



# City of Keller

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## Legislation Text

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**File #:** 16-442, **Version:** 1

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**To:** Mark R. Hafner, City Manager

**From:** Aaron Rector, Director of Finance

**Subject:**

**PUBLIC HEARING: Consider an ordinance approving certain amendments to the Fiscal Year 2016-17 Annual Operating Budget for the City of Keller, Texas, in accordance with Article VIII, Section 8.13, of the Keller City Charter.**

**Action Requested:**

Consider an ordinance amending the Fiscal Year 2016-17 Annual Operating Budget for the City of Keller, Texas

**Background:**

The City Council adopted the Fiscal Year 2016-17 budget on September 20, 2016. Typically, staff brings forth budget amendments during the year as part of the expenditure monitoring process. The amendments usually represent additional expenditures that were not included in the budget and are proposed for consideration by the Mayor and City Council.

The proposed amendments reflect the 2016 State Water Implementation Fund (SWIFT) bond issuance approved by Council on October 18, 2016, the 2017 Certificate of Obligation issuance approved by Council on July 18, 2017, the Tax Increment Reinvestment Zone (TIRZ) bond redemption approved by Council on July 18, 2017, engineering for a wastewater extension on U. S. 377, replacement of a damaged mower, and various drainage settlements made during FY 2016-17.

Article VIII, Section 8.13 of the Keller City Charter requires a notice and public hearing, along with subsequent Council action, in order to amend (increase) the budget. The required public notice was published in the Fort Worth Star-Telegram on Friday, September 8, 2017.

**Budget Impact:**

In accordance with Article VIII, Sections 8.12 and 8.13 of the Keller City Charter, the City Council may amend the budget after proper notice and public hearing, and provided there are funds available (i.e., excess revenue) for the proposed amendments.

The proposed amendments include:

General Fund (100) proposed amendments (Total Increase \$ -):

\$500 - To be transferred to Vehicle and Equipment Replacement Fund for a damaged mower.

TIRZ Fund (151) proposed amendments (Total Increase \$5,000,000):

\$5,000,000 - Increase in debt service expenditure related to bond redemption to reduce future interest payments.

General Bond Fund (155) proposed amendments (Total Increase \$4,990,000):

\$4,990,000 - Increase in bond proceeds revenue related to the 2017 Certificate Issuance.

\$4,990,000 - Increase in transfer-out expenditure related to capital projects funded thru bond proceeds

Vehicle and Equipment Replacement Fund (175) proposed amendments (Total Increase \$12,654):

\$12,154 - Increase in insurance proceeds revenue related to the damaged mower replacement.

\$500 - Increase in General Fund transfer-in revenue related to the damaged mower replacement deductible.

\$12,654 - Increase in capital expenditures related to mower replacement

Water-Wastewater Fund (200) proposed amendments (Total Increase \$125,000):

\$125,000 - Increase in transfer-out expenditure related to capital project funding

Utility Bond Fund (204) proposed amendments (Total Increase \$8,260,000):

\$4,000,000 - Increase in bond proceeds revenue related to the 2016 SWIFT bond issue

\$4,260,000 - Increase in bond proceeds revenue related to the 2017 Certificate Issuance

\$8,260,000 - Increase in transfer-out expenditure related to capital projects funded thru bond proceeds

Utility Capital Project Fund (206) proposed amendments (Total Increase \$3,854,200):

\$125,000 - Increase in Utility Fund transfer-in revenue related to 377 Sanitary Sewer Extension Project

\$125,000 - Increase in expenditures related to 377 Sanitary Sewer Extension Project engineering

\$3,020,200 - Increase in bond proceeds revenue related to the 2017 Certificate Issuance

\$700,000 - Increase in expenditure related to the SWIFT capital project

\$150,200 - Increase in expenditure related to the Alta Vista Transmission Main project

\$1,630,000 - Increase in expenditure related to the Alta Vista Pump Station project

\$1,240,000 - Increase in expenditure related to the Fort Worth 48" Transmission Main project

Drainage Fund (400) proposed amendments (Total Increase \$67,144):

\$67,144 - Increase in contractual expenditure related to drainage settlements

**Financial Considerations:**

The bond and capital project fund amendments reflect the receipt of bond revenue and transfer to capital funds for future project activity. The TIRZ amendment allows for payment of future principle to reduce future interest payments of approximately \$1.6 million. The Vehicle and Equipment Replacement Fund amendment allows for the replacement of a damaged mower. The Utility Fund transfer allows for the engineering of the 377 sanitary sewer extension. The Drainage amendment increases the budget by \$67,143.

**Citizen Input/Board Review:**

Not applicable.

**Legal Review:**

Not applicable.

**Alternatives:**

City Council has the following alternatives:

- Approve as submitted
- Approve with changes
- Denial

**Council Action:**

Consider approval of the ordinance as presented.