



Legislation Text

File #: 21-0546, **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 2021 by amending Ordinance No. 2020-24, Ordinance No. 2021-10 and Ordinance No. 2021-29 to adjust the operating and capital budget for actual and projected expenditures (Executive Director of Finance & Project Management)

Staff requests approval on first and final reading.

The proposed ordinance requests a net increase of \$610,000 to the General Fund, an increase of \$510,000 to General Fund Debt Service, an increase of \$865,095 to the Hazard Mitigation Grant Program (HMGP) Disaster Recovery Fund, increase of \$485,119 to establish the FY2021 budget for the CDBG-DR Hurricane Harvey Fund, \$204,194 increase to Hotel/Motel Occupancy Tax Fund and \$600,000 increase to the Capital Budget.

If approved, the proposed ordinance would amend the City's FY2021 budget to incorporate proposed adjustments for:

General Fund

Communications (\$10,000): Increase of \$10,000 to help cover expenses for activities and events in September 2021. The increase of \$10,000 is offset by revenue received for sponsorships from Memorial Hermann (\$5,000) and Ameriwest (\$5,000) that has been credited to revenue account 0100-43880 Special Event Fees.

Accounting (\$27,000): Increase of \$27,000 to cover professional service fees related to interim field work performed by external auditors in the month of September 2021. This increase will be offset by salary savings in Police.

Transfer to CIP to Cash Fund Projects (\$600,000): Increase of \$600,000 to pay for repairs of the school building which include new roof, paint, carpeting, as well as increased parking, furniture and technology. Funding for this item will come from excess General Fund balance and will be transferred to fund 5015 Miscellaneous Capital Project Fund. At the end of FY2021, General Fund expenditures are anticipated to underperform resulting in enough savings to offset this increase.

General Fund Debt Service

Bond Refunding Items (\$510,000):

- An increase of \$510,000 is requested to cover debt service contribution to refunding related to the 2020 Refunding along with the 2020 GO Prop A and B refunding. The increase will come from fund balance.

Special Revenue Fund - Hazard Mitigation Grant Program (HMGP) Disaster Recovery Fund 2125

Increase of \$863,775 to the Hazard Mitigation Grant Program (HMGP) Disaster Recovery Fund to cover cost related to drainage improvement and flood hazard mitigation projects awarded from the Texas Division of Emergency Management (TDEM) subgrant for the DR-4332 Hurricane Harvey. The increase of \$863,775 was approved by City Council on April 27 and May 11 agenda items to fund the following projects:

- Citywide 2D Modeling DR2007
- Brittany Bay Drainage Improvements DR2009
- Oaks of Clear Creek North Detention DR2101B
- FM518 & Wesley Dr Drainage Projects DR2010
- Newport Area Drainage Improvements DR2104

The increase will be offset by HMGP Disaster Recovery Grant revenue account 2125-48550.

Special Revenue Fund - CDBG-DR Hurricane Harvey Fund 2126

Increase of \$485,119 to establish the FY2021 budget for the new CDBG-DR Hurricane Harvey Fund 2126 to facilitate disaster recovery, restoration, and economic revitalization in areas affected by the Texas **Hurricane Harvey awarded from the General Land Office (GLO). The grant funding was approved by City Council on April 27, 2021, agenda items 9D to fund the following projects:**

- **The Landing drainage improvements DR2105**
- **Brittany Bay Drainage Improvements DR2009**
- **Oaks of Clear Creek North Detention DR2101B**
- **FM518 & Wesley Dr Drainage Projects DR2010**
- **Newport Area Drainage Improvements DR2104**

The increase will be offset by CDBG Disaster Recovery Hurricane Harvey Grant revenue account 2126-48400.

FY2020 ROLLOVERS:

Increase is due to purchases made in FY2020 for which goods and services were not received as of September 30, 2020. The increase is in accordance with the FY2021 Adopted Budget ordinance 2020-24, section 6, "That the budget for FY2021 shall be increased for valid outstanding encumbrances at the conclusion of FY2020. 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."

Special Revenue Fund - Hotel/Motel Occupancy Tax Fund (HOT Fund)

Total FY2020 Rollover amount for HOT Fund:

HOT Fund (\$204,194): \$204,194 for the remaining balance of the Downtown Revitalization Plan - League Park & Drainage Improvements Project (ED1503) that was approved by City Council on November 19, 2019, agenda item 13A. The increase of \$204,194 will come from fund balance.

CAPITAL BUDGET - EXHIBIT B:

If approved, the proposed ordinance would amend the City's FY2021 Capital Budget to add the following projects as shown on Exhibit B (\$600,000):

On July 13, 2021, agenda item 11C, City Council approved a resolution to enter an interlocal lease agreement with the Clear Creek Independent School District for long term lease of the school building located at 400 South Kansas. An increase of \$600,000 is requested to pay for repairs of the school building which include new roof, paint, carpeting, as well as increased parking, furniture and technology. Funding for this item will come from excess General Fund balance and will be transferred to fund 5015 Miscellaneous Capital Project Fund.

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

TOTAL BY FUNDS:

General Fund

The requested adjustment to the General Fund is an increase of \$637,000; decrease of \$27,000, resulting in a net increase of \$610,000 which \$10,000 will be offset by sponsorship revenue credited to 0100-43880 Special Event Fees and \$600,000 will come from excess General Fund balance and will be transferred to fund 5015 Miscellaneous Capital Project Fund. At the end of FY2021, General Fund expenditures are anticipated to underperform resulting in enough savings to offset this increase. The total fund appropriation amended budget of \$87,071,339 increases by \$610,000 to \$87,681,339.

General Fund Debt Service

The requested adjustment to the General Fund Debt Service is an increase of \$510,000 which will come from fund balance. The total fund appropriation amended budget of \$14,530,899 increases by \$510,000 to \$15,040,899.

Special Revenue Fund - HMGP TDEM Disaster Recovery Fund 2125

The requested adjustment to the HMGP TDEM Disaster Recovery Fund is an increase of \$863,775. The increase will be offset by revenue account 2125-48550 HMGP Disaster Recovery Grant. The total fund appropriation amended budget of \$229,250 increases by \$863,775 to \$1,093,025.

Special Revenue Fund - CDBG-DR Hurricane Harvey Fund 2126

The requested adjustment to the CDBG-DR Hurricane Harvey Fund to establish a FY2021 budget of \$485,119. The increase will be offset by account 2126-48400 CDBG Grant Revenue.

Special Revenue Fund - Hotel/Motel Occupancy Tax Fund 2410

The requested adjustment to the Hotel/Motel Occupancy Tax Fund is an increase of \$204,194. The increase is related to FY2020 Rollover and will come from fund balance. The total fund appropriation amended budget of \$744,497 increases by \$204,194 to \$948,691.

Capital Budget

The request adjustment to the Capital Budget is an increase of \$600,000. The total fund appropriation amended budget of \$96,012,285 increases by \$600,000 to \$96,612,285.

FUNDING

{X} Funds are available from the General Fund, General Fund Debt Service, HMGP TDEM Disaster Recovery Fund, CDBG-DR Hurricane Harvey Fund, Hotel/Motel Occupancy Tax Fund and Capital Budget Fund - see narrative and attachments.

STRATEGIC PLANNING

{X} NOT APPLICABLE