



DRIPPING SPRINGS
Texas

To: Mayor Bill Foulds, Jr. and City Council, City of Dripping Springs

From: Shawn Cox, Finance Director/City Treasurer 

Date: November 15, 2022

RE: FY 2023 Proposed Budget Amendment #1

General Fund:

Expenditures:

- Office IT Equipment & Support has increased **\$7,800.00** (From \$105,890.00 to \$113,690.00)
 - This proposed increase is requested due to the need for additional new computers and equipment and unforeseen replacements.
- Software Purchase, Agreements and Licenses has increased **\$46,559.00** (From \$218,759.00 to \$265,318.00)
 - Building off the work done by the Maintenance Department, the Building and Planning Departments are looking to utilize Brightly Software for issuing building permits and processing development projects. This additional funding will cover the first year's subscription (\$1,135.00 for 7 months), Implementation (\$31,389.00) and the second year's subscription (\$14,035.00). The second year will start in July 2023 (in FY 2023).
 - Currently, the city utilizes My Permit Now at an annual cost of \$22,596.00, for these services. Based on what is being proposed, the City should see a return on investment within three years. The proposed contract with Brightly is seven (7) years, and will save the City \$34,863.87 in this time frame.

TIRZ I:

Revenues:

- Balance Forward has increased **\$159,093.95** (From \$195,162.56 to \$354,256.51)
 - Expenditures for FY 2022 came in lower than projected which provided a larger balance forward to FY 2023.
- Interest Revenues have increased by **\$4,800.00** (From \$3,000.00 to \$7,800.00)
 - Based on account balances and historic interest revenues, this line item has been increased. With this adjustment monthly interest payments are anticipated to be \$650.00. For FY 2022 monthly interest payments averaged \$743.04.

Expenditures:

- Project Management/Misc. Costs have decreased by **\$16,250.00** (From \$32,000.00 to \$15,750.00)
 - The proposed amendment is based on the new agreement proposed by City Light Design Alliance, and the splitting of these costs between TIRZ I & II.

- Project Administration Costs have decreased by **\$8,000.00** (From \$16,000.00 to \$8,000.00)
 - The proposed amendment is based splitting these costs between TIRZ I & II.

- Legal Fees have decreased by **\$12,000.00** (From \$12,000.00 to \$0.00)
 - Prior to the City making the City Attorney an in-house position, legal costs incurred by the TIRZ were reimbursed based on invoicing from an outside firm. Now that the City Attorney is an employee of the City, these reimbursements are no longer necessary.

- MAS expenditures have decreased by **\$7,500.00** (From \$30,000.00 to \$22,500.00)
 - This proposed amendment is based on the recently approved amendment to the TIRZ Ordinance allowing for project costs to be split between TIRZ I and TIRZ II. For FY 2023 \$30,000.00 was budgeted for MAS to work on Town Center 2.0 Concept Planning & Feasibility. The approved split for the Town Center Project is 75% from TIRZ I and 25% from TIRZ II. The remaining \$22,500.00 budgeted represents 75% of the total.

- HDR expenditures have decreased by **\$119,500.00** (From \$478,000.00 to \$358,500.00)
 - This proposed amendment is based on the recently approved amendment to the TIRZ Ordinance allowing for project costs to be split between TIRZ I and TIRZ II. For FY 2023 \$30,000.00 was budgeted for HDR to work on Town Center 2.0 Concept Planning & Feasibility and \$448,000.00 was budgeted for work on the Old Fitzhugh Project. The approved split for the Town Center and Old Fitzhugh projects is 75% from TIRZ I and 25% from TIRZ II. The remaining \$358,500.00 budgeted represents 75% of the total.

- Stakeholder Reimbursement expenditures have been added in the amount of **\$284,573.95**
 - Based on approved reimbursement agreement with the Library and School District, stakeholder reimbursements are required to be paid off by December 31, 2022. The stake holder reimbursement from TIRZ I is as follows:
 - City = \$ 154,967.20
 - Library = \$ 91,762.50
 - DSISD = \$ 37,844.25

The proposed amendment would decrease the balance forward to FY 2024 from (\$43,685.90) to (\$1,615.90). It is anticipated that this negative balance forward will further decrease and become positive after Ad Valorem revenues are received from the City and County.

TIRZ II:

Expenditures:

- Project Management/Misc. Costs have been added in the amount of **\$15,750.00**
 - The proposed amendment is based on the new agreement proposed by City Light Design Alliance, and the splitting of these costs between TIRZ I & II.

- Project Administration Costs have been added in the amount of **\$8,000.00**
 - The proposed amendment is based splitting these costs between TIRZ I & II.

- MAS expenditures have been added in the amount of **\$7,500.00**
 - This proposed amendment is based on the recently approved amendment to the TIRZ Ordinance allowing for project costs to be split between TIRZ I and TIRZ II. For FY 2023 \$30,000.00 was budgeted for MAS to

work on Town Center 2.0 Concept Planning & Feasibility. The approved split for the Town Center Project is 75% from TIRZ I and 25% from TIRZ II. The proposed \$7,500.00 represents 25% of the total.

- HDR expenditures have been added in the amount of **\$119,500.00**
 - This proposed amendment is based on the recently approved amendment to the TIRZ Ordinance allowing for project costs to be split between TIRZ I and TIRZ II. For FY 2023 \$448,000.00 was budgeted for work on the Old Fitzhugh Project. The approved split for the Old Fitzhugh project is 75% from TIRZ I and 25% from TIRZ II. The proposed \$119,500.00 budgeted represents 25% of the total.

- Stakeholder Reimbursement expenditures have been added in the amount of **\$82,235.05**
 - Based on approved reimbursement agreement with the Library and School District, stakeholder reimbursements are required to be paid off by December 31, 2022. The stake holder reimbursement from TIRZ II is as follows:
 - City = \$ 39,032.80
 - Library = \$ 30,587.50
 - DSISD = \$ 12,614.75

The proposed amendment would decrease the balance forward by **\$190,415.05** (from \$1,333,253.38 to \$1,142,838.33).