



City Council Budget Workshop

Tuesday, July 15, 2025, 5:00 PM
Council Chambers
200 S. Main St.
Cibolo, Texas 78108

Est. Duration: 5 min

1. Call to Order

2. Roll Call and Excused Absences

3. Discussion/Direction

3.A. Discussion/Direction on FY26 Budget, including the Economic Development Fund, Development Services Fund, Water/Wastewater Utility Fund, Drainage Utility District Fund, Special Revenue Funds, General Fund, and Other Items.

4. Adjournment

This Notice of Meeting is posted pursuant to the Texas Government Code 551.041 - .043 on the front bulletin board of the Cibolo Municipal Building, 200 South Main Street, Cibolo, Texas which is a place readily accessible to the public at all times and that said notice was posted on

Peggy Cimics, TRMC

City Secretary

Pursuant to Section 551.071, 551.072, 551.073, 551.074, 551.076, 551.077, 551.084 and 551.087 of the Texas Government Code, the City of Cibolo reserves the right to consult in closed session with the City Attorney regarding any item listed on this agenda. This agenda has been approved by the city's legal counsel and subject in any Executive Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551. This has been added to the agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144.

A possible quorum of Council, committees, commissions, boards and corporations may attend this meeting.

This facility is wheelchair accessible and accessible parking space is available. Request for accommodation or interpretive services must be made 48 hours prior to the meeting. Please contact the City Secretary at (210) 566-6111. All cell phones must be turned off before entering the Council Meeting.

I certify that the attached notice and agenda of items to be considered by the City Council was removed by me from the City Hall bulletin board on the ____ day of _____ 2025.

Name and Title

Peggy Cimics

Date Posted: July 11, 2025



City Council Budget Workshop Staff Report

A. Discussion/Direction on FY26 Budget, including the Economic Development Fund, Development Services Fund, Water/Wastewater Utility Fund, Drainage Utility District Fund, Special Revenue Funds, General Fund, and Other Items.

Meeting	Agenda Group
Tuesday, July 15, 2025, 5:00 PM	Discussion/Direction Item: 3A.
From	
Peggy Cimics, City Secretary	

PRIOR CITY COUNCIL ACTION:

See below.

BACKGROUND:

This is the second budget workshop concerning the Fiscal Year 2026 (FY26) annual budget. The City Council initiated the budget process this year at its Strategic Management Workshop on April 5, 2025. At its first FY26 budget workshop in June, the City staff budget team presented information related to the development of the General Fund budget, including philosophy, process, timeline, requirements (City Charter and State law), preliminary property tax values, and 5 Year CIP. This annual budget development will include two (2) major budget workshops and multiple budget-related presentations at regular Council meetings and a workshop. The third budget workshop on July 31st is necessary, because the City will not receive the Truth-in-Taxation form from the Guadalupe Appraisal District (GAD) until July 25th (at the earliest); the City needs this form from GAD in order to verify the tax rate (No-New Revenue and Voter-Approval Rate). ***Therefore, the City Council will need to meet in advance of the August 12th Council meeting to give direction on the tax rate to set the FY26 General Fund budget (see below schedule).***

The following schedule is for the Fiscal Year 2025-2026 budget process:

- **March 25th City Council Regular Meeting**
 - Budget Schedule Overview, Parks 5-Year CIP, and all other 5-Year CIP Update
 - City staff informed City Council of four (4) specific dates for budget related meetings and workshops, including June 17th (Budget Workshop #1), July 15th (Budget Workshop #2), July 31st (Budget Workshop #3), and, if needed, August 5th (special meeting).
 -
- **April 5th Strategic Management Workshop**
 - Update on the progress on actions in the FY25 Strategic Plan and discussion on priorities for the future.
 - Council gave preliminary direction on Parks 5-Year CIP.
 -
- **June 17th June Budget Workshop**
 - FY26 budget development, budget requirements, Fund Balance Policy, and development of a fiscally constrained 5 Year CIP
 - City Council was provided the FY26 General Fund Base Budget (preliminary line-item detail)

-
- **July 8th Council Workshop and Regular Meeting**
 - At the Council workshop, City staff covered two topics – *Rethinking the City's Fund Balance Policy and Employee Market Compensation Study and Cost of Living Adjustment for FY26*.
 - During the regular meeting, the City Council gave direction to the city manager and staff on the City Fund Balance Policy, Employee Market Adjustments and COLA, and the 5-Year Fleet Replacement CIP.
-
- **July 16th July Budget Workshop**
 - Discussion/Direction on FY26 Budget, including the Economic Development Fund, Development Services Fund, Water/Wastewater Utility Fund, Drainage Utility District Fund, Special Revenue Funds, General Fund, and Other Items

NOTE: The City will NOT receive the 2025 Certified Appraisal Roll report and Truth-in-Taxation Tax Rate Calculation Sheet from the Guadalupe Appraisal District until July 25, 2025. Therefore, we do not have figures for the proposed tax rate (No-New Revenue and Voter-Approval Rate) at this time. The proposed tax rate will be calculated between Friday, July 25th, and Wednesday, July 30th. The City Council approved a budget workshop for July 31st at the March 25, 2025, Council meeting.

- **July 31st Budget Workshop 3**
 - Provide proposed tax rate based 2025 Certified Appraisal Roll report and Truth-in-Taxation Tax Rate Calculation Sheet from the Guadalupe Appraisal District, in turn project more accurate revenues to cover expenses
 - Determine need for another budget workshop on August 5th
 -
- **August 12th City Council Meeting**
 - Submission of the City Manager's proposed budget and budget related items
 - Council provides feedback on CM Proposed FY26 Budget
 - Set Maximum Tax Rate
 - Set Public Hearing Date for Property Tax Rate
 -
- **August 26th Regular Meeting**
 - Feedback on the City Manager's proposed budget provided at the August 12th Council meeting
 -
- **September 9th City Council Meeting**
 - City Council adopts the FY26 budget and takes action on tax rate and budget related items:
 - Public Hearings on Proposed FY26 Budget and Proposed 2025 Property Tax Rate
 - Approval of Council Strategic Plan FY25 – FY28 (if ready)
 - Adoption of Revised Fee Schedule by Ordinance
 - Approval of Fund Balance Policy Resolution (as directed by Council on July 8th)
 - Approval of Defeasance Resolution (if needed)
 - Approval of Paid Holidays Resolution (if needed)
 - Public Hearing on Proposed FY26 Budget
 - Adoption of FY26 Budget by Ordinance
 - Approval of Resolution Ratifying Property Tax Increase
 - Adoption of Levying Tax Rate Ordinance
 - Other Budget Items

Following adoption of the FY26 budget, the Finance Director will bring to City Council the City's Investment Policy for an annual review.

STAFF RECOMMENDATION:

City staff is presenting a preliminary FY26 General Fund with a 26% Fund Balance along with a preliminary budget for all other funds. The City Manager recommends to the City Council that it support the budgets as presented.

FINANCIAL IMPACT:

The FY26 budget is under development.

MOTION(S):

N/A

Attachments

[FY 26 Budget Workshop 2 20250715 final.pdf](#)

[Gary Woods Letter.pdf](#)

City Council FY26 Budget Workshop #2

All Other Operating Funds

(A Work in Progress)



July 15, 2025



Presentation Overview

- Budget Schedule
- Workshop Follow-up
- All Other Operating Funds
 - Economic Development Fund
 - Development Services Fund
 - Water/Wastewater Utility Fund
 - Drainage Utility District
- Special Revenue Funds
 - Special Events Fund
 - Impact Fee Funds
 - Cibolo Public Facility Corporation
 - Other Special Revenue Funds
- General Fund Update
- Other Items
- Council Feedback



Budget Schedule - Key Dates

March 25 – Set Preliminary Schedules, CIP update

April 5 - Council Strategic Management Workshop

May 1 - Preliminary Taxable Values available

June 17 – Budget workshop #1

July 15 – Budget Workshop #2 ←

July 25 – Certified Taxable Values

July 31 – Special Meeting to discuss tax rate

August 5 – Budget Workshop #3, if needed

August 12 – Deliver City Manager's Proposed Budget

August 26 – Council feedback on City Manager's Proposed Budget

September 9 – Hold public hearings, adopt budget and tax rate



Budget Workshop #1 Follow-up

<p>1. CC ACTION: What were the other positions requested in the General Fund?" See Slide 23 - Headwinds (16 total, of which 5 were in PD and 3 were in FD).</p> <ul style="list-style-type: none">▪ Provided June 24th by email	DONE
<p>2. CC ACTION: Salaries by position along with classification pay grade.</p> <ul style="list-style-type: none">▪ Provided June 24th by email	DONE
<p>3. CC ACTION: Provide a breakdown on training by department</p> <ul style="list-style-type: none">▪ Provided July 10th by email	DONE
<p>4. CC ACTION: Regarding other cities' fund balance policies, do cities with a higher risk for natural disasters, have higher fund balance requirements?</p> <ul style="list-style-type: none">▪ Included in presentation on Fund Reserves presentation on July 8th	DONE
<p>5. CC ACTION: Elizabeth shared pay grades from Universal City and Converse to show mid-point for same positions (51 FTE) that are in the Cibolo employee market comp study. The comparable cities listed, identical to the ones used in FY25 and previous studies, are New Braunfels, Schertz, Boerne, Seguin, and Live Oak.</p> <ul style="list-style-type: none">▪ Included preliminary information in presentation on Employee Compensation and COLA presentation on July 8th	DONE



