



FINANCE

To: Mayor and Town Council

From: Betty Pamplin, Finance Director

Through: Harlan Jefferson, Town Manager
Chuck Springer, Executive Director of Administrative Services

Re: Town Council Meeting – September 14, 2021

Agenda Item:

Consider and act upon an ordinance adopting the Fiscal Year (FY) 2021-2022 Annual Budget and Capital Improvement Program for the fiscal year beginning October 1, 2021, and ending September 30, 2022.

Description of Agenda Item:

Approval of this item will appropriate funds for the FY 2021-2022 Budget and Capital Improvement Program. Prior to this meeting, the Town published required notices, held a public hearing that included staff presentations about the budget, 2021 tax rate, and gave interested taxpayers the opportunity to be heard by the Town Council.

During the 2007 Texas legislative session, House Bill 3195 was passed, amending section 102.007 of the Local Government Code. Subsection C was added to state that adoption of a budget that requires raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. A vote under this subsection is in addition to, and separate from, the vote to adopt the budget or a vote to set the tax rate as required by Chapter 26 of the Tax Code.

The FY 2021-2022 Proposed Budget raises more in property tax revenues than in the previous year. Although the overall budget is made up of sixteen separate funds, it is helpful to compare the six primary funds from year to year:

<u>Fund</u>	<u>FY 2021 Amended Budget</u>	<u>FY 2022 Proposed Budget (9/14/2021)</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$38,764,231	\$41,664,217	\$2,899,986	6.96%
Water/Sewer	\$24,593,130	\$30,201,240	\$5,608,110	18.57%
Debt Service	\$7,677,741	\$12,652,471	\$4,974,730	39.32%
SPD-Crime/Fire	\$2,916,520	\$4,116,289	\$1,199,769	29.15%
TIRZ # 1	\$2,736,035	\$2,538,796	(\$197,239)	-7.77%

Impact Fee Funds	\$9,453,741	\$21,535,000	\$12,081,259	56.10%
Total	\$86,141,398	\$112,708,013	\$26,566,615	23.57%

The Proposed FY 2021-2022 budget is composed of discretionary and non-discretionary supplemental requests. The tables below display the most prominent requests from the General Fund and Water/Sewer Fund.

General Fund Supplemental Requests

<u>Request Title</u>	<u>Amount</u>
Four Police Officers	\$738,799
Detective	\$229,551
Nine Firefighter/Paramedics	\$932,840
Comprehensive Plan	\$315,000
Traffic Signal Upgrade Plan and Design	\$376,825
Engine for Fire Station #4	\$1,100,000
Lakewood Preserve Lighting Improvements	\$1,545,000
Legacy (Prairie-Fishtrap) Design	\$575,000
Coleman (Gorgeous-Prosper HS) Land	\$625,000
Coleman (Gorgeous-Prosper HS) Design	\$450,000

Water/Sewer Fund Supplemental Requests

<u>Request Title</u>	<u>Amount</u>
Water Purchases	\$1,014,102
Utility Billing Clerk	\$65,905
Crew Leader	\$118,754
Irrigation Specialist	\$106,802
Public Works and Parks Facility Needs Assessment	\$80,000
Odor Control – Public Works Lift Station	\$250,300

The Town of Prosper FY 2021-2022 Annual Budget addresses increased service levels to Town residents in response to continued growth. The proposed budget also provides essential or money-saving capital investments in infrastructure and other public improvements, as well as additional public safety resources. The growth in the value of the Town's tax base is strong, and the Town's reputation as a quality community is spreading. Notwithstanding the Town's current and future growth potential and general optimism, this budget has been prepared with conservative revenue and expenditure assumptions in mind.

The table below displays the proposed changes to individual fund budgets from the August 10th, presented budget.

<u>Fund Name</u>	<u>8/10/2021</u>	<u>9/14/2021</u>	<u>\$ Change</u>
General Fund	\$37,804,511	\$41,664,217	\$3,859,706
Park Dedication/Improvement	\$605,000	\$666,750	\$61,750

Town staff has prepared the FY 2021-2022 Proposed Capital Improvement Program (CIP) for adoption by the Town Council. This program includes budgeted capital projects for the 2021-2022 fiscal year and major planned capital projects to 2031. The projects for FY 2021-2022 are as follows:

