



## FINANCE

**To: Mayor and Town Council**

**From: Robert B. Scott, Executive Director of Administrative Services**

**Through: Ron K. Patterson, Interim Town Manager**

**Re: FY 2022-2023 Budget**

**Town Council Meeting – September 13, 2022**

---

### **Agenda Item:**

Consider and act upon an ordinance adopting the Fiscal Year (FY) 2022-2023 Annual Budget and Capital Improvement Program for the fiscal year beginning October 1, 2022 and ending September 30, 2023.

### **Description of Agenda Item:**

Approval of this item will appropriate funds for the FY 2022-2023 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, 2022 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 2022-2023 Proposed Budget raises more in property tax revenues than in the previous year. Below is a comparison of the FY 2022 Amended Budget and the FY 2023 Proposed Budget:

<b><u>Fund</u></b>	<b><u>FY 2022 Amended Budget</u></b>	<b><u>FY 2023 Proposed Budget (9/13/2022)</u></b>	<b><u>\$ Change</u></b>	<b><u>% Change</u></b>
General	\$46,277,591	\$51,833,412	\$5,555,821	12.0%
Debt Service	\$13,081,052	\$12,911,163	(\$169,889)	(1.3%)
Impact Fee Funds	\$22,788,614	\$18,400,250	(\$4,388,364)	(19.3%)
Utility Funds	\$35,138,535	\$38,385,232	\$3,246,697	9.2%
Special Revenue Funds	\$9,854,155	\$8,765,509	(\$1,088,646)	(11.0%)
Internal Service Funds	\$5,087,555	\$6,149,571	\$1,062,016	20.9%
Total	\$132,227,502	\$136,445,137	\$4,217,635	3.2%

The Town of Prosper FY 2022-2023 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 9th, presented budget.

<b><u>Fund Name</u></b>	<b><u>8/9/2022</u></b>	<b><u>9/13/2022</u></b>	<b><u>\$ Change</u></b>
General Fund – Discretionary	\$10,326,595	\$5,796,110	(\$4,530,485)
Packet Requests			
General Fund – Transfer to	\$3,250,000	\$7,780,485	\$4,530,485
Dedicated Capital Fund			

Town staff has prepared the FY 2022-2023 Proposed Capital Improvement Program (CIP) for adoption by the Town Council. This program includes budgeted capital projects for the 2022-2023 fiscal year and major planned capital projects to 2032. The projects for FY 2022-2023 are as follows:

<b><u>STREET PROJECTS</u></b>	
Project Name	Funding
First St (DNT – Coleman)	\$16,775,000
Fishtrap (Teel – Gee Road)	\$6,025,000
Coit Road (First – Frontier) – 4 Lanes	\$800,000
Coleman (Gorgeous – Prosper Trail – 4 Lanes	\$350,000
Coleman (Prosper Trail – Talon) 2 SB Lanes	\$345,000
Preston Rd/First St Dual Left Turns	\$800,000
Preston Rd/Prosper Trail Dual Left Turns	\$800,000
Coit Road/US 380 SB Dual Left Turns	\$300,000
Parvin Road (FM 1385 – Legacy)	\$800,000
Gorgeous (McKinley – Coleman)	\$500,000
Impact Fee Analysis	\$300,000
Median Lighting US 380 (Mahard – Lovers Lane)	\$300,000
Traffic Signal – FM 2478 (Custer Rd) & First Street (TxDOT)	\$500,000
<b>TOTAL STREETS PROJECTS:</b>	<b>\$ 28,595,000</b>

<b><u>PARK PROJECTS</u></b>	
Project Name	Funding
Windsong Park #3	\$750,000
Star Trail Hike & Bike Trail (Multiple Phases)	\$200,000
US 380 Green Ribbon Landscaping/Irrigation (Lovers- Mahard	\$1,500,000
Westside Waterline Trail Connection	\$800,000
<b>TOTAL PARK PROJECTS:</b>	<b>\$ 3,250,000</b>

<b><u>FACILITY PROJECTS</u></b>	
Project Name	Funding
Fire Station No.4 (Design)	\$23,380
Fire Station No.4 (Other Development Costs)	\$601,620
Fire Station No. 4 (Construction)	\$6,000,000
Fire Station No. 4 (FF&E)	\$775,000
<b>TOTAL FACILITY PROJECTS:</b>	<b>\$ 7,400,000</b>

<b><u>WATER PROJECTS</u></b>	
Project Name	Funding
LPP Water Line Phase 2A	\$3,600,000
FM 1461 12-inch Water Line	\$3,000,000
DNT (PT-Frontier), Frontier (DNT-PISD Stadium) 12-inch Water Line	\$4,500,000
<b>TOTAL WATER PROJECTS:</b>	<b>\$ 11,100,000</b>

<b><u>WASTEWATER PROJECTS</u></b>	
Project Name	Funding
Doe Branch Parallel Interceptor	\$3,500,000
Upper Doe Branch WW Line (Teel- PISD Stadium)	\$4,050,000
Wilson Creek WW Line	\$400,000
<b>TOTAL WASTEWATER PROJECTS:</b>	<b>\$ 7,950,000</b>

**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 2022-2023 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 2022-2023 Annual Budget and Capital Improvement Program for the fiscal year beginning October 1, 2022, and ending September 30, 2023, as proposed.

**This item requires a record vote.**

**Proposed Motion:**

I move to approve an ordinance adopting the fiscal year (FY) 2022-2023 Annual Budget and Capital Improvement Program for the fiscal year beginning October 1, 2022 and ending September 30, 2023, as proposed.