



City of Fredericksburg

City Council Special Budget Meeting Agenda
Wednesday, July 9, 2025 ~ 2:00 PM
115 N. Crockett Street
John Wm. Klein Room
Fredericksburg, Texas 78624

Jeryl Hoover, Mayor
Emily Kirchner, Mayor Pro-Tem
Bobby Watson, Councilmember

Tony Klein, Councilmember
Todd Eidson, Councilmember/Pro Tem
Clinton Bailey, City Manager

The City of Fredericksburg City Council will meet in a special session on Wednesday, July 9, 2025, at 2:00 PM. The meeting will be recorded & available for re-watch on the City's website: fredericksburgtx.portal.civicclerk.com.

The City Council welcomes citizen participation and comments at all City Council Meetings on Agenda Items.

Comment Card for Written or Verbal Comments-submitted by 4 p.m. the day before the meeting.

- i. Complete the Comment Card online at www.fbgtx.org;
- ii. Make sure to check the appropriate box (verbal or written);
- iii. Only one agenda item per Comment Card.

Sign up in person between 1:30 pm and 2 pm at the meeting location.

- i. Only one agenda item per Comment Card;
- ii. Speakers will be limited to three minutes to speak. **Please Note:** The Mayor may reduce the number of minutes for any speaker during Public Comment on a single agenda item depending on the number of people who sign up for it.
- iii. Any citizen with handouts should provide them to the City Secretary before speaking. If you wish the City Council to receive your handouts for the meeting, please provide 10 copies; if not, the City Council will receive your handouts the following day.

NOTE: The City Council may recess into Executive Session to consider any item listed on this agenda if a matter is raised that is appropriate for discussion. An announcement will be made on the basis for the Executive Session discussion. The City Council may also publicly discuss any item listed on the agenda for Executive Session.

Attendance By Other Elected or Appointed Officials: It is anticipated that the Planning & Zoning Commission, Historic Review Board, and Zoning Board of Adjustment members may attend the City Council Meeting at the date and time above in numbers that may constitute a quorum. Notice is hereby given that at the City Council Meeting at the date and time above, no Board or Commission action will be taken by such in attendance unless such item and action are specifically provided on a separate agenda posted subject to the Texas Open Meeting Act. This is not an agenda of an official meeting of the City Boards or Commissions.

1. CALL TO ORDER - Mayor Jeryl Hoover

2. OTHER ACTION ITEMS AND UPDATES

- A. Overview and Discussion of the Requested Fiscal Year 2026 Budget for the City of Fredericksburg. (Krista Wareham, Finance Director)

3. ADJOURN

CERTIFICATION

This is to certify that I, Leticia Vacek, posted this agenda at 10:30 am on July 3, 2025 on the bulletin board of the City of Fredericksburg City Hall, 126 W. Main St., Fredericksburg, Texas.

Leticia Vacek

Leticia Vacek, TRMC/CMC/MMC
City Secretary



FY 2026 Proposed Budget

Special Council Meeting July 9, 2025

Today's Discussion

City of Fredericksburg FY 2026 Proposed Budget

- 1. City Council Priorities***
- 2. Budget Overview***
- 3. Personnel-New Requests***
- 4. Preliminary Property Tax Levy (M&O, I&S)***
- 5. Capital Requests***
- 6. General Fund Additional Revenue Sources***
- 7. Budget Calendar***

City Council Priorities

Mayor Hoover: Expand historic preservation and the arts; Expand recreational/educational opportunities for our children/youth

Mayor Pro Tem Kirchner: Grant opportunities; Hotel tax collection and distribution; Main Street designation

Councilmember Watson: Water conservation; Solid Waste/Recycling; Transportation projects; Main Street initiatives; City employee wages and benefits; Development Services Department

Councilmember Klein: Law enforcement; Transportation projects/traffic issues; Ordinance enforcement; Development/Contractor communications

