



Legislation Text

File #: 17-0534, **Version:** 1

Consider and take action on an ordinance amending the City of League City, Texas, Governmental, Proprietary, and Capital Funds Budget for Fiscal Year 2017 by amending Ordinance No. 2016-30, Ordinance No. 2017-02, Ordinance No. 2017-09, and Ordinance No. 2017-17 to adjust the operating and capital budget for actual and projected expenditures (Assistant City Manager)

Staff requests first and final reading.

The proposed ordinance requests increased appropriation for General Fund of \$3 million to establish the Hurricane Harvey Fund. The Utility Fund appropriation increase of \$100,000 will be funded through added water revenue and the Capital Replacement Fund will increase \$72,520 from available fund balance.

If approved, the proposed ordinance would amend the City's FY 2017 budget to incorporate proposed adjustments for departments that are fully staffed and are not able to meet vacancy savings targets, increased electricity and water costs, unanticipated costs related to accidents, increased banking fees, and establishing a fund for Hurricane Harvey.

- **Personnel Related Items** - Vacancy Savings not met- Reallocations from other departments
 - o \$900 is requested to be reallocated from the City Secretary to City Auditor based on the year-end estimated personnel services
 - o \$90,500 is requested to be reallocated from the Police Department salary savings to the following based on year-end estimated personnel services
 - § \$32,000 to Municipal Court due to the Judge's FY2017 contracts and inability to meet budgeted vacancy savings due to full staffing all year
 - § \$47,500 to Parks Operations due to separation pay and overtime
 - § \$11,000 to Animal Control due to overtime
 - o \$50,000 is requested to be reallocated from projected savings in Utility Fund non-departmental to the Water department
- **Electricity Expense:**
 - o \$17,000 is requested to be reallocated from the Police Department salary savings to Facilities Services based on the year-end estimate
 - o \$50,000 is requested to be reallocated from Wastewater to Water based on the year-end estimate
- **Water Contract Purchases:** \$150,000 reallocate from Line Repair salary savings from vacancies and savings in UF non-departmental to Water department for increase in water contract purchases due to additional demand
- **Sportsplex Transformer Repair:** Reallocate \$20,000 from Police Department salary savings to Parks Operations due to lightening damage to a transformer at the Sportsplex
- **Capital Replacement Fund:** Increase budget for \$72,520 based on year-end estimate for totaled vehicles replaced due to accidents.
- **Banking Fees:** Increase due to increased usage of credit card payments
 - o \$22,000 is requested to be reallocated from the Police Department salary savings to Accounting
 - o \$110,000 increase to Utility Billing - \$10,000 reallocated from savings in UF non-departmental and \$100,000 increase in total appropriation
- **Hurricane Harvey Fund:** Increase to General Fund due to advance \$3 million to establish the Hurricane Harvey Fund. This fund will be used to pay all expenses and receive all reimbursements related to the storm. These expenses include emergency response costs during the event, debris removal, and the restoration of facilities and equipment. Much of this expense will be reimbursable at some level (90 or 100 percent) from FEMA or will be covered by insurance. We estimate the storm to be much more costly than this \$3 million. Depending upon

the timing of the reimbursements, additional advances from the General Fund reserve may be required. Establishing the Hurricane Harvey fund is a net increase of \$3 million to the General Fund for the transfer of funds and an increase of \$3 million in the Special Revenue Hurricane Harvey Fund to establish the budget for expenses related to the event.

General Fund

The requested adjustment to the General Fund is an increase of \$3,150,400 and is offset by a decrease of \$150,400 due to allocations from other departments, for a net increase of \$3,000,000. A large portion of the \$3,000,000 for Hurricane Harvey expenses are anticipated to be reimbursed through insurance and FEMA. The \$3,000,000 net increase results in a total fund appropriation increase from the current budget of \$75,334,898.

Utility Fund

The requested adjustment to the Utility Fund is an increase of \$360,000 and is offset by a decrease of \$260,000 for a net increase of \$100,000, which is offset by additional revenue for utility sales. The net increase of \$100,000 results in a total fund appropriation increase from the current budget of \$34,893,752 to \$34,993,752.

Hurricane Harvey Fund

The requested adjustment to the Hurricane Harvey Fund is an increase of \$3 million due to the creation of the fund with a transfer of cash from the General Fund. This increase results in a total fund appropriation of zero to \$3 million. A large portion of Hurricane Harvey expenses are anticipated to be reimbursed through insurance and FEMA.

Capital Replacement Fund

The requested adjustment to the Capital Replacement Fund in the amount of \$75,520 results in a total fund appropriation increase from the current budget of \$3,132,730 to \$3,205,250.

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

Attachments:

1. Data Sheet
2. Proposed Ordinance with Exhibits

FUNDING

(X) Funds are available from Utility Fund and Capital Replacement Fund - see narrative and attachments