



City Manager's Monthly Update

January 6, 2026

Development Services Department

July – September 2025 Department Activity (Permits/Cases/Reviews)

- 16 – Zoning Cases Processed (14 Approved / 2 Tabled & Carried Over)
- 7 – Board of Adjustment Cases (2 Special Except. - 3 Approved / 2 Denied/ 1 Tabled)
- 15 – HRB Review (14 Approved, 1 Denied)
- 37 – Admin Historic Reviews (13 Commercial / 24 Residential)
- 83 – Plan Reviews (53 Residential / 30 Commercial / 1 Major)
- 9 – Commercial Permits Issued (\$288,840 – 4 New Construction)
- 53 – Residential Permits Issued - New Construction (\$365,311)
- 26 – Residential Additions, Alterations, Accessory Permits Issued (\$3,411)
- 587 – Inspections Conducted (220 July, 179 August, 188 September / 25 Failed)

(Approximate Revenue July-Sept = \$675,000 - Permits, Fees, Applications (\$674,052 - Q2)

Development Services Department

July – September 2025 Department Activity (Short Term Rentals)

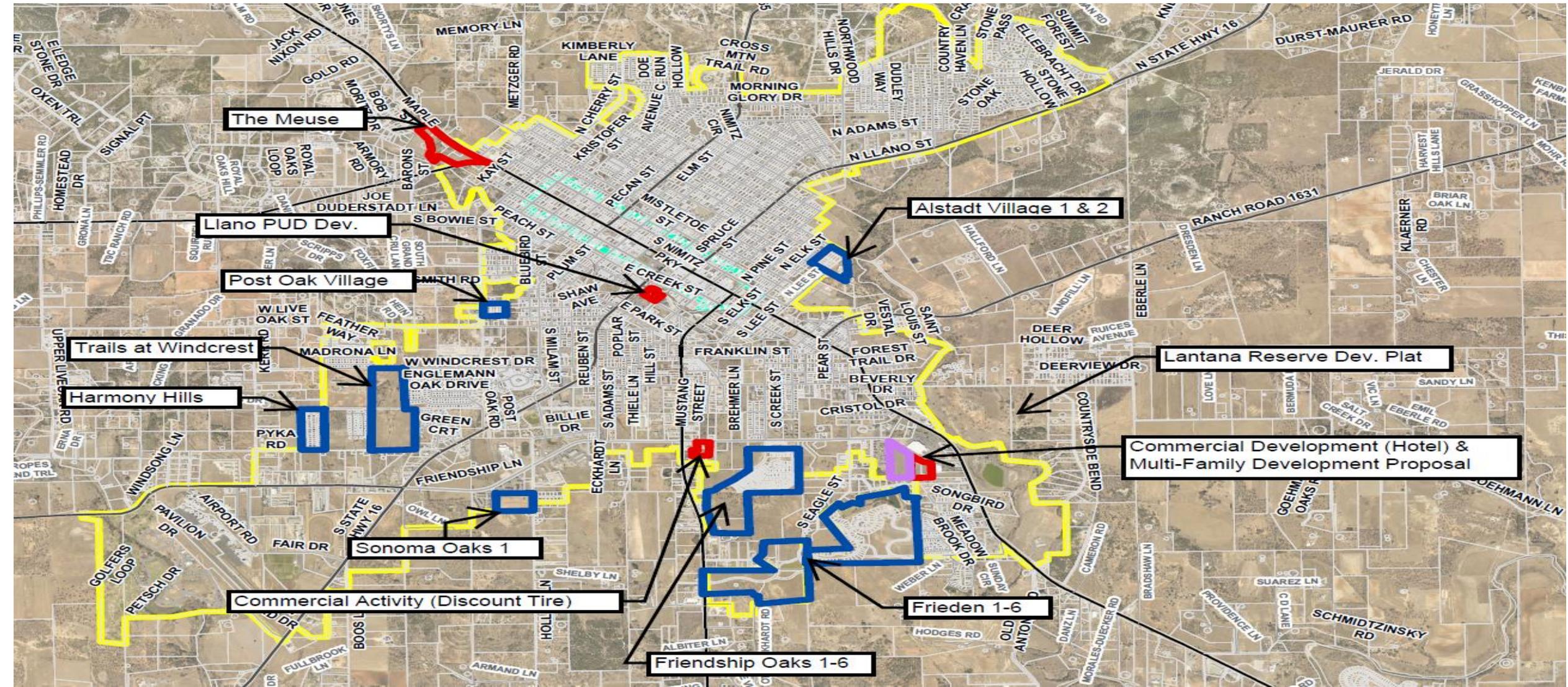
- 1008 – Active in all Zones
- 334 – Inspections Performed
- 6 – Transfers
- 293 – STR Fees Paid (\$159,000)
- 232 – Registering Non-Conforming (\$46,400)
- 16 – Ownership Transfers(\$4,800)
- 11 – Re-inspections(\$825)

Total Revenue for 90 Day Period Approximately \$211,025 (\$218,750 - Q2)

Development Services Department

Subdivision	Lots Proposed	Lots Recorded	Homes Built/Permitted /Under Const.	Status
1010 N. Cherry	10	10	0	Plat recorded.
Altstadt Village	41	22	0	Phase 1 plat recorded. Phase 2 approved.
Frieden	153	153	45	Infrastructure In Place / Individual Lot Construction
Friendship Oaks 1-3	421	350	200	Phase III Infrastructure Construction Underway
Harmony Hills	72	72	72	Significant completion
Post Oak Village	39	39	38	Plat Recorded.
Sonoma Oaks 1	52	52	52	Phase 1 projected completion Spring 2026
Trails at Windcrest	339	0	0	Infrastructure Construction Early 2026 / PUD Approved
W. Walch	5	5	0	Plat recorded.
Woodcrest	9	9	0	Plat recorded.
Total	1,141	712	407	57% Built, Permitted, Under Construction

Development Services Department



Development Services Department

WHAT WE HAVE DONE & WHAT IS NEXT

- Departmental Operations – Workflow Within MGO / GIS Mapping
- Assistant Director Position (New) & STR Specialist
- Ordinance Updates Coming (Time For Resubmittals, Fee Structure, Tree Preservation, Zoning Text Amendments, Etc.)
- Update of ICC & Trade Codes
- RFQ For Unified Development Code (UDC)
 - 13 Responses (February Projection For Council Consideration)

