



FINANCE DEPARTMENT

To: Mayor and Town Council

From: Chris Landrum, Finance Director

Through: Ron K. Patterson, Interim Town Manager
Bob Scott, Executive Director of Administrative Services

Re: Ordinance amending Ordinance No. 2022-54 (FY 2022-2023 Annual Budget)
Town Council Meeting – December 13, 2022

Agenda Item:

Consider and act upon an ordinance amending Ordinance No. 2022-54 (FY 2022-2023 Annual Budget). (CL)

Description of Agenda Item:

The proposed ordinance is amending the following balances for the FY 2022-2023 Budget:

General Fund

Council authorized additional FTE for a Detective (1 FTE) and an Engineering Technician (1 FTE). An oversight occurred and the personnel costs for these positions were not included in the budget. Personnel costs for the detective is \$265,162, of which \$186,780 is recurring. Personnel costs for the Engineering Technician are \$81,990, of which \$69,700 is recurring. Actual costs for the body and dash cam project were exceeded by \$151,258 for the first year. In addition, the scope of the project was expanded to include 5 Fire units for \$45,776. The system requires software licenses for \$70,688. The total increase for the body and dash cam project is \$267,692. License plate reader project not included in the adopted budget is \$144,900. For Council consideration on December 13, 2022, is an award of an ERP system. This project is a multi-year implementation process. By pulling forward expenditures of \$115,340 there will be a cost avoidance of approximately \$160,000 in the total project cost. A one-time lump sum payment for staff based on 1% of salaries and salary-based benefits is estimated at \$281,837. The Finance Department has experienced 100% turnover and a software implementation is scheduled in FY2022-2023. To address this need, receive assistance through the annual audit process and maintain levels of service a total increase of \$91,000 is requested. Council appointed a new auditing firm Weaver and Tidwell. The annual audit service increased by \$15,500. An increasing number of landscape plan reviews and an upcoming vacancy drive the need to contract this function on a temporary basis. A one-time amount of \$63,000 is amended to fill this need. The need to continue this operational support will be reassessed during the budget process. A vacancy at the Fire Department requires plan reviews to be contracted to a third party. An increase of \$20,000 is requested for this purpose. An increase to one-time capital dedicated contribution of \$1,000,000 is included.

Water & Sewer Fund

An oversight occurred in the presentation of Administration expenditures in the budget ordinance approving fiscal year 2022-2023 budget. The presentation in the ordinance should have included \$174,560 additional in Administration expenditures in the budget.

Special Revenue Fund

It was the intention to include \$5,000 in Fire donation expense in the Special Revenue Fund. Through an oversight this amount was not included in the budget adopted by Council. Expenditures of \$5,000 will be increased for this expenditure.

PO Roll Forward

The Town of Prosper continues to utilize the purchase order system to encumber funds. The practice of the Town of Prosper is to shift budget authority from last fiscal year to the new fiscal year. The net effect is lowering expenditures in FY 2021-2022 and rolling forward those available funds to the current year. Capital project encumbrances are excluded from the budget amendment since Capital Project Fund monies are multi-year appropriations. The total encumbrances for the General Fund to be brought forward is \$1,794,281.05; the total encumbrance for the Water-Sewer Utility Fund to be brought forward is \$450,955.04; the total encumbrance for the Stormwater Drainage Utility Fund to be brought forward is \$82,706.08; the total encumbrance for the Economic Development Corporation to be brought forward is \$1,530.00; the total encumbrance for the Vehicle Equipment Replacement Fund (VERF) to be brought forward is \$90,020.91; The net effect of the PO roll forward is lower expenditures in FY 2022-2023 and rolling the funding to FY 2022-2023's budget.

Capital Funds

Safety Way – Town Council entered into a Memorandum of Understanding (MOU) on July 19, 2022 for the partial funding of the construction of Safety Way as part of ongoing development. The \$800,000 funding will cover the Town's portion of the MOU.

Gorgeous/McKinley – The LIV development agreement states the developers will be reimbursed for the construction of the Gorgeous/McKinley roadway through the use of roadway impact fees, a construction shortfall of \$700,000 is anticipated above and beyond the roadway impact fees generated by this development. The \$700,000 will cover the anticipated increase in roadway construction costs.

Teel/US 380 Intersection - This project is currently being bid and the latest Engineers estimate has a shortfall of \$200,000 in the construction budget. We anticipate the \$200,000 to cover any increase in construction costs.

First Street (DNT – Coleman) (Traffic Circle & additional) – Several design options were considered for the proposed intersection improvements at First Street and Coleman Road, after consideration of traffic flow and impacts to surrounding properties, it was decided to go with a traffic circle design. The additional \$1,000,000 will cover the anticipated construction cost associated with the traffic circle and overall increases in construction costs.

Legacy (Prairie – Fishtrap) – 4 lanes: (ROW) – The design of this project was accelerated by Town Council last year; the design has progressed to the 60% phase and has identified needed right of way. The \$575,000 identified for this project will allow staff to progress into the next phase of property appraisals and acquiring any needed right of way and or easements, this will keep the project moving forward toward successful completion.

Left Turn Lane Coit at First Street – The improvements currently under way on First Street (Coit – Custer) will construct four lanes of First Street east of the Coit Road intersection. Currently the

southbound Coit road transition will not allow for the full operation of the intersection, the \$375,000 will construct additional pavement on Coit that will lengthen the transition and allow for the full operation of the traffic signals including the left turn lane from southbound Coit to eastbound First street.

First Street (Coleman – Craig): (Design) – This section of First Street is the only remaining section within the Town limits not to have any improvements planned, it is currently a two-lane section with limited right of way available. The allocation of \$500,000 for design begins the project development process to eventually construct improvements to this section of roadway.

Sanitary Sewer Replacement (LIV Development) – the proposed improvements for the LIV development discovered several hundred feet of 8-inch clay pipe being used for the sanitary sewer collection system. In the interest of minimizing future maintenance issues, Public Works would like to replace the current clay pipe with new PVC pipe. The replacement cost is anticipated to be \$75,000; this cost will be funded from the Water and Wastewater fund.

Budget Impact:

The General Fund expenditures will increase by \$2,386,935; Water-Sewer Utility Fund expenditures will increase by \$174,560; and Special Revenue Fund expenditures will increase by \$5,000 in FY 2022-2023.

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. Exhibit “A” – Detail of Budget Amendment
3. Exhibit “B” – Fund Summaries
4. Detailed List of Purchase Order Roll

Town Staff Recommendation:

Town staff recommends approval of amending Ordinance No. 2022-54 (FY 2022-2023 Annual Budget) to provide funding increased expenditures in the General Fund, Water-Sewer Utility Fund, Debt Service Fund, and Special Revenue Fund.

Proposed Motion:

I move to approve amending Ordinance No. 2022-54 (FY 2022-2023 Annual Budget) to provide funding increased expenditures in the General Fund, Water-Sewer Utility Fund, and Special Revenue Fund.