



CITY OF
FARMERS BRANCH
TEXAS

REVISED MIDYEAR BUDGET AMENDMENT For the 23-24 Fiscal Year

CITY COUNCIL MEETING | APRIL 16, 2024



Proposed Revisions for 23-24 Budget



Council Approved Revisions

- Stars Multi-sport Facility project
- SECO LED Retrofit grant
- Revenue Stabilization Fund



Additional Discussion

- Backhoe for Street Department
- GapVax (Industrial vacuum truck) replacement for Utility Fund



Additional Ideas

- Software– Open Gov & Traffic software
- Facilities Major Repairs
- Access Control System Upgrade



Council Approved Revisions

Stars Multi-Sport Facility Project

- City Council approved on 1/23/24 change order for Lee Lewis Construction for \$454,830.
- Unbudgeted change order to be paid with interest income earned on bond issuance.
- Earned Interest exceeds \$800,000 and can only be used on project.
- City Council approved restructuring rent payment schedule due from Stars on 8/9/23 due to delay on construction
- **Need increase to project expenditure account of \$800,000 and increase to Rent Revenue of \$439,217**

SECO LED Retrofit Grant

- City Council approved on 1/23/24 the State Energy Conservation Office (SECO) reimbursable grant award of \$27,800
- City's match is 20% = \$5,560
- **Need increase to Grant Revenue of \$22,240 and increase to Grant Expenditure of \$27,800**
- **Need City match of \$5,560 transfer from General Fund transfer**



Request for Additional Funding

Revenue Stabilization Fund

- Established with 22-23 budget to allocate General Fund surplus to mitigate revenue reductions for:
 - Restrictive state legislation on property tax (Senate Bill 2 cap) and sales tax (Comptroller rule 3.334)
 - Fiscally conservative policy to maintain the high level of quality services during economic volatility or unexpected shortage
 - Utilize as additional savings fund for:
 - capital projects
 - interfund loans
 - economic incentives
 - unforeseen or unique one-time costs
 - funding delays
- Supplements City's Unrestricted Fund balance target objectives
 - Preferred Target = 90 days
- Strong Fund Balance Reserves and low debt ratio help maintain AAA Bond rating
- **Propose transfer to RSF of \$1,440,000**



Additional Discussion

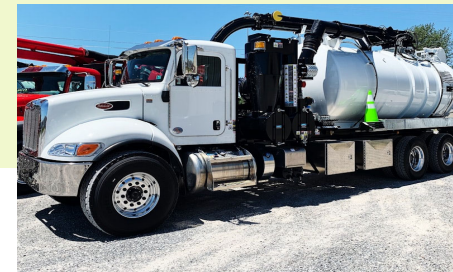
Backhoe for Street Department

- \$200,000 Backhoe is currently budgeted in the Utility Fund Fixed Asset Account.
- Needed instead for Street Department and in the General Fund Fixed Asset account
- Current Sewer Vacuum truck is over 20 years old.
- **Propose \$200,000 transfer from General Fund to General Fund Fixed Asset Account**
 - Will use excess Fund Balance.



GapVax Sewer Vacuum Truck

- Another municipality couldn't fund their order of a GapVax-- potential \$150,000 savings in price
- Current Sewer Vacuum truck is over 20 years old.
- Total Purchase price is \$560,000
- **Propose increase of \$360,000 transfer from Water/Sewer Fund to Utility Fleet Equipment**
 - Will use the \$200,000 currently budgeted for Utility Backhoe instead towards the GapVax and \$360,000 from excess Utility Fund Balance.
 - Proposed purchase is on May 7th City Council agenda.





Additional Ideas

Software - \$130,000 General Fund

- Open Gov- government technology software for reporting of accounting, planning, budgeting and citizen services - \$100K
- Police Traffic Software - \$30K



Facilities Major Repairs- \$1.2M General Fund

- Replace leaking roofs at Branch Connection & City Hall - \$965K
- Generator Enclosure for Branch Connection - \$235K



Access Control System Upgrade- \$235K General Fund

- Replacement of older security and access control software platform for City-wide applications. Project was deferred in prior year budget - \$235K



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Proposed Revised Midyear Budget – Summary

General Fund	FY 2023-24
General Fund - Unassigned Fund Balance (Audited)	\$ 23,413,424
SECO LED Grant match	\$ (5,560)
Backhoe for Street Dept	(200,000)
Revenue Stabilization Reserves	(1,440,000)
IT Software- Open Gov	(100,000)
IT Software- Police Traffic	(30,000)
Facility Major Repairs	(1,200,000)
Access Control System Upgrade	(235,000)
Budgeted 2024 Revenue	87,207,500
Budgeted 2024 Expenses	(87,125,100)
Est 2024 General Fund Balance- Unassigned	\$ 20,285,264
Preferred 90 day Target Balance*	20,284,750