Councilmember Eidson: Water conservation; Historical Review Board; Pedestrian safety/mobility; Parks and recreation; Affordable housing; Hotel tax collection and distribution; Middle school campus; Turner Hall and Former Texas Rangers facilities

Budget Overview

City Wide YTD vs Budget 2026	FY 2025 Budget-			FY 2026 Requested		Variance % 2025/2026
	FY 2025 YTD	Amended	Variance %	Budget	Variance	
Revenues	\$ 51,423,982	\$ 74,332,924	69%	\$ 71,893,006	\$ (2,439,918)	-3%
Expenses:						
Personnel	\$ 17,603,205	\$ 26,395,760	67%	\$ 27,908,182	\$ 1,512,422	6%
Administration Fees	\$ 58,831	\$ 87,489	67%	\$ 87,489	\$ -	0%
Hotel Tax Distributions	\$ 3,972,161	\$ 5,039,890	79%	\$ 4,334,915	\$ (704,975)	-14%
Maintenance & Operations	\$ 13,625,703	\$ 23,126,271	59%	\$ 23,610,007	\$ 483,736	2%
Intercompany Transfer Out	\$ 2,833,977	\$ 5,056,848	56%	\$ 5,940,849	\$ 884,001	17%
Intergovernmental Transfer Out	\$ 1,019,013	\$ 1,684,554	60%	\$ 1,786,195	\$ 101,641	6%
Capital	\$ 3,995,817	\$ 11,513,110	35%	\$ 11,796,999	\$ 283,889	2%
Debt Requirement	\$ 5,173,411	\$ 6,645,316	78%	\$ 6,183,312	\$ (462,004)	-7%
Total Expenses	\$ 48,282,116	\$ 79,549,238	61%	\$ 81,647,948	\$ 2,098,710	3%
Net	\$ 3,141,865	\$ (5,216,314)		\$ (7,656,232)	\$ (81,989,156)	

Budget Overview

Personnel \$27,908,182 for FY 2026 (Increase of 6% over 2025 - 200 Full-Time, 8 Vacancies, 5 New position requests, 5 Council and part-time staff)

Budget Increases including TMRS/TAX:

- 2.5% increase - Step-Plan employees (First Responders)
 - \$147k
- 2.0% increase - Cost of Living (All active full-time staff)
 - \$118k (Step-Plan)
 - \$284k (All other active full-time)
- 2.0% increase – Merit
 - \$284k (Active full-time, no step-plan employee)

Other:

- Health Insurance
 - \$2.3M (All active full-time)
- Overtime-First Responders
 - \$952k
- Certification Pay (First Responders, Public Works, Municipal Court)
 - \$226k

Budget Overview-New Personnel Requests

Municipal Court:

- Court Administrator
- Deputy Clerk (part-time to full-time)

Police Department:

- Records Analyst

Public Works:

- Public Works Outreach
- Sanitation Driver

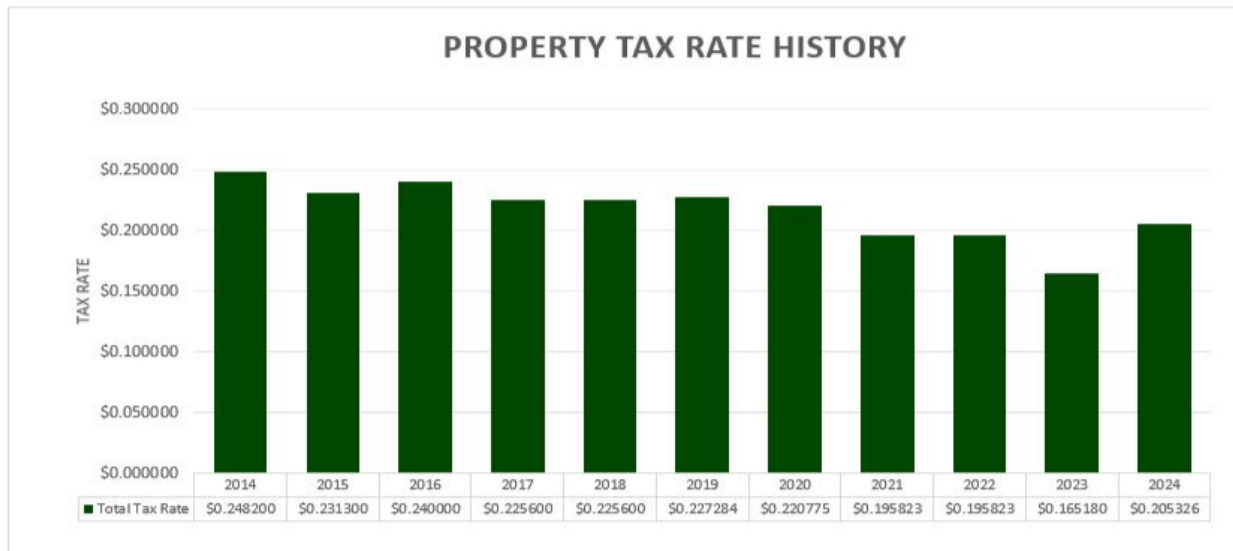
Budget Impacts:

General Fund \$292,191

Enterprise Funds \$151,646

**Total \$443,837 (includes
benefits)**

Preliminary Tax Levy



CITY OF FREDERICKSBURG TAX RATE	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Maintenance & Operations	\$0.199200	\$0.176100	\$0.202500	\$0.162700	\$0.187980	\$0.189749	\$0.184625	\$0.168029	\$0.169967	\$0.152612	\$0.181264
Interest & Sinking	\$0.049000	\$0.055200	\$0.037500	\$0.062900	\$0.037620	\$0.037535	\$0.036150	\$0.027794	\$0.025856	\$0.012568	\$0.024062
Total Tax Rate	\$0.248200	\$0.231300	\$0.240000	\$0.225600	\$0.225600	\$0.227284	\$0.220775	\$0.195823	\$0.195823	\$0.165180	\$0.205326

- FY 2025 Total Levy \$7,661,788 (\$0.181264 M&O, \$0.024062 I&S)
- FY 2026 Preliminary Levy \$8,638,012**

** \$441k estimated increase in tax revenue for new property based on the current tax rate of \$0.205326, Property count 9,939 (Gillespie County Appraisal District, May 8, 2025)

Budget Overview-Capital Requests

General Fund

<u>Department</u>	<u>Capital Request</u>	<u>Amount</u>	<u>Funding</u>
	Admin-New City Hall - East Campus Prof Fees	170,000	Cash
Admin	Admin-CH-East Campus Construction	440,096	Cash
Admin	CH-East Campus Furnishings	122,580	Cash
Admin	CH-East Campus Signage	9,180	Cash
Admin	CH-East Campus HVAC - Chapel	4,156	Cash
Police	Police Equipment	142,428	Cash
Police	Police Vehicles	433,650	Cash
Police	Animal Control Truck Mount	34,000	Cash
			Lease Purchase-8
Fire	Engine 2026	187,500	Year
Street	Street Equipment	5,592	Cash
Street	Sidewalks	100,000	Cash
Street	Tennis Club Parking Lot	35,000	Cash
			Lease Purchase-3
Street	Sweeper 2026	121,667	Year
			Lease Purchase-3
Street	Truck and Trailer	66,867	Year