Council Workshop July 8th – Follow-up

1. CC ACTION: Rethinking the City's fund balance reserve policy

- **City Council approved by motion to modify the City's policy from 28% to 25% effective for FY 26 (Vote: 6-0)**

2. CC ACTION: Employee Market Compensation Study and COLA for FY26

- **City Council approved by motion to move affected employees to 100% of market with a 3% COLA for other employees not eligible for a market adjustment, as funds are available (Vote: 5-0)**

3. CC ACTION: Fleet Replacement Plan and 5 Year CIP

- **City Council approved by motion to support the fleet replacement as presented for Police, Fire and Public Works (Vote: 6-0)**



Council Direction and Feedback

Regarding Operating Funds, does City Council support the following:

- EDC program/projects as presented
- 2.0% increase in wastewater rates (*related to CCMA increase*)
- Postpone water rate increases until utility rate study is completed
- \$1M set aside for future water acquisition and \$100k for a consultant for services as presented
- Explore the modification of drainage fees based on surface material



Council Direction and Feedback

Regarding Special Revenue Funds, does City Council support the following:

- General fund support of Cibolofest up to \$30K
- Ticketing increase to offset a portion of the cost for the carnival /petting zoo
 - \$5 wristbands in FY25, generating \$12,100
- Street maintenance fund program of \$750K
- Funding Parks and Recreation Commission new events - \$6,600 from the Cibolo Public Facility Corporation
- Funding Phase 2 renovations for the Noble Event Center from the Cibolo Public Facility Corporation (CPFC) - \$250K
- Fund Federal Grant consultant from one-time funds, CPFC



Economic Development Corporation



Economic Development Corporation

- 4B Corporation
 - Primary jobs requirement
 - Can fund industrial development and quality of life improvement projects
- Funded by ¼-cent sales tax authorized in Nov 2006
 - FY 2007 – partial year of sales tax = \$48,421
 - FY 2008 – first full year of sales tax = \$118,710
 - FY 2024 – last complete year of sales tax = \$1,209,934



EDC - FY 26 Budget Highlights

- Sales Tax - projected conservatively at 7% over FY25
- EDGE Grant opportunities to complement BIG Grant - \$100,000
 - Economic Development for Growth and Enhancement
 - Façade upgrades, signage, exterior construction, parking improvements
 - And adding the ability to cover permits/fees or special circumstances
 - Reimbursement based, matching grant up to \$15K
- Strategic plan implementation \$75,000
 - Master Service Agreements are in place
- Parks Master Plan \$250,000



Economic Development Fund – Summary

	FY 24 Actual	FY 25 Budget	FY 25 EOY Estimate	FY 26 Proposed
Sales Tax	1,209,934	1,340,000	1,365,000	1,460,000
Interest	<u>124,253</u>	<u>80,000</u>	<u>105,000</u>	<u>85,000</u>
Total Revenue	1,334,187	1,420,000	1,470,000	1,545,000
Services, Utilities & Training	151,505	279,608	408,085	542,255
Supplies & Equipment	4,692	28,550	22,225	27,300
Grants and Lease	61,567	115,500	555,500	107,000
Transfers	145,356	155,275	172,275	171,275
Debt Service	<u>318,742</u>	<u>318,655</u>	<u>318,655</u>	<u>319,455</u>
Total Expenses	<u>683,219</u>	<u>897,588</u>	<u>1,476,740</u>	<u>1,167,285</u>
Net Change in Fund Balance	<u>650,968</u>	<u>522,412</u>	<u>16,760</u>	<u>377,715</u>
Ending Fund Balance	\$ 2,719,653	\$ 2,438,571	\$ 2,736,413	\$ 3,114,128



Development Services Fund

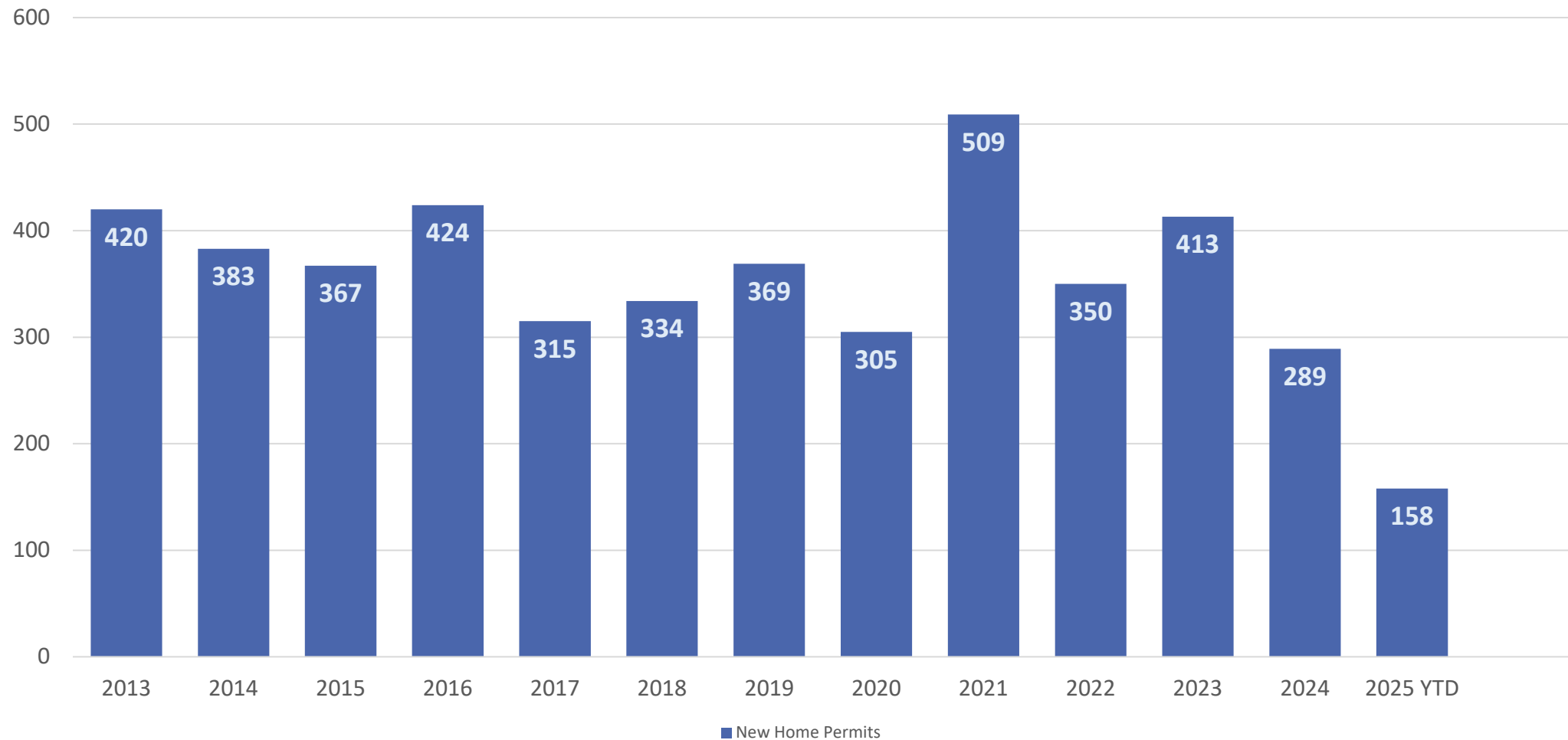


Development Services Fund – FY 26 Budget Highlights

- Created in FY 25 to separate development activities from the General Fund
- Updating workflows in development services software to be improve efficiency and effectiveness between departments
- Subject to economic fluctuations in housing market