Public Works & Utilities – Electric Dept

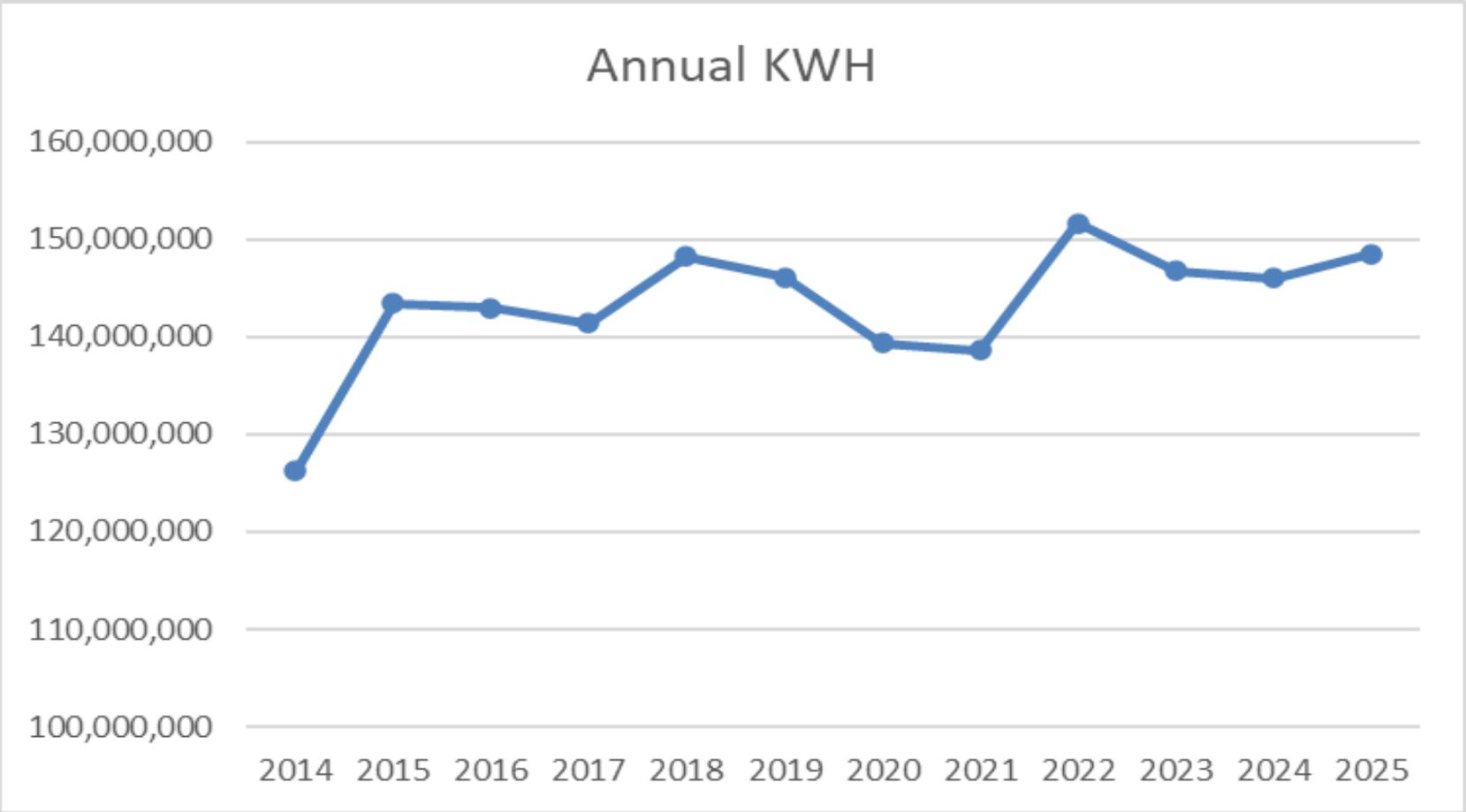
□ Electric Department

○ Projects

- Rehab Underground Primary in Sandcastle Subdivision
- 300 Block West Main (Hondo's & Bank) - Electric Feed from Austin Street
- Completed Electric Utility Infrastructure Survey – Inventory in GIS
- Completed 5 New Electric Commercial Customer Jobs

Public Works & Utilities – Electric Dept

- Electric Department – Trend of Annual KWh sold (2014 to 2025)



Public Works & Utilities – Sanitation Dept

□ Sanitation Department

○ Projects

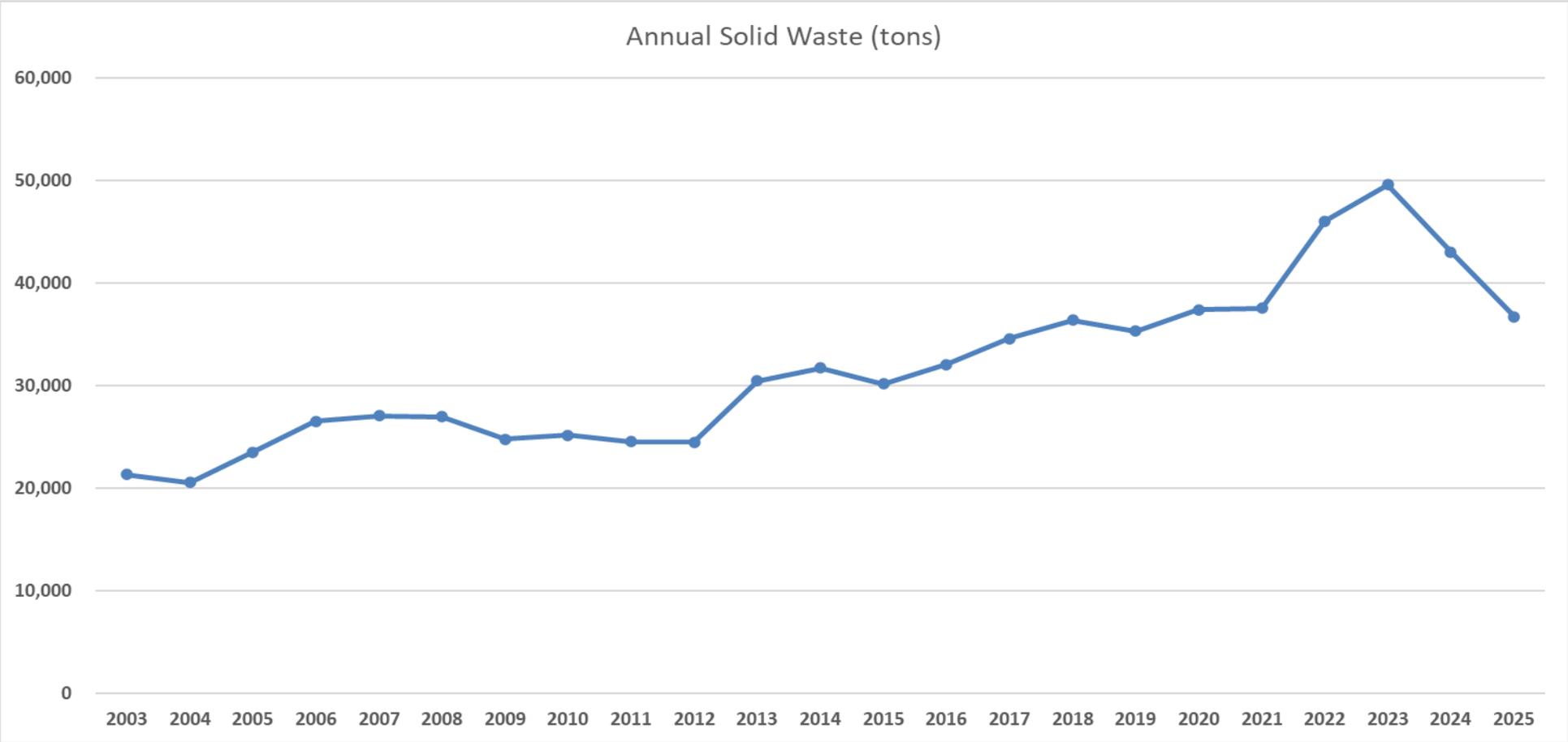
- Construction of Cells 12 and 13, Customer Metal Drop-off, and Grit Trap
- Replaced trash receptacles along Main Street
- Applied for \$4.8M Grant – Transfer Station

