



City of Fulshear

Fiscal Year 2025 Proposed Operating Budget & Capital Improvement Program

Tuesday, July 9, 2024

Budget Process Timeline

- March 2024 – The CIP Budget process begins
- April 30th – Operating Budget Kick-Off. Departments prepare budget requests and submit them to Finance by June 1st
- May 21st – Preliminary CIP presented to City Council
- May 31st – Preliminary CIP Budget posted to the City website
- June 1st – June 25th – Meet with all department heads to review budget requests and prepare a preliminary budget draft to present to the City Manager
- July 9th – Special meeting to present preliminary FY2025 budget to council for review
- August 1st – August 7th – Receive Certified Values, Calculate Effective Tax Rate, and review estimated revenues and expenditures; finalize all budgets
- August 20th – Regular Meeting for the City Manager to propose a tax rate and set a public hearing.
- September 3rd – Special Meeting for Public Hearing on FY25 Proposed Budget
- September 17th – Regular Meeting: Adopt the FY25 Budget Ordinance and hold a Public hearing, and adopt the Tax Rate Ordinance

Budget Overview

General Fund – FY2024 Highlights

- Property Tax Revenue – Currently at 99% of FY24 Budget with 3 months of collections remaining
- Sales Tax Revenue – Currently at 54% of FY24 Budget with 6 months of collections remaining
- License & Permit Revenue – Currently at 113% of FY24 Budget with 3 months of collections remaining
- Service Revenue – Currently at 109% of FY24 Budget with 3 months of collections remaining
- Fines & Forfeitures Revenue – Currently at 81% of FY24 Budget with 3 months of collections remaining
- Total Operating Revenue - Currently at 85% of FY24 Budget with 3 months of collections remaining
- Total Operating Expenditures – Currently at 57% of FY24 Budget with 3 months of expenses remaining



****As of June 30th for all revenue except Sales Tax which is as of May 31st (March Collections)**

Budget Overview

FY2024 & FY2025 All Fund Summary

Fund	FY24 Adopted Budget	FY25 Proposed Budget
100 General Fund	\$ 22,649,689.00	\$ 19,484,538.00
150 Vehicle Replacement Fund	\$ 802,363.00	\$ 386,653.00
200 Regional Park Fund	\$ 6,100,000.00	\$ -
250 County Assistance District #7	\$ 512,500.00	\$ 3,100,000.00
300 General Government CIP Projects	\$ 4,435,815.00	\$ 7,522,300.00
400 Debt Service Fund	\$ 4,322,000.00	\$ 5,086,000.00
500 Utility Fund	\$ 18,488,542.00	\$ 20,746,403.00
501 Utility/Water/Wasterwater CIP Projects	\$ 64,004,202.00	\$ 44,787,000.00
515 Solid Waste Fund	\$ 1,926,400.00	\$ 2,300,000.00
551 CCR Reserve Fund	\$ 3,319,363.00	\$ -
575 Community Impact Fee	\$ -	\$ 950,000.00