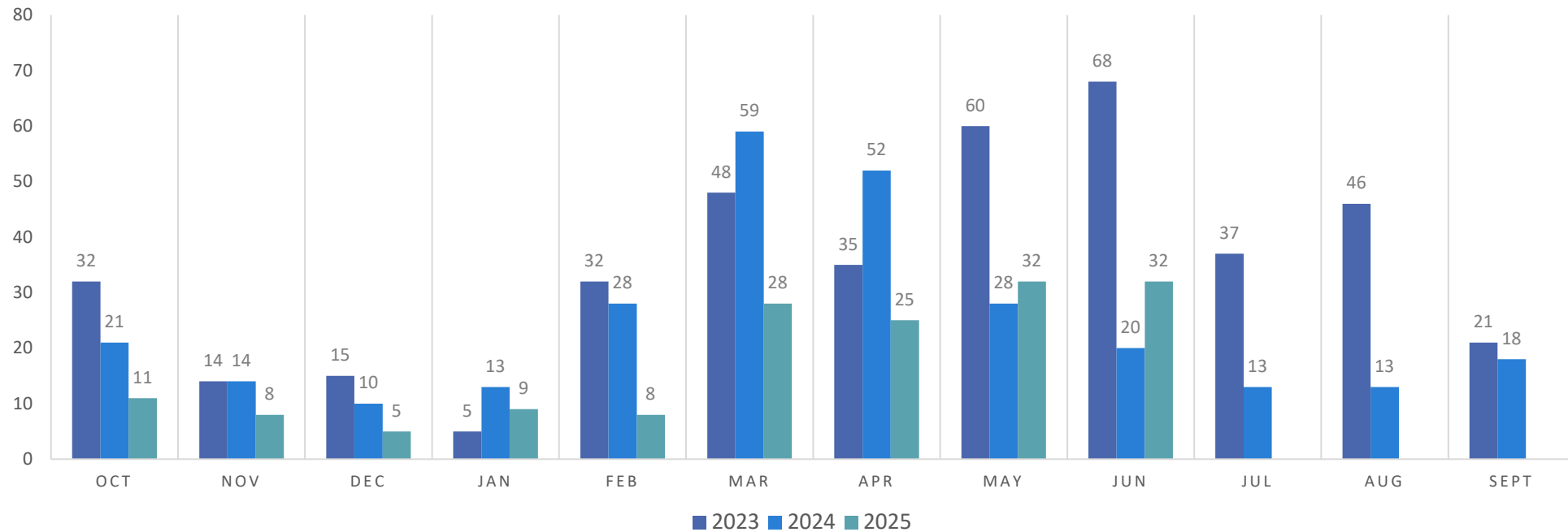


New Home Permits since 2013



New Home Permits by Month – FY25 Year-to-Date

MONTHLY SUM OF NEW SINGLE FAMILY RESIDENTIAL PERMITS ISSUED FY 2023,2024,2025



Aug. 2024	Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	June 2025
Chesmar: 4	Coventry: 6	Scott Felder: 1	Chesmar: 3	Beazer: 3	Beazer: 3	Scott Felder: 2	DR Horton: 11	Perry Homes: 7	Chesmar:1 0	DR Horton: 21
Coventry: 3	Beazer Homes: 4	Chesmar: 1	Beazer: 2	Bellaire: 1 Coventry: 1	Bellaire: 2	Chesmar: 1	Chesmar: 8	Chesmar: 7	Coventry: 8	Perry Homes: 5



Development Services Fund – Summary

	FY 25 Budget	FY 25 EOY Estimate	FY 26 Proposed
Permits and Fees	3,263,900	2,189,250	2,824,000
Intergovernmental and Transfers	<u>5,500</u>	<u>10,500</u>	<u>15,000</u>
Total Revenue	3,269,400	2,199,750	2,839,000
Personnel Costs	727,120	638,920	776,120
Services, Utilities and Training	2,015,800	1,173,950	1,584,400
Supplies & Equipment	34,300	30,300	32,750
Other Expense	100,000	95,000	100,000
Transfers	<u>178,500</u>	<u>126,500</u>	<u>140,000</u>
Total Expenses	<u>3,055,720</u>	<u>2,064,670</u>	<u>2,633,270</u>
Net Change in Fund Balance	<u>213,680</u>	<u>135,080</u>	<u>205,730</u>
Ending Fund Balance	\$ 213,680	\$ 135,080	\$ 340,810



Water / Wastewater Utility Fund



Utility Fund - FY 26 Budget Highlights

- Utility Rate Study is underway. Anticipate having a recommendation to City Council for utility rate changes by September. Rate study will consider future growth and future capital projects in setting rates.
- Current budget does not include a rate increase for water, but does include a 2% increase for wastewater rates to offset the 2% increase passed through by CCMA for FY26.
- Set aside \$1 million for future water acquisition to replace Crystal Clear water. The budget also includes \$100k for a water consultant to assist in options regarding CVLGC groundwater lease appraisal and negotiations, exploration of raw water development, and negotiation with TCEQ of alternative capacity requirements.
- Increased franchise fee to the General fund from 3% to 4%.
- New solid waste franchise agreement reduces customer service load on UBO for solid waste services. Allows us to shift 10% franchise fee for commercial contracts (billed by WC) to the General Fund like other franchise agreements. Residential billing still managed by UBO, allocating 10% franchise fee in a 60/40 split with General Fund.
- FY 26 budget includes \$32K for market adjustment and 3% COLA.



Water Consultant

\$100,000 in FY26 to hire a consultant to continue work on Cibolo's long-term water needs and funded in the Utility Fund

The consultant would assist with:

- Long term water usage and water reserve projections
- Alternative water resources to CRWA to diversify the City's water resources
- CVLGC groundwater lease permits
- Coordination with TCEQ on the City's Alternative Capacity Requirements (ACR)
 - This was last addressed in 2013 when TCEQ lowered Cibolo's total production capacity of 0.6 gallons per minute (gpm) per connection to 0.42 gpm per connection

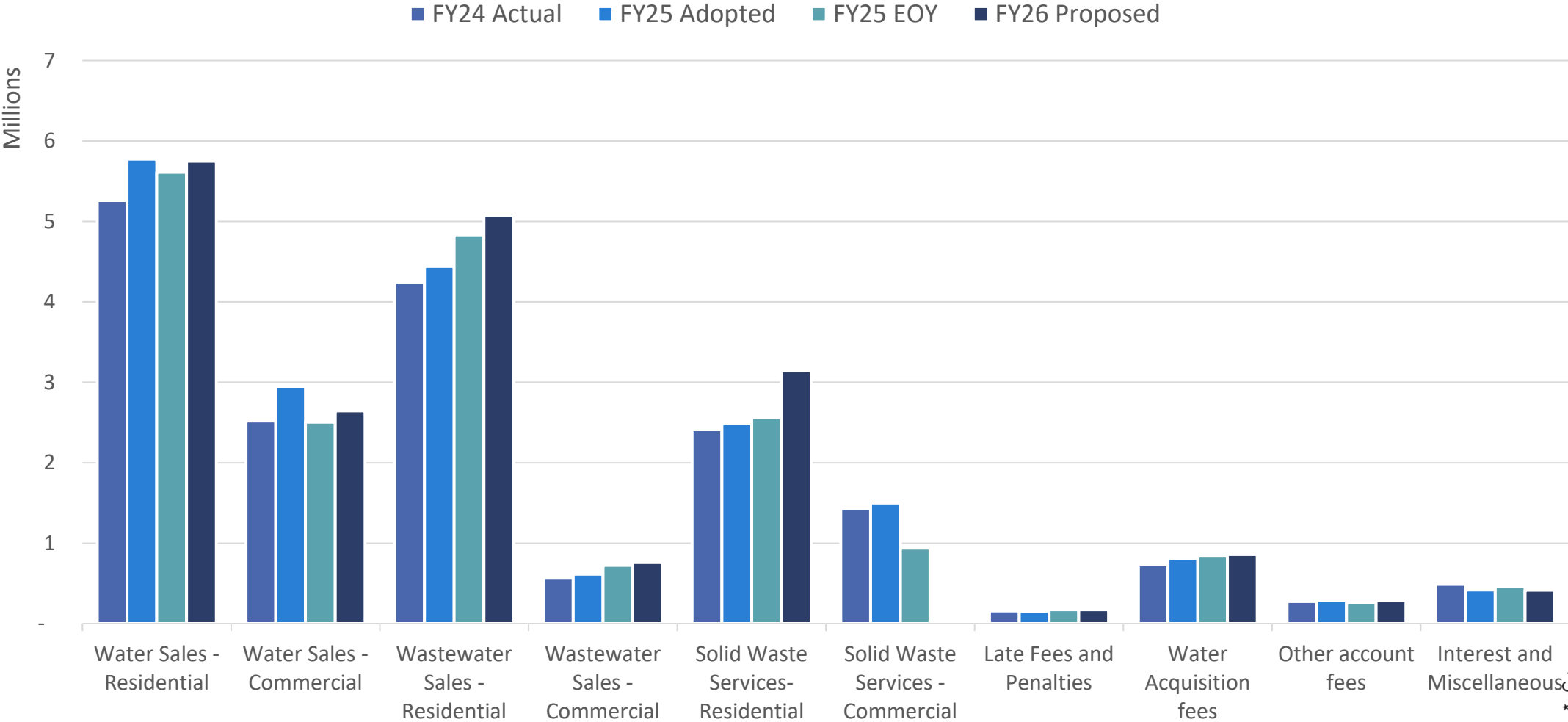


Water / Wastewater Utility Fund – Summary

	FY 24 Actual	FY 25 Budget	FY 25 EOY Estimate	FY 26 Proposed	Change
Charges for Services	17,409,602	18,810,000	18,250,680	18,504,850	-1.6%
Interest and other fees	<u>688,359</u>	<u>630,500</u>	<u>658,750</u>	<u>628,000</u>	<u>-0.4%</u>
Total Revenue	18,097,960	19,440,500	18,909,430	19,132,850	-1.6%
Personnel Costs	1,532,644	1,659,909	1,622,972	1,755,678	5.8%
Services, Utilities & Training	391,013	737,055	900,922	1,099,997	49.2%
Supplies & Equipment	418,369	776,100	771,446	485,350	-37.5%
Other Contractual Expense	11,220,581	14,235,250	11,946,300	13,962,738	-1.9%
Transfers and Debt Service	<u>2,243,888</u>	<u>2,312,735</u>	<u>2,255,306</u>	<u>2,608,391</u>	<u>12.8%</u>
Total Expenses	<u>15,806,494</u>	<u>19,721,049</u>	<u>17,496,946</u>	<u>19,912,154</u>	<u>1.0%</u>
Net Change	<u>2,291,466</u>	<u>(280,549)</u>	<u>1,412,484</u>	<u>(779,304)</u>	
Ending Fund Balance	\$ 8,668,010	\$ 8,282,512	\$ 10,080,494	\$ 9,301,190	



