



**FARMERS
BRANCH**

INFORMATION MEMORANDUM

To: Mayor Robert C. Dye & City Council

Thru: Charles S. Cox, City Manager

From: Sherrelle Evans-Jones, Director of Finance

Date: September 21, 2021

Subject: 2020-21 Amended Budget & Fiscal Year 2021-22 Proposed Budget Changes

The budget process is a yearly activity as set forth in the City Charter. The City Council adopts an annual budget prepared by City Administration, which is part of the strategic planning process the City uses to proactively forecast programs needed in a growing community. The budget process starts each year with a review of the strategic plan and city staff analyzing new projects and goals that the City Council has identified as areas of interest and would like to see developed into the strategic plan. The Finance Department then updates projections of major revenue sources to determine whether total expenditures will need to be adjusted accordingly.

As part of the annual budget process, City Administration provides departments with guidelines to be used in preparing budget requests. The budget process is broken down into three parts: a year-end estimate, a base budget for the upcoming year, and identifying new programs and priorities for the new fiscal year. The City utilizes a conservative, realistic strategy when projecting revenues and expenditure. Revenue and expenditure patterns are closely monitored so that adjustments to spending can be implemented as needed. The City considers many influences and trend analysis to develop and manage the budget as the year progresses.

The first process, the year-end estimate, is a projection of revenues and expenditures for the remainder of the current fiscal year. All accounts are evaluated to determine whether they need to be adjusted from the current budget level and accounts that are over or under budget are revised to meet year-end needs. New projects are added to the year-end estimate as directed by City Council. Budget changes that do not affect the “bottom line” total for a department, but transfer dollars from one account to another within a department’s operating budget, or changes between divisions within a department, are allowed at the City Manager’s discretion. Any budget adjustment that brings about a change in the total appropriation for a department may be allowed by the City Manager, based on the City’s ability to fund the request, provided the adjustment does not result in a change in total fund appropriations.

2020-21 YEAR-END ESTIMATES

Changes to the current year's budget as a result of the year-end budget estimate process are attached.

PROPOSED FISCAL YEAR BUDGET 2021-22

The following staff changes and City Council recommendations have been incorporated into the Proposed Fiscal Year 2021-22 Operating and Capital Improvement Program Budget since it was submitted on July 30, 2021.

General Fund Revenues: Adjusted by \$1,400,000 in anticipation of maintaining the current tax rate of \$0.589.

General Fund Expenditures: Increased Police Patrol position authorizations from 2 full-time patrol officers and 2 patrol overhires to 2 full-time officers and 5 patrol overhires.

Special Revenue Fund – Grant Fund

- Increased revenues and expenditures for the receipt of a cemetery grant totaling \$7,500.
- Moved \$178K of ARPA funding for the NTECC Computer-Aided Dispatch Upgrade to the Recreation Center Renovation Phase 2 project. [The remaining \$178K for the NTECC Computer-Aided Dispatch costs will be expensed to the CIP Radio Bond Bund in an effort to close out the fund.]
- Included ARPA funding in the amount of \$5,478,000 for the following ARPA projects:

Transfer to Non-Bond CIP for Justice Center Renovation - \$1.5M

Transfer to Non-Bond CIP for Rec Center Renovation Phase 2 - \$978K

Transfer to Non-Bond CIP for Signature Park Phase 1 - \$2.0M

Transfer to Non-Bond CIP for Mercer Park - \$1M

Remaining ARPA funds totaling \$488,438 are slated to be utilized as follows:

NTECC Computer-Aided Dispatch Upgrade - \$322K

Metrocrest Service Center Building Project - \$110K

Residential Repair Program (to be paid to Metrocrest) - \$50K

Contingencies - \$6,438

General Fund Fixed Assets – Planned Purchases:

- Moved \$678,500 from Fiscal Year 2020-21 Planned Purchases to Fiscal Year 2021-22 Planned Purchases for library renovations that could not be completed in the current fiscal year.
- Added the Planned Purchase of a generator for Branch Connection / Senior Center [funded in fiscal year 2020-21].

