

ORDINANCE NO. 2022-15

AN ORDINANCE OF THE CITY OF HUNTSVILLE, TEXAS, AMENDING THE 2021-2022 ANNUAL BUDGET AND CAPITAL IMPROVEMENTS PROJECTS (CIP) BUDGETS, ORDINANCE NO. 2021-27 TO AMEND ADOPTED EXPENDITURES OF THE BUDGET; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the 2021-2022 Annual Budget and CIP Budgets were adopted by Ordinance 2021-27 on September 21, 2021;

WHEREAS, various unforeseen circumstances affecting the City have presented themselves during the course of the fiscal year;

WHEREAS, the City Council considered the circumstances independently, deliberating appropriately on the associated revenues and expenditures and the overall impact on the general financial status of the City;

WHEREAS, pursuant to the laws of the State of Texas and the City Charter of the City of Huntsville, Texas, the City Council has determined that it will be beneficial and advantageous to the citizens of the City of Huntsville to amend the annual budget for fiscal year 2021 – 2022 and the Capital Improvements Projects (CIP) budget as set forth herein; and

WHEREAS, this ordinance combines the independent Council actions into one budget amendment document;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HUNTSVILLE, TEXAS, that:

Section 1. The findings set forth above are incorporated into the body of this ordinance.

Section 2. The annual budget for fiscal year 2021 – 2022 is hereby amended to include the expenditures and revenues in Exhibit "A" and the Capital Improvements Projects budget is hereby amended to include the expenditures described in Exhibit "A" attached hereto and made a part of this ordinance as if set out verbatim herein.

Section 3. All ordinances of the City in conflict with the provisions of this ordinance are hereby repealed, and all other ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

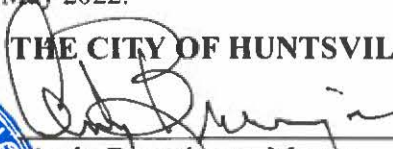
Section 4. Should any section, portion, sentence, clause or phrase of this ordinance be declared unconstitutional or invalid for any reason, it shall not invalidate or impair the force or effect of any other section or portion of this ordinance.

Section 5. The necessity for amending the budget for the fiscal year 2021 – 2022 and Capital Improvements Projects, as required by the laws of the State of Texas, requires that this ordinance shall take effect immediately from and after its passage, as the law in such cases provides.

Section 6. This ordinance shall take effect immediately after its passage.

PASSED AND APPROVED on this the 3rd day of May 2022.

THE CITY OF HUNTSVILLE, TEXAS


Andy Brauninger, Mayor

APPROVED AS TO FORM:

ATTEST:


Kristy Doll, City Secretary


Leonard Schneider, City Attorney



Budget Amendments FY 21-22

Council - May 3, 2022

Exhibit A

Increase: General Fund - Inspections - Purchased Services/Contracts	\$ 58,000
Increase: General Fund - Building Permits revenue	\$ 58,000

Explanation:	<p>Inspections Division under the Development Services Department has needed to resort to contracting out some of the building inspections work due to turnover in staff and building in the City being significantly more than anticipated in the current fiscal year. To date, thru the end of March (6 months (50%) into the fiscal year) the Permits Revenue is at 77% of what was budgeted for the 21 - 22 fiscal year. If Permit Revenues continued at this pace the City would end up with \$1,292,000 for this revenue source in General Fund which would be \$456,500 in excess of the \$835,500 budgeted amount. Being conservative, the City should end the fiscal year with at least \$1,000,000 in Permit Revenues which would be \$164,500 more than what was budgeted and would more than cover the \$58,000 being requested for this budget amendment.</p>
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Increase: General Fund - Non-Departmental	\$ 155,000
Increase: General Fund - Sales Tax revenue	\$ 155,000

Explanation:	<p>The City Council at their May 18, 2021 meeting authorized the City Manager to enter into a Chapter 380 Agreement with Zinc Point Manufacturing. "Company Obligations" of the agreement called for the Company to "...create at least 40 New Full and Part-Time Jobs by December 31, 2023..." and "...maintain at least such number...until December 31, 2025". "City Obligations" of the agreement provided for the City to provide 1) a "grant" for one-half the cost for the company to remediate any environmental issues up to a maximum of \$75,000; 2) \$2,000 per hired Walker County Resident "on or before 2023" up to a total \$200,000 (100 Walker County residents hired); 3) "grant"/refund of property tax from increment value of all property tax accounts for the property the company with 100% of the tax from increment value the first 6 years then 90% the 7th year, 80% the 8th year, 70% the 9th year, and 60% the 10th year and 0% thereafter; 4) inspections and permitting fees not to be charged to the Company. The \$150,000 expenditure component of this Budget Amendment is based on the \$75,000 for one-half the environmental remediation to the Company, "1)" above, and "40 hired Walker County residents", "2)" above. The "source" of funds bein proposed for this increase to expenditures in the General Fund is Sales Tax revenue year to date which is currently (through March 2022 - 6 months into the fiscal year) exceeds the \$5,313,000 budgeted for the first 6 months of the fiscal year by \$552,000.</p>
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Decrease: Brookhollow Lift Stn. Rehab. WW Project	\$	(193,567)
Decrease: RC-04 Basin Rehab & Renewal - WW Project	\$	(13,985)
Increase: Fund 702 - WW Projects - Unallocated Budget	\$	207,552
Decrease: Misc. Waterlines Project - Water R & R Fund	\$	(62,051)
Increase: Fund 703 - Water R & R Projects - Unallocated Budget	\$	62,051

