



Legislation Text

File #: 22-0391, **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 2022 by amending Ordinance No. 2021-33 and Ordinance No. 2022-12 to adjust the operating and capital budget for actual and projected expenditures (Executive Director of Finance & Budget)

Staff requests approval on first and final reading.

The proposed ordinance requests a net increase of \$275,151 to the General Fund, \$289,518 increase to the Utility Fund Debt Service Fund, \$250,000 increase to the Fleet Fund, \$208,728 decrease to 4B M&O Fund, \$158,238 increase to the Hurricane Harvey Fund and \$948,947 increase to the Capital Budget.

If approved, the proposed ordinance would amend the City's FY2022 budget to incorporate proposed adjustments for:

General Fund

Employee Insurance Increases (\$213,778): In FY2022 Adopted Budget, a 6% increase in health insurance was budgeted and approved in General Fund Non-Departmental. This reallocation moves the budget from non-departmental to each department based on the year-end estimated premiums.

Solid Waste (\$15,000): \$15,000 increase for a one-year agreement with Keep League City Beautiful (KPB) that will allow League City residents to drop off all qualified household hazardous waste and e-waste materials to the Stella Roberts Recycling Center (SRRC) in Pearland, Texas. This increase will be offset by revenue credited to 0100-43450 Refuse Collection Fee. Council approved this item on April 12, 2022, agenda item 11D.

Information Technology (-\$406,577): \$406,577 decrease due to a grant for replacement radio equipment for public safety/first responders included in the first quarter budget amendment. The grant was not awarded, and the decrease is to remove the grant from the budget. The anticipated USAI grant revenue 0100-48340 is also removed from the FY2022 amended budget.

Communications (\$40,000): \$40,000 increase to cover an unexpected rise in costs for printing, mail fulfillment, delivery, and postage for the 2022 Annual Report that was sent to all League City households in late January of 2022. This increase is offset by personnel savings in Streets & Stormwater due to vacancies within the department.

Communications (\$50,000): \$50,000 increase to pay initial deposits for the Diamond Ball Gala to be held October 22, 2022. This increase is offset by \$50,000 in Special Event new revenue to General Fund account 0100-43880 for the event.

Accounting (\$150,000): \$150,000 increase to cover estimated overages in banking fees through the rest of FY2022. Accounting will be presenting a rate increase for all credit card payments soon to help offset the banking fee charges the city is responsible for paying. The increase will be offset by sales tax overperforming by \$1.7 million estimated in FY2022.

Budget Office (\$10,000): increase of \$10,000 for ZacTax, which is an analytics revenue platform specifically designed to help local governments recognize trends by business category and improve year end projections of Sales Tax. This

increase will be offset by salary savings in Streets & Stormwater.

City Attorney (\$100,000): \$100,000 increase to cover the estimated cost of litigations such as MUD #6 and 310 Houston through FY2022. The increase will be offset by sales tax overperforming by \$1.7 million estimated in FY2022.

Civic Center (-\$231,080): \$231,080 decrease due to all Facilities Service expenses, including technicians (total of 8.00 FTEs) moving from Civic Center to Facilities Services in FY2022.

Facilities Services (\$231,080): increase of \$231,080 to cover all expenses related to the Facilities Services that were originally budgeted in Civic Center in FY2022.

Planning (\$158,000): increase of \$158,000 to cover oil transport inspections which is reimbursed at 100% by the developer. Current budget for oil transport inspections is \$167,000 in FY2022. The increase of \$158,000 will be reimbursed at 100% and will be offset by revenue account 0100-44540 Reimbursements. Council approved this item on March 8, 2022 agenda item 9I.

Parks Operations (\$42,506): increase of \$42,506 to cover expenses through FY2022. Because of increase production, increased cost of daily operation materials and the need for assistance in other avenues of City maintenance, the associated cost of materials and supplies has risen a great deal. There have been multiple new requests for assistance of our crews to other departments and increased maintenance to landscape of all City facilities. The increase will be covered by salary savings in Library.

Parks Recreation (\$31,600): increase of \$31,600 due to the recreation programming moving from Parks Recreation 4B - Hometown Heroes Park to the Community Center in the General Fund in FY2022. The expenses are for camp shirts (\$2,550), field trip fees (\$16,500), cheerleading uniforms (\$2,000), camp bus rental (\$6,050), guest speakers (\$500) and cheerleading instruction (\$4,000). The increase is offset by recreation program revenue moved from 4B to General Fund. Personnel expenses are shown below.