Water / Wastewater Utility Fund



Wastewater Rate Changes

		<i>LUE = Normal Max Flow X 0.8 X \$21.00 (1.5" to 10")</i>						Approved	Proposed		
Wastewater Rates								FY 25 Rates	FY 26 Rates		Change
Residential:			First 3,000 gallons of water used					\$18.65	\$19.03		2.0%
			3,001 + gallons of water used		<i>additional</i>			\$5.44	\$5.55	<i>Per Tgal</i>	2.0%
Commercial:			First 3,000 gallons of water used					\$23.19	\$23.65		2.0%
			3,001 + gallons of water used		<i>additional</i>			\$5.44	\$5.55	<i>Per Tgal</i>	2.0%
Multi-family:			First 3,000 gallons of water used x LUE					\$23.19	\$23.65	<i>x LUE</i>	2.0%
			(3,001+ x LUE) gal of water used		<i>additional</i>			\$5.44	\$5.55	<i>Per Tgal</i>	2.0%
									<i>Tgal = 1,000 gallons</i>		

Residential customer bill increase by consumption (residential wastewater is based on winter average consumption)

Consumption	FY 24 Rates	FY 25 Rates	\$ Difference	% Difference
4,000	\$ 24.09	\$ 24.58	\$ 0.49	2.0%
6,000	\$ 34.97	\$ 35.68	\$ 0.71	2.0%
8,000	\$ 45.85	\$ 46.78	\$ 0.93	2.0%
15,000	\$ 83.93	\$ 85.63	\$ 1.70	2.0%



Canyon Regional Water Authority (CRWA)

- CRWA has submitted their initial budget for FY 26 to the member entities. Our contractual costs, based on the draft budget, are set to increase by over 21%. The budget includes:
 - a 5% increase in raw water costs (\$184 to \$193/ac-ft - set by the Guadalupe Blanco River Authority),
 - a 3% merit and 3% COLA increase in personnel costs
 - 3 new administrative positions
 - 3% increase in chemicals and utilities
 - 10-17% increase in property and liability insurance costs
 - 121% increase in repair and replacement funds
- CRWA is anticipated to complete their budget process, setting all new fees and rates at their **September 10th** Board of Trustees meeting (final adoption of the FY 26 budget).



Cibolo Creek Municipal Authority (CCMA)

New debt obligation for expansion of the South Wastewater Treatment Plant

- Highest annual debt service cost occurs in FY28-46 for an average annual cost of \$2.565 million.
- Current count of wastewater customers is 11,556. Annual cost to each customer to cover the debt would approximate \$221.88, or \$18.49 monthly.
- Current wastewater “consumption” totals 77,875,800 gallons each month. Allocating debt service cost per Tgal, would increase fees by \$2.74 per Tgal. A customer at an average 6 Tgal charge would be impacted by \$197.64 annually, or \$16.47 monthly.

Cibolo Creek Municipal Authority South WWTP Expansion City of Cibolo Project Option 2 May 22, 2025			
(9/30)	\$5,060,000 Contract Rev Bonds, S-2025 ⁽¹⁾	\$33,750,000 Contract Rev. Bonds, S-2027 ⁽²⁾	Total Debt Service
2025			
2026	\$ 200,292		\$ 200,292
2027	391,669	\$ 1,125,000	1,516,669
2028	394,069	2,170,125	2,564,194
2029	391,113	2,174,625	2,565,738
2030	392,800	2,172,750	2,565,550
2031	394,013	2,174,500	2,568,513
2032	389,869	2,169,875	2,559,744
2033	390,369	2,173,750	2,564,119
2034	390,394	2,171,000	2,561,394
2035	389,944	2,171,625	2,561,569
2036	393,900	2,170,500	2,564,400
2037	392,263	2,172,500	2,564,763
2038	390,150	2,172,500	2,562,650
2039	392,444	2,170,500	2,562,944
2040	394,025	2,171,375	2,565,400
2041	390,013	2,170,000	2,560,013
2042	390,406	2,171,250	2,561,656
2043	390,088	2,170,000	2,560,088
2044	393,938	2,171,125	2,565,063
2045	391,956	2,174,375	2,566,331
2046	394,144	2,174,625	2,568,769
2047	-	2,171,875	2,171,875
2048	-	2,171,000	2,171,000
2049	-	2,171,750	2,171,750
2050	-	2,173,875	2,173,875
2052	-	2,171,750	2,171,750
2053	-	2,172,125	2,172,125
2054	-	2,173,125	2,173,125
2055	-	2,169,625	2,169,625
2056	-	2,171,375	2,171,375
2057	-	2,173,000	2,173,000
Total	\$ 8,037,854	\$ 66,283,750	\$ 74,321,604

⁽¹⁾ Assumes 11-1-25 Dated date and 4.75% interest rate

⁽²⁾ Assumes 1-1-27 Dated Date and 5.00% interest rate

Drainage Utility District



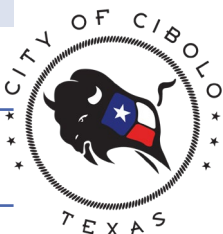
Drainage Utility District - FY 26 Budget Highlights

- No fee changes are proposed.
- FY 26 budget includes \$18K for 3% COLA.
- Includes additional funding for engineering services to evaluate drainage flow to detention pond at the PW facility.
- Includes a draw down of fund balance for capital equipment
 - TYMCO Model 435 Street Sweeper



