

ORDINANCE NO. 2018-xx

AN ORDINANCE APPROVING AND ADOPTING THE CITY OF LEAGUE CITY, TEXAS, ANNUAL GOVERNMENTAL AND PROPRIETARY FUNDS BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018 AND ENDING SEPTEMBER 30, 2019; MAKING APPROPRIATIONS FOR CITY OPERATIONS AND CAPITAL PROJECTS FOR SUCH FISCAL YEAR AS REFLECTED IN SUCH BUDGET; AUTHORIZING VARIOUS OTHER TRANSFERS; APPROVING AND ADOPTING THE FY 2019 CAPITAL BUDGET; AND MAKING CERTAIN FINDINGS AND CONTAINING CERTAIN PROVISIONS RELATING TO THE SUBJECT.

WHEREAS, on July 10, 2018, the City Manager presented to the City Council a proposed budget of the expenditures of the City of League City for the fiscal year 2019 and the proposed budget was filed with the City Secretary and posted on the City website as required by Local Government Code Section 102.005; and

WHEREAS, pursuant to notice as required by Section 102.006 of the Local Government Code, on August 14, 2018, a public hearing on such budget was held in the Council Chambers, at which hearing all citizens and taxpayers of the City had the right to be present and to be heard, and those who requested to be heard were heard; and

WHEREAS, the City Council has considered the proposed budget and has made such changes therein as in the City Council's judgment were warranted by law and were in the best interest of the citizens and taxpayers of the City; and

WHEREAS, such changes are described in Exhibit A, B, and C.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEAGUE CITY, TEXAS, as follows:

Section 1. The facts and opinions in the preamble of this ordinance are true and correct.

Section 2. In accordance with the provisions of Local Government Code Section 102.007, the City Council hereby approves and adopts the operating budget described above, the same as shown in Exhibit A, the capital budget as shown in Exhibit B, and the citywide budget as shown in Exhibit C, all of which are attached and incorporated herein. The City Secretary is hereby directed to place on such budget and to sign an endorsement reading as follows: "The Original Annual Governmental and Proprietary Funds Budget of the City of League City, Texas, for Fiscal Year 2019" and to keep such budget on file in her office as a public record. In addition, in accordance with Section 102.009 (d), Texas Local Government Code, the City Secretary is hereby directed to file a true copy of the approved Budget in the offices of the county clerks of the counties in which the City is located.

Section 3. The FY2019 Budget for operations shall be administered in accordance with Article VII, Section 5 and 8 of the City Charter as follows:

- a. The Council may transfer any unencumbered appropriation balance or portion thereof from one office, department, or agency to another, at any time.
- b. The City Manager shall have authority, without Council approval, to transfer appropriation balances from one expenditure account to another within a single office, department, or agency.
- c. At any time in any fiscal year, the Council may, pursuant to Article VII, section 8 of the City Charter, make emergency appropriations to meet a pressing need for public expenditure, for other than regular or recurring requirements, to protect the public health, safety or welfare. Such appropriation shall be by ordinance adopted by the favorable votes of four-fifths (4/5) majority of the voting members of City Council present at the meeting, and shall be made only upon recommendation of the City Manager. The total amount of all emergency appropriations made in any fiscal year shall not exceed two and one-half (2 1/2) per centum of the tax levy for that fiscal year.

Section 4. The FY2019 Capital Budget shall be administered as follows:

- a. The Capital Budget includes specific projects programmed in FY2019.
- b. Bond sales for FY2019 will be conducted and proceeds there from will be appropriated in accordance with and in the furtherance of the FY2019 Capital Budget.
- c. Reports will be provided to City Council quarterly on the status of each project that is a part of the FY2019 Capital Budget including financial, design, and construction status information.
- d. City Council approval is required to add or delete projects from the Capital Budget as shown in Exhibit B through passage of an ordinance amending the FY2019 Capital Budget.
- e. Contracts and expenditures for individual projects shall be approved as provided by State law, the City Charter and the City's purchasing policies.
- f. Expenditures of capital funds shall be for projects included in the approved and/or amended FY2019 Capital Budget.
- g. Funds shall be allocated based on the legal purpose of the capital funds; the Finance Department shall be authorized to charge expenditures of current projects to older capital funds which expenditures meet the legal purpose of those older capital funds in order to close them out.
- h. By this action, Council hereby appropriates any additional income dedicated by City Council action or state law for capital projects that is received during FY2019. This includes but is not limited to net proceeds from the sale of municipal bonds as approved and authorized by City Council, interest income, capital recovery fees and additional amounts transferred from City operating funds to be used for capital projects.

