



FINANCE DEPARTMENT

To: Mayor and Town Council

From: Betty Pamplin, Finance Director

Through: Harlan Jefferson, Town Manager

Re: Town Council Meeting – March 29, 2022

Agenda Item:

Consider and act upon an ordinance amending Ordinance No. 2021-55 (FY 2021-2022 Annual Budget and Capital Improvement Program). (BP)

Description of Agenda Item:

General Fund Administration:

The Honor Wall project was funded in the fiscal year 2018-2019 budget and subsequently put on hold during the COVID-19 pandemic. A budget of \$90,000 was allocated during the fiscal year 2020-2021 budget and the design portion of the project was completed for \$11,000. The remainder of the budget (\$79,000) was allocated in fiscal year 2021-2022 to be used towards construction of the honor wall. At the March 8th Town Council meeting staff was directed to move forward with awarding a bid a requesting additional funding in the amount of \$142,877. This budget increase of \$142,877 for Community Services will be a drawdown to fund balance in the General Fund.

General Fund Police Services:

The fiscal year 2021-2022 budget included \$179,000 to be used towards a covered parking solution at the public safety facility. At the March 8th Town Council meeting Town Council approved option 4 which included an aluminum canopy w/lighting for a total of \$380,907. The difference of the adopted budget and this option is \$201,907. This budget increase of \$201,907 for Police Services will be a drawdown to fund balance in the General Fund

General Fund Fire Services:

Transfers out are increasing by \$1,802,000 to account for the transfer of funds to the Capital Project Fund for the purchase of a Pierce Fire Engine PUC Pumper (\$950,000) (includes pre-payment discounts) and loose equipment (\$300,000), and Ambulance and loose equipment (\$552,000) for Fire Station #4. Once the purchase order is issued, the engine has an approximate 22 month build time and the ambulance has an approximate 16 month build time. This will be a drawdown to fund balance in the General Fund.

Transfers out are increasing by \$70,000 to account for the transfer of funds to the Capital Project Fund for additional funding for increased costs for the loose equipment for the Fire Engine/Quint and Ambulance for Fire Station #3. \$405,000 was previously set aside for loose equipment and

due to price increases this funding will not be sufficient. This budget increase of \$1,872,000 in Fire Services will be a drawdown to fund balance in the General Fund.

General Fund Community Services:

At the request of Town Council staff has been exploring options for increasing the holiday decorations in the downtown area. Options were presented at the March 8th Town Council meeting. With feedback provided by Town Council staff has decided on several options for the upcoming season with a total cost of \$44,000. This budget increase of \$44,000 in Community Services will be a drawdown to fund balance in the General Fund.

Special Events Coordinator:

A Special Events Coordinator is being requested to start mid-year to help support the new special events the Council has requested. In addition to the Town's existing special events and the four new Downtown events, Council has recently requested the addition of a Veterans Day 5K event and a pickleball tournament. This position will also support other recreational programs and athletics throughout the year. This budget increase of \$33,717 for Community Services for the remainder of the year will be a drawdown to fund balance in the General fund.

Compensation:

The Town Council has remained committed to employees and has been actively exploring opportunities that will help us to recruit and retain the best employees by evaluating our comparison cities. Their findings have resulted in the consideration of an additional market adjustment which would take effect on the paycheck following the first full pay period in April for general employees. If approved, all general employees will receive an additional 1% market adjustment and some positions will move within the new proposed pay plan to allow the Town to remain competitive. The General Fund's share of this adjustment for the remainder of the year is \$211,833 and this amount is allocated across the departments as follows: Administration \$61,727; Police Services \$18,442; Fire Services \$12,867; Public Works \$10,950; Community Services \$39,223; Development Services \$31,864; and Engineering \$36,760. This will be a drawdown to fund balance in the General Fund.

Water and Sewer Fund

The Water and Sewer Fund's share of the compensation adjustment for the remainder of the year is \$43,731 with \$3,449 allocated to Administration and \$40,282 allocated to Public Works. This budget increase will be a drawdown to fund balance in the Water and Sewer Fund.

Stormwater Drainage Fund

The Stormwater Drainage Fund's share of the compensation adjustment for the remainder of the year is \$745. This budget increase will be a drawdown to fund balance in the Stormwater Drainage Fund.

Park Dedication/Improvement Fund

The Town and Developer are partnering to construct Windsong neighborhood Park #3. Designs are already underway and due to the increased cost of materials and labor it is anticipated that an additional \$100,000 is needed to be able to construct the park to completion. The developer will be using \$650,000 of their obligated park improvement funds on top of this amount. This budget increase of \$100,000 will be a drawdown to fund balance in the Park Improvement Fund.

Windsong Land Purchase:

The Town is looking to purchase approximately 162 acres (shown as four parcels) on the westside of Prosper near the Windsong Ranch subdivision. The Town agreed to pay the developer over a two-year period and the first payment will be payable at closing in accordance with the land purchase agreement. The second payment will be payable on or before October 16, 2023. This

budget increase of \$1,913,800 for the current fiscal year will be a drawdown to fund balance in the Park Dedication Fund.

Capital Improvement Program

Wastewater Impact Fee Fund

Upper Doe Branch WW Line (Teel – PISD Stadium)

Due to the future developments contemplated at the intersection of the Dallas North Tollway and Frontier Parkway, a sanitary sewer line extension of approximately four miles is needed from the current terminus of the sanitary sewer line in the Windsong Parkway development, near the intersection of Teel Parkway and Prosper Trail, to the Prosper ISD Stadium lift station. Based on the Town's Wastewater Master Plan, the sanitary sewer line is anticipated to be as large as twenty-four inches (24") in diameter. The design also includes the decommissioning of two lift stations, one along the east side of Legacy Drive between Prosper Trail and Frontier Parkway, and the other at the Prosper ISD Stadium. To properly fund the design tasks associated with this project, an additional \$125,000 is needed to increase the current design budget from \$250,000 to \$375,000 and add \$100,000 for potential easement acquisitions. Funding for the design and the easement acquisitions totaling \$225,000 to come from the Wastewater Impact Fee Fund. The attached CIP also shows anticipated funding for FY2023, in the amount of \$4,050,000 from Unissued CO Bond Debt (\$4,025,000) and Escrows received for decommissioning one of the lift stations (\$25,000). This increase of \$25,000 will be budgeted in the Wastewater Impact Fee Fund in FY 2022-2023.

Budget Impact:

The General Fund expenditures will increase by \$2,506,334; Water and Sewer Fund expenditures will increase by \$43,731; Stormwater Drainage Fund expenditures will increase by \$745; Park Dedication/Improvement Fund expenditures will increase by \$2,013,800; Wastewater Impact Fee Fund expenditures will increase by \$225,000.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has reviewed and approved the budget amendment ordinance as to form and legality.

Attached Documents:

1. Ordinance
2. CIP Amendment

Town Staff Recommendation:

Town staff recommends approval of amending Ordinance No. 2021-55 (FY 2021-2022 Annual Budget and Capital Improvement Program) to provide funding increased expenditures in the General Fund, Water and Sewer Fund, Stormwater Drainage Fund, Park Dedication/Improvement Fund, and Wastewater Impact Fee Fund.

Proposed Motion:

I move to approve amending Ordinance No. 2021-55 (FY 2021-2022 Annual Budget and Capital Improvement Program) to provide funding increased expenditures in the General Fund, Water and Sewer Fund, Stormwater Drainage Fund, Park Dedication/Improvement Fund, and Wastewater Impact Fee Fund.