****FY24 Budget numbers include encumbrances rolled over from the prior fiscal year and any budget amendments**

Budget Overview

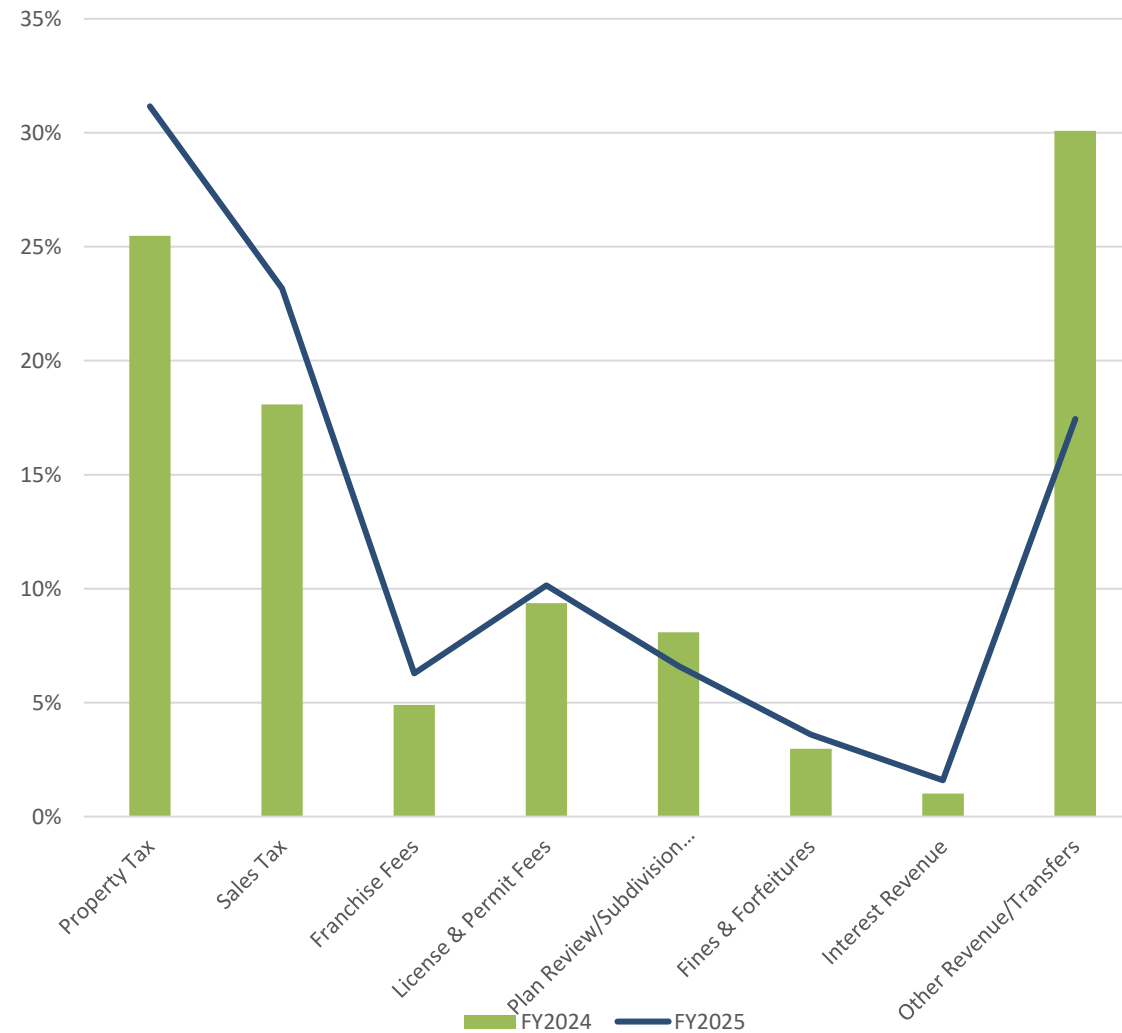
FY2024 & FY2025 All Fund Summary

600 Type A Development Corporation	\$ 2,048,220.00	\$ 1,651,890.00
601 Type A Development Corporation Project Fund	\$ 1,856,667.00	\$ 1,606,167.00
700 Type B Development Corporation	\$ 2,068,220.00	\$ 1,041,890.00
701 Type B Development Corporation Project Fund	\$ 1,856,667.00	\$ 1,116,167.00
900 Court Technology Fund	\$ -	\$ -
901 Court Building Security Fund	\$ -	\$ -
902 Judicial Efficiency Fund	\$ -	\$ -
950 Child Safety Fund	\$ 10,000.00	\$ 10,000.00
951 Police Grant Fund	\$ -	\$ -
952 Federal Seizure Fund	\$ 80,000.00	\$ 80,000.00
953 State Seizure Fund	\$ 10,000.00	\$ 10,000.00
Total	\$ 134,391,648	\$ 109,879,008