Budget Overview-Capital Requests

General Fund-Continued

<u>Department</u>	<u>Capital Request</u>	<u>Amount</u>	<u>Funding</u>
Street	Crack Sealing Milam & Friendship	150,000	Cash
Street	Transportation Bond Project Professional Service	100,000	Cash
Parks	LBJMP Sewer Connections (Carry over from 2025)	95,000	Cash
Parks	OFP Lighting	402,000	Cash
Parks	Tatsch House Renovations/AC Replacement	40,000	Cash
Parks	Park Leisure Pool Plaster	91,800	Cash
Parks	Park Pool Cover	21,520	Cash
Parks	Town Pool Ramp	12,600	Cash
Parks	Pioneer Stage	15,000	Cash
Parks	Groundmaster 3300/JD 2026	44,517	Cash
Parks	Workman HDX 2026	43,055	Cash
Parks	Bucket Truck 2026	183,000	Cash
Dev. Services	Unified Development Code	175,000	Cash
Engineering	Update Aerial Photos	11,000	Cash
Total 01 - General Fund		3,257,209	

Budget Overview-Capital Requests

Electric

<u>Capital Request</u>	<u>Amount</u>	<u>Funding</u>
Inventory	699,393	Cash
Reconductor Main/Cherry	230,000	Cash
Reconductor San Antonio/Llano/Miliam	350,000	Cash
Reconductor Austin/Cherry/T Specht	225,000	Cash
Meter Testing Equipment	37,000	Cash
CH-East Campus Furnishings	36,320	Cash
CH-East Campus Signage	2,720	Cash
CH-East Campus HVAC - Chapel	<u>1,232</u>	Cash
Total 02 - Electric Fund	1,581,665	

Budget Overview-Capital Requests

Water

<u>Capital Request</u>	<u>Amount</u>	<u>Funding</u>
Inventory	352,000	Cash
Water Pump Station Pumps	45,000	Cash
Lift Station Pumps	20,000	Cash
Aeration Pump-WW Plant	10,000	Cash
SCADA	20,000	Cash
Water Main Rehab Proj 2022-2"	250,000	Cash
Water Main Rehab Proj 2022-4"	250,000	Cash
Maintenance for New Generators	40,000	Cash
Water Well Field Exploration	225,000	Cash
North Llano Water Line Rehab	300,000	Cash
Water/WW Master Plan Update	150,000	Cash
Windcrest Water Pressure Improvements	450,000	Cash
Warehouse Improvement	150,000	Cash
Hollmig Lane Lift Station (Impact Fees)	500,000	Cash
Rainwater Harvester Tanks	80,000	Cash

Budget Overview-Capital Requests

Water-Continued

<u>Capital Request</u>	<u>Amount</u>	<u>Funding</u>
Float Brush Aerators WRF	245,000	Cash
Professional Services Contract for New WRF	100,000	Cash
Sanitary Sewer Pipe Material Storage	50,000	Cash
Water and Sewer Extension - Tennis Club	250,000	Cash
Two Crew Worker Trucks	150,000	Cash
Dump Truck 2026	165,000	Cash
Skid Steer 2026	95,000	Cash
Skytrak Forklift 2026	140,000	Cash
CH-East Campus Construction	374,897	Cash
CH-East Campus Furnishings	38,590	Cash
CH-East Campus Signage	2,890	Cash
CH-East Campus HVAC - Chapel	<u>1,308</u>	Cash
Total 03 - Water Fund	4,454,685	

Budget Overview-Capital Requests

Sanitation

<u>Capital Request</u>	<u>Amount</u>	<u>Funding</u>
Other Capital	9,440	Cash
Replace Entrance Gate at Landfill	100,000	Cash
Cell 12 & 13 Construction	444,420	Cash
Fiber to Scale House	105,000	Cash
CH-East Campus Furnishings	29,510	Cash
CH-East Campus Signage	2,210	Cash
CH-East Campus HVAC - Chapel	<u>1,001</u>	Cash
Total 05 - Sanitation Fund	691,581	

Budget Overview-Capital Requests

EMS

Capital Request

South Station Roof (Carry over from 2025)

Ambulance 2026

Total 06 - EMS Fund

Amount

95,000

150,000

245,000

Funding

Cash

Lease Purchase-3 Year

Tourism

Parade Traffic Route (Carry over from 2025)