Section 5. That the Beginning Fund Balance reflected in the budget for each operating and capital project fund for which a Budget is adopted shall be adjusted to be the amount of the

Ending Fund Balance for Fiscal Year 2018 as reflected in the final Comprehensive Annual Financial Report for Fiscal Year 2018 upon publication. The revised Beginning Fund Balance shall thereafter be used to calculate the Fiscal Year 2018 Ending Fund Balance.

Section 6. That the budget for FY2019 shall be increased for valid outstanding encumbrances at the conclusion of FY2018. Said increased appropriations shall be equal to the outstanding and valid encumbrances in excess of \$25,000 per purchase and shall be recorded in the appropriate accounts.

Section 7. All ordinances and resolutions, and parts of ordinances and resolutions in conflict herewith, are hereby repealed.

Section 8. A copy of the final approved budget shall be filed with the City Secretary and posted on the website in accordance with Local Government Code Section 102.008.

Section 9. It is hereby found and determined that the meeting at which this ordinance was passed was open to the public and that advance public notice of the time, place and purpose of said meeting was given as required by law.

PASSED first reading the ____ day of _____, 2018.

PASSED second reading the ____ day of _____, 2018.

PASSED AND ADOPTED the _____ day of _____, 2018.

PAT HALLISEY,
Mayor

ATTEST:

DIANA M. STAPP,
City Secretary

APPROVED AS TO FORM:

NGHIEM V. DOAN,
City Attorney

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FY 2019 Proposed Budget
Exhibit A
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Fund	FY 2019 Proposed Budget	Adjusted from workshops	FY 2019 Proposed Budget
GENERAL FUND			
City Council	152,610	-	152,610
City Manager	689,352	-	689,352
City Secretary	446,410	-	446,410
City Attorney	557,557	-	557,557
City Auditor	123,863	-	123,863
Communications Office	567,073	-	567,073
Human Resources	793,620	70,357	863,977
Economic Development	379,140	-	379,140
Information Technology	2,636,722	-	2,636,722
Facilities Services	1,449,192	-	1,449,192
Budget & Financial Planning	393,795	-	393,795
Project Management	1,508,828	-	1,508,828
Accounting	1,660,464	-	1,660,464
Municipal Court	809,376	-	809,376
Purchasing	388,605	-	388,605
Police	20,021,661	-	20,021,661
Animal Control	885,905	-	885,905
Fire Department	2,716,637	-	2,716,637
Fire Marshal	834,251	-	834,251
Emergency Medical Services	3,767,538	-	3,767,538
Emergency Management	231,201	-	231,201
Public Works Administration	546,007	-	546,007
Engineering	1,235,438	-	1,235,438
Streets & Traffic	6,919,531	130,980	7,050,511
Solid Waste	6,190,480	-	6,190,480
Planning	1,149,182	-	1,149,182
Building	1,128,713	-	1,128,713
Neighborhood Services	473,723	-	473,723
Library	2,137,906	136,746	2,274,652
Civic Center Operations	535,397	-	535,397
Parks Operations	2,055,113	-	2,055,113
Parks Recreation	792,366	-	792,366
Non-Departmental	2,970,789	-	2,970,789
Transfers to the Tax Increment	2,337,408	-	2,337,408
Transfer to CIP to cash fund projects	1,500,000	-	1,500,000
Transfer to CIP reinvestment projects	7,410,000	-	7,410,000
General Fund Total	78,395,853	338,083	78,733,936