○ Solid Waste – 36,725 tons

- 6,300 tons less than 2024

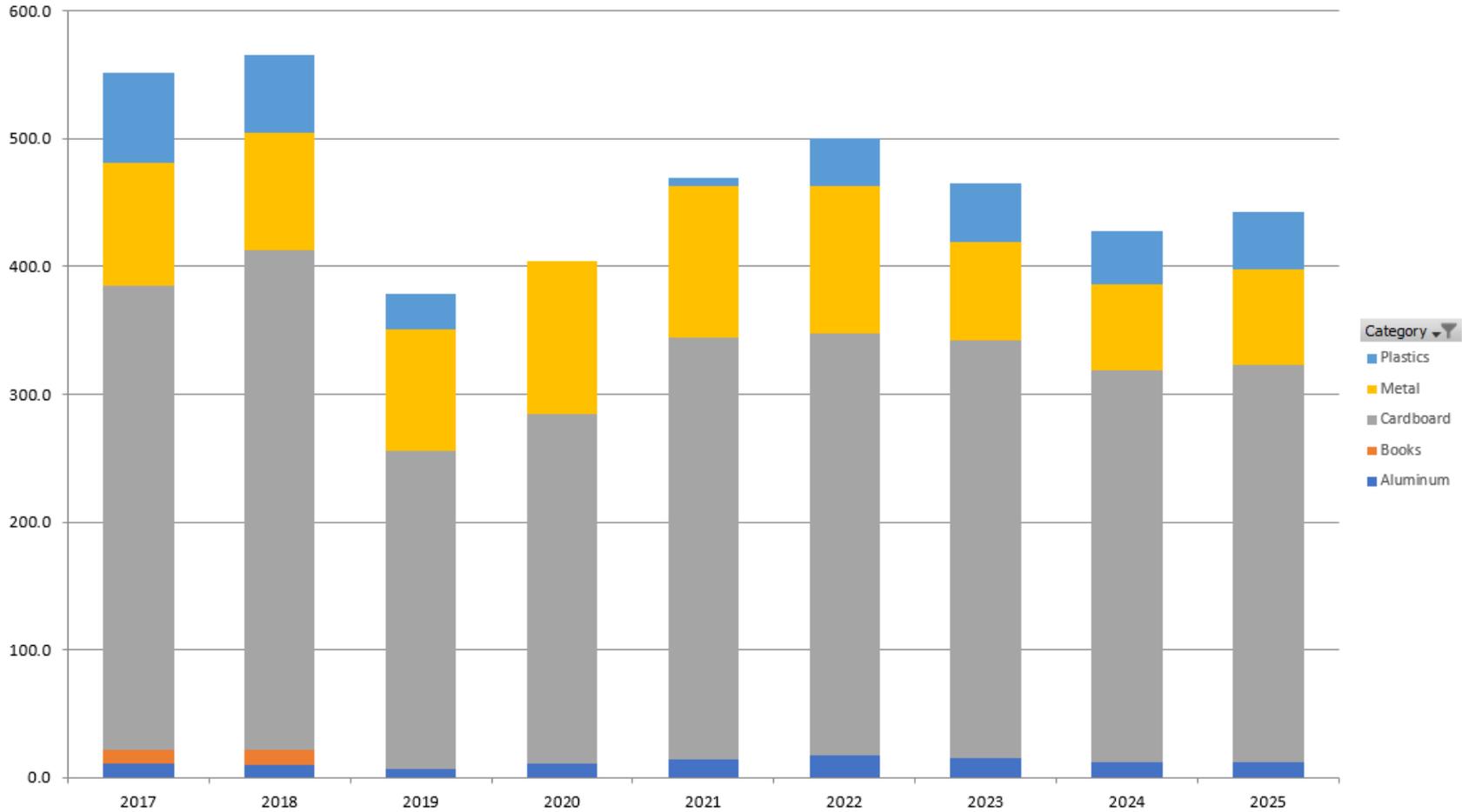
Public Works & Utilities – Sanitation Dept

Sanitation Department – Solid Waste Trends



Public Works & Utilities – Sanitation Dept

Sanitation Department – Recycled Materials (tons)



Public Works & Utilities – SW/VM Dept

□ Stormwater/Vegetation Management Department

○ Projects

- Tree trimming - 20 miles (Electric Line, ROW, etc)
- Mowed city ROW (aprox. 10 miles) and drainage ways
- Erosion and drainage improvements in alleys, drainage channels
- Removed under brush and dead trees from varies portions of Town and Baron's Creek
- Install and/or repair varies drainage infrastructure, ie curbs, drive approaches.

Public Works & Utilities –Street Dept

□ Street Department

○ Projects

- Annual Street Paving Project (~ 9.5 miles), including soccer field parking lot
 - New Roads (1.1 miles) - Post Oak Road, Sonoma, Friendship Oaks, 1010 N. Cherry
- Constructed Parking Lot at Ladybird Park/Tatsch House
- Traffic Control and Street Closure for special events and major PW Projects
- Removed storm debris – Spring Hail-Storms
- Sidewalk Project – Main Street repairs (trip hazards and paver), new sidewalks
- Street striping refresh at various locations

