



City of League City, TX

300 West Walker
League City TX 77573

Text File

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Title

Consider and take action on an ordinance amending the City of League City, Texas, Governmental, Proprietary, and Capital Funds Budget for Fiscal Year 2020 by amending Ordinance No. 2019-24 to adjust the operating and capital budget for actual and projected expenditures (Director of Budget & Project Management)

Staff requests first and final reading.

..Background:

The proposed ordinance requests a net increase of \$1,814,840 to the General Fund, net decrease of \$1,038,191 to the Utility Fund, net increase of \$534,141 to the Capital Replacement Fund and a net decrease of \$1,697,472 to the Hurricane Harvey Fund.

If approved, the proposed ordinance would amend the City's FY2020 budget to incorporate proposed adjustments for:

General Fund

- **Merit Increases: \$644,293** budgeted in Non-Departmental and then reallocated to each department based on actual merit increases. This is NOT an increase to the fund budget but a transfer from the Non-Departmental to each department as allocated in the January merit.
- **Fire Marshal (\$122,100):**
 - o **\$109,000** increase due to a grant application request approved by Council on January 22, 2019 agenda item 9K to purchase a Command Center and Investigations Trailer. This expense will be offset by funds credited to account 0100-48910 Homeland Security Grant.
 - o **\$13,100** increase due to a grant application request approved by Council on March 26, 2019 agenda 9A to purchase rifle resistant body armor. This expense will be offset by revenue credited to account 0100-48105 Body Armor Grant.
- **Police (\$201,847):**
 - o **\$109,000** increase to receive funding from the Homeland Security Grants Division for the purchase of Explosive Ordinance Disposal (EOD) equipment approved by City Council on March 12, 2019 item 9A. This expense will be offset by revenue received in account 0100-48910 Homeland Security Grant.
 - o **\$83,000** increase to receive funding from the Houston Urban Area Security Initiative (UASI) for the purchase of Explosive Ordinance Disposal (EOD) equipment for the bomb technicians. This expense will offset by revenue credited to UASI Grant revenue account 0100-48340 once proof of purchase is submitted to UASI. Council approved this

item on January 22, 2019 agenda item 9K.

- o **\$9,847** increase to receive funding from the Wink to Webster Grant. This expense will be offset by revenue credited to account 0100-48160 Miscellaneous Private Grants. Council approved the grant application request for Wink to Webster on July 23, 2019 agenda 9E.
- **Fire (\$2,500):**
 - o **\$2,500** increase to Operating Supplies for the Wink to Webster First Responders Grant. This expense will be offset by funds credited to account 0100-48160 Miscellaneous Private Grants.
- **Park Operations (\$3,357):**
 - o **\$3,357** increase to account Park Operations Building & Ground Maintenance account for the purchase of park benches from GameTime. This expense will be offset by Eagle Scout's donations credited to account 0100-44670 Donations - Park Benches.
- **Transfer to CIP to Cash Fund Projects (\$565,000):**
 - o **\$565,000** increase to partially fund the \$4M purchase of the Frontier building to house Public Works employees displaced due to facility damaged caused by Hurricane Harvey. The revenue will be credited to 5015-49100 Misc. Capital Projects - Transfer from General Fund. Going forward, staff will look for savings in the General Fund to offset this proposed draw down of fund balance. We anticipate closing on the Frontier Building by the end of May 2020.

Utility Fund

- **Merit Increases: \$78,523** budgeted in Non-Departmental and then reallocated to each department based on actual merit increases. This is NOT an increase to the fund budget but a transfer from the Non-Departmental to each department as allocated in the January merit.
- **Transfers to CIP to Cash Fund Projects (\$1,000,000):**
 - o **\$1,000,000** increase to partially fund the \$4M purchase of the Frontier building to house Public Works employees displaced due to facility damage caused by Hurricane Harvey. The revenue will be credited to 5015-49200 Misc. Capital Projects - Transfer from Utility Fund. Going forward, staff will look for savings in the Utility Fund to offset this proposed draw down of fund balance. We anticipate closing on the Frontier Building by the end of May 2020.

Special Revenue Fund - Hurricane Harvey Fund

- **Transfer to Capital Projects (\$1,600,000):**
 - o **\$1,600,000** increase to partially fund the \$4M purchase of the Frontier building to house Public Works employees displaced due to facility damage caused by Hurricane Harvey. The revenue will be credited to 5015-49801 Misc. Capital Projects Fund - Transfer from Harvey Fund.

FY2019 ROLLOVERS:

Increase is due to purchases made in FY2019 for which goods and services were not received as of September 30, 2019. The increase is in accordance with the FY2020 Adopted Budget ordinance 2019-24, section 6, "That the budget for FY2020 shall be increased for valid outstanding encumbrances at the conclusion of FY2019. 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."