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Fund	FY 2019 Proposed Budget	Adjusted from workshops	FY 2019 Proposed Budget
UTILITY FUND			
Utility Billing	1,676,596	-	1,676,596
Water Production	7,001,244	-	7,001,244
Wastewater	3,984,829	-	3,984,829
Line Repair	3,089,445	-	3,089,445
Non-Departmental	527,654	-	527,654
Transfer to Debt Service	12,833,033	-	12,833,033
Transfer to CIP to cash fund projects	3,500,000	-	3,500,000
Transfer to General Fund	3,312,000	-	3,312,000
Utility Fund Total	35,924,801	-	35,924,801
OTHER FUNDS			
General Debt Service Fund	12,475,869	-	12,475,869
SPECIAL REVENUE FUNDS			
Community Outreach Fund	-	-	-
Chapter 59 Seizure Fund	50,000	-	50,000
Asset Forfeiture Fund	15,000	-	15,000
Animal Control Donation Fund	45,000	-	45,000
Fire/EMS Donation Fund	70,614	-	70,614
Library Gift Fund	6,100	-	6,100
4B Maintenance & Operations/Debt Fund	2,221,540	-	2,221,540
Municipal Court Building Security Fund	50,292	-	50,292
Municipal Court Technology Fund	39,800	-	39,800
Technology Fund	-	-	-
Public Safety Technology Fund	286,958	-	286,958
Hotel/Motel Tax Fund	824,028	-	824,028
Public Access Channel Fund	90,601	-	90,601
Tree Preservation Fund	24,000	-	24,000
Hurricane Harvey Fund	200,000	-	200,000
Disaster Preparedness Donation Fund	-	-	-
Special Revenue Funds Total	3,923,933	-	3,923,933
Grand Total Operating Budget	130,720,456	338,083	131,058,539
UTILITY DEBT SERVICE FUND			
Utility Debt Service Fund	13,303,973	-	13,303,973
INTERNAL SERVICE FUNDS			
Fleet Maintenance Fund	1,568,463	-	1,568,463
Capital Replacement Fund	2,109,000	-	2,109,000
Employee Benefit Fund	7,437,091	-	7,437,091
NOTE: Expenses for the Utility Debt Service Fund and the Internal Service Funds (Fleet Maintenance, Capital Replacement and Employee Benefit Funds) are not included in the Citywide Total above to avoid duplication of the amounts shown as part of the General and Utility Fund budgets that are transfers to these funds for services.			