Non-Bond CIP

- Added funding for Parks Masterplan (\$600K).
- Added additional funding for street revitalization (to provide for two streets - (\$600K)).
- Removed funding for Burke Nature Preserve Improvement (\$50K per year) and Playground Equipment Replacement funding (\$50K per year) to allow for Monument Signs (Tier 1 & 2) at \$100K per year beginning in Fiscal Year 2022 thru Fiscal Year 2027.
- Added CDBG project that was omitted from the original budget submission.
- Included ARPA funding in the amount of \$5,478,000 for the following ARPA projects, which are all funded by a transfer from the Special Revenue Grant Fund:

Justice Center Renovation - \$1.5M

Rec Center Renovation Phase 2 - \$978K

Signature Park Phase 1 - \$2.0M

Mercer Park - \$1M

Debt Service – Tax Supported

- Reduced tax revenue for tax supported debt service due to excess collections received during the 2020-21 fiscal year totaling \$486,828. (This adjustment is part of the Truth-in-Taxation process.)

FISCAL YEAR 2020-21 REVENUE ADJUSTMENTS

FUND	CATEGORY	DESCRIPTION	ADOPTED BUDGET 2020-21	AMENDED BUDGET 2020-21	YEAR-END PROPOSED BUDGET 2020-21	YEAR-END PROPOSED ADJUSTMENT
General Fund	Taxes	Property Taxes	\$ 32,530,000	\$ 32,530,000	\$ 33,210,000	\$ 680,000
General Fund	Taxes	Sales & Use	16,330,000	16,330,000	17,600,000	1,270,000
General Fund	Taxes	Mixed Beverage	80,000	80,000	57,000	(23,000)
General Fund	Taxes	Franchise Fees	4,200,000	4,200,000	3,817,100	(382,900)
General Fund	Taxes	Penalties & Interest	100,000	100,000	150,000	50,000
General Fund	Licenses & Permits	Health	40,000	40,000	26,000	(14,000)
General Fund	Licenses & Permits	Building	2,122,000	2,122,000	2,767,600	645,600
General Fund	Licenses & Permits	Plumbing	201,000	201,000	210,000	9,000
General Fund	Licenses & Permits	Electrical	250,000	250,000	233,000	(17,000)
General Fund	Licenses & Permits	HVAC	150,000	150,000	190,000	40,000
General Fund	Licenses & Permits	Multi-Family Inspection	100,000	100,000	125,000	25,000
General Fund	Charges for Services	Zoning	33,000	33,000	15,400	(17,600)
General Fund	Charges for Services	Printing & Duplicating	6,500	6,500	7,400	900
General Fund	Charges for Services	Police Services	178,500	178,500	166,200	(12,300)
General Fund	Charges for Services	Emergency Services	1,260,000	1,260,000	1,065,000	(195,000)
General Fund	Charges for Services	Fire Services	110,000	110,000	101,000	(9,000)
General Fund	Charges for Services	Refuse Services	4,560,000	4,560,000	4,291,500	(268,500)
General Fund	Charges for Services	Health & Inspection Fee	36,000	36,000	52,000	16,000
General Fund	Charges for Services	Animal Control & Shelter	25,000	25,000	39,000	14,000
General Fund	Charges for Services	Aquatic Center Fees	351,200	351,200	482,700	131,500
General Fund	Charges for Services	Senior Center Fees	20,000	20,000	26,000	6,000
General Fund	Charges for Services	Parks & Rec Concessions	100,000	100,000	65,000	(35,000)
General Fund	Charges for Services	Building Use Fees	450,000	450,000	715,000	265,000
General Fund	Charges for Services	Events	38,800	38,800	47,000	8,200
General Fund	Fines, Forfeits & Assessments	Court	1,798,000	1,798,000	1,368,000	(430,000)
General Fund	Fines, Forfeits & Assessments	Library	25,000	25,000	4,100	(20,900)
General Fund	Interest/Rents/Contributions	Interest	600,000	600,000	222,000	(378,000)
General Fund	Interest/Rents/Contributions	Rents	320,000	320,000	253,900	(66,100)
General Fund	Miscellaneous	Pay Phone Commissions	-	-	1,600	1,600
General Fund	Miscellaneous	Recycling	5,000	5,000	4,000	(1,000)
General Fund	Miscellaneous	Miscellaneous	40,500	40,500	24,200	(16,300)
General Fund	Miscellaneous	Sale Of Assets	-	-	18,100	18,100
General Fund	Miscellaneous	Insurance Recovery	-	-	4,700	4,700
			<u>\$ 66,060,500</u>	<u>\$ 66,060,500</u>	<u>\$ 67,359,500</u>	<u>\$ 1,299,000</u>

