



Proposed Annual Budget Fiscal Year 2025-2026



FY2025-26 Proposed Budget—Public Hearing
August 18, 2025



PROPOSED FY 2025-2026 BUDGET

Section 102.005 of the Texas Local Government Code requires that the following statement be placed on the cover page of the proposed budget:

THIS BUDGET WILL RAISE MORE REVENUE FROM PROPERTY TAXES THAN LAST YEAR'S BUDGET BY AN AMOUNT OF \$908,505, WHICH IS A 8.79% INCREASE FROM LAST YEAR'S BUDGET. THE PROPERTY TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR IS \$255,365.

Budget Emphasis based on Town's Strategic Plan – Focus Areas

❑ Infrastructure

- Construction of Fairview Parkway
- Construction of AMI metering system
- Continued road maintenance plan

❑ Public Safety

- Expanded police services by hiring 1 police officer
- Addition of police & fire equipment and training to expand capabilities
- Expansion of Police Facilities

❑ Community Development & Economic Development

- Updates to Town ordinances
- Planning for expanded Trail/Park facilities



Budget Emphasis based on Town's Strategic Plan – Focus Areas

☐ Fiscal Accountability

Provide funding for employee compensation and benefits for retention and recruitment

Provide planning for vehicle and equipment replacement

Continued planning for updates to the Capital Improvement Plan

☐ Community Engagement

Upgrade to the Town website for improved citizen communication

Develop a Town Communication Plan



Budget Highlights: General Fund

- ❑ Proposed Tax Rate, \$0.316658 an increase of \$0.0064 from FY25
- ❑ Funds personnel items, including funds for merit and market adjustment, insurance increases, personnel adjustments
- ❑ Includes new Public Works vehicles, Police, and Fire equipment



Budget Highlights:

Utility Fund

- ❑ The estimated rate increase in water and sewer rates for FY25-26 is 9% and 15.51%, respectively.
- ❑ The water budget includes personnel items, including funds for merit and market adjustment, insurance increases, and a new Maintenance Worker position
- ❑ Funds replacement and purchase of vehicles and equipment
- ❑ Funds to conduct water and sewer rate study



FY 2025-26: Total Revenues and Expenditures

Fund	Revenues	Expenses
General	\$ 13,470,864	\$ 13,468,724
Water & Wastewater	10,850,000	11,559,553
Solid Waste	1,047,090	1,069,494
Debt Service	2,924,488	2,904,708
Stormwater	400,000	369,608
Economic Development	1,140,000	1,176,472
Community Development	1,140,000	1,200,620
CIP	4,784,093	7,520,200
Other Operating	1,645,297	987,100
Subtotal	\$ 37,401,832	\$ 40,256,480
Internal Transfers	(2,467,987)	(2,467,987)
Total	\$ 34,933,845	\$ 37,788,493



General Fund Revenues

General Fund Revenues	Actual	Adopted	EOY Estimate	Proposed	Change-EOY Estimate to Proposed	
	FY 2023-24	FY 2024-25	FY 2024-25	FY 2025-26	Amount	Percent
Property Taxes	\$6,387,492	\$7,065,000	\$7,015,000	\$7,765,000	\$750,000	10.69%
Sales Taxes	2,138,552	2,100,000	2,200,000	2,100,000	(100,000)	-4.55%
Mixed Beverage Taxes	103,383	100,000	110,000	110,000	-	0.00%
Franchise Fees	732,808	637,000	767,000	701,000	(66,000)	-8.60%
Licenses & Permits	378,243	279,200	360,850	295,550	(65,300)	-18.10%
Charges & Fines	635,403	528,900	623,600	629,900	6,300	1.01%
Other	1,058,780	1,108,715	1,080,800	705,185	(375,615)	-34.75%
Transfers	852,600	852,600	852,600	1,164,229	311,629	36.55%
Use of Reserves	-	-	-	-	-	0.00%
Total Revenues	\$ 12,287,260	\$ 12,671,415	\$ 13,009,850	\$ 13,470,864	\$ 461,014	-18%