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Program	Project	Total Project Cost	FY2019 Proposed Capital Budget	8/7/2018 Workshop Changes	FY2019 Proposed Capital Budget	Phase
TAX SUPPORTED PROGRAMS						
Reinvestment	Sidewalk Replacements	\$ 4,250,000	\$ 750,000	-	\$ 750,000	Construction
	Street Reconstruction	53,337,289	9,460,000	-	9,460,000	Design/Construction
	Annual Stormwater Improvements	4,368,900	225,000	-	225,000	Design/Construction
	Asphalt Rd Rehab	14,925,431	2,000,000	-	2,000,000	Design/Construction
	Facilities Reinvestment	1,327,750	200,000	-	200,000	Construction
	Parks Facilities Renewal	1,000,000	200,000	-	200,000	Construction
	Butler/Turner Improvements	4,414,277	3,829,077	-	3,829,077	Construction
	Fire Training Room Expansion	340,000	260,000	-	260,000	Construction
	Library Needs Assessment	90,000	90,000	-	90,000	Design
	Reinvestment Subtotal	\$ 84,053,647	\$ 17,014,077	\$ -	\$17,014,077	
Streets/Traffic	Ervin Connector	5,785,320	4,510,000	-	4,510,000	Construction
	North Landing Extension	48,665,266	800,000	-	800,000	Design
	FM270 Widening (FM518 to FM646)	3,284,000	250,000	-	250,000	Design
	Palomino Lane Improvements	3,250,000	89,600	-	89,600	Design
	Walker Street Railroad Crossing	200,000	200,000	-	200,000	Construction
	Walker Street Corridor Upgrades	6,450,000	450,000	-	450,000	Design
	LCP & Walker Street Intersection Improvements	1,020,000	88,761	-	88,761	Design/Land
	SH3 and SH96 Intersection Improvements	815,000	90,000	-	90,000	Design
	LCP Lane Improvements @ Hobbs Road	519,191	68,000	-	68,000	Design
	LCP Right Turn Lane - Calder to Butler	915,000	240,000	-	240,000	Design
	SH3 and FM518 Intersection Improvements	485,000	64,000	-	64,000	Design
	Right Turn Lanes to FM518 @ Landing Blvd	263,250	51,250	-	51,250	Design
	TxDOT McFarland Rd Bridge 2018	43,318	3,580	-	3,580	Design
	Streets Subtotal	\$ 73,410,345	\$ 6,905,191	\$ 53,000	6,958,191	
Drainage	City-wide 2D Model of Drainage Systems	1,040,000	800,000	-	800,000	Design/Construction
	Newport Subdivision Drainage Improvements	530,000	69,000	-	69,000	Design
	Deer Ridge Dr Buy-out & Overland Flow Improvements	1,400,000	143,000	-	143,000	Design
	Landing Subdivision Drainage Improvements	470,000	76,000	-	76,000	Design
	Clear Creek and Dickinson Bayou Drainage	1,000,000	-	500,000	500,000	Design
	Harvey Mitigation Projects	45,000,000	-	500,000	500,000	Design
	Drainage Subtotal	\$ 49,440,000	\$ 1,088,000	\$ 1,000,000	2,088,000	
Police	New Animal Shelter	7,537,167	6,836,177	-	6,836,177	Construction
	Police Subtotal	\$ 7,537,167	\$ 6,836,177	\$ -	6,836,177	
Fire	Public Safety Annex Station 6	5,675,550	288,789	-	288,789	Construction
	Fire Subtotal	\$ 5,675,550	\$ 288,789	\$ -	288,789	
Facilities	Land Purchase for City Initiatives	2,518,059	850,000	-	850,000	Land
	Buildings and Facilities Subtotal	\$ 2,518,059	\$ 850,000	\$ -	850,000	
Parks	Dog Park - Phase 2 Pond	295,900	130,000	-	130,000	Construction
	FM270 Public Boat Ramp Renovation	821,667	93,000	-	93,000	Design
	TxDOT FM518 Bypass Hike and Bike	5,173,330	140,000	-	140,000	ROW/Construction
	Hike and Bike trails Way- Finding Signage	299,000	52,000	-	52,000	Construction
	Clairmont Connector Hike and Bike Trail	743,000	575,000	-	575,000	Construction
	Magnolia Creek Trail Repair	24,700	24,700	-	24,700	Construction
	Lynn Gripon Park Mountain Bike Course	105,000	105,000	-	105,000	Design/Construction
	Hometown Heroes Park Restroom	344,500	53,000	-	53,000	Design
	Bayridge Park Redevelopment	1,000,000	53,000	-	53,000	Design
	East Side Dog Park	200,000	-	200,000	200,000	Design/Construction
	Parks Subtotal	\$ 9,182,097	\$ 1,225,700	\$ 375,000	1,600,700	

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Program	Project	Total Project Cost	FY2018 Proposed Capital Budget	8/7/2018 Workshop Changes	FY2019 Proposed Capital Budget	Phase
Downtown Revitalization	Downtown Revitalization Plan	11,984,298	3,355,386	-	3,355,386	Construction
	Downtown Revitalization Subtotal	\$ 11,984,298	\$ 3,355,386	\$ -	\$ 3,355,386	
	TAX SUPPORTED TOTAL	\$ 243,801,163	\$ 37,563,320	\$1,428,000	\$38,991,320	
REVENUE SUPPORTED						
Water	60" Water Line Replace 42" Line on SH3	\$ 53,615,000	\$ 10,085,000	-	\$ 10,085,000	Design/ Land
	36" WL SH3 to SSH Booster Station	13,529,816	11,811,870	-	11,811,870	Construction
	Southeast Service Area Trunks	4,266,821	2,719,778	-	2,719,778	Land/ Construction
	Waterline Upgrades & Replacement	18,947,579	2,000,000	-	2,000,000	Design/Construction
	Annual Water System Improvements	2,030,800	312,000	-	312,000	Design/Construction
	West Side Well, GST, Generator and BPS	3,576,674	3,119,300	-	3,119,300	Land/ Construction
	North Service Area 16" Waterline along Grissom	742,700	144,700	-	144,700	Design/Land
	New Water Supply Strategies	19,630,000	264,000	-	264,000	Design
	New West Side Elevated Tank and Well	7,919,000	850,000	-	850,000	Design
	SEWPP Treatment Improvements	6,083,874	2,420,000	-	2,420,000	Design/Construction
	Dickinson Ave GST & Generator	1,250,000	250,000	-	250,000	Design
	New Water Well and GST - Westside	5,912,700	395,000	-	395,000	Design
	Water Subtotal	\$ 137,504,964	\$ 34,371,648	\$ -	\$ 34,371,648	
Wastewater	Sanitary Sewer Annual Rehab 2018-2023	12,330,000	1,500,000	-	1,500,000	Construction
	Force Main Upgrade from Bay Colony LS to Ervin St	2,452,326	730,000	-	730,000	Construction
	Annual Lift Station Improvements	4,155,350	942,500	-	942,500	Design/Construction
	DSWWTP 185 Hp Pump Replacement	250,000	125,000	-	125,000	Equipment
	Annual Odor Control Improvements	615,350	170,000	-	170,000	Design/Construction
	Wastewater Subtotal	\$ 19,803,026	\$ 3,467,500	\$ -	\$ 3,467,500	
	REVENUE SUPPORTED TOTAL	\$ 157,307,990	\$ 37,839,148	\$ -	\$ 37,839,148	
FY2019 CAPITAL BUDGET TOTAL		\$ 401,109,153	\$ 75,402,468	\$ 1,428,000	\$ 76,830,468	

