



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 8, 2020

Agenda Item:

Consider and act upon an ordinance adopting the Fiscal Year (FY) 2020-2021 Annual Budget and Capital Improvement Program for the fiscal year beginning October 1, 2020 and ending September 30, 2021. **(BP)**

Description of Agenda Item:

Approval of this item will appropriate funds for the FY 2020-2021 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, 2020 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 2020-2021 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 2020 Amended Budget</u>	<u>FY 2021 Proposed Budget (9/08/2020)</u>	<u>\$ Change</u>	<u>% Change</u>
General	\$31,475,027	\$32,590,291	\$ 1,115,264	3.54%
Water/Sewer	\$26,079,979	\$24,408,888	(\$1,671,091)	-6.41%
Debt Service	\$7,022,740	\$7,699,741	\$ 677,001	9.64%
SPD-Crime/Fire	\$2,653,429	\$2,916,520	\$ 263,091	9.92%

TIRZ # 1	\$1,766,715	\$2,723,028	\$ 956,313	54.13%
Impact Fee Funds	\$7,920,426	\$7,842,500	\$ (77,926)	-0.98%
Total	\$76,918,316	\$78,180,968	\$ 1,262,652	1.64%

The Proposed FY 2020-2021 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>
Senior GIS Analyst and GIS Hosting Services	\$143,057
Facility Maintenance Services – Public Safety Facility	\$202,969
Two Lieutenants	\$443,618
Two Public Safety Officers	\$191,390
Two Communications Officers	\$126,681
Three Battalion Chiefs	\$691,865
Downtown Monument Sign	\$270,000
Development and Permitting Software	\$375,421

Water/Sewer Fund Supplemental Requests

<u>Request Title</u>	<u>Amount</u>
Water Purchases	\$1,091,067
Sewer Management Fees	\$422,460
Water Meters	\$471,250
Odor Control – Lift Stations	\$148,300
Public Works Right-Of-Way Inspector	\$99,244

The Town of Prosper FY 2020-2021 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 11th, presented budget.

<u>Fund Name</u>	<u>8/11/2020</u>	<u>9/8/2020</u>	<u>\$ Change</u>
General Fund	\$32,368,884	\$32,590,291	\$221,407

Town staff has prepared the FY 2020-2021 Proposed Capital Improvement Program (CIP) for adoption by the Town Council. This program includes budgeted capital projects for the 2020-2021 fiscal year and major planned capital projects to 2030. The projects for FY 2020-2021 are as follows:

<u>STREET PROJECTS</u>			
Project Name	Town CO Debt Funding	Other Town Funding	Non-Town Funding
Frontier Parkway (DNT - SH 289)	\$ 5,750,000		\$ 24,162,496
FM 2478 (US 380 – FM 1461): (TxDOT)			\$ 57,000,000
Fishtrap, Segment 4 (Middle - Elem): (Constr)	\$ 2,750,000		
US 380 (US 377 – Denton County): (TxDOT)		\$ 105,000	\$178,000,000
FM 1461 (SH 289 – CR 165): (TxDOT)		\$ 175,000	
TOTAL FUNDING SOURCES:	\$8,500,000	\$ 280,000	\$259,162,496
TOTAL STREETS PROJECTS: \$ 267,942,496			

<u>TRAFFIC PROJECTS</u>			
Project Name	Town CO Debt Funding	Other Town Funding	Non-Town Funding
Traffic Signal – Fishtrap & Artesia: (Design)		\$ 25,000	\$ 25,000
Traffic Signal – Fishtrap & Artesia: (Construction)		\$ 212,500	\$ 212,500
Traffic Signal – FM 1385 & Fishtrap: (TxDOT)			\$ 250,000
TOTAL FUNDING SOURCES:		\$ 237,500	\$ 487,500
TOTAL TRAFFIC PROJECTS: \$ 725,000			

<u>PARK PROJECTS</u>			
Project Name	Town CO Debt Funding	Other Town Funding	Non-Town Funding
Windsong Ranch Park #2: (Design)		\$ 30,000	
Windsong Ranch Park #2: (Construction)		\$ 230,000	
Lakewood Preserve: (Construction)		\$ 544,500	
Hays Park: (Construction)		\$ 375,000	
Pecan Grove Phase 2: (Construction)		\$ 575,000	
Windsong H&B Trail (3C,5,6A,6B,7,8,9): (Design)		\$ 40,000	
Windsong H&B Trail (3C,5,6A,6B,7,8,9): (Constr)		\$ 435,000	
Downtown Monument (Brdwy/Prstn): (Design)		\$ 75,000	
Downtown Monument (Brdwy/Prstn): (Constr)		\$ 80,000	\$ 300,000
TOTAL FUNDING SOURCES:		\$2,384,500	\$ 300,000
TOTAL PARK PROJECTS: \$ 2,684,500			

<u>FACILITY PROJECTS</u>			
Project Name	Town CO Debt Funding	Other Town Funding	Non-Town Funding
Westside Radio Tower for Communications	\$ 500,000		
TOTAL FUNDING SOURCES:	\$ 500,000		
TOTAL FACILITY PROJECTS: \$ 500,000			

<u>WATER PROJECTS</u>			
Project Name	Town CO Debt Funding	Other Town Funding	Non-Town Funding
LPP Water Line Phase 2 Easement Costs		\$ 1,000,000	
TOTAL FUNDING SOURCES:		\$ 1,000,000	
TOTAL WATER PROJECTS:		\$ 1,000,000	

<u>DRAINAGE PROJECTS</u>			
Project Name	Town CO Debt Funding	Other Town Funding	Non-Town Funding
Coleman Street Channel Imprvments: (Constr)	\$ 400,000		
Church & Parvin Sanitary & Drainage: (Constr)	\$ 215,000		
Old Town Reg. Ret. Pond #2 – Land Acquisition	\$ 385,000		
TOTAL FUNDING SOURCES:	\$ 1,000,000		
TOTAL DRAINAGE PROJECTS:		\$ 1,000,000	

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 2020-2021 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 2020-2021 Annual Budget and Capital Improvement Program for the fiscal year beginning October 1, 2020, and ending September 30, 2021, as proposed.

This item requires a record vote.

Proposed Motion:

I move to approve an ordinance adopting the Fiscal Year 2020-2021 Annual Budget and Capital Improvement Program for the fiscal year beginning October 1, 2020, and ending September 30, 2021, as proposed.

Second motion to comply with state law:

I move to ratify the property tax revenue increase as reflected in the Fiscal Year 2020-2021 Adopted Budget.