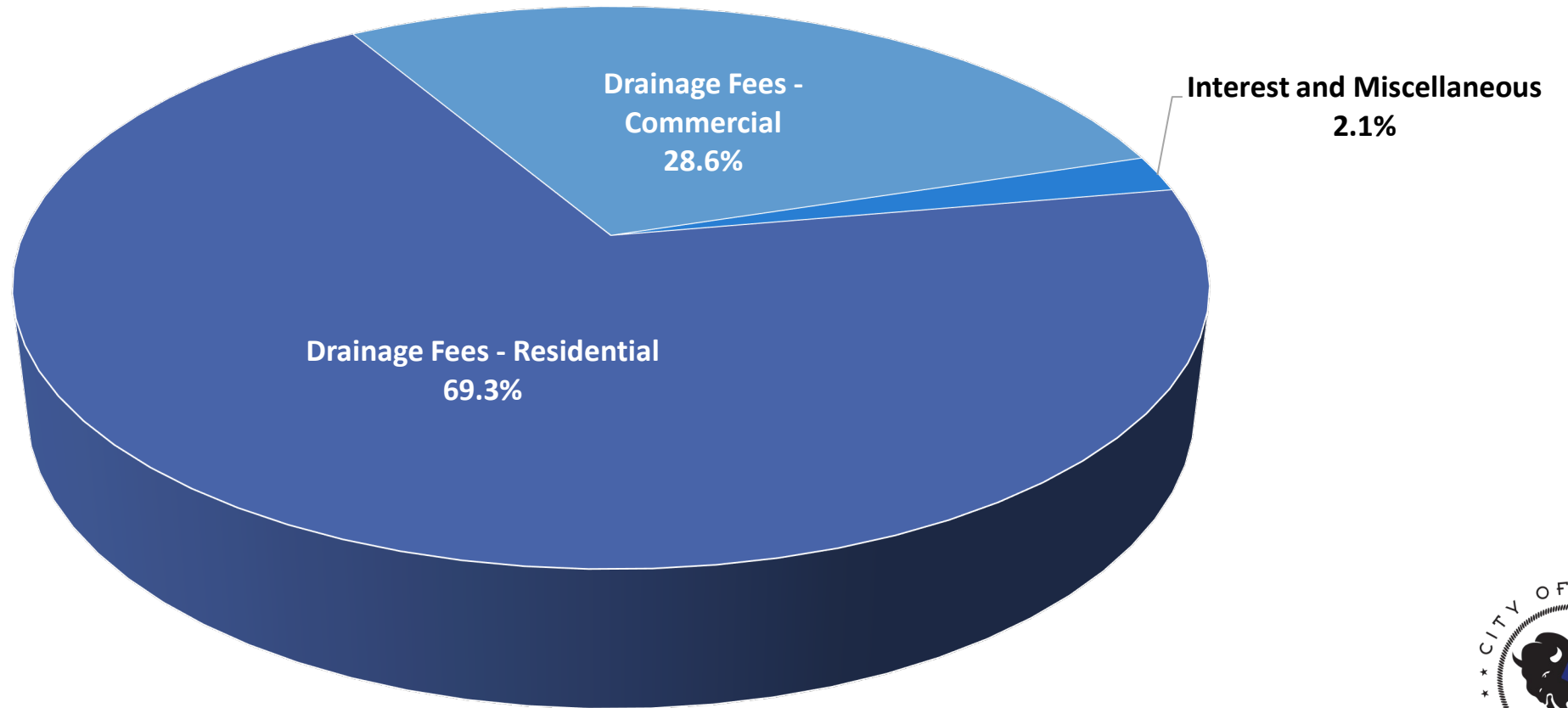
Drainage Utility District – Summary

	FY 24 Actual	FY 25 Budget	FY 25 EOY Estimate	FY 26 Proposed	Change
Charges for Services	1,229,468	1,450,000	1,570,000	1,638,000	12.9%
Interest and Other	<u>45,032</u>	<u>35,000</u>	<u>47,640</u>	<u>35,000</u>	<u>0.0%</u>
Total Revenue	1,274,500	1,485,000	1,617,640	1,673,000	12.7%
Personnel Costs	677,052	927,010	834,700	969,946	4.6%
Services, Utilities & Training	47,777	309,040	141,973	136,255	-55.9%
Supplies and Repairs	148,514	140,350	128,350	136,000	-3.1%
Capital Outlay	167,981	226,550	207,050	249,650	10.2%
Transfers and Debt Service	<u>171,093</u>	<u>288,550</u>	<u>331,494</u>	<u>344,000</u>	<u>19.2%</u>
Total Expenses	<u>1,212,417</u>	<u>1,891,500</u>	<u>1,643,567</u>	<u>1,835,851</u>	<u>-2.9%</u>
Net Change	<u>000</u>	<u>(406,500)</u>	<u>(25,927)</u>	<u>(162,851)</u>	
Ending Fund Balance	\$ 922,460	\$ 438,355	\$ 896,533	\$ 733,682	



Drainage Utility District Fund

FY26 Revenue Breakdown



Drainage Fees – Request from Local Business

A local, long-time business, Woods Storage, has seen a considerable increase in its drainage fees over the years, because of the size of the property and impervious coverage, including the use of Caliche for driveway surface. Caliche is a type of sedimentary rock often used in parking lots and road construction. When comparing the size of the property with other local businesses of the same acreage, the other businesses have parking lots of asphalt and concrete and have considerably more monthly revenue.

- Monthly Drainage Fees for Woods Storage equals \$764.40 (\$9,272.80 annually)

Would City Council consider modifying the methodology for drainage fees? Mr. Woods would like City Council to consider small businesses that occupy large lots but generate less income than other large lot businesses.

Drainage Utility Rates are currently calculated using impervious coverage method:

- Total Equivalent Residential Unit (ERUs) = Impervious area / 2,889 square feet, minimum 1.0 ERU at \$7.50 per ERU, capped at \$4,000 monthly.



Drainage Fees – Woods Storage



Woods Storage has some drive aisles made of concrete and other drive surfaces with Caliche as shown above. The Caliche surface is greater than the concrete surface.



Drainage Fees – Calculation Methodologies

- **Impervious Surface Area Method:** The City of Cibolo uses this method to calculate drainage fees. The drainage fee is calculated based on the total impervious surface area.
- **Impervious Surface Classification:** Cibolo considers Caliche an impervious surface because it compacts tightly and doesn't allow water to infiltrate easily. The City's drainage calculation treats Caliche as equal to structures, concrete, and asphalt, which is very common. Because Caliche covered areas contribute to runoff, they are factored into the overall assessment of a property's impact on the citywide drainage system.
- **Alternative: Runoff Coefficient Method.** In this alternative approach, a specific runoff coefficient is used based on type of impervious surfaces. For example, apply a different runoff coefficient for Caliche compared to structures, concrete, and asphalt. Here is a hypothetical to Runoff Coefficient for different surfaces:
 - **Structures, Concrete, and Asphalt:** Runoff coefficient of 1.0.
 - **Caliche:** Assume a runoff coefficient of 0.80 (since caliche is less permeable than grass but more permeable than concrete).
 - **Pervious Surface (grass):** Not included in calculation.



Drainage Utility District – Commercial charges

Request from business owner to consider the impact of drainage fees on land intensive small business. The letter from the business owner is included in the Council packet. This business falls near the top of the range in Tier 1 with an ERU that approximates 102.

RE: Customer Request for Credit
Compacted Granular Material Surfaces (20%)
Land with Limited Slope (10%)

IAW Cibolo Drainage Utility Development, Final Report dtd. April 8, 2011
Chapter 11.0 Administrative Procedures, paragraph 3. Customer request for credit.

Request amount of surface area, compacted granular material surfaces, be reduced by twenty percent (20%). Request amount of impervious surface area be reduced by ten percent (10%) for land with slope of one percent or less (1%).

Drainage Rates					
Cost per Equivalent Residential Unit (ERU)					\$7.50
Single Family Residential:					
Small (<2218 sq ft impervious area)	0.7 ERU				\$5.25
Average (2218 - 3716 sq ft impervious area)	1.0 ERU				\$7.50
Large (3717-8000 sq ft impervious area)	1.5 ERU				\$11.25
Rural Lot (>8000 sq ft impervious area)	2.0 ERU				\$15.00
Commercial:					
ERU = Impervious area/2889 sq ft					
		ERU	Acres	Max Sq Ft	
Tier 1	1 to	125	8.3	361,125	\$7.50 x ERU
Tier 2	125 to	350	23.2	1,011,150	\$937.50
Tier 3	350 to	550	36.5	1,588,950	\$1,900.00
Tier 5	550 to	750	49.7	2,166,750	\$3,000.00
Tier 5	750 +				\$4,000.00



Special Revenue Funds



Special Revenue Funds

FY26 Summary	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
Cibolofest/Special Events	\$ 100	\$ 102,500	\$ 100,000	\$ 2,600
Special Donations	\$ 30,359	3,250	10,000	\$ 23,609
Grants Fund – ARPA	\$ 11,407	-	-	\$ 11,407
PEG Fund	\$ 91,926	32,000	50,000	\$ 73,926
Hotel Occupancy Tax Fund	\$ 22,893	2,600	-	\$ 25,493
Court Technology Fees	\$ 5,942	5,075	6,000	\$ 5,017
Court Security Fees	\$ 37,531	7,000	6,000	\$ 38,531
Police Seizure Fund	\$ 47,443	12,500	30,000	\$ 29,943
Police Education Fund	\$ 7,699	2,800	5,000	\$ 5,499
Child Safety Fees	\$ 38,279	46,250	30,000	\$ 54,529
Street Maintenance Tax	\$ 923,720	1,490,000	1,615,150	\$ 798,570
Traffic Impact Fees	\$ 5,684,023	740,000	4,720,225	\$ 1,703,798
Drainage Impact Fees	\$ 3,862,246	470,000	2,030,640	\$ 2,301,606
Water Impact Fees	\$ 6,054,075	925,000	15,000	\$ 6,964,075
Wastewater Impact Fees	\$ 3,941,034	370,000	3,198,500	\$ 1,112,534
Park Development Fees	\$ 1,328,401	140,000	650,000	\$ 818,401
IT Replacement	\$ 55,000	-	55,000	\$ -
Cibolo Public Facility Corp	\$ 2,453,705	114,000	267,000	\$ 2,300,705
	\$ 24,595,784	\$ 4,462,975	\$ 12,788,515	\$ 16,270,244



Special Events Fund – FY26 Proposed Budget

	Cibolofest	Downtown Market	Total
<u>Revenues</u>			
Sponsorships	\$ 30,000		\$ 30,000
Booth Rentals	10,000	7,500	10,000
Ticketing	24,000		24,000
Transfers from General Fund	<u>30,000</u>		<u>30,000</u>
Total Revenue	\$ 95,000	\$ 7,500	\$102,500
<u>Expenses</u>			
Carnival / Petting Zoo	\$ 44,500		\$ 44,500
Audio / Visual and other rental	27,500		27,500
Entertainment	12,000		12,000
Security	5,000		5,000
Supplies and other miscellaneous	<u>6,000</u>	<u>5,000</u>	<u>11,000</u>
Total Expense	\$ 95,000	\$ 5,000	100,000



Street Maintenance Fund

■ Revenues

- FY25 estimated sales tax \$1,365,000 *(expected to be within 2% of adopted budget)*
- FY26 Projected revenues \$1,460,000 *(7% increase forecasted based on trend analysis)*

■ Expenses

- Debt Service – 2020 Certificates of Obligation - \$865,150 *(increasing to \$1.1M in FY29 and FY30 for final payments)*
- Street Maintenance - \$750,000

- **Fund Balance** anticipated to be \$798,570 at 9/30/2026

Note: Sales tax growth of 5% will support an average of \$650K in street maintenance over the next 5 years. This will increase to over \$1.5 million after debt is retired in FY30.