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PROGRAM TOTALS BY FUNDING SOURCE			
FUNDING SOURCES	FY2019 Proposed Capital Budget	8/7/2018 Workshop Changes	FY2019 Proposed Capital Budget
TAX SUPPORTED PROGRAMS			
Bond Funds			
Previously Issued Certifications of Obligation	\$ 12,528,146	\$ -	12,528,146
FY2019 Bond Issue	472,000	53,000	525,000
Subtotal Bond Funds	13,000,146	53,000	13,053,146
Funded through operations			
Miscellaneous Capital Project Fund 5015	2,215,090	-	2,215,090
Annual Misc Capital Projects Cash Transfer 5015	1,500,000	1,000,000	2,500,000
Reinvestment Cash Fund 5017	604,077	-	604,077
Annual Reinvestment Cash Transfer 5017	7,410,000	-	7,410,000
TIRZ 2 Fund	450,000	-	450,000
HOT Cash	905,316	175,000	1,080,316
Subtotal Operation Funds	13,084,483	1,175,000	14,259,483
Grants			
Potential Grant Funding	926,000	-	926,000
Subtotal Grant Funds	926,000	-	926,000
Dedicated Funds			
Park Facilities & Maint Fees Fund 5020	1,249,200	200,000	1,449,200
4B Corporation Cash Fund 3010	865,000	-	865,000
CDBG Cash and 108 Loan	709,730	-	709,730
Galveston County Funds	7,678,761	-	7,678,761
Union Pacific Railroad	50,000	-	50,000
Subtotal Dedicated Funds	10,552,691	200,000	10,752,691
TOTAL FY2019 TAX SUPPORTED FUNDING	\$ 37,563,320	\$ 1,428,000	\$ 38,991,320
REVENUE SUPPORTED PROGRAMS			
Bond Funds			
Previously Issued Certifications of Obligation	10,773,439	-	10,773,439
FY2019 Bond Issue	13,164,241	-	13,164,241
Subtotal Bond Funds	23,937,680	-	23,937,680
Funded through operations			
Existing Capital Project Fund	2,189,830	-	2,189,830
Annual Transfer Capital Project Fund	3,500,000	-	3,500,000
Subtotal Operation Funds	5,689,830	-	5,689,830
Dedicated Funds			
Water Capital Recovery Fees Fund 1040	8,211,638	-	8,211,638
Wastewater Capital Recovery Fees Fund 1045	-	-	0
Subtotal Dedicated Funds	8,211,638	-	8,211,638
TOTAL FY2019 REVENUE SUPPORTED FUNDING	\$ 37,839,148	\$ -	\$ 37,839,148
FY2019 CAPITAL BUDGET TOTAL	\$ 75,402,468	\$ 1,428,000	\$ 76,830,468

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FY 2019 Proposed Budget
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	FY 2019 Proposed Budget	Adjusted from workshops	FY 2019 Proposed Budget
Operating Budget	\$ 130,720,456	\$ 338,083	\$ 131,058,539
Capital Budget	75,402,468	1,428,000	76,830,468
	<u>\$ 206,122,924</u>	<u>\$ 1,766,083</u>	<u>\$ 207,889,007</u>