Personnel Related Items:

- **177,128** is requested to be reallocated from Parks Recreation 4B to Parks Recreation General Fund to cover summer camp staff expenses originally budgeted in Parks Recreation 4B (Hometown Heroes Park). In FY2022 the summer camp is held at the new Community Center located at 400 Kansas which is funded through the General Fund. The increase is offset by summer camp revenue moved from 4B to General Fund in the amount of \$255,000.
- **\$28,628** is requested to be reallocated from Project Management to City Manager and Budget Office for the Executive Assistant position. Effective July 6, 2022, this position is now split 50% Budget Office (\$14,314) and 50% City Manager (\$14,314) for the Executive Assistant position that was budgeted in Project Management in FY2022.
- **\$16,984** is requested to be reallocated from City Manager to City Attorney and Project Management for the new Executive Assistant position in City Attorney's department. This position is split 50% City Attorney and 50% Project Management.
- **\$128,523** is requested to be reallocated from Project Management to Budget Office due to the internal move of the Executive Director of Finance and Budget effective February 1, 2022.

Utility Fund

Employee Insurance Increases (\$12,851): In FY2022 Adopted Budget, a 6% increase in health insurance was budgeted and approved in Utility Fund Non-Departmental. This reallocation moves the budget from non-departmental to each department based on the year-end estimated premiums.

Line Repair (\$60,000): increase of \$60,000 to cover the 24-inch water line repair at League City Parkway and additional funding for incidental water and sewer repairs and parts. The increase will come from salary savings in Personnel Services from the Water department.

Personnel Related Items:

- **\$17,793** is requested to be reallocated from Utility Fund Non-Departmental to Utility Billing for the internal move of the Office Support Assistant effective April 2022.

Utility Fund Debt Service Fund

Bond Issuance Items (\$289,518): increase of \$289,518 is requested to cover bond issuance cost related to GCWA 2021 issuance. The increase is offset by water capital recovery fee revenue.

Internal Service Fund - Fleet Maintenance

Fleet Fund (\$250,000): increase of \$250,000 to pay requisitions through FY2022. Due to unanticipated inflation costs, repair & maintenance expenses exceed the amount budgeted in FY2022. The increase will come from fund balance.

Special Revenue Fund - 4B M&O

4B M&O (-\$208,728): decrease of \$208,728 due to the summer camp & other recreation programs moving from Parks Recreation 4B - Hometown Heroes Park to the Community Center in the General Fund in FY2022 (see detail above). Personnel expenses for all Camp Counselors and a Recreation Supervisor will move from 4B Parks Recreation to Parks Recreation in the General Fund.

Special Revenue Fund - Harvey Fund

Harvey Fund (\$158,238): increase of \$158,238 for the purchase of a mini excavator from Mustang CAT through the FEMA Assistance Grant DR-4332. This increase will be offset by revenue that posts to 8010-48700 FEMA reimbursement. City Council approved this item on June 28, 2022, agenda 9C.

CAPITAL BUDGET - EXHIBIT B:

If approved, the proposed ordinance would amend the City's FY2022 Capital Budget to add five (5) projects as shown on Exhibit B (\$968,947):

- This request is to add **Targeted Homeowner Buyout Program** to the FY2022 Capital Budget with expenses charged to Hurricane Harvey CDBG-DR Fund 2127, expense account 21273200-54720. On May 10, 2022, agenda 9A, City Council approved a contract not to exceed **\$200,000** with MPACT Strategic Consulting LLC (MPACT) for administrative and regulatory assistance with Environmental Services for the Community Development Block Grant - Disaster Recovery (CDBG-DR) buy-out program. The entire contract will be funded by federal grant funds through the Texas General Land Office (GLO) Community Development Block Grant-Disaster Recovery (CDBG-DR) grant award contract number 20-066-049-C772 and will be paid out of grant fund account 2127.

