



Legislation Text

File #: 19-0462, **Version:** 1

Consider and take action on an ordinance adopting the Annual Budget for Governmental and Proprietary Funds for Fiscal Year 2020 (Director of Budget & Project Management)

Pursuant to City Charter and state law, adoption of this ordinance will establish the budget for the 2020 fiscal year. The budget ordinance is based on the proposed budget, as adjusted, and as described in Exhibit A, B and C.

The FY2020 Proposed Budget provided to City Council on July 9, 2019 included \$141,373,208 for operations. The proposed budget included the following:

- Total estimated effective property tax rate of \$0.5500 per \$100 valuation.
- A personnel budget for 610.00 positions which is a net addition of 21.25 FTE:
 - Two (2) Full-Time Paramedics (2 FTE) in the EMS department,
 - Floodplain Administrator/Drainage Engineer (1 FTE),
 - Executive Assistant (1 FTE) in Project Management,
 - IT Application Software Specialist (1 FTE),
 - 6 Seasonal Camp Counselors (1.50 FTE) and a Seasonal Assistant Camp Director (0.25 FTE),
 - Two (2) new Park Maintenance Workers (2 FTE),
 - Trade & Skilled Crew Leader for Parks Operations (1 FTE),
 - Two (2) Kennel Workers (2 FTE),
 - Grant Administrator (1 FTE)
 - Purchasing Buyer (1 FTE)
 - Part-Time Staff Writer (0.50 FTE),
 - Evidence Technician (1 FTE) for Police department,
 - Administrative Assistant (1 FTE) for Neighborhood Services,
 - Payroll Specialist (1 FTE),
 - Records Specialist (1 FTE) for City Secretary,
 - Meter Technician (1 FTE) for Utility Billing,
 - Wastewater Utility Maintenance Crew Leader (1 FTE), and
 - Water Utility Operator (1 FTE)
- Utility revenue estimated at the rates that have been in effect since November 1, 2015,
- Funding for 2% merit increases effective January 1, 2020 (\$433,877),
- Funding for 2% across-the-board Civil Service cost of living increase for Civil Service Police Officers beginning January 2020 (\$166,658),
- STEP raises for Police Officers per the pay plan (\$154,298),
- Funding for 1% Superior Employee Performance merit at the City Manager's discretion beginning January 2020 (\$205,333),
- Funding for 3% anticipated health insurance increase (\$175,380),

- Continuation of the reinvestment program,
- Funding for enhanced service levels in the Communications department programs such as advertise and market city events, town halls across various media outlets, and increase funding for State of the City event,
- Funding for anticipated increases in property insurance, windstorm insurance, janitorial contract services, Solid Waste due to growth in number of households serviced and 75% of CPI increase by contract, and utility cost due to additional street highlights,
- Additional funding for traffic control supplies to purchase more signage to complete two (2) subdivision replacements, purchase 10 school zone clocks, and additional intersection signal upgrades,
- Funding to replace an existing Solar Tech Message Board, to purchase an additional Solar Tech Message Board, and to replace a Solar Tech Arrow Board Standard Trailer,
- Funding for Ambulance computers for CAD and Electronic Patient Care,
- Additional funding for Building Inspectors to obtain multiple certifications to create combination inspectors with a master license in at least one trade,
- Additional funding for Library purchases that have previously been paid from County funds to allow the County funds to be spent on additional eBooks and increased funding for speakers and presenters for programs,
- Funding for increase to mowing contract to add satellite park property, materials for repairs to benches, docks, railing, etc. and Truaz Utility Seed Drill for Parks Operations,
- Funding for additional summer camp supplies for fifty (50) kids in Parks Recreation and increase in revenue by \$85,000,
- Funding for Herbicide program to spray nuisance vegetation to maintain right of ways,
- Funding for new Utility Trailer and Sand Spreader for Streets department,
- Funding for an anticipated 5% increase in manicured mowing contract along with an increase of \$50,000 for rough cut mowing,
- Funding to light the Main Street Butler Oaks (\$70,500),
- Funding for American Water Infrastructure Act of 2018 & Water Loss Detection Program,
- Funding for water, sewer, lift stations design & construction standards update and water contract, and
- Funding to increase raw water supply.

Changes to the Proposed Operating Budget

City Council held a series of work sessions on July 22nd, July 29th, July 30th, August 6th and August 12th, as well as a Public Hearing on August 13th. As a result of these discussions, the proposed operating budget has been adjusted. The revised appropriation of \$140,158,443 is \$1,214,765 less than the July 9 proposed budget of \$141,373,208. The certified effective property tax rate is \$0.548581 per \$100 valuation.