FISCAL YEAR 2020-21 REVENUE ADJUSTMENTS

FUND	CATEGORY	DESCRIPTION	ADOPTED BUDGET 2020-21	AMENDED BUDGET 2020-21	YEAR-END PROPOSED BUDGET 2020-21	YEAR-END PROPOSED ADJUSTMENT
Water & Sewer Fund	Interest/Rents/Contributions	Interest	\$ 15,000	\$ 15,000	\$ 50,400	\$ 35,400
Water & Sewer Fund	Miscellaneous	Miscellaneous	6,500	6,500	800	(5,700)
Water & Sewer Fund	Miscellaneous	Sale Of Assets	1,000	1,000	-	(1,000)
Water & Sewer Fund	Charges for Services	Water Service	16,027,700	16,027,700	16,897,300	869,600
Water & Sewer Fund	Charges for Services	Sewer Service	8,884,100	8,884,100	9,064,100	180,000
Water & Sewer Fund	Charges for Services	Tapping Fees	2,000	2,000	20,800	18,800
Water & Sewer Fund	Charges for Services	Reconnects/Service Charge	40,000	40,000	41,500	1,500
Water & Sewer Fund	Charges for Services	Late Fees	225,000	225,000	245,000	20,000
Water & Sewer Fund	Charges for Services	Inspections	125,000	125,000	95,000	(30,000)
Water & Sewer Fund	Charges for Services	Backflow Program	35,000	35,000	60,700	25,700
Stormwater Utility Fund	Interest/Rents/Contributions	Interest	30,000	30,000	25,000	(5,000)
Stormwater Utility Fund	Charges for Services	Stormwater	1,627,000	1,627,000	1,728,900	101,900
			<u>\$ 27,018,300</u>	<u>\$ 27,018,300</u>	<u>\$ 28,229,500</u>	<u>\$ 1,211,200</u>
Fleet & Facilities Management Fd	Charges for Services	Fleet Services	\$ 2,864,300	\$ 2,864,300	\$ 3,219,300	\$ 355,000
Health Claims Fund	Interest/Rents/Contributions	Medical Contributions	3,935,600	3,935,600	4,091,800	156,200
			<u>\$ 6,799,900</u>	<u>\$ 6,799,900</u>	<u>\$ 7,311,100</u>	<u>\$ 511,200</u>
Hotel/Motel Fund	Charges for Services	Events	\$ 42,500	\$ 42,500	\$ 58,000	\$ 15,500
Hotel/Motel Fund	Interest/Rents/Contributions	Interest	20,000	20,000	13,800	(6,200)
Hotel/Motel Fund	Miscellaneous	Miscellaneous	500	500	800	300
Hotel/Motel Fund	Miscellaneous	Historical Park Rentals	5,000	5,000	28,200	23,200
Hotel/Motel Fund	Miscellaneous	Historical Park Teas	1,000	1,000	100	(900)
			<u>\$ 69,000</u>	<u>\$ 69,000</u>	<u>\$ 100,900</u>	<u>\$ 31,900</u>
Economic Development Fd	Sale of Assets	Sale of Assets	\$ 2,000,000	\$ 2,000,000	\$ -	\$ (2,000,000)
Economic Development Fd	Transfer	Transfer from General Fd	1,000,000	1,000,000	1,500,000	500,000
			<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>	<u>\$ 1,500,000</u>	<u>\$ (1,500,000)</u>
Special Revenue Funds	Police Forfeiture Fund	Police Forfeitures	\$ 45,000	\$ 45,000	\$ 190,400	\$ 145,400
Special Revenue Funds	Donations Fund	Donations	34,400	34,400	37,700	3,300
Special Revenue Funds	Local Truancy Prevention Fund	Truancy Prevention	15,600	15,600	30,100	14,500
Special Revenue Funds	Youth Scholarship Fund	Youth Scholarship	200	200	800	600
Special Revenue Funds	Grants Fund	Grants	405,000	405,000	1,460,953	1,055,953
Special Revenue Funds	Building Security Fund	Building Security	32,800	32,800	31,300	(1,500)
Special Revenue Funds	Court Technology Fund	Court Technology	36,000	36,000	27,100	(8,900)
Special Revenue Funds	Landfill Closure/Post-Closure Fund	Landfill Closure/Post-Closure	662,000	662,000	622,000	(40,000)
Special Revenue Funds	Cemetery Fund	Cemetery	1,400	1,400	1,300	(100)
Special Revenue Funds	PEG Access Channel Fund	PEG	62,000	62,000	59,300	(2,700)
Special Revenue Funds	Joint Fire Training Facility Fund	Joint Fire Training	71,100	71,100	71,000	(100)
Special Revenue Funds	TIRZ District #3 Fund	TIRZ 3	763,900	763,900	753,500	(10,400)
Special Revenue Funds	Residential Revitalization Bond Fund	Residential Revitalization	5,000	5,000	8,700	3,700
			<u>\$ 2,134,400</u>	<u>\$ 2,134,400</u>	<u>\$ 3,294,153</u>	<u>\$ 1,159,753</u>