- This request is to add **ST2204 FM270 at Coryell Traffic Improvements project (\$48,947 for design)** that is programmed in FY2023 in the FY2022-2026 CIP. Staff is bringing the project forward early with funding not utilized from the Access Management Study along FM270 project from FY2021.
- This request is to add **Lobit Park** to the FY2022 Capital Budget with expenses charged to Park Dedication Fees in the amount of **\$20,000**. This initial funding will address current safety items including updating sidewalk for ADA compliance, rehab baseball field to be play ready, remove volleyball borders, and remove 15 dead trees. The City will operate Lobit Park beginning October 2022.
- This request is to add **WT1704 Water Master Plan Update (\$350,000) and WW1704 Wastewater Master Plan Update (\$350,000)** to both be funded with capital recovery fees. Both are programmed in FY2023 in the FY2022-2026 CIP. Staff is bringing the project forward early to capture current cost of projects in light of inflationary pressures as we update the CRF plan.

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 \$1,393,229; decrease of \$1,118,078, resulting in a net increase of \$275,151. The total fund appropriation amended budget of \$90,619,374 increases by \$275,151 to \$90,894,525. Of the net increase of \$275,151, \$15,000 is for Stella Roberts Recycling Center which is offset by revenue account 0100-43450 Refuse Collection Fee, \$50,000 for Diamond Ball deposits offset by revenue account 0100-43880, \$208,728 are related to personnel moves from 4B to GF due to summer camp being held at the Community Center instead of Hometown Heroes and is offset by revenues credited 0100-43780 Summer Camp Fees, \$100,000 increase to cover litigation cost such as MUD #6 and 310 Houston through FY2022 and \$150,000 to cover an increase in banking fees in accounting. Both litigation cost and banking fees are offset by sales tax overperforming by \$1.7 million estimated in FY2022. The increases listed above are partially offset by a decrease of \$406,577 in Information Technology due to a grant for replacement radio equipment for public safety/first responders not being awarded in FY2022.

Utility Fund

The requested adjustment to the Utility Fund is an increase of \$90,644; decrease of \$90,644 resulting in a net decrease of zero. There is no adjustment to the fund appropriation.

Utility Fund Debt Service

The requested adjustment to the Utility Fund Debt Service is an increase of \$289,518. The total fund appropriation amended budget of \$13,2779,769 increases by \$289,518 to \$13,569,287. The net increase of \$289,518 is to cover bond issuance cost related to GCWA 2021 issuance. The increase will come from fund balance.

Internal Service Fund - Fleet Fund 4010

The requested adjustment to the Fleet Fund is an increase of \$250,000. The total fund appropriation amended budget of \$1,670,867 increases by \$250,000 to \$1,920,867. The increase is to pay requisitions through FY2022. Due to unanticipated inflation costs, repair & maintenance expenses exceed the amount budgeted in FY2022. The increase will come from fund balance.

Special Revenue Fund - 4B M&O Fund 2310

The requested adjustment to 4B M&O Fund is a decrease of \$208,728. The total fund appropriation amended budget of \$2,500,531 decreases by \$208,728 to \$2,291,803. The total decrease of \$208,728 is due to moving all personnel expenses for Camp Counselors and a Recreation Supervisor from 4B Parks Recreation to Parks Recreation in General Fund due to the summer camp moving from Hometown Heroes Park to the Community Center in FY2022.

Special Revenue Fund - Hurricane Harvey Fund 8010

The requested adjustment to the Hurricane Harvey Fund is an increase of \$158,238. The total fund appropriation amended budget of \$1,688,382 increases by \$158,238 to \$1,846,620. The total increase of \$158,238 is for the purchase of a mini excavator from Mustang CAT through the FEMA Assistance Grant DR-4332. This increase will be offset by revenue that posts to 8010-48700 FEMA reimbursement. City Council approved this item on June 28, 2022, agenda 9C

Capital Budget

The request adjustment to the Capital Budget is an increase of \$968,947 and includes five additional projects. The total fund appropriation amended budget of \$87,031,235 increases by \$968,947 to \$88,000,182.

Attachments:

1. Data Sheet
2. Proposed Ordinance with Exhibits A,B,C

FUNDING

{X} Funds are available from the General Fund, Utility Fund, Utility Fund Debt Service, Fleet Fund, 4B M&O Fund, Hurricane Harvey Fund and the Capital Budget - see narrative and attachments.

STRATEGIC PLANNING

{X} Addresses Strategic Planning Critical Success Factor #2: Financially Sustainable