<u>STREET PROJECTS</u>			
Project Name	Town CO Debt Funding	Other Town Funding	Non-Town Funding
First St (DNT – Coleman) Land/Easement		\$1,225,000	
First Street (Coit - Custer) Land/Easement	\$1,000,000	\$600,000	
First Street (Cot - Custer) Construction	\$17,320,000	\$1,280,000	
Fishtrap (Teel – Gee Road) Construction	\$6,025,000		
Gee Road (Fishtrap – Windsong Retail) Construction	\$3,520,000		
Fishtrap (Elem-DNT) Construction	\$700,000		
Fishtrap Segment 2 (PISD Reimbursement)		\$1,063,033	
Teel (US 380 Intersection Improv.) Land/Easement	\$510,000		
Teel (US 380 Intersection Improv.) Construction	\$670,000		
Preston Rd/First St Dual Left Turn Lane Design		\$20,000	\$80,000
Preston Rd/Prosper Trail Dual Left Turn Lane Design		\$100,000	
FM 1461 (SH 289 – CR 165) Payment #2 LPAFA		\$175,000	
Craig Street (Preston - Fifth) Design	\$300,000		
Craig Street (Preston – Fifth) Land/Easement	\$150,000		
Coleman (Gorgeous – Prosper Trail) Design		\$450,000	
Coleman (Gorgeous – Prosper Trail) Land/Easement		\$250,000	
Coleman (Prosper Trail – Prosper HS) Design		\$300,000	
Coleman (Prosper Trail – Prosper HS) Land/Easement		\$375,000	
DNT Main Lane (US 380 – FM 428)			\$35,000,000
Legacy (Prairie – Fishtrap) Design		\$850,000	
TOTAL FUNDING SOURCES:	\$30,195,000	\$6,688,033	\$35,080,000
TOTAL STREETS PROJECTS:		\$ 71,963,033	

<u>PARK PROJECTS</u>			
Project Name	Town CO Debt Funding	Other Town Funding	Non-Town Funding
Windsong Ranch #2 (7.5 Acres/No Lights) Constr.*		\$230,000	
Pecan Grove Ph 2 (21.5 Acres/No Lights) Constr.		\$575,000	
Prairie Park (6.7 Acres/No Lights)*		\$300,000	
Lakewood Pres. Ph 2 (22 Acres/Lights) Construction		\$1,745,000	
Tanner's Mill Park Phase 2 Construction	\$930,000		
Windsong H&B Trail Ph 3C,5,6A,6B,7,8,9) Constr.*		\$435,000	
Gee Road Trail Connection	\$700,000		
Frontier Park Storage Design and Construction		\$173,000	
Sexton Park Phase 1 Design	\$1,200,000		
Coleman Med. Landscape (Victory-Preston) Design		\$25,000	
Coleman Med. Landscape (Victory-Preston) Constr.		\$625,000	
Prosper Trl (DNT – 700' E) Med. Landscape Design		\$25,000	
Prosper Trl (DNT – 700' E) Med. Landscape Constr.		\$250,000	
US 380 Green Ribbon Landscape-Irrigation (Lovers – Mahard) Design		\$90,000	
TOTAL FUNDING SOURCES:	\$2,830,000	\$4,473,000	\$ -
TOTAL PARK PROJECTS:		\$ 7,303,000	

<u>FACILITY PROJECTS</u>			
Project Name	Town CO Debt Funding	Other Town Funding	Non-Town Funding
Fire Station #4 Design	\$600,000		
Fire Engine – Fire Station #4		\$1,100,000	
Parks and Public Works Needs Assessment		\$80,000	
TOTAL FUNDING SOURCES:			
TOTAL FACILITY PROJECTS:		\$ 1,780,000	

<u>WATER PROJECTS</u>			
Project Name	Town CO Debt Funding	Other Town Funding	Non-Town Funding
LPP Pump Station Phase 2 Construction	\$2,062,000	\$ 9,000,000	\$3,000,000
LPP WL Phase 2A Construction	\$8,684,000		
LPP Water Line Phase 2A Easement Costs		\$900,000	
TOTAL FUNDING SOURCES:	\$10,746,000	\$ 9,900,000	\$3,000,000
TOTAL WATER PROJECTS:		\$ 23,646,000	

<u>WASTEWATER PROJECTS</u>			
Project Name	Town CO Debt Funding	Other Town Funding	Non-Town Funding
Doe Branch Parallel Interceptor Design		\$500,000	
Doe Branch Parallel Interceptor Construction	\$3,500,000	\$1,000,000	
TOTAL FUNDING SOURCES:	\$3,500,000	\$1,500,000	
TOTAL WASTEWATER PROJECTS:		\$ 5,000,000	

<u>DRAINAGE PROJECTS</u>			
Project Name	Town CO Debt Funding	Other Town Funding	Non-Town Funding
Frontier Park/Lakes of Prosper Drainage Constr.	\$685,000	\$300,000	
TOTAL FUNDING SOURCES:	\$ 685,000	\$300,000	
TOTAL DRAINAGE PROJECTS:		\$ 985,000	

Legal Obligations and Review:

Terrence Welch with Brown & Hofmeister, L.L.P., has reviewed and approved the attached ordinance as to form and legality.

Attached Documents:

1. Ordinance
2. Ordinance Exhibit A – FY 2021-2022 Proposed Budget Summary
3. Ordinance Exhibit B – CIP Summary

Town Staff Recommendation:

Town staff recommends that the Town Council approve an ordinance adopting the Fiscal Year 2021-2022 Annual Budget and Capital Improvement Program for the fiscal year beginning October 1, 2021, and ending September 30, 2022, as proposed.

This item requires a record vote.

Proposed Motion:

I move to approve an ordinance adopting the Fiscal Year 2021-2022 Annual Budget and Capital Improvement Program for the fiscal year beginning October 1, 2021, and ending September 30, 2022, as proposed.

Second motion to comply with state law:

I move to ratify the property tax revenue increase as reflected in the Fiscal Year 2021-2022 Adopted Budget.