FISCAL YEAR 2020-21 REVENUE ADJUSTMENTS

FUND	CATEGORY	DESCRIPTION	ADOPTED BUDGET 2020-21	AMENDED BUDGET 2020-21	YEAR-END PROPOSED BUDGET 2020-21	YEAR-END PROPOSED ADJUSTMENT
Debt Service - Tax Supported	Taxes	Current Year Taxes	\$ 4,542,200	\$ 4,542,200	\$ 5,029,028	\$ 486,828
Debt Service - Tax Supported	Taxes	Prior Year Taxes	20,000	-	-	-
Debt Service - Self Supporting	Transfer	Transfer from General Fd	-	-	260,000	260,000
			<u>\$ 4,562,200</u>	<u>\$ 4,542,200</u>	<u>\$ 5,289,028</u>	<u>\$ 746,828</u>
Fixed Asset Transfers	Sale of Assets	Sale of Assets	\$ 100,000	\$ 100,000	\$ 223,000	\$ 123,000
Fixed Asset Transfers	Insurance Recovery	Insurance Recovery	-	-	21,000	21,000
Fixed Asset Transfers	General Fund Transfer	Municipal Court	45,600	50,400	-	(50,400)
Fixed Asset Transfers	General Fund Transfer	Senior Center	-	-	180,000	180,000
Fixed Asset Transfers	Water & Sewer Transfer	Meter Equipment	200,000	200,000	218,000	18,000
			<u>\$ 345,600</u>	<u>\$ 350,400</u>	<u>\$ 642,000</u>	<u>\$ 291,600</u>