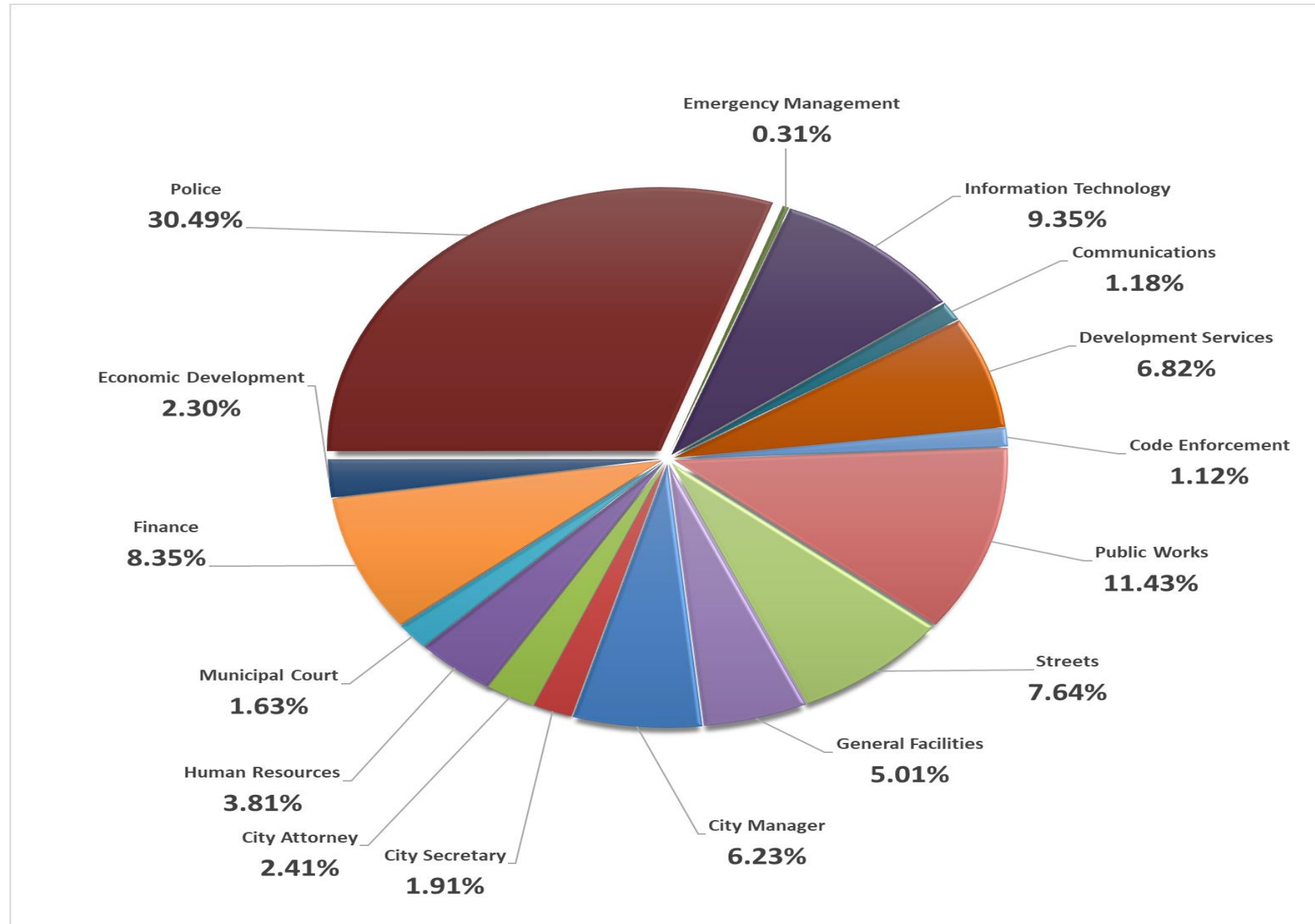


****FY24 Budget numbers include encumbrances rolled over from the prior fiscal year.**

General Fund Revenue Comparison of FY2024 & FY2025 Budget As a Percentage of Total Revenue



General Fund Expenditures By Department FY2025



General Fund Proposed Budget FY2025

General Fund		
Fund Balance – Working Capital-Beginning	\$12,747,032	
Revenues		\$18,710,244
Expenditures		<u>(\$17,834,538)</u>
Revenues Over(Under) Expenditures		\$875,706
Transfers		(\$1,650,000)
Fund Balance – Working Capital-Ending	\$11,972,738	
Fund Balance as a % of operating expenditures		67%