Impact Fee Funds – FY26 Projects

- **Transportation*** - *\$5.7M available*
 - Tolle Road commitment - \$4.8M including land acquisition (\$1M Developer paid)
- **Drainage*** - *\$3.9M available*
 - Tolle Rd commitment - \$2.0M including land acquisition (\$200K Developer paid)
- **Water*** - *\$6.1M available*
- **Wastewater*** - *\$3.9M available*
 - WW extension – Venado lift station to Haeckerville Road - \$2M
 - Tolle Road commitment - \$1.2M
- **Parks** - *\$1.3M available*
 - Trail system – \$650K

** Impact fee study is currently in process by Freese and Nichols, Inc.*



Cibolo Public Facility Corporation

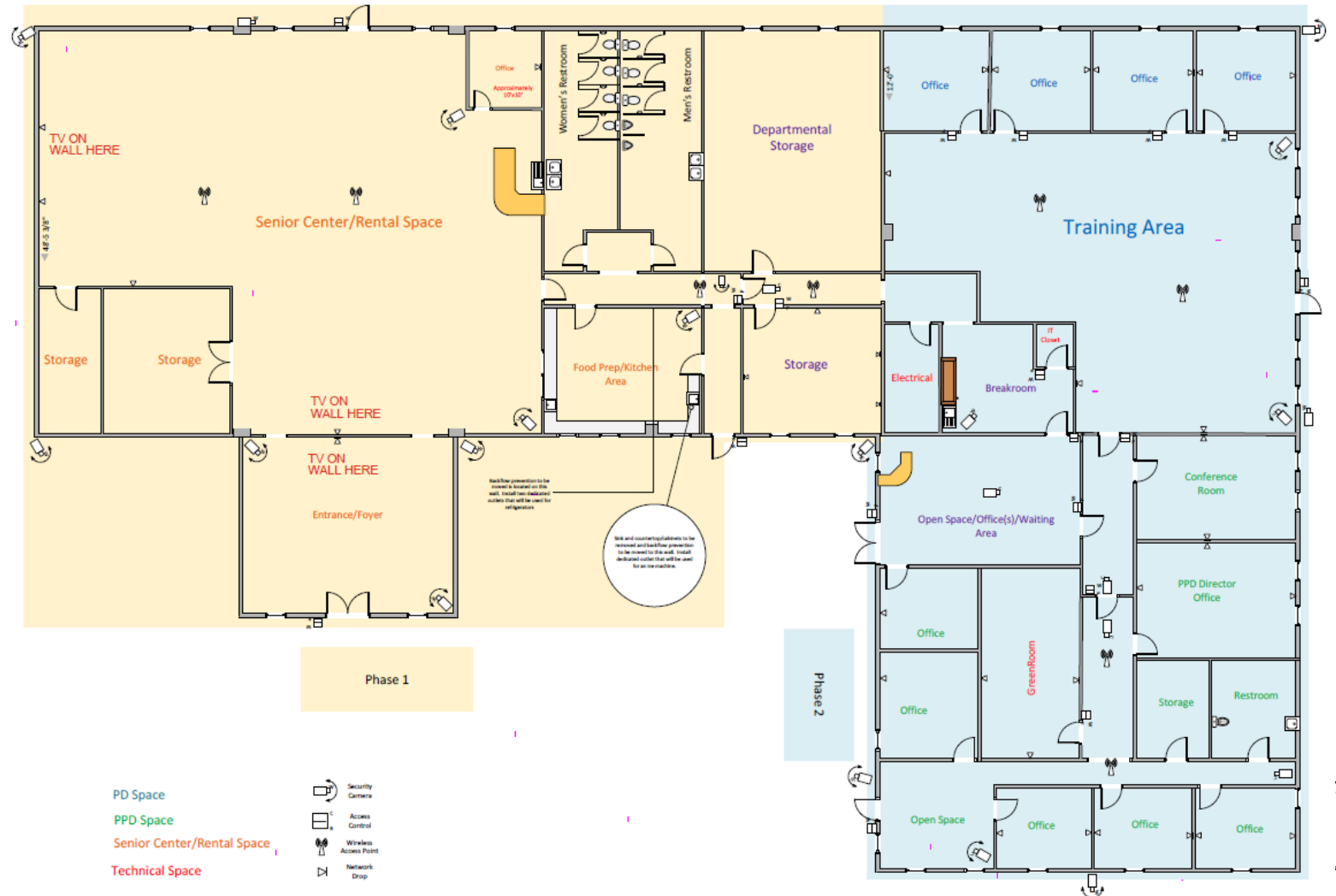
- In 2024, City Council authorized the appropriation of \$2.28M of CPFC funds to finance acquisition/renovation of property for facility expansion
- In 2025, City Council authorized a construction contract for \$142.7K for the first phase of renovations for a portion of the facility for use as a Senior Center
- FY 25 year-end estimate includes \$3.6K for Parks and Recreation Commission events
- FY 26 budget includes \$250K for phase 2 renovations of the facility to serve as additional staff offices
- FY 26 budget includes \$3K for Parks and Recreation Commission events
- **Fund Balance** anticipated to be \$2.3M at 9/30/2026



203 S. Main St. Renovations – Phase II

\$250,000 from the Cibolo Public Facility Corporation Fund

- Addition of walls to create more office space,
- Adding a breakroom
- Adding secure doorways
- Production/Green Room
- FFE for offices
- HVAC improvements



General Fund Update



General Fund - Updates

- New solid waste franchise agreement reduces customer service load on UBO for solid waste services. Allows us to shift 10% franchise fee for commercial contracts (billed by WC) to the General Fund like other franchise agreements. Residential billing still managed by UBO, allocating 10% franchise fee in a 60/40 split with General Fund.
- FY 26 budget includes \$350K for market adjustment and 3% COLA beginning in January.
- Reductions taken to fund the market and COLA adjustment include:
 - Reduce professional development by \$20K
 - Shift a portion of dispatch cost to the SRO program by \$30K
 - Reduce marketing and promotional supplies by \$12K
 - Increase vacancy savings from 3% to 3.2% - \$35K
 - Reduce uniforms and operating supplies by \$40K
 - Reduce professional services by \$20K
 - Reduce maintenance supplies and utilities by \$15K
 - Reduce expense under incentive agreements \$100K
 - Reduce support to Cibolofest by \$10K
 - Eliminate funds for potential property abatement \$10K