Public Works & Utilities – Water Dept

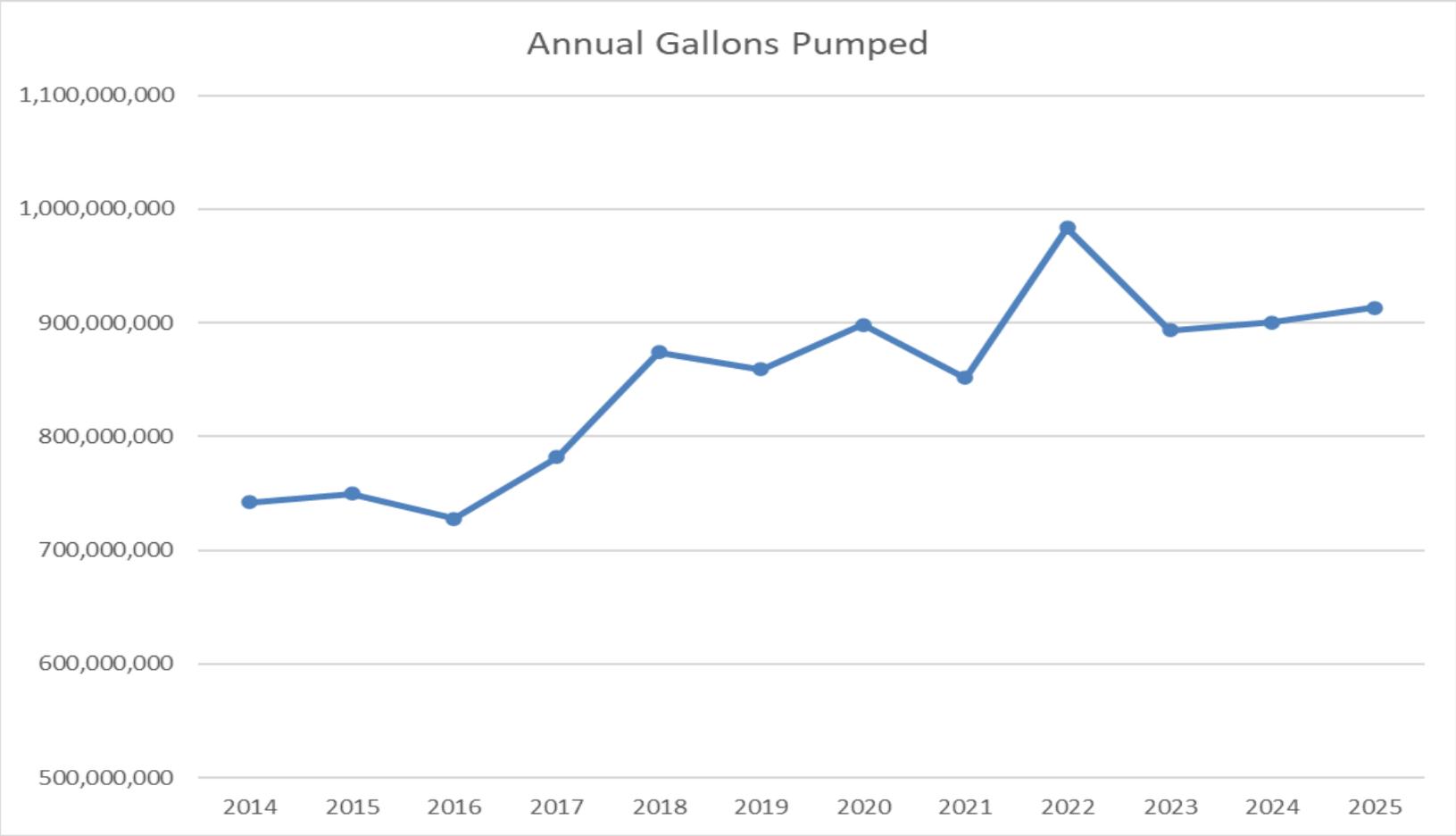
□ Water Department

○ Projects

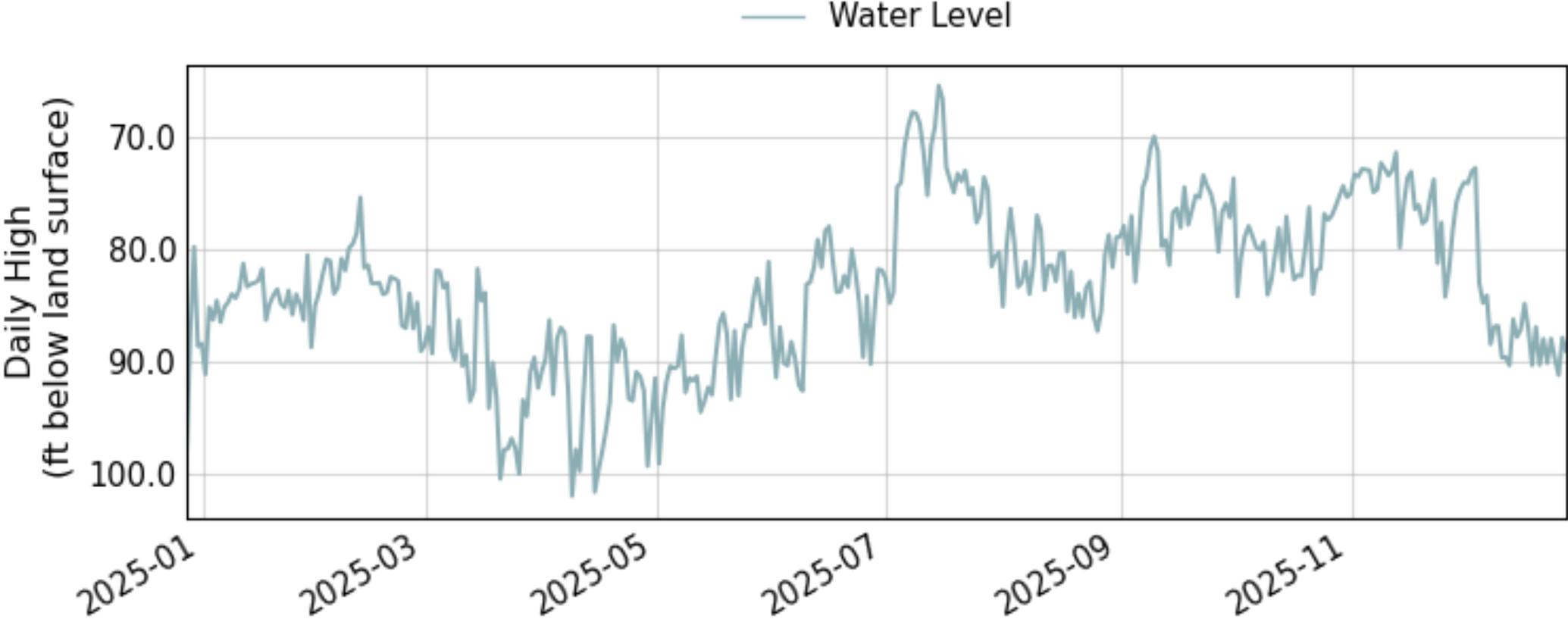
- Water/Wastewater Master Plan Update
- WRF Discharge Permit Renewal
- Hollmig Lane Lift Station Improvements
- 2" Water Main Replacement – 2,500 ft
- West Live Oak Water & Sanitary Sewer Extension
- Installed Stand-by Power Generators at Major Water/Lift Station Sites
- Data Collection on Future Water Supply Study

Public Works & Utilities – Water Dept

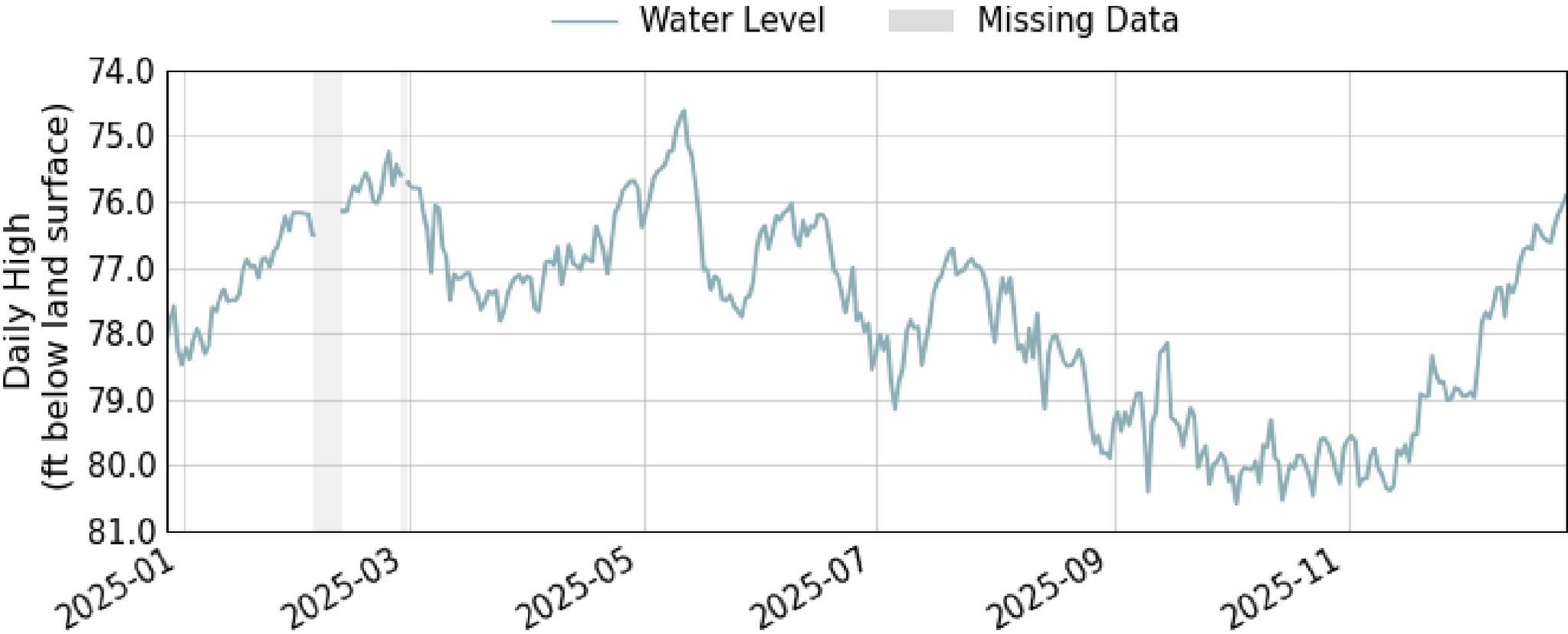
□ Water Department – Water Pumped (2014-2025)