Main St Benches (Carry over from 2025)

Decorative Light Replacements at MP

John Deere Ztrak 2026

MP Fiber Project

Repaint Adelsverein Halle

Bollards

Substation Prof Fees

Glockenspiel

Garden Border

Substation Renovation

Total 07 - Hotel Tourism Fund

17,000

45,000

100,000

20,810

100,000

49,550

100,000

75,000

400,000

20,000

320,000

1,247,360

Cash

Cash

Cash

Cash

Cash

Cash

Cash

Cash

Cash

Cash

Cash

Budget Overview-Capital Requests

Stormwater/Veg. Mgmt

Capital Request

Smokehouse Road Drainage

Amount

120,000

Funding

Cash

Warehouse Improvement

100,000

Cash

Mower

12,000

Cash

Total 10 - Stormwater/Veg Mgmt

232,000

Police Forfeiture

Police Dept Equipment

2,500

Cash

Total 17 - Police Forfeiture

2,500

Animal Shelter

Temporary Holding Facility

85,000

Cash

Total 42 - Animal Shelter

85,000

Capital Grand Total

11,796,999

Capital additions and changes to personnel are pending based on fund balance reserves

Planning for Additional General Fund Revenues/Cost Savings

- Parking Management System
 - Estimated Annual Revenue \$5-7M
- City of Fredericksburg Utility Costs
 - \$800k Annually
 - General Fund - \$380k
 - Enterprise Fund - \$420k

**City of Fredericksburg
FY 2026 Proposed Budget Calendar**

April 15	Tuesday	Regular City Council Meeting – 9 am. Discussion related to the 2026 Budget and the Convention Visitors Bureau's Hotel/Occupancy Tax funding allocation
April 30	Wednesday	Deadline for Preliminary Tax Values from GCAD
May 2	Friday	The City Manager and Finance Director provide staff budget strategies and directives intended to guide the development of the FY 2026 Proposed Budget
May 6	Tuesday	Regular City Council Meeting – 9 am. Council review and approval of the FY 2026 Budget Calendar and Directives
May 7 – June 6		Staff development of FY 2026 Operating and Capital Budget Worksheets
June 9 – June 20		Staff will present an overview of each department's forecast requested FY 26 budget, including increases, reductions, and/or significant budgetary changes to the City Manager, ACM, and Finance staff.
June 23 – July 7		FY 2026 Requested Budget Review by City Manager, Assistant City Manager, and Finance Director
July 9	Wednesday	Staff presentation to City Council of major changes in Proposed Budget
July 14	Monday	Draft version of Proposed Budget sent to City Council (Operating and Capital)
July 25	Friday	Deadline for Certified Tax Values from GCAD
August 5	Tuesday	Regular City Council Meeting – 9 am. Submit Tax Rates to the City Council (Truth & Taxation Rates)
August 6	Wednesday	Publish Notice of Public Hearing on FY 2026 Budget (Send Monday Aug 4)
August 7	Thursday	Budget Workshop with City Council and County Commissioners
August 15	Friday	Deadline to File Proposed Budget with City Secretary
August 19	Tuesday	Regular City Council Meeting – 9 am. Proposed Tax Rate Approval *for the required notice of the tax rate public hearing
August 21	Thursday	Budget Workshop with City Council
August 27	Wednesday	Publish Tax Rate Notice (Send Monday Aug 25) *Notice of meeting to adopt tax rate **hearing if the proposed tax rate exceeds the no-new-revenue rate
September 2	Tuesday	Regular City Council Meeting – 9 am. Public Hearing-Proposed Budget, Public Hearing-Tax Increase (if necessary)
September 16	Tuesday	Regular City Council Meeting – 9 am. Council Adopts Separate Budget and Tax Rate Ordinances

FY 2026 Proposed Budget



- THANK YOU FOR ATTENDING
- QUESTIONS