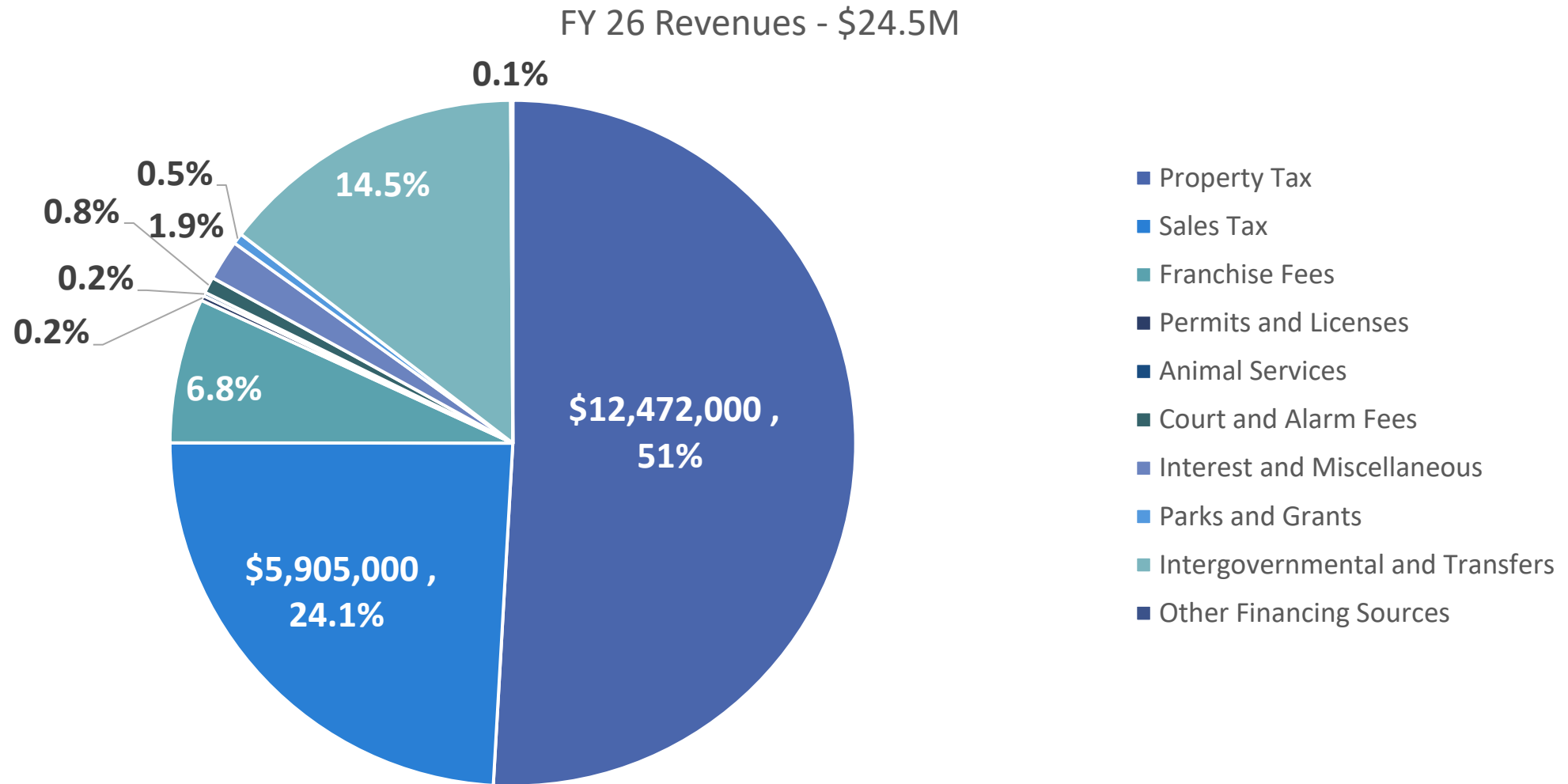


General Fund Revenue Update

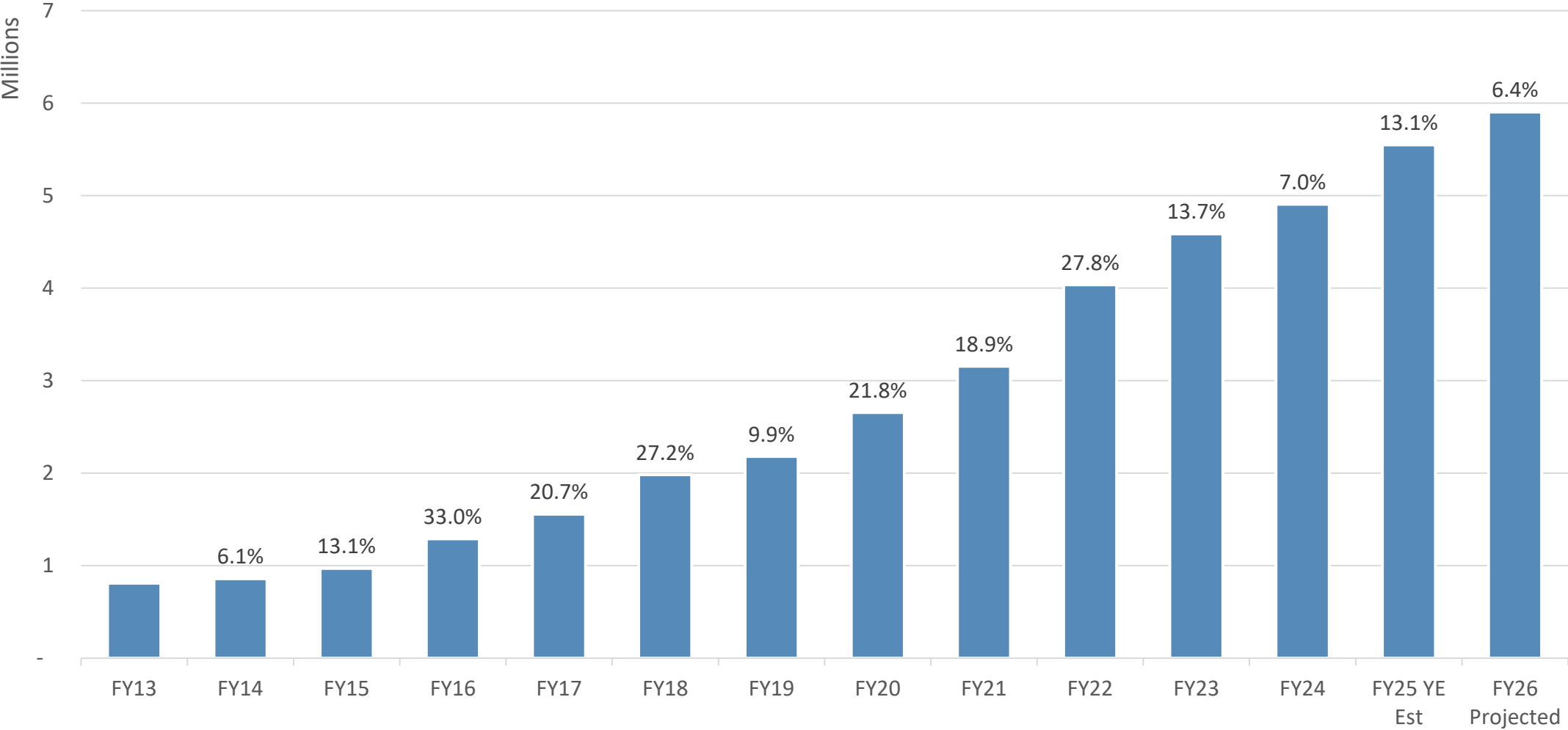
	FY 26 Projected <i>(June WS#1)</i>	FY 26 Projected <i>(current)</i>	<i>Difference</i>
General Taxes and Franchise Fees	\$ 19,910,000	\$ 20,050,000	\$ 140,000
Permits Licenses and Fees	28,000	58,000	30,000
Animal Services	36,500	42,000	5,500
Court and Alarm Fees	187,000	187,000	0
Interest and Miscellaneous	438,164	466,664	28,500
Parks and Grants	104,682	124,182	19,500
Intergovernmental and Transfers	3,506,651	3,545,806	39,155
Other Financing Sources	25,000	25,000	0
	\$ 24,235,997	\$ 24,498,652	\$ 262,655