	Proposed Budget July 9, 2019	Proposed Budget Ordinance August 27, 2019	Difference
Operating Budget	\$ 141,373,208	\$ 140,158,443	\$ 1,214,765

Exhibit A to the ordinance outlines the operating budget which includes:

General Fund Expenditures - Overall reduction of \$119,486

- Removal or reduction of the following items:
 - State of the City - (Communications) (\$ 10,000)
 - Force America Spin-A-Veyer Sand Spreader - (Streets & Traffic) (4,600)
 - IT Replacement Transfer to Technology Fund - (IT) (121,175)
 - Billboard Ad Recruiting (duplication) - (Police) (9,000)
 - Reduce Kennel Worker temp funding - (Animal Control) (7,500)
 - Main Street Butler Oaks Lighting Project - (Streets & Traffic) (70,500)
 - \$ (222,775)
- Added the following items to General Fund
 - Jack Henry Plus - (Accounting) \$ 5,175
 - M-VAC SEC - (Field Unit) 42,998
 - Hazardous Material Equipment - (Fire) 44,166
 - 10 new dry suits for dive team - (Fire) 10,950
 - \$ 103,289
- Adjustments to various departments for Transfer to Employee Benefit Fund:
 - City Secretary employee insurance (\$ 8,000)
 - Purchasing employee insurance (\$ 8,000)
 - Animal Control employee insurance (\$20,000)
 - EMS employee insurance (\$10,000)
 - Engineering employee insurance (\$10,000)
 - Streets employee insurance (\$27,000)
 - Building employee insurance (\$10,000)
 - Neighborhood Services employee insurance (\$10,000)
 - Parks Ops employee insurance (\$20,000)
 - Transfer to Employee Benefit Fund 123,000
 - \$ -0-

Debt Service Expenditures - total reduction of \$650,000:

- Reduction of FY2019 GO Bond payment from \$1.76M to \$1.11M (\$ 650,000)

Utility Fund Expenditures - Overall increase of \$167,563:

- Removed Jack Henry Remit Plus - Utility Billing (\$ 4,950)
- Utility Billing employee insurance (\$15,000)
- Wastewater employee insurance (\$12,000)
- Transfer to Employee Benefit Fund \$27,000
- Increased UF Transfer to General Fund for Overhead Payment \$ 172,513
- \$ 167,563

Special Revenue Fund Expenditures - total reduction of \$612,842:

- Removal or reduction of the following items:

○ Reduced IT Replacement Transfer to Technology Fund	(\$ 121,175)
○ Communications Branding Study - (HOT Fund)	(150,000)
○ Removal of Nature Center to Park Dedication - (Harvey Fund)	<u>(666,667)</u>
	(\$937,842)
● Added the following items:	
○ Butler Longhorn Museum - (HOT Fund)	<u>325,000</u>
	\$ 325,500

The proposed budget represents a personnel budget for 631.25 positions which is a net addition of 21.25 FTE from FY2019 year-end estimated 610.00 FTE.

Exhibit B reflects a \$280,000 decrease to capital expenditures:

- The changes are as follows:
 - Removed Texas Hazardous Mitigation Grant Funding (\$4,121,436)
 - Increase funding for CDBG - DR funding 652,134
 - Increase funding for Authorized GO Bonds 3,469,302
 - Increase for Butler Longhorn Museum Maint. & Education Center Repair 325,000
 - Removal of Ghirardi House in HOT Funds (250,000)
 - Removal of New West Side Booster Pump (850,000)
 - Increase for New Water Well and GST- LC Parkway West (465,000)
- (\$280,000)

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 FY2020 Proposed Budget is based a tax rate of \$0.548581, \$0.015219 less than the FY2019 rate, which increases property tax revenue. This revenue increase is due to value growth and to new property added to the tax roll this year from the community’s growth. State law mandates that the revenue increase be termed a tax increase. This required separate vote to ratify the tax increase is planned to be brought forward to Council in a separate agenda item with the second reading of the budget ordinance at the September 10 Council Meeting.

Second Reading and approval of the Budget

The 2nd reading is scheduled for September 10th. 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.

ATTACHMENTS

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

STRATEGIC PLANNING

[X] Addresses Strategic Planning Critical Success Factor #2 and Initiative #3E "Present proposed budget at the effective tax rate"