

ACTION FORM BRYAN CITY COUNCIL

DATE OF COUNCIL MEETING: April 22, 2014		DATE SUBMITTED: March 28, 2014	
DEPARTMENT OF ORIGIN: Fiscal Services		SUBMITTED BY: Joe Hegwood	
MEETING TYPE:	CLASSIFICATION:	ORDINANCE:	STRATEGIC INITIATIVE:
<input type="checkbox"/> BCD	<input type="checkbox"/> PUBLIC HEARING	<input type="checkbox"/> 1ST READING	<input checked="" type="checkbox"/> PUBLIC SAFETY
<input type="checkbox"/> SPECIAL	<input type="checkbox"/> CONSENT	<input checked="" type="checkbox"/> 2ND READING	<input checked="" type="checkbox"/> SERVICE
<input checked="" type="checkbox"/> REGULAR	<input checked="" type="checkbox"/> STATUTORY		<input checked="" type="checkbox"/> ECONOMIC DEVELOP.
<input type="checkbox"/> WORKSHOP	<input type="checkbox"/> REGULAR		<input checked="" type="checkbox"/> INFRASTRUCTURE
			<input checked="" type="checkbox"/> QUALITY OF LIFE
AGENDA ITEM DESCRIPTION: An ordinance amending Ordinance No. 2016 increasing the expenditure budget appropriations for Fiscal Year 2014 from \$338,295,425 to \$345,802,565.			
SUMMARY STATEMENT: As required by Ordinance No. 2016, which initially authorized City of Bryan Fiscal Year 2014 budget appropriations, budget expenditures and transfers in excess of annual appropriations require City Council authorization. The increase for encumbrances is \$5,729,327, which recognizes the encumbrance carry-over amounts for approved contracts and services. These contracts and services were not completed during Fiscal Year 2013, therefore, funds are being carried forward to be available upon completion of contracts/services and/or receipt of goods. This budget amendment also proposes additional increases to appropriations of \$1,777,813 as described below. The total amendment, including encumbrances and other purposes, will increase appropriations by \$7,507,140.			
<u>FY2014 Budget Appropriations History</u>		<u>Amendments</u>	<u>Appropriations</u>
Ordinance No. 2016 - 9/10/2013 – Initial Budget Appropriation		\$338,295,425	\$338,295,425
Proposed 1st Amendment		\$7,507,140	\$345,802,565
The proposed amendment amounts for each fund are shown below.			

FUND	FY2014 Adopted Budget	Budget Amendment #1 (encumbrances)	Budget Amendment #1 (Other)	FY2014 Revised w/ Proposed Amendment #1
GENERAL FUND	\$ 57,136,717	209,783	487,725	\$ 57,834,225
GRANT FUND	-	10,904		10,904
COMMUNITY DEV. FUND	2,268,648	144,200		2,412,848
HOTEL OCCUPANCY TAX FUND	563,039	-	-	563,039
STREET IMPROVEMENT FUND	8,852,543	1,935,397		10,787,940
DRAINAGE FUND	884,500	133,196		1,017,696
TIRZ #10 TRADITIONS	1,417,002	-	47,574	1,464,576
TIRZ #19 NASH	156,331	4,774		161,105
TIRZ #21 DOWNTOWN		-	200,000	200,000
TIRZ #22 TARGET			42,514	42,514
WATER FUND	14,524,112	1,376,751		15,900,863
WASTEWATER FUND	13,009,512	1,669,993		14,679,505
BRYAN COMMERCE & DEV	36,