Public Works & Utilities – Knauth Well



Public Works & Utilities – Old SA Rd Well



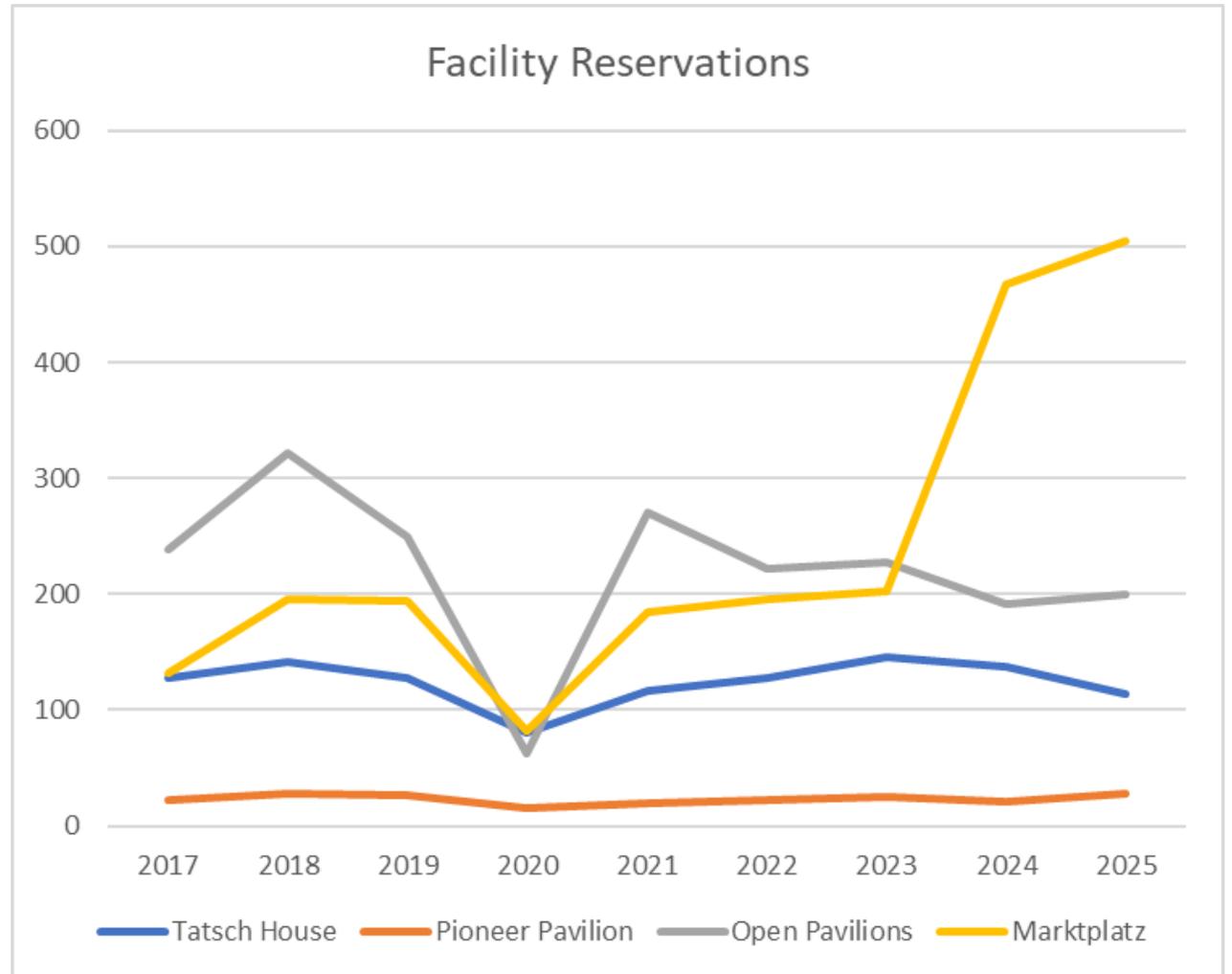
Parks & Recreation Annual Report

What we accomplished in Fiscal Year 2025

- ❑ Initiated 2nd phase of 3-year doubling of the fees at Marktplatz
- ❑ Purchased equipment to assist in operations (2 carryalls, a lift, a Ventrac, a trailer, and a Groundsmaster mower)
- ❑ Renovated the sand volleyball court at Lady Bird Johnson Municipal Park (LBJMP)
- ❑ Repaired leaks in vault and plaster damage at Park Pool
- ❑ Repaired merry go round and recoated surface at the playground at Old Fair Park
- ❑ Added shade to baby pool at Town Pool
- ❑ Added additional parking lot near the Tatsch House
- ❑ Replaced roof at Park Headquarters
- ❑ Replaced decorative lights at Marktplatz
- ❑ Replaced last 6 windows and painted trim at the large pavilion at Marktplatz
- ❑ Made repairs to the German pyramid
- ❑ Switched to an annual lease of the Christmas lights

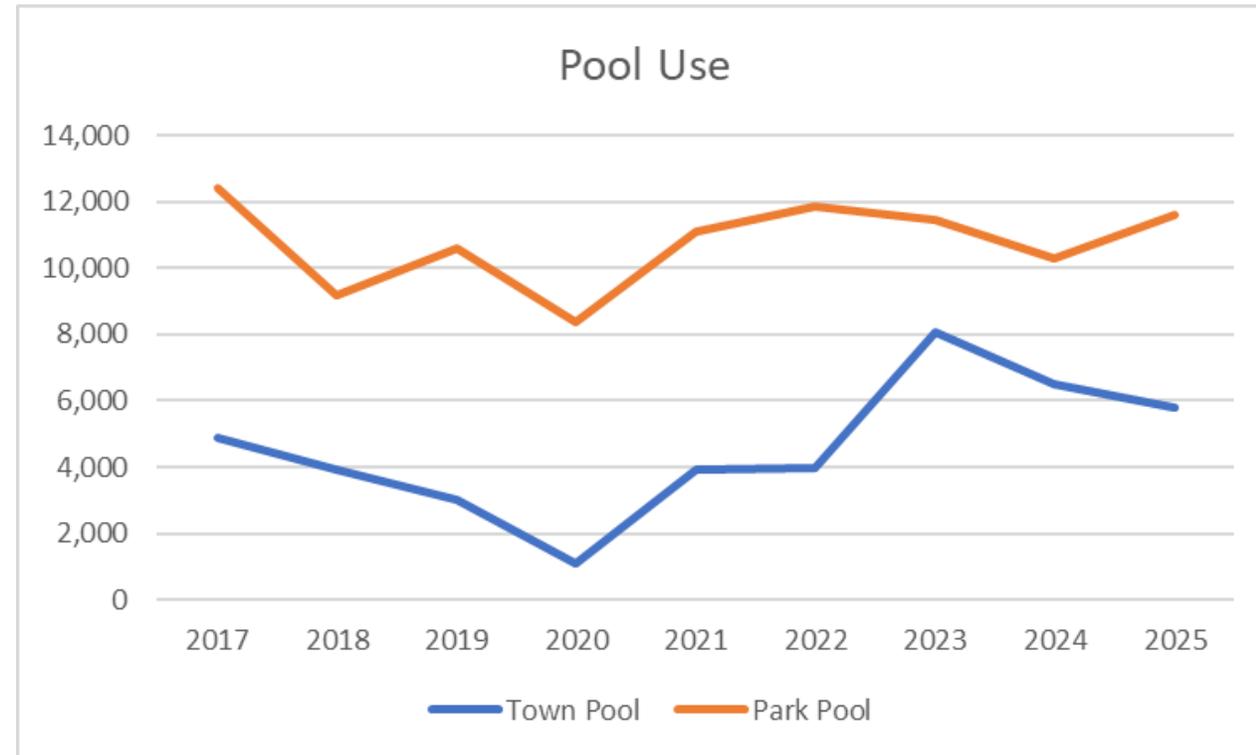
Parks & Recreation Annual Report

- ❑ Reservations for our Facilities at LBJMP and Marktplatz
- ❑ Marktplatz entire reservations were removed in 2024 which increased reservations.
- ❑ Reservations were slightly up for 2025 except for the Tatsch House.