FISCAL YEAR 2020-21 EXPENDITURE ADJUSTMENTS

FUND	DEPARTMENT / DIVISION	CATEGORY	DESCRIPTION	ADOPTED BUDGET 2020-21	AMENDED BUDGET 2020-21	YEAR-END PROPOSED BUDGET 2020-21	YEAR-END PROPOSED ADJUSTMENT
General Fund Fixed Assets - Planned Purchase	Municipal Court	Other Fixed Assets	AV Equipment	\$ 45,600	\$ 50,400	\$ -	\$ (50,400)
General Fund Fixed Assets - Planned Purchase	Library	Building/Infrastructure	Library Improvements	2,750,000	2,750,000	2,071,500	(678,500)
Water & Sewer Fd Fixed Assets - Planned Purchase	Water & Sewer Operations	Equipment	Automatic Meter Reading Equipment	200,000	200,000	218,000	18,000
				<u>\$ 2,995,600</u>	<u>\$ 3,000,400</u>	<u>\$ 2,289,500</u>	<u>\$ (710,900)</u>
Fleet & Facilities Management Fund	Fleet Management	Inventory	Departmental Sales	\$ 858,000	\$ 858,000	\$ 1,213,000	\$ 355,000
				<u>\$ 858,000</u>	<u>\$ 858,000</u>	<u>\$ 1,213,000</u>	<u>\$ 355,000</u>
Hotel / Motel Fund	Historical Preservation	Transfer to CIP	Barn	\$ -	\$ -	\$ 137,000	\$ 137,000
Hotel / Motel Fund	Tourism	Supplies	Office & Equipment	0	0	7,000	7,000
<i>Note: Net budget change is \$135,882 as \$8,118 is due to the closure of prior year purchases carried forward.</i>				<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,000</u>	<u>\$ 144,000</u>
Special Revenue Donations Fund	Municipal Court	Juror Donations	Animal Adoption	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Special Revenue Donations Fund	Fire Administration	Miscellaneous	Misc Donations	5,000.00	5,000.00	7,800	2,800
Special Revenue Donations Fund	Animal Shelter	Miscellaneous	Spay & Neuter	5,300.00	5,300.00	0	(5,300)
Special Revenue Donations Fund	Senior Center / Branch Connection	Miscellaneous	Misc Donations	7,400.00	7,400.00	400	(7,000)
Special Revenue Donations Fund	Historical Preservation	Miscellaneous	Misc Donations	1,400.00	1,400.00	0	(1,400)
Special Revenue - Grants Fund	Public Safety / Public Works	February 2021 Storm	FEMA - Storm	0.00	0.00	30,000	30,000
Special Revenue - Grants Fund	Innovation & Technology / Library	E-Rate Internet Grant	Telephone Services	0.00	0.00	9,013	9,013
Special Revenue - Grants Fund	Fire Operations - SAFER Grant	Salaries	Salaries	292,800.00	547,343.50	594,344	47,000
Special Revenue - Grants Fund	Fire Operations - SAFER Grant	Benefits	Life & Health	24,200.00	24,200.00	34,400	10,200
Special Revenue - Grants Fund	Fire Operations - SAFER Grant	Benefits	TMRS	53,900.00	102,619.63	114,120	11,500
Special Revenue - Grants Fund	Fire Operations - SAFER Grant	Benefits	Medicare	4,100.00	4,100.00	4,700	600
Special Revenue - Grants Fund	Fire Operations	Supplies	Medical	5,000.00	5,000.00	11,950	6,950
Special Revenue - Grants Fund	Economic Development	CARES Grant	Various	0.00	0.00	940,690	940,690
Special Revenue Fund - Building Security	Municipal Court	Court Security	Salaries	25,200.00	25,200.00	3,400	(21,800)
Special Revenue - Building Security Fund	Municipal Court	Supplies	Office & Equipment	5,000.00	5,000.00	2,500	(2,500)
Special Revenue - Red Light Fund	Police Training	Supplies	Fixed Asset Supplies	250,000.00	250,000.00	179,000	(71,000)
Special Revenue - Red Light Fund	Police Training	Operating	Operating	181,000.00	181,000.00	0	(181,000)
Special Revenue - Joint Fire Training Facility Fund	Fire Operations	Training	All Cities	70,700.00	70,700.00	90,700	20,000
				<u>\$ 932,000</u>	<u>\$ 1,235,263</u>	<u>\$ 2,023,016</u>	<u>\$ 787,753</u>