General Fund Expenditures

General Fund Expenditures	Actual	Adopted	EOY Estimate	Proposed	Change-EOY Estimate to Proposed	
	FY 2023-24	FY 2024-25	FY 2024-25	FY 2025-26	Amount	Percent
Non-Departmental	\$ 602,370	\$ 579,313	\$ 707,870	\$ 732,800	\$ 24,930	3.52%
Mayor & Council	43,998	32,500	35,400	31,800	(3,600)	-10.17%
Administration	866,332	960,236	939,562	1,016,382	76,820	8.18%
Accounting	732,594	750,629	744,044	784,401	40,358	5.42%
Town Secretary	164,871	236,855	206,275	248,124	41,849	20.29%
Planning	182,880	196,003	191,881	207,823	15,941	8.31%
Police	3,269,423	3,563,071	3,456,011	3,775,346	319,334	9.24%
Fire	4,758,407	4,970,259	4,995,968	5,280,775	284,807	5.70%
Public Works	614,174	639,955	655,817	688,831	33,014	5.03%
Inspections	251,046	261,888	263,834	265,511	1,677	0.64%
Municipal Court	217,171	253,817	238,174	271,182	33,008	13.86%
Facilities Maintenance	84,560	85,644	85,979	95,749	9,770	11.36%
Transfers	693,300	140,000	441,000	70,000	(371,000)	-84.13%
	\$ 12,481,125	\$ 12,670,170	\$ 12,961,815	\$ 13,468,724	\$ 506,909	-3%



General Fund Balance

General Fund Summary & Fund Balance	Actual	Adopted	EOY Estimate	Proposed
	FY 2023-24	FY 2024-25	FY 2024-25	FY 2025-26
Beginning Fund Balance	\$6,190,338	\$6,025,597	\$5,996,473	\$6,044,508
Total Revenues	\$12,287,260	\$12,671,415	\$13,009,850	\$13,470,864
Total Expenditures	\$12,481,125	\$12,670,170	\$12,961,815	\$13,468,724
Surplus (Deficit)	(\$193,865)	\$1,245	\$48,035	\$2,140
Audit Adjustments				
Unassigned Ending Fund Balance	\$5,996,473	\$6,026,842	\$6,044,508	\$6,046,648
90-Day Expenditure Requirement	\$3,120,281	\$3,167,543	\$3,240,454	\$3,367,181
Percentage of Fund Balance	48%	48%	47%	45%



Water Rate Structure

9% Increase Proposed for Water Rates

Gallons Used	Current	Proposed
Residential		
Base Rate: 0 - 2,000	\$28.10	\$30.63
2,001 - 10,000	\$6.13	\$6.68
10,001 - 20,000	\$7.65	\$8.34
20,001 - 30,000	\$9.58	\$10.44
30,001 - 40,000	\$10.54	\$11.49
40,001 - 50,000	\$11.58	\$12.63
Over 50,000	\$15.38	\$16.76
Residential-Special		
Detached & Attached single family homes in which HOA		
provides, maintains & manages irrigation of all common areas		
& exterior lots. Rate Structure for Residential-Special will be		
same as Residential above except the top-tier is over 40,000		
gallons.		
Commercial		
Base Rate: 0 - 1,000	\$33.72	\$36.76
1,001 - 30,000	\$7.66	\$8.35
30,001 - 40,000	\$9.73	\$10.61
Over 40,000	\$15.36	\$16.75



Wastewater Rate Structure

15.51% Increase Proposed for Sewer Rates

Gallons Used	Current	Proposed
Residential		
Base Rate: 0 - 1,000	\$45.05	\$52.04
1,001 - 10,000	\$7.54	\$8.71
Residential w/o Town water service	\$129.73	\$149.85
Commercial		
Base Rate: 0 - 1,000	\$67.02	\$77.42
Each 1,000	\$7.54	\$8.71



Water & Wastewater Average Bill

Effective October 1, 2025*				
Average Residential Water Usage: 10,000 gallons				
Water Rates	Current Rates	Monthly Cost	9% Increase	
Base Rate up to 2,000 gal	\$28.10	\$28.10	\$30.63	\$ 30.63
2,001 - 10,000 gal	\$6.13/1,000	\$ 49.05	\$6.68/1,000	\$ 53.46
		\$ 77.15		\$ 84.09
Monthly Water Increase				\$ 6.94
Sewer Rates	Current Rates	Monthly Cost	15.51% Increase	
Base Rate up to 1,000 gal	\$45.05	\$45.05	\$52.04	\$52.04
1,001 - 10,000 gal	\$7.54/1,000	\$ 67.83	\$8.71/1,000	\$ 78.35
		\$112.88		\$130.39
Monthly Sewer Increase				\$17.51
Total Monthly Charges		\$ 190.03	\$	214.48
Total Monthly Increase			\$	24.45