Department budgets were increased as follows:

General Fund

Total FY2019 Rollover amount for General Fund is \$920,035:

- **Information Technology:**
 - o \$209,985 remaining balance for the WestNet contract.
- **Project Management:**
 - o \$200,264 remaining balance of the Freese Nichols contract.
- **Engineering:**
 - o \$38,000 remaining balance for Kimley-Horn & Associates contract for interactive traffic data map services.
 - o \$471,786 remaining balance for 4-year contract with Ardurra Group for grant administration services related to the Hurricane Harvey CDBG-DR Program.

Utility Fund

Total FY2019 Rollover amount for Utility Fund is \$38,191:

- **Wastewater:**
 - o \$38,191 remaining balance for General Electric Company upgrade of the current IFIX Scada licenses with a 3-year contract.

Internal Service Funds - Capital Replacement Fund:

Total FY2019 Rollover amount for Capital Replacement Fund is \$534,141:

- **Capital Replacement Fund:**
 - o \$405,353 for the purchase of a 2020 Kenworth T440 Vactor Unit #617.
 - o \$33,380 for the purchase of a Ford F250 Super to replace Unit #646 that was totaled in an accident.
 - o \$95,408 for the purchase of two (2) 2019 Ford Explorers Units #101 & 210.

Internal Service Funds - Hurricane Harvey Fund:

Total FY2019 Rollover amount for Hurricane Harvey Fund is \$97,472:

- **Hurricane Harvey Fund:**
 - o \$48,972 for the Ardurra Group contract for grant administration services related to Hurricane Harvey CDBG-DR Program.

- o **\$48,500** for PGAL design services for renovation costs related to the Dallas Salmon Admin building.

If approved, the proposed ordinance would amend the City's FY2020 Capital Budget as shown on Exhibit B (\$4,000,000):

- Additional of Public Works Facility purchase project with a budget of \$4,000,000
- Funding in the amount of \$4,000,000 to purchase a Public Works Facility (Frontier Building) to house Public Works employees who were displaced due to facility damage caused by Hurricane Harvey.
 - o Funding is from the following:
 - \$565,000 General Fund
 - \$1,000,000 Utility Fund
 - \$1,600,000 Hurricane Harvey Fund
 - \$565,000 CIP cash (from CIP PW Facility Expansion project)

Funding:

General Fund

The requested adjustment to the General Fund is an increase of \$2,459,133; decrease of \$644,293, resulting in a net adjustment of \$1,814,840. The \$1.8 million is made up of \$920,035 of FY2019 Rollovers, \$565,000 for purchase of Frontier Building, and \$329,805 in grant expenses that are offset by grant revenue. The total fund appropriation amended budget of \$82,272,254 increases by \$1,814,40 to \$84,087,094.

Utility Fund

The requested adjustment to the Utility Fund is an increase of \$1,116,444; decrease of \$78,253, resulting in a net increase of \$1,038,191. The increase is made of \$38,191 in FY2019 Rollovers and \$1 million for purchase of Frontier Building. The total fund appropriation amended budget of \$37,751,779 increases by \$1,038,191 to \$38,789,970.

Special Revenue Fund - Hurricane Harvey Fund

The requested adjustment to the Hurricane Harvey Fund is an increase of \$1,697,472; made up of \$1.6 million for purchase of Frontier Building and \$97,472 from FY2019 Rollovers. The total fund appropriation amended budget of \$200,000 increased by \$1,697,472 to \$1,897,472.

Internal Service Fund - Capital Replacement Fund

The requested adjustment to the Capital Replacement Fund is an increase of \$534,141; made up entirely of FY2019 Rollovers. The total fund appropriation amended budget of \$3,099,400 increases by \$534,141 to \$3,633,541.

Capital Budget - Exhibit B

Funding in the amount of \$4,000,000 to purchase a Public Works Facility. Funding is from the following: \$565,000 General Fund; \$1,000,000 Utility Fund; \$1,600,000 Hurricane Harvey Fund; \$565,000 CIP cash. The total capital budget appropriation of \$110,816,134 increases by \$4,000,000 to \$114,816,134.

In addition to the data sheet this packet includes:

- Budget Ordinance and Exhibit A, B & C - Exhibit A details how these adjustments affect the approved budgets by fund and department; Exhibit B details the Capital Budget; and Exhibit C details the citywide summary

FUNDING

{X} Funds are available from the General Fund, Utility Fund, Capital Replacement Fund, Hurricane Harvey Fund and Capital Improvement Plan - see narrative and attachments.

STRATEGIC PLANNING

{X} NOT APPLICABLE