Other Funds	FY 2023-24
Sewer Vac transfer to Fixed Asset Fund	\$ (360,000)
Net Budget Change -Water/Sewer Fund	\$ (360,000)
Increase Utility Fixed Asset Fund -Sewer Vac	\$ (360,000)
Net Budget Change- Utility Fixed Asset Fund	\$ (360,000)
Increase Stars Commercial Rent	\$ 439,217
Increase Stars Capital Project Expense	(800,000)
Net Budget Change -Stars Multi Sport Fund	\$ (360,783)
Increase SECO LED Grant Revenue	22,240
Increase SECO LED Grant Expense	(27,800)
Increase General Fund Transfer In	5,560
Net Budget Change in Grant Fund	\$ -

The Target Balances in the 23-24 Budget Book for General Fund Balance Unassigned: High 20% = \$16,227,800 and Low 15% = \$12,170,850





Questions?

STATE EMERGENCY COMMUNICATIONS 9-1-1 SERVICE FUND

- **VOTERS APPROVED PROPOSITION 8**
 - TO ESTABLISH THE TEXAS BROADBAND INFRASTRUCTURE FUND IN LIEU OF RAISING 9-1-1 FEES ON CELL PHONES
 - ONE-TIME TRANSFER FROM COMPTROLLER OF \$155.2M
- **NTECC APPLIED FOR DISTRIBUTION ON BEHALF OF FOUR CITIES**
 - TO BE USED FOR HARDWARE UPDATES TO 5 YEAR OLD NG9-1-1 SYSTEM
- **NOTIFIED APRIL 2024 THAT OUR DISTRIBUTION = \$197,290.43**
- **NEED BUDGET ADJUSTMENT TO SPECIAL REVENUE FUND**
 - INCREASE REVENUE FOR STATE DISTRIBUTION
 - INCREASE EXPENSE FOR PAYMENT TO NTECC
 - NET BUDGET EFFECT ZERO

S&P GO Rating Summary

S&P – AAA/Stable	
<p>Rating Factors</p> <ul style="list-style-type: none"> ▪ Favorably located within the Dallas-Fort Worth metroplex, Farmers Branch continues to experience robust property tax base growth ▪ Pension and OPEB costs not an immediate credit pressure ▪ Very strong management with comprehensive policies and long-term planning ▪ Strong institutional framework score. ▪ Trend of positive operating results supporting a very strong available fund balance above the city's minimum fund balance target ▪ Adequate debt burden with above-average amortization and modest additional debt plans 	
<p>Upside Scenario</p> <p>The AAA Rating reflects S&Ps view of the city's improved income and property wealth indicators, Trend of positive operations that benefited from a reliance on property tax revenue, very strong financial policies and practices, and a lower debt burden compared with state peers, with above amortization and modest additional debt plans.</p>	<p>Downside Scenario</p> <p>Rating could be lowered if the city's economic metrics deteriorate or if persistent budgetary pressure leads to significant available reserve drawdowns.</p>

Source: S&P Capital IQ, June 9, 2022



Police Speed & Traffic Measuring Software

UrbanSDK Software - \$30K

- **Data Source:**
 - Telematic Data from GPS-Enabled Vehicles (Data Collection First Used by US DOT)
 - Navigation Built-In
 - OnStar
 - Apple Car Play
 - Waze-Enabled Vehicles
- **Speed Data on Every Road in the City:**
 - 85% Speed Data
 - 95% Speed Data
 - Average Speed
 - Travel Time Index
 - 13 Months of Backfill Data and Ongoing Refresh (Every 4 Days)
 - **24-48 Hour View**
 - Data Broken Down by Hour of Day
 - **Monthly View**
 - Data Broken Down by Period of Day
 - Data Broken Down by Day of Week

- **Volumes on Every Road in the City:**
 - Data will be provided for each road segment within the city
 - Roads refreshed yearly
- **Crash Integration:**
 - State and Local Crash Data will be integrated into the platform

Use Cases:

- 30-second response to speed complaints/ traffic calming requests
- Asset deployment for Law Enforcement
- Safety Planning
- Crash Rate Calculation
- Justification for future CIP
- Pre and Post-Implementation Analysis
- Council Member/ Constituent Communication
- Pedestrian Safety Spot Check
- School Zone Traffic Monitoring