*If approved



Water & Wastewater Fund Revenues

Water & Wastewater Fund Revenues	Actual	Adopted	EOY Estimate	Proposed	Change-EOY Estimate to Proposed	
	FY 2023-24	FY 2024-25	FY 2024-25	FY 2025-26	Amount	Percent
Water Sales	\$8,721,352	\$7,626,000	\$7,500,000	\$7,950,000	\$450,000	6%
Sewer Charges	2,320,314	2,275,000	2,275,000	2,548,000	273,000	12%
Lease/Rental Income	198,846	200,000	200,000	200,000	-	0%
Miscellaneous Income	132,961	106,000	140,658	122,000	(18,658)	-13.26%
Interest Income	32,768	10,000	30,000	10,000	(20,000)	-66.67%
Transfers	20,000	20,000	20,000	20,000	-	0.00%
Total Revenues	\$11,426,242	\$10,237,000	\$10,165,658	\$10,850,000	\$684,342	-61.93%



Water & Wastewater Fund Expenses

Water & Wastewater Fund Expenses	Actual	Adopted	EOY Estimate	Proposed	Change-EOY Estimate to Proposed	
	FY 2023-24	FY 2024-25	FY 2024-25	FY 2025-26	Amount	Percent
Non-Departmental	\$1,898,151	\$2,124,932	\$2,688,552	\$2,583,436	(\$105,117)	-3.91%
Water Distribution	5,526,769	5,969,559	5,831,871	6,537,215	705,344	12.09%
Utility Billing	266,872	276,335	237,907	336,639	98,732	41.50%
Wastewater	1,842,232	2,214,923	1,879,108	2,102,264	223,156	11.88%
Total Expenses	\$9,534,024	\$10,585,749	\$10,637,438	\$11,559,553	\$922,116	61.56%



Water & Wastewater Fund Cash & Investments

Water & Wastewater Fund Cash & Investment Balance	Actual	Adopted	EOY Estimate	Proposed
	FY 2023-24	FY 2024-25	FY 2024-25	FY 2025-26
Beginning Cash & Investments	5,753,876	6,572,886	7,646,095	7,174,315
Total Revenues	11,426,243	10,237,000	10,165,658	10,850,000
Total Expenses	9,534,024	10,585,749	10,637,438	11,559,553
Net Income (Loss)	1,892,219	(\$348,749)	(\$471,780)	(\$709,553)
Non-Cash Adjustments	\$0	\$0	\$0	\$0
Ending Cash & Investments	7,646,095	\$6,224,137	\$7,174,315	\$6,464,762
60 Days Cash Expenses	\$1,589,004	\$1,764,292	\$1,772,906	\$1,926,592
Excess	6,057,091	\$4,459,846	\$5,401,409	\$4,538,169
Number Days Excess	229	152	243	201



Other Operating Funds

Other Operating Funds	Fund Balance	FY 2025-26	FY 2025-26	Fund Balance
	10/1/2025	Revenues	Expenditures	9/30/2026
Solid Waste	\$83,886	\$1,047,090	\$1,069,494	\$61,482
Debt Service	497,044	2,924,488	2,904,708	516,824
Vehicle Replacement Fund	1,288,686	211,170	422,700	1,077,156
Stormwater	929,395	400,000	369,608	959,787
Economic Development	2,236,183	1,140,000	1,176,472	2,199,711
Community Development	1,950,133	1,140,000	1,200,620	1,889,513
Court	220,975	25,200	35,000	211,175
Technology	206,989	177,588	299,400	85,177
Fire Donation	92,474	38,000	25,000	105,474
Hotel / Motel	621,777	260,000	130,000	751,777
Fairview TIRZ #1	2,638,010	933,339	75,000	3,496,349
Relief Fund	35,867	0	0	35,867



Trash Rate Structure

4.5% Increase Proposed for Solid Waste Services

Republic Services Trash Services	Current	Proposed
Residential		
Regular Trash Collection Services	\$12.56	\$13.13
Senior Trash Collection Services	\$11.01	\$11.50
Carry Out - Handicapped Services	\$12.56	\$13.13
Carry Out - Non-Handicapped Services	\$25.70	\$26.86
Recycling Services	\$6.31	\$6.59
Brush/bulk Services	\$2.20	\$2.29
Town Administrative Fee	\$1.80	\$1.88
Extra Cart	\$8.87	\$9.27
Extra Cart (Carry Out)	\$11.11	\$11.61
Monthly Garbage Bill	\$22.87	\$23.89
Monthly Senior Garbage Bill	\$21.31	\$22.27
Monthly Handicapped Garbage Bill	\$22.87	\$23.89
Monthly Non-Handicapped Garbage Bill	\$36.00	\$37.62



Next Steps:

- ❑ Monday August 25th (3:00 p.m.)
 - Town Council to adopt FY24-25 Amended Budget and FY 25-26 Proposed Budget





FY25-26 Budget Public Hearing

QUESTIONS & DISCUSSION