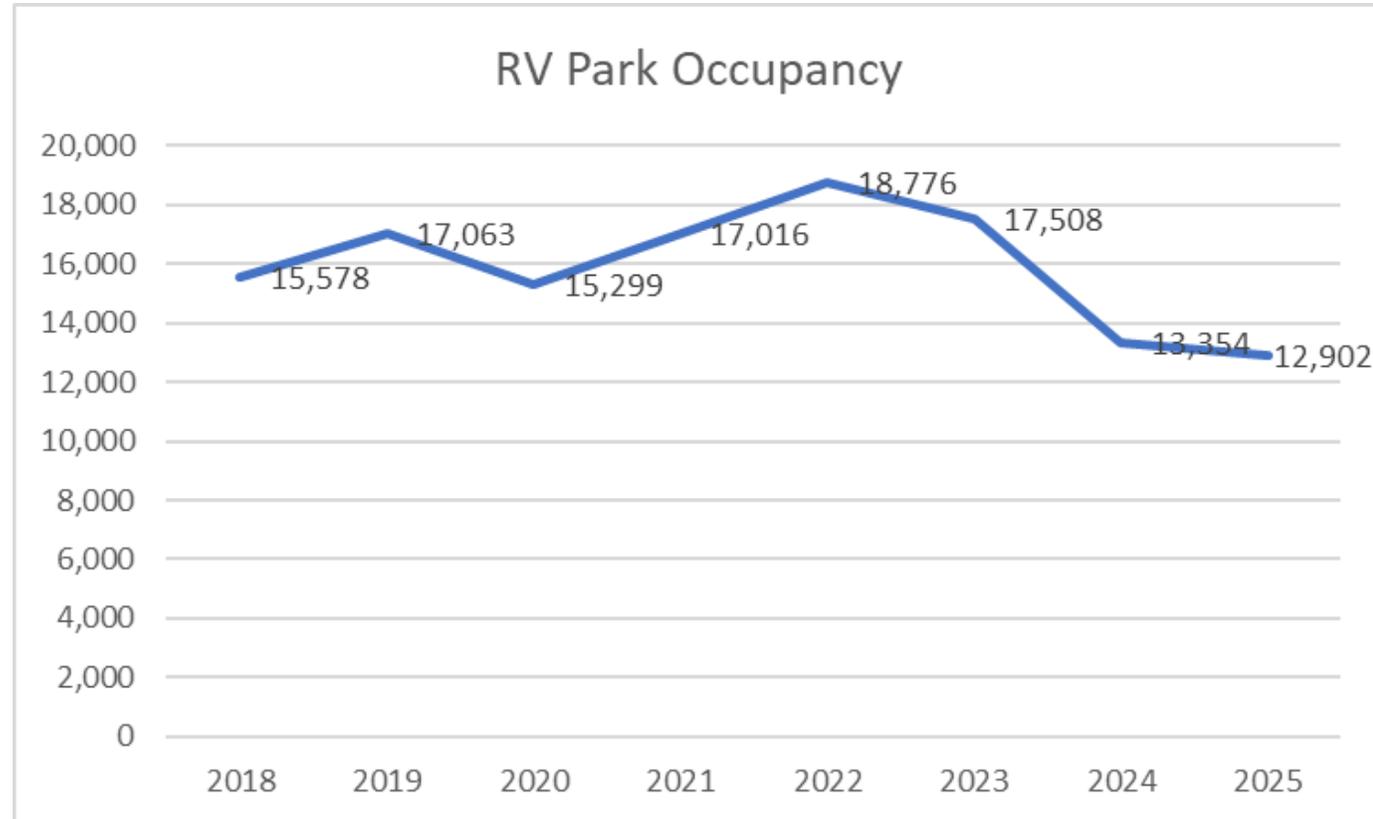
Parks & Recreation Annual Report

- Pools reach or near capacity many days out of the summer
- Daily use was up slightly at Park Pool and slightly down at Town Pool in 2025



Parks & Recreation Annual Report

- Since the post Covid highs, reservations have been decreasing.
- Competition from new RV parks has increased over the last 3 years.
- Attendance in 2024 vs 2025 was only slightly down.



Gillespie County Health Division 2025

□ Permits Issued 2025

- New Fixed Establishments (food/beverage) - 35
- Total Fixed Establishments ~317
- Mobile Food Units - 64
- Temporary Health Permits- 330
- Routine Retail Inspections - 740
- Childcare Environmental Inspections - 8
- ISD Environmental Health Inspections – 3 (FISD – 5 campuses) (HISD-2 campuses) (Doss Consolidated – 1 campus)
- Inspected over 30 special events

January 6, 2026 Financial Update

FY 2026 Digital Budget Book Complete/PDF available (FBG Website-
www.fbgtx.org/Departments/Finance/Budgets & Taxes)



CITY OF
Fredericksburg
ESTABLISHED 1824

THE CITY OF
Fredericksburg, Texas

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Budgets & Taxes

Adopted Operating & Capital Budget - FY2026

An interactive digital budget book tool is published each January and presents the budget in an understandable format that will strengthen financial transparency and broaden public engagement. To download a PDF copy, [click here](#).

Continuing Disclosure +
Hotel Occupancy Taxes +
Previous Budgets & Financial Statements
Proposed Budgets

January 6, 2026 Financial Update

FY 2026 Digital Budget Book Complete/PDF available (FBG Website/Departments/Finance/Budgets & Taxes)



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Finance-Revenues vs Expenditures – FY 2025

*City of Fredericksburg
Revenues vs Expenditures
September 2025*

Revenues
\$72.6M (101.1%
of Budget)

- *Sales Tax
- *Interest Income
- *Building Permits
- *Short-term Rental Fees
- *Impact Fees

	YTD Revenues	YTD Expenditures	Revenues in Excess (Deficiency) of Expenditures
Administrative	\$ 20,971,329	\$ 4,849,419	\$ 16,121,910
Police	\$ 322,719	\$ 8,992,451	(8,669,732)
Fire	\$ 1,501,600	\$ 2,657,321	(1,155,721)
Street	\$ 229,237	\$ 2,422,172	(2,192,935)
Park	\$ 715,448	\$ 3,077,742	(2,362,295)
Development Services	\$ 1,462,315	\$ 1,374,691	87,625
Health	\$ 320,689	\$ 394,157	(73,469)
Municipal Court	\$ 228,336	\$ 636,617	(408,281)
Engineering	\$	\$ 295,900	(295,900)
Sub-total	\$ 25,751,674	\$ 24,700,472	\$ 1,051,202
Market Square Fund	\$ 5,970	\$ -	\$ 5,970
General Fund Revenue	\$ 25,757,644	\$ 24,700,472	\$ 1,057,172
Tourism	\$ 6,048,331	\$ 6,446,801	\$ (398,471)
Electric	\$ 16,984,126	\$ 15,404,445	\$ 1,579,681
Water & Wastewater	\$ 11,149,249	\$ 11,346,497	(197,248)
Golf	\$ 170,574	\$ 174,233	(3,659)
Sanitation	\$ 3,955,721	\$ 4,331,227	(375,506)
EMS	\$ 6,511,250	\$ 6,129,728	381,522
Stormwater/Vegetation Mgmt.	\$ 840,156	\$ 1,121,062	(280,906)
Emergency Management	\$ 297,121	\$ 193,195	103,927
Enterprise Fund Revenue	\$ 39,908,197	\$ 38,700,387	\$ 1,207,810
Debt Service	\$ 897,082	\$ 859,951	\$ 37,131
Totals	\$ 72,611,253	\$ 70,707,612	\$ 1,903,641

Expenses \$70.7M
(90.1% of Budget)

- *Salary savings
- *Timing of Expenses-project delays (Carry-over into 2026)

January 6, 2026 Financial Update-Fund Balance

Fund Balance = Municipality's Savings Account

*Money that's accumulated over time, often from prior-year surpluses or one-time revenues. It is meant for:

- * Emergencies
- * One-time projects/equipment
- * Cash flow stability

Why Fund Balance Shouldn't Be Used for Recurring Expenses



Fund Balance

Municipality's savings account for:

- Emergencies
- One-time projects
- Cash flow stability



Recurring Expenses

Regular, predictable costs like:

- Salaries
- Utilities
- Service contracts



Simple Analogy

Imagine paying your monthly rent from your savings instead of your paycheck



Best Practice

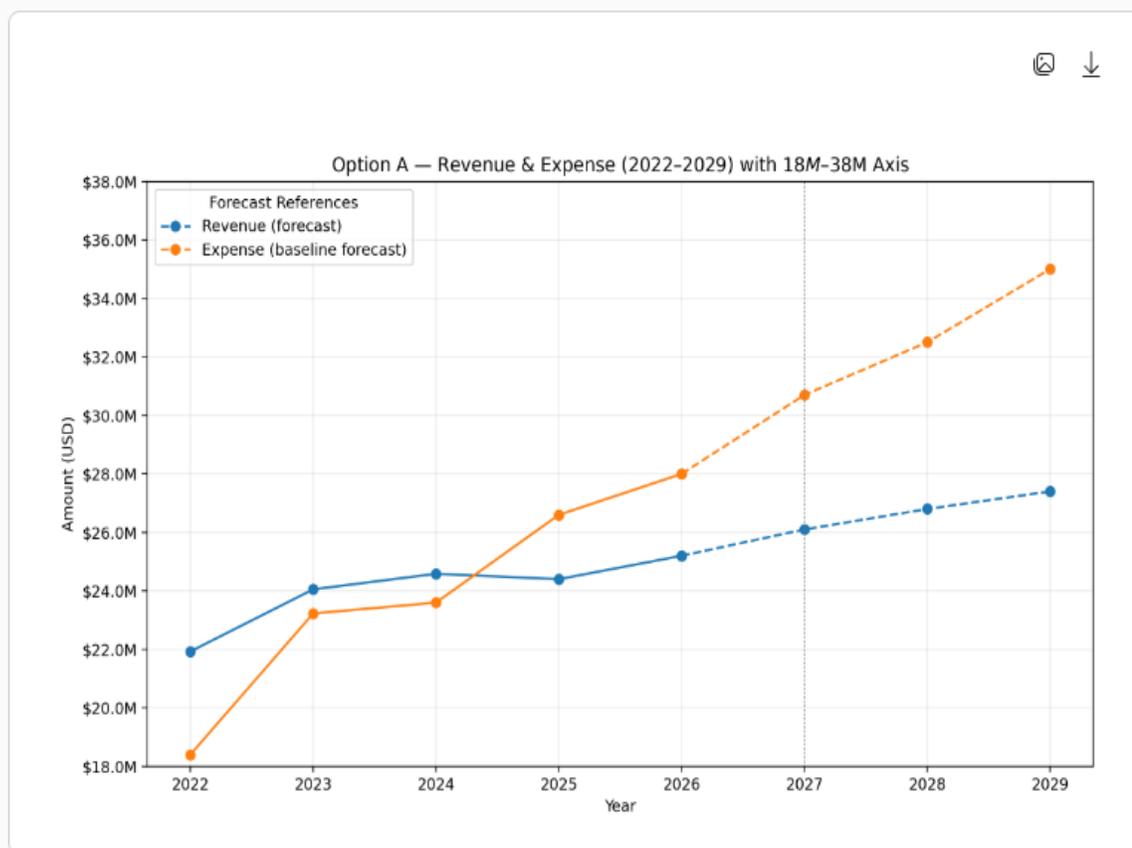
Use fund balance for non-recurring needs or emergencies

Recurring expenses should be paid with recurring revenues.

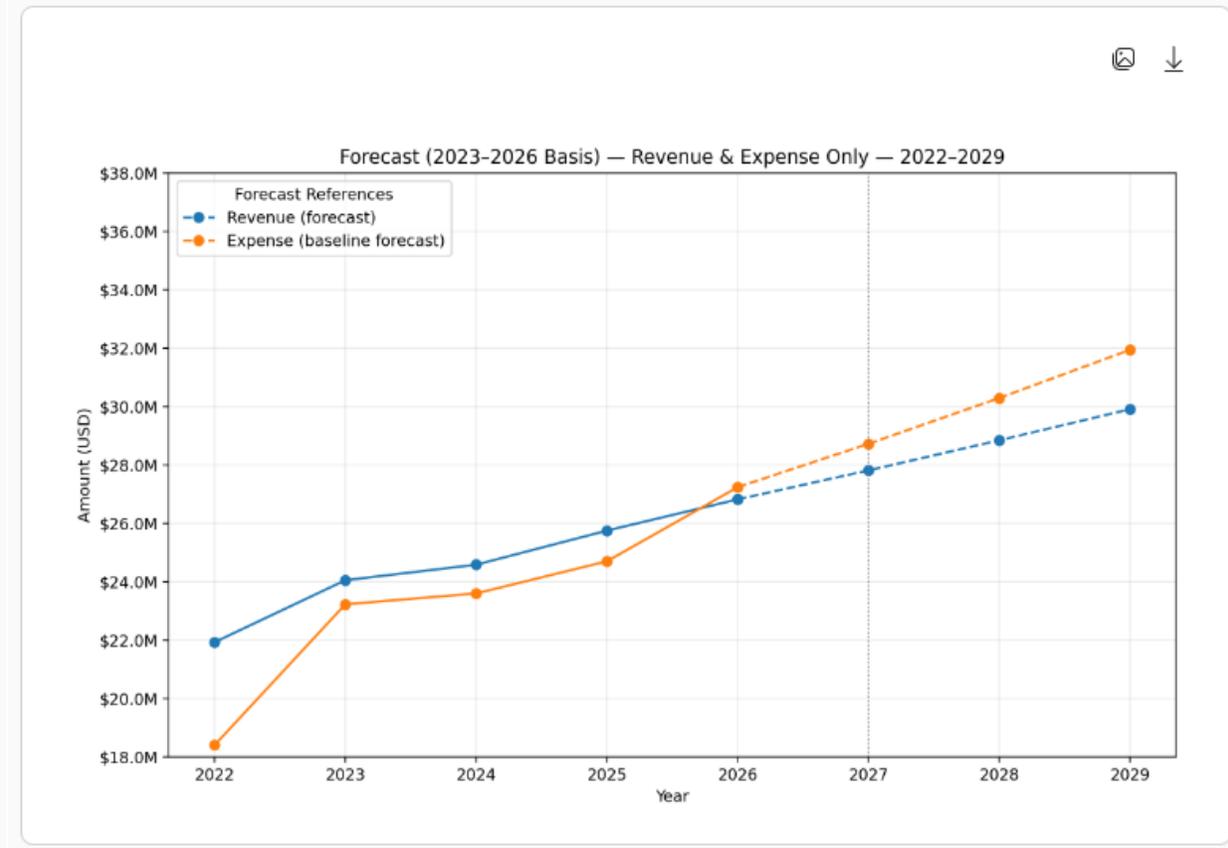
- * Salaries
- * Utilities
- * Maintenance/Operations

January 6, 2026 Financial Update- Forecasting (General Fund)

Left Chart – August 2025 (Budget Workshop)



Right Chart – January 2026 (2025 Actuals and 2026 Budget)



January 6, 2026 Financial Update- Forecasting (General Fund)

Key Trends (2022-2026)

- Personnel costs 60% of recurring costs in 2026
- Recurring revenues growing at a slower rate than recurring expenses
- Coverage ratio declining, signaling margin compression

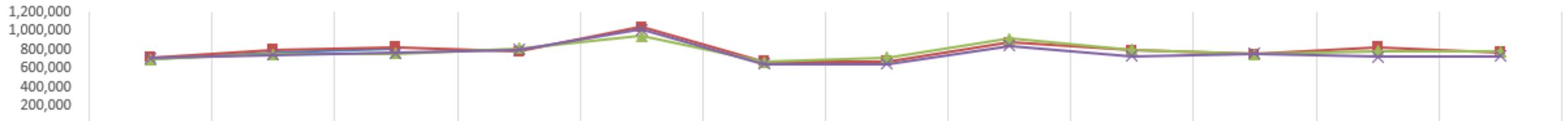
Key Takeaways and Action Items

- Structural balance at risk by 2029
- Control recurring costs, strengthen recurring revenues
- Protect fund balance for one-time needs; avoid using reserves for operations