 = FUNDED

 = NOT FUNDED



Note: All position requests funding is inclusive of salary and benefits

FY2025 General Fund Budget Requests City-Wide



Market Adjustment - \$297,395 (Preliminary)

- Last completed in 2021 and should be reviewed every 3-5 years to ensure the City remains competitive with comparable cities to attract and retain staff
- Completed by McGrath Consulting Group
- Each position was evaluated based on duties/current salary class with mark adjustment determined for each pay class and position
- Current PD Compensation Schedule Exceeds the 60th Percentile of the current compensation market – 2.5% COLA adjustment with STEP Program continuing
- Current General Schedule – Adjusted beginning pay ranges by 4.5% with percentages between each additional pay range being 7%-12% (currently 5%-15%) with increases of 2.4% to 12.7% for the minimum salary in each pay range. This compensates for a market adjustment & COLA with the STEP Program continuing

FY2025 General Fund Budget Requests City-Wide

TMRS Retiree COLA - \$387,990

- Initiative recommended by the City's Wellness and Benefits Committee
- FY2025 TMRS Rate = 8.00%
- COLA/USC Rate = 12.42%
- Would provide a COLA to retirees that is equal to 70% of the annual change in CPI
- Other options at 30% and 50% are also available
- Also provide a 50% Updated Service Credit (USC) to all employees on an annual basis (Designed to help a member's benefit maintain its value over the duration of the member's career. TMRS looks at increases in the member's salary and at any changes, the city has made to its TMRS plans, such as the deposit rate or the city's matching ratio).

FY2025 General Fund Budget Requests City-Wide



STEP Program -\$100,232 (PD & NonPD)

- Continuation from the FY2024 Budget
- Each employee in their position 1 year or longer will be given a 2.5% STEP increase
- Receive April 1, 2025 (6 months of fiscal year)
- Note: All employees qualify for the market adjustment and/or 2.5% STEP increase.
- All employees who have been in their current position for one year or longer will qualify for the 2.5% STEP.
- If an employee's current salary is below the minimum of the adjusted pay class, the employee's salary will be raised to the market-adjusted new minimum of their current pay class or recommended new pay class per the compensation study.

FY2025 General Fund

Budget Requests – Administration, HR, & Finance

Administration Personnel Requests - \$97,371

-  • Grant & Planning Administrator X 1 (12 months)

Human Resources Personnel Requests - \$17,265

-  • Administrative Assistant reclassified to Human Resource Coordinator (Payclass 105 to Payclass 120 x 6 months)
-  • Human Resource Specialist reclassified to Senior Human Resource Specialist (Payclass 135 to Payclass 145 x 12 months)

Finance Personnel Requests - \$6,704

-  • Purchasing Coordinator reclassified to Purchasing Administrator (Payclass 150 to 155 x 12 months) – recommended per compensation study

FY2025 General Fund Budget Requests – Police Department

Personnel Requests - \$214,014

-  • Officers X 2 (9 months each)
-  • Records Manager X 1 (11 months)

Vehicle Requests: \$265,280

-  • Police Vehicles & Outfitting x 4

Equipment Requests

-  • ATV

FY2025 General Fund Budget Requests – IT & Communications

IT Personnel Requests: \$79,178



- GIS Technician x 1 (12 months)



- Reclass IT Systems Administrator (Payclass 150 to 155 x 12 months) – recommended per compensation study

Communications Personnel Requests: \$72, 474



- Community Engagement Specialist x 1 (12 months with 35% cost share from the EDC A & B Boards)

FY2025 General Fund Budget Requests – Public Works

Personnel Requests: \$209,861.38



- Reclass Projects & Operations Supervisor to PW Manager (Payclass 150 to 160 for 12 months)



- Reclass Traffic Control Maintenance Tech II to Traffic Control Maintenance Crew Leader (Payclass 115 to 125 for 12 months)



- Parks Maintenance Worker x 1 (9 months)



- Streets & Right of Way Maintenance Tech II x 1 (11 months)



- Custodian (full- time & part-time) x 2 (11 months)



