



Legislation Text

File #: 20-0378, **Version:** 1

Consider and take action on Ordinance 2020-24 adopting the Annual Budget for Governmental and Proprietary Funds for Fiscal Year 2021 - Second Reading (Director of Budget & Project Management)

Council approved 8-0-0 on September 1, 2020.

Pursuant to City Charter and state law, adoption of this ordinance will establish the budget for the 2021 fiscal year. The budget ordinance is based on the proposed budget, as adjusted, and as described in Exhibit A, B and C.

The FY2021 Proposed Budget provided to City Council on July 14, 2020 included \$144,251,187 for operations. Changes were made during the series of workshops in July and August.

City Council held a first reading of the budget ordinance on September 1, 2020. The proposed ordinance was amended to use the proposed tax rate of \$0.515 with a total operating budget of \$145,136,247.

The first reading of budget ordinance includes the following:

- A personnel budget for 646.00 positions which is a net addition of 9.50 FTE:
 - Civil Engineer/EIT to be hired January 2021 (1 FTE),
 - Construction Inspector III to be hired March 2021 (1 FTE),
 - Assistant Director (1 FTE) in Project Management to be hired January 2021,
 - Project Manager (1 FTE) in Project Management,
 - Financial Analyst (1 FTE) in Budget Office to be hired in March 2021,
 - Meter Technician (1 FTE) in Utility Billing,
 - Part-Time Accounts Receivable Specialist (0.50 FTE) in Utility Billing,
 - Heavy Equipment Operator in Streets for Marsh Master (1 FTE),
 - Crime Victim Advocate (1 FTE),
 - Assistant Police Chief (1 FTE).
- Funding to move a Deputy Court Clerk (1 FTE) from General Fund Municipal Courts to Utility Fund as a Utility Billing Representative (1 FTE) due to changes in workload for each department,
- Reclassifications as follows:
 - Reclassification of a Utility Maintenance Technician to a Utility Maintenance Crew Leader,
 - Reclassification of a Communications Coordinator to a Communications & Media Relations Manager,
 - Reclassification of a Deputy Fire Marshal IV to an Assistant Fire Marshal,
 - Reclassification of a Recreation Specialist/Recreation Track Administrator to a Recreation Supervisor,
- Merit & COLA funding:

- 2.5% merit increases effective January 1, 2021 (\$462,161),
- 0.5% for superior performance at City Manager’s discretion (\$92,980),
- 2% across-the-board Civil Service cost of living increase for Civil Service Police Officers beginning January 2021 (\$171,298),
- Funding for sick leave buy back (33,727),
- New Vehicles & Equipment:
 - Ventrac compact tractor, Kubota plus attachments (split 50% General Fund and 50% 4B),
 - Kubota with dump bed (split 50% from General Fund and 50% from 4B),
 - Ford F150 Supercab 4x4 for Engineering Construction Inspector position,
 - Ford Ranger for Utility Billing Meter Technician position,
 - Marsh Master,
 - F550 to pull Marsh Master,
 - 2 Power Lifting Systems for Ambulances - EMS,
 - 20 Scott X3 PRO Firefighting Air Packs - Fire
- Funding to continue contract services for Project Management in the amount of \$199,000,
- Funding for IT replacements in the Technology Fund (\$350,000),
- Funding in the amount of \$9.326 million for Tax Supported CIP including Reinvestment,
- Funding in the amount of \$5.2 million for the Revenue Supported CIP.

Workshop changes removed the following from the City Council’s General Fund budget:

- Reduction in City Council Training & Travel (7,500)
- Removal of Houston Livestock Show & Rodeo - City Council (2,500)
- Removal of CLACC-New Teacher Luncheon - City Council (500)

	Proposed Budget	Budget Ordinance	Difference
Operating Budget	\$ 144,251,187	\$ 145,136,247	\$ 885,060

Exhibit B as approved in the first reading includes the following changes from the proposed document:

- The changes are as follows:
 - Increase funding for Annual Water System Improvements \$200,000
 - DSWWTP Improvements increased \$90,000 design budget to \$175,000
for net increase of \$85,000 85,000
 - Additional funding from GF for Reinvestment to extend Hobbs Rd. 565,996
 - Removal of Animal Shelter - Phase 2 Parking Lot & Soundwall (150,000)
- \$700,996

	FY2021 PROPOSED BUDGET	FY2021 WORKSHOP CHANGES	8/17/20 WORKSHOP CHANGES	First Reading Changes September 1, 2020	Difference
OPERATING BUDGET	\$ 144,251,187	\$ 145,081,751	\$ 145,136,247	\$ 145,136,247	\$ 885,060
CAPITAL BUDGET	95,311,289	96,296,289	96,012,285	96,012,285	700,996
TOTAL	<u>\$ 239,562,476</u>	<u>\$ 241,378,040</u>	<u>\$ 241,148,532</u>	<u>\$ 241,148,532</u>	<u>\$ 1,586,056</u>

Deadline to Approve the Budget

The Charter requires the budget to be approved by at least ten (10) days before the beginning of the fiscal year, which is September 19th.

Separate Vote Required to Ratify Tax Increase

State Budget Law requires “a separate vote of the governing body to ratify the property tax increase reflected in the budget.” (This is related to the state-required language included on the budget’s cover page and in the notice of public hearing on the proposed budget noting that the proposed budget includes more property tax revenue than in the current year.) The FY2021 Proposed Budget is based a tax rate of \$0.515 or \$0.033581 less than the FY2020 rate. Even though the rate decreased, due to new properties added to the tax roll from community growth, property tax revenue will increase in FY2021 when compared to FY2020. State law mandates that the revenue increase be termed a tax increase. This required separate vote to ratify the tax increase is a separate agenda item on this agenda.

ATTACHMENTS

- Data Sheet
- Proposed Ordinance with Exhibits A, B and C

FUNDING

{X} NOT APPLICABLE