Finance-Sales Tax Fiscal Year 2026

SALES TAX RECEIPTS - FY 2023 - FY 2026

FY 2026 FY 2025 FY 2024 FY 2023



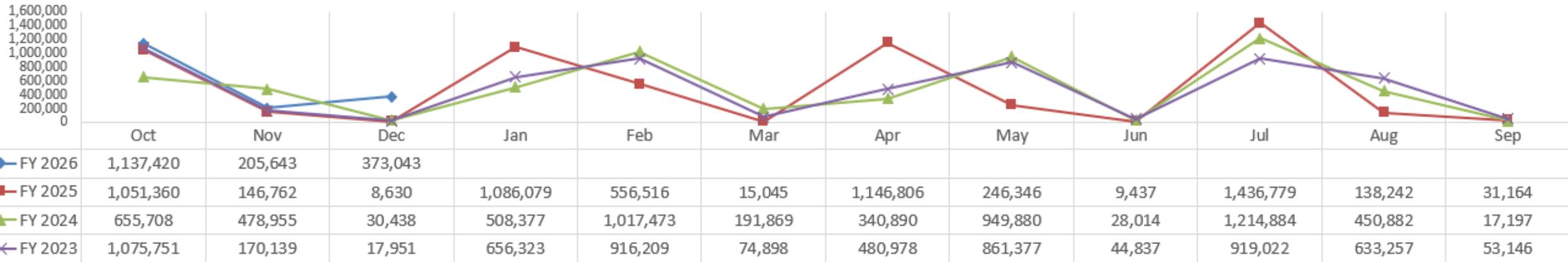
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY 2026	700,515	764,167	814,928									
FY 2025	720,232	799,093	831,012	780,942	1,043,610	677,497	677,741	874,447	795,048	752,061	830,489	775,926
FY 2024	697,254	752,577	759,321	814,229	943,425	672,169	714,396	915,967	798,392	753,999	785,666	777,479
FY 2023	709,609	748,123	766,012	799,146	1,010,538	648,949	652,182	838,841	732,325	759,173	727,265	730,795

- 2026: \$2.3M (Oct-Dec 2025, 24.6% of budget)
- 2025: \$9.6M (106.2% budget, 1.8% over 2024)
- 2024: \$9.4M (2.9% increase over 2023)
- 2023: \$9.1M (5.2% increase over 2022)
- 2022: \$8.7M (12.7% increase over 2021)

Finance-7% Hotel Occupancy Tax

HOTEL TAX RECEIPTS - FY 2023 - FY 2026

FY 2026 FY 2025 FY 2024 FY 2023



2026: \$1.7M (Oct-December 2025, 28.4% of budget)

2025: \$5.9M

2024: \$5.9M

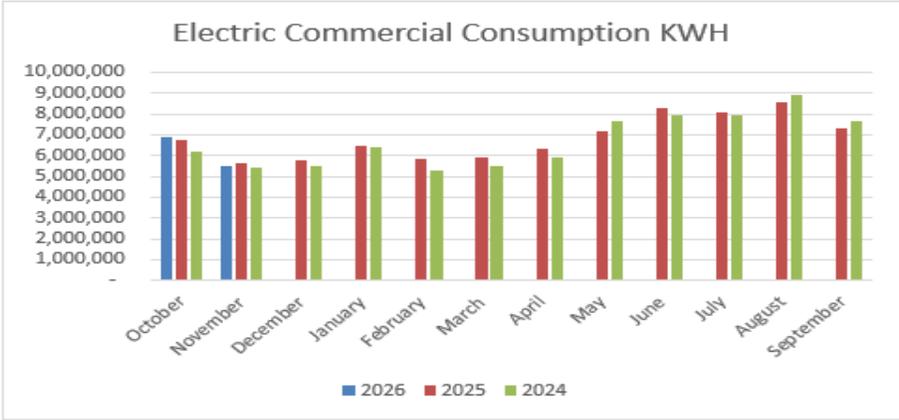
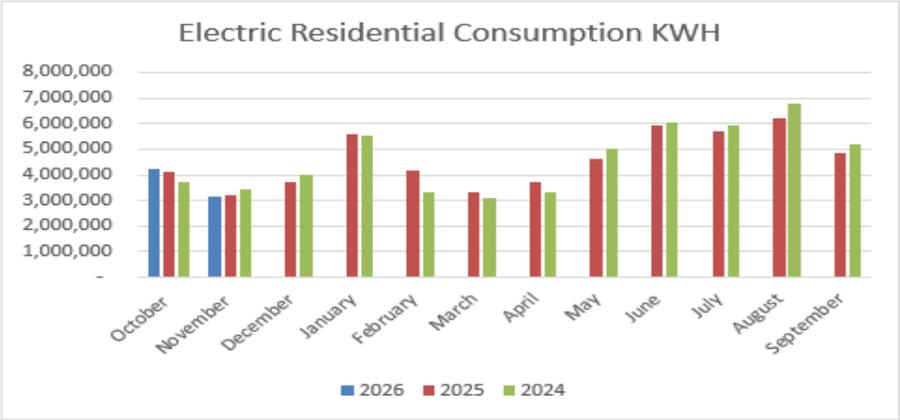
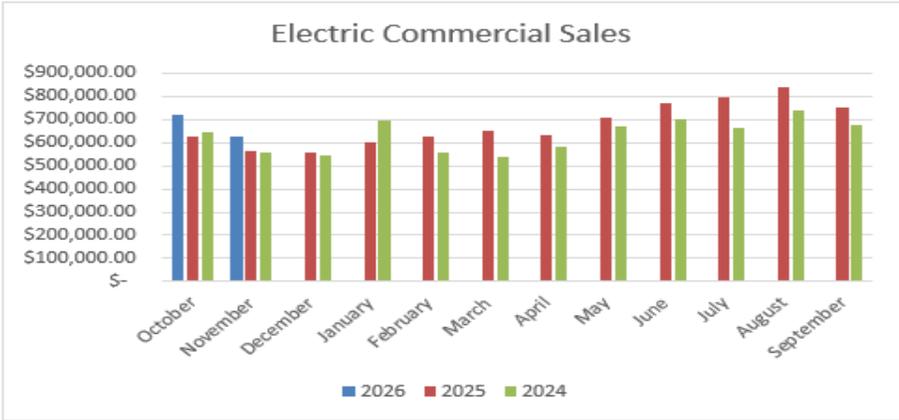
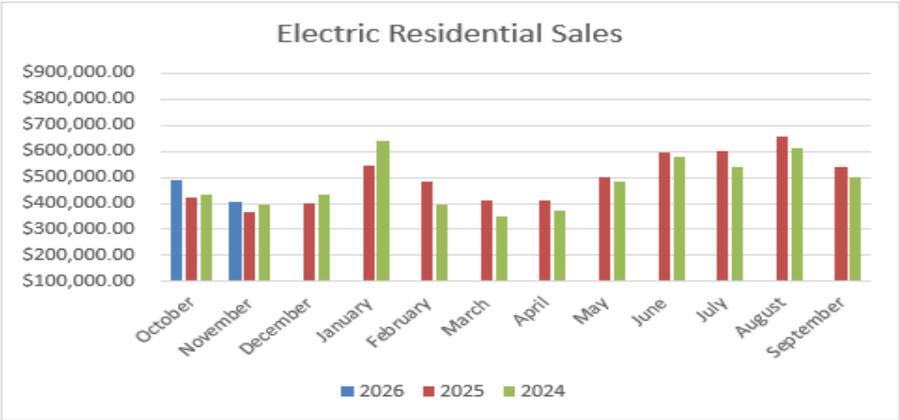
2023: \$5.9M (2.0% increase over 2022)

2022: \$5.8M (10.3% increase over 2021)

2021: \$5.2M (66.5% increase over 2020)

Finance-Electric Revenue and Consumption

Electric revenues YTD November 2025, \$2.4M, 14.8% of \$15.9M budget



Finance-Water Revenue and Consumption

Water & WW revenues YTD November 2025, \$1.9M
 19.5% of \$10.2M budget