- Facilities Maintenance Tech II x 1 (12 months)



- Traffic Control Maintenance Crew Leader x 1 (12 months) - reclass current Traffic Control Maintenance Tech II

FY2025 General Fund – Budget Requests – Public Works (continued)

Position Requests Continued:

-  • Recreation Coordinator x 1 (12 months)
-  • Project Manager x 1 (12 months) - shifted to Utility Manager position budgeted in Fund 500

Vehicle Requests: \$36,600

-  • Chevy Colorado (In Exchange for F-150s and 1 DS Truck to be transferred to PW)
-  • F-250 x 2 = \$113,200
-  • F-150 x 2 = \$93,200

Equipment Requests: \$22,000

-  • Rapid Response Trailer x 1

Utility- Enterprise Fund (500)

FY2025 Budget

This fund is used to account for all operations in a manner like private business enterprises (enterprise funds). This fund is financed and recovered through user fees.

Water & Wastewater Utility Fund		
Fund Balance – Working Capital-Beginning	\$4,403,955	
Revenues		\$22,448,813
Expenditures		<u>(\$14,320,658)</u>
Revenues Over(Under) Expenditures		\$8,128,155
Transfers		(\$6,425,745)
Fund Balance – Working Capital-Ending	\$6,106,365	
Fund Balance as a % of operating expenditures		43%

Budget Overview

FY2025 Capital Fund – Utility Requests

Personnel Requests: \$274,667

-  **Utilities Manager (PW Project Manager) x 1 (11 months)**
-  **Utilities Operations Supervisor x 1 (12 months)**
-  **Customer Service Representative II x 1 (12 months)**

 **Vehicle Requests: - \$46,600**

F-150 x 1

Capital Projects Funds

- **General Government – Fund 300**
- **Utility – Water/Wastewater – Fund 501**
- **CCR Reserve – Fund 551**