Explanation:	<p>The two Wastewater projects listed and the one Water project listed have been completed and there was unused budget remaining for the projects . This budget amendment requests that the unused budget amounts be moved to "Unallocated Budget" in each of the Funds for use on other projects in the future that may need additional budget. Fund 702 WW Projs Unallocated Budget will have a balance of \$229,030 after the increase from the BAs (if approved). Fund 703 Water R&R Projects Unallocated Budget will have a balance of \$561,936 after the increase from the BAs (if approved).</p>
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Increase: Proposition 3 Bonds - Water Projects Engineering	\$	10,780
Increase: Proposition 3 Bonds - Water - 4,800 GPM LPP Plant w/ 2 MG GST	\$	8,812
Increase: Proposition 3 Bonds - Water - 2.5 MG Elevated Storage Tank	\$	34,737
Increase: Proposition 3 Bonds - Wastewater - AJ Brown WWTP - Imprvmts. & Refurb.	\$	298,408
Decrease: Fund 701 Water CIP Projects - Unallocated Budget	\$	(352,737)

Explanation:	<p>The Proposition 3 Bond projects in this Budget Amendment are projects that are complete and should be closed out. Each of these projects ended up slightly over budget; \$10,780 for the Water Projects Engineering is 0.23% (less than 1%) over, \$8,812 for the 4,800 GPM LPP Plant is 0.16% (less than 1%) over, \$34,737 for the 2.5MG Elevated Storage Tank is 0.87% (less than 1%) over, and \$298,408 for the AJ Brown WWTP Imprvmts. & Refurb. is 1.25% (slightly over 1%). Total Budgets for each of the projects were as follows; Water Projects Engineering - \$4,593,995, 4,800 GPM LPP Plant - \$5,601,105, 2.5MG Elevated Storage Tank - \$3,968,538, AJ Brown WWTP Imprvmts. & Refurb. - \$23,886,665. Fund 701 Water CIP Projects Unallocated Budget will have a balance of \$200,476 after the decrease from this BA (if approved).</p>
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Increase: Street CIP - Unallocated Budget	\$	6,312
Increase: Street CIP - Jenkins Rd. Widen Project	\$	(6,312)

Explanation:	The Jenkins Rd. widen project had a total budget of \$98,000. The project was completed in August 2021 with \$12,000 in Engineering costs and \$79,114 in Construction costs and \$574 in misc. other costs. Staff is requesting the unused budget for the project be moved to Street CIP - Unallocated Budget for potential use on future street CIP projects.
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Decrease: General CIP - Digital Signs project	\$	(22,368)
Decrease: General CIP - Skate Park	\$	(500)
Decrease: General CIP - Service Center Fuel Tanks	\$	(5,204)
Decrease: General CIP - Way Finding signs project	\$	(500)
Increase General CIP - Unallocated Budget	\$	28,572
Decrease: General CIP - Animal Control Center	\$	(562,794)
Increase Animal Control Center CIP - 2020 Certificates of Obligation	\$	562,794

Explanation:	The Digital Signs project has been complete for a couple of years now. The budget was \$161,196 and \$138,828 was spent. The "Skate Park" budget was initiated in the 20 - 21 Budget for \$75,000 and expenditures totaled to \$74,500. The "Service Center Fuel Tanks" project was initiated back in 2012 with \$199,000 as an initial budget amount to begin funding for an unknown amount to have the underground tanks removed and any environmental remediation costs paid for. In 2014 \$182,425 of budget was taken from the project and moved to Street CIP as future use of the tanks or possible disposition of the tanks was to be determined in the future. Total costs charged to the project for various study/consulting services was \$11,371. Initial budgeting for an Animal Control Center began back in FY 16 - 17 with \$650,000 being budgeted at that time. There were some initial Engineering/Architecture costs of \$48,750 charged to the project in FY 16 - 17 and \$38,456 for metal building materials purchased for the project in FY 16 - 17.
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Decrease General CIP - FY 20 MLK Center	\$	(20,042)
Increase: MLK Center - Series 2020 Certificates of Obligation	\$	20,042

Explanation:	The "FY 20 MLK" improvements project was initiated in the FY 19-20 Budget and the budget was \$100,000; feasibility and other architect costs totaled to \$79,958. The unused budget from this FY 20 MLK Center project is being requested by staff to be moved to the new MLK Center project that was funded from Certificates of Obligation issued in August 2020.
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