Public Funds Investment Act as compared to the Fed Funds Rate.

TexPool continues to offer a competitive rate of return as compared to other investments and offers complete liquidity to meet operational needs.

CITY OF FAIR OAKS RANCH TEXAS