Capital Project Fund FY2025

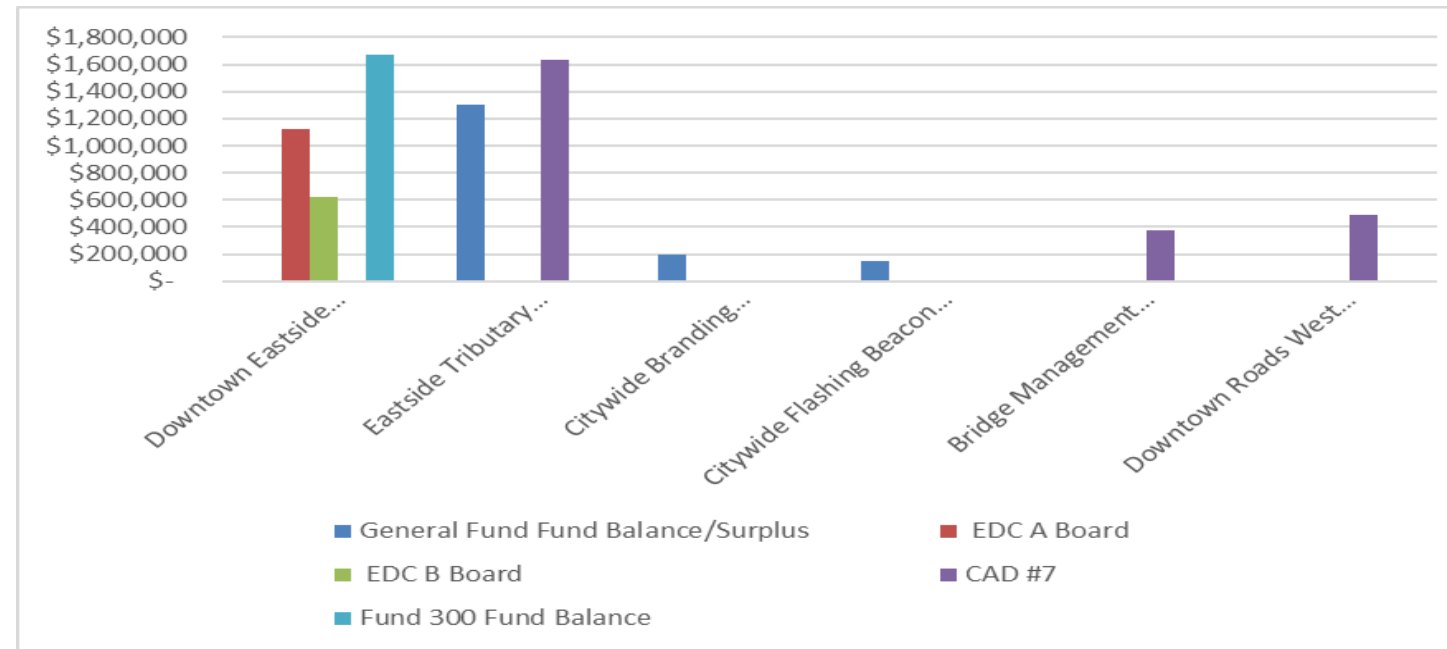
General Government – Fund 300

General Government		
Fund Balance – Working Capital-Beginning	\$2,029,591	
Revenues		\$5,970,000
Expenditures		<u>(\$7,522,300)</u>
Revenues Over(Under) Expenditures		<u>(\$1,552,300)</u>
Fund Balance – Working Capital-Ending	\$477,291	



General Government Projects & Funding Sources - Fund 300

FY2025 FUND 300 PROJECT FUNDING SOURCES						
Project	General Fund Fund Balance/Surplus	EDC A Board	EDC B Board	CAD #7	Fund 300 Fund Balance	Total
Downtown Eastside Drainage (D20B) - Construction Phase		\$ 1,125,000	\$ 625,000		\$ 1,671,000	\$ 3,421,000
Eastside Tributary Drainage Improvements (D22A) - Construction Phase	\$ 1,251,300			\$ 1,637,500		\$ 2,888,800
Citywide Branding Implementation (FPT22E)	\$ 200,000					\$ 200,000
Citywide Flashing Beacon Installation & Upgrade (ST25A)	\$ 150,000					\$ 150,000
Bridge Management Program (NEW)				\$ 375,000		\$ 375,000
Downtown Roads West (NEW) - Design Phase				\$ 487,500		\$ 487,500
Grand Total	\$ 1,601,300	\$ 1,125,000	\$ 625,000	\$ 2,500,000	\$ 1,671,000	\$ 7,522,300



Capital Project Fund FY2025

Utility - Water/Wastewater – Fund 501

Fulshear Capital Projects		
Fund Balance – Working Capital-Beginning	\$3,398,036	
Revenues		\$44,580,480
Expenditures		<u>(\$44,787,000)</u>
Revenues Over(Under) Expenditures		(\$206,520)
Fund Balance – Working Capital-Ending	\$3,191,516	



Water/Wastewater Projects Funding Sources - Fund 501

FY2025 FUND 501 PROJECTS			
Projects	Utility Fund	Bonds	Total
Water Meter Updates (W21D)	\$ 893,000		
Eastside Tributary Drainage Improvements (D22A)	\$ 90,000		
Water Rate Study & Impact Fee Update (NEW)	\$ 25,000		
Chloramine Conversion (NEW)	\$ 378,000		
Downtown Water Plant No. 2 Offsite Wells & Improvements (NEW)		\$ 2,578,000	
Lift Station No. 10 Upgrades (WW18H)		\$ 1,572,000	
WWTP at CCR Site (WW22B)		\$ 21,610,000	
Diversion Lift Station (WW22C)		\$ 11,652,000	
Lift Station No. 11 Expansion (WW22D)		\$ 4,788,000	
Lift Station No. 2 Capacity Expansion (NEW)		\$ 462,000	
Lift Station No. 4 Capacity Expansion (NEW)		\$ 714,000	
Wastewater Rate Study and Impact Fee (NEW)		\$ 25,000	
Grand Total	\$ 1,386,000	\$ 43,401,000	\$ 44,787,000

Note: Utility Fund projects are funded with Capital Recovery Fees or Impact Fees



Capital Project Fund FY2025

CCR Reserve – Fund 551

CCR Reserve			
Fund Balance – Working Capital-Beginning		\$307,901	
Revenues (derived from interest only)			\$60,000
Expenditures			<u>\$0</u>
Revenues Over(Under) Expenditures			\$60,000
Fund Balance – Working Capital-Ending		\$367,901	



Special Revenue/Other Funds



Vehicle & Equipment Replacement Fund (150) - FY2025

Vehicle Replacement Fund		
Fund Balance – Working Capital-Beginning	\$32,500	
Revenues		\$489,164
Expenditures		<u>(\$386,653)</u>
Revenues Over(Under) Expenditures		\$102,511
Fund Balance – Working Capital-Ending	\$135,011	

The following vehicles/ equipment are being replaced in FY2025:

- **Police Department: 4 Police Units and 2 Outfittings**
- **Development Services: 1 Chevy Colorado**
- **Public Works: 1 Zero Turn Scag Mower, 1 Rhino Ditch Mower, Ford F-250 Crew Cab**



County Assistance District #7 (CAD)

Fund (250) - FY2025

County Assistance District #7 (CAD)		
Fund Balance – Working Capital-Beginning	\$2,593,690	
Revenues		\$1,150,000
Expenditures		<u>(\$3,100,000)</u>
Revenues Over(Under) Expenditures		(\$1,950,000)
Fund Balance – Working Capital-Ending	\$643,690	

The following programs/projects are being funded by CAD #7 for FY2025:

- Eastside Tributary (Fund 300) - \$1,637,500
- Bridge Management Program (Fund 300) - \$375,000
- Downtown West Roads – Design (Fund 300) - \$487,500
- Street, Signage, Markings Management Program (Fund 100) - \$500,000
- Drainage Management Program (Fund 100) - \$100,000



Debt Service Fund (400) – FY2025

Debt Service			
Fund Balance – Working Capital-Beginning		\$444,325	
Revenues			\$5,182,315
Expenditures			(\$5,086,000)
Revenues Over(Under) Expenditures			\$96,315
Fund Balance – Working Capital-Ending		\$540,639	

FY23 Bond Issuance Debt Service payment for \$2,376,000 (principal & interest) and interest only payment for the FY25 Bond Issuance for \$650,000 is included in expenditures along with annual MUD payments and annual payment for the ILA – Texas Heritage Parkway

NOTE: The debt service fund is shown separately during the budget for presentational purposes and gets combined with the general fund during the annual audit with any deficit being eliminated (prior year ending fund balances due to actual annual MUD payments)



Type A-Development Corporation Budget FY2025 (Fund 600)

Type A Development Corp		
Fund Balance – Working Capital-Beginning	\$2,449,854	
Revenues		\$2,180,200
Expenditures		<u>(\$1,651,890)</u>
Revenues Over(Under) Expenditures		\$528,310
Fund Balance – Working Capital-Ending	\$2,978,164	

Note: EDC is paying 35% of the Community Engagement Specialist position with Communications



Type A-Development Corporation Budget FY2025 (Fund 601)

Type A Development Corporation Project Fund		
Fund Balance – Working Capital-Beginning	\$2,265,146	
Revenues		\$1,180,000
Expenditures		<u>(\$1,606,167)</u>
Revenues Over(Under) Expenditures		(\$426,168)
Fund Balance – Working Capital-Ending	\$1,838,979	



Type B - Development Corporation Budget FY2025 (Fund 700)

Type B Development Corporation		
Fund Balance – Working Capital-Beginning	\$2,026,535	
Revenues		\$2,180,200
Expenditures		<u>(\$1,041,890)</u>
Revenues Over(Under) Expenditures		\$1,138,310
Fund Balance – Working Capital-Ending	\$3,164,845	

Note: EDC is paying 35% of the Community Engagement Specialist position with Communications



Type B - Development Corporation Budget FY2025 (Fund 701)

Type B Development Corporation Project Fund		
Fund Balance – Working Capital-Beginning	\$2,120,376	
Revenues		\$680,000
Expenditures		<u>(\$1,116,167)</u>
Revenues Over(Under) Expenditures		(\$436,166)
Fund Balance – Working Capital-Ending	\$1,684,209	



Any Questions?