General Fund Revenue Update



Sales Tax Growth

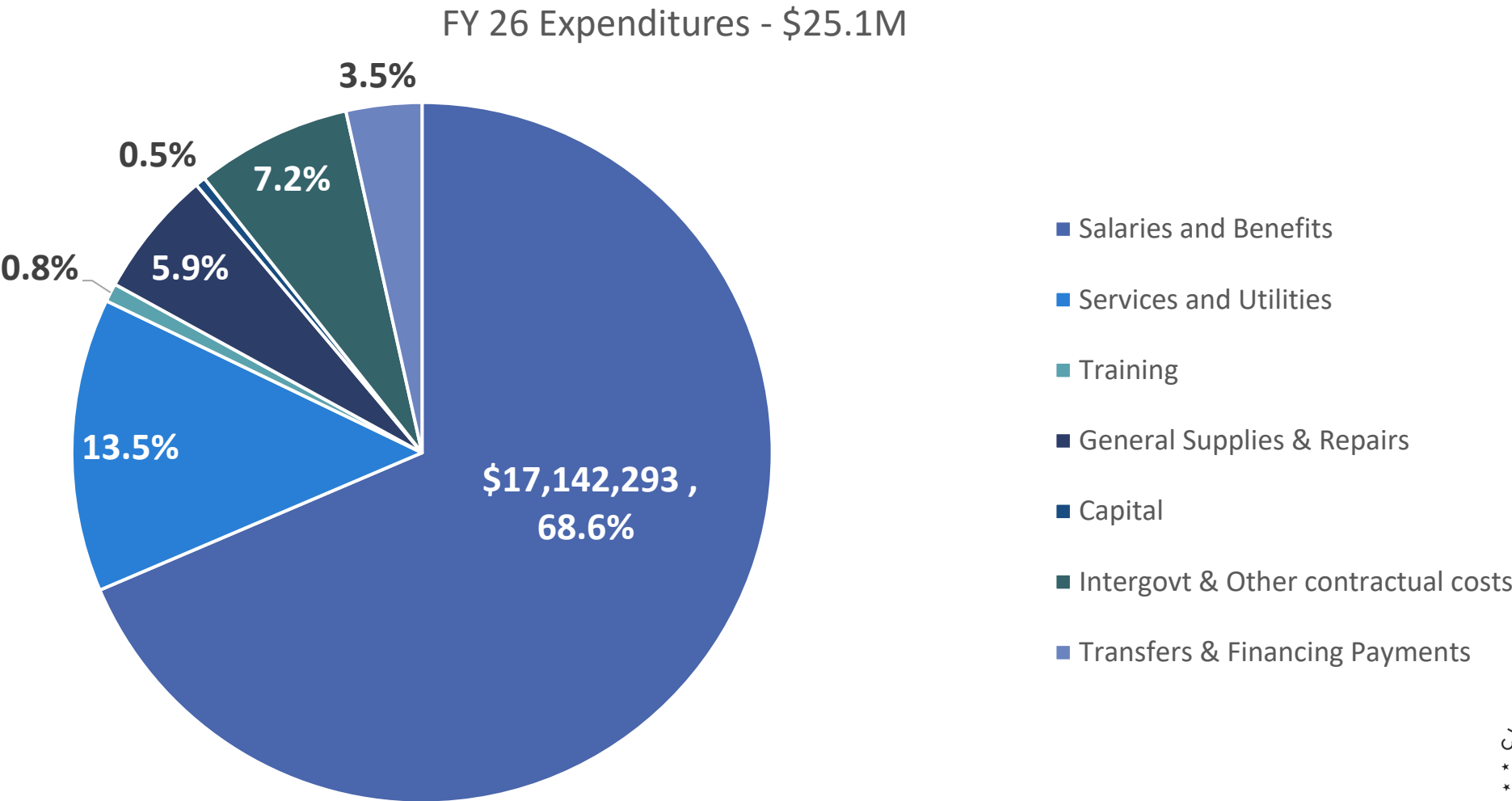


General Fund Expense Update

As of July , 2025	FY 26 Projected (June WS#1)	FY 26 Projected (current)	Difference
Salaries and Benefits	\$ 16,973,585	\$ 17,142,293	168,708
Services, Utilities and Training	3,657,320	3,597,677	-59,643
General Supplies and Repairs	1,531,215	1,466,365	-64,850
Capital related	118,500	118,500	0
Intergovernmental & other contractual expense	1,918,194	1,794,954	-123,240
Transfers and Financing Payments	887,900	873,100	-14,800
Total Expenses	\$ 25,086,714	\$ 24,992,889	-93,825
Projected Ending Fund Balance	\$ 5,126,527	\$ 5,671,592	
<i>As a percent of recurring general fund expense</i>	<i>23.5%</i>	<i>26.3%</i>	
<i>28% fund balance calculation</i>	<i>\$ 6,119,877</i>	<i>\$6,031,802</i>	



General Fund Expenditure Update



Other Items



Federal Grant Consultant

\$50,000 in FY26 to hire a consultant to assist with federal funding opportunities and funded from the Cibolo Public Facility Corp.

Target in Year One is to:

Position Cibolo for \$500K–\$2M in federal funding through congressionally directed spending.

Increase Cibolo's visibility with federal stakeholders to better position the city for long-term funding and policy influence.

Proposed scope of work from consultant:

- **Federal Funding Strategy & Execution:**

- Develop a Federal Funding Roadmap based on Cibolo's top priorities: infrastructure, broadband, water, economic development, parks, and public safety.

- **Direct Advocacy & Relationship Building:**

- Arrange and support at least 15 meetings (virtual or in person) annually between Cibolo officials and key congressional offices, agency leaders, and program administrators, in order to address topics of importance to Cibolo.



Federal Grant Consultant

- **Policy Advisory Support:**

- Provide quarterly updates on relevant federal legislative actions, funding opportunities, and regulatory changes, as well as liaise directly with agency staff to strengthen submissions.

- **Annual Washington, D.C. Fly-In:**

- Coordinate and support a targeted advocacy trip to Washington, D.C., timed with congressional appropriations milestones to meet with lawmakers, agency decision-makers, and relevant committee staff.

- **Strategic Guidance:**

- Offer ongoing guidance on leveraging existing federal programs (FEMA, Department of Transportation, Department of Justice, Army Corps of Engineers, USDA, the Federal Aviation Administration, the U.S. Postal Service and more) to fund local projects.



Federal Grant Consultant

Select Federal Funding Wins:

- **City of La Quinta, CA – Highway 111 Repaving | \$4,000,000**
- **City of Indian Wells, CA – Stormwater Channel Improvement | \$5,000,000**
- **City of Concord, CA – Emergency Operations Center Remodel | \$1,034,487**
- **City of Rancho Palos Verdes, CA – Landslide Emergency Mitigation | \$1,145,144**
- **City of Rancho Palos Verdes, CA – Landslide Stabilization | \$1,145,144**
- **City of Bishop, CA – Fire Ladder Truck | \$1,214,366**
- **Nevada County Consolidated Fire District – Rescue Vehicle | \$337,000**
- **City of Lakewood, CA – Senior Center Remodel | \$1,122,279**
- **City of Paramount, CA – Solar Roof Program | \$1,044,000**
- **City of South Gate, CA – Water Infrastructure Upgrade | \$959,752**
- **City of Lynwood, CA – Senior Center Project | \$1,000,000**
- **Chino Valley Fire District, CA – New Fire Station | \$6,250,000**
- **City of Lomita, CA – Storm Drain Improvements | \$1,500,000**



Direction and Feedback



Council Direction and Feedback

Regarding Operating Funds, does City Council support the following:

- EDC program/projects as presented
- 2.0% increase in wastewater rates (*related to CCMA increase*)
- Postpone water rate increases until utility rate study is completed
- \$1M set aside for future water acquisition and \$100k for a consultant for services as presented
- Explore the modification of drainage fees based on surface material



Council Direction and Feedback

Regarding Special Revenue Funds, does City Council support the following:

- General fund support of Cibolofest up to \$30K
- Ticketing increase to offset a portion of the cost for the carnival /petting zoo
 - \$5 wristbands in FY25, generating \$12,100
- Street maintenance fund program of \$750K
- Fund Parks and Recreation Commission new events - \$6,600 from the Cibolo Public Facility Corporation
- Fund Phase 2 renovations for the Noble Event Center from the Cibolo Public Facility Corporation (CPFC) - \$250K
- Fund Federal Grant consultant from one-time funds in CPFC



WOODS STORAGE
771 FM1103
Cibolo, Texas 78108
(210) 658-2217

February 28, 2025

TO: Randy Roberts Wayne Reed
 Councilmember Place 2 City Manager

INFO: Utilities : Maggie Patterson
 Finance : Anna Miranda

RE: Impact of Drainage Fees on Land Intensive Small Business

Currently the City of Cibolo assesses Drainage Fees for land intensive Small Businesses at the same rate as larger Fortune 500 Corporations utilizing similar large land tracts. Notwithstanding the gross differences in respective earnings.

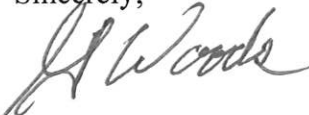
This places land intensive Small Business at a distinct revenue disadvantage compared to Large Corporations and other non-land intensive small businesses. Overtime fees have risen to current \$764.40 per month (\$9,172.80/year). An increase of 7.6 times or 87%. Continual increase in fees impacts our ability to remain a viable business.

Additionally, the state charges a highway, FM1103, frontage tax. TxDot claims this tax is for right of way maintenance. The city claims their fee is for maintenance in the right of way. Our business is being levied twice.

Request the City formulate a methodology in the fee structure to recognize and offset the differences between land intensive Small Businesses and Large Corporations. In May 2011, letter attached, the city introduced means to account for large land drainage fees.

The Guadalupe Tax Appraiser, recognizing the huge revenue differences, utilizes a business model technique to provide balanced fair appraisals for small and large businesses. This practice assures assessment comparisons are equitable.

Sincerely,



Gary Woods
Woods Storage
210-849-7166

BACKGROUND:

Woods Storage is a land intensive small business.

Woods Storage is veteran and female Native Alaska owned small business operating in Cibola since 1997 for 28 years, contributing to the PD, VFD, Cibola Fest, local school events, and most recently Steele Booster Club.

When rezoned from Light Industrial to C4 Business, the storage land was grandfathered to continue outdoor parking storage. When the Utility Fee was originated, an agreement with the city was made regarding slope, granular surfaces and drainage redirection. A copy of that agreement is attached.

When drainage fees were introduced, the fee structure was capped so as not to severely impact small businesses.

WOODS STORAGE
771 FM1103
Cibolo, Texas 78108
(210) 658-2217

May 7, 2011

City of Cibolo
Municipal Drainage Utility
Cibolo, TX 78108

RE: Customer Request for Credit
Compacted Granular Material Surfaces (20%)
Land with Limited Slope (10%)

IAW Cibolo Drainage Utility Development, Final Report dtd. April 8, 2011
Chapter 11.0 Administrative Procedures, paragraph 3. Customer request for credit.

Request amount of surface area, compacted granular material surfaces, be reduced by twenty percent (20%). Request amount of impervious surface area be reduced by ten percent (10%) for land with slope of one percent or less (1%).

Reference phone call with City Manager, Bruce Pierson, on May 3, 2011, will do physical measurements with City representative.

Sincerely,

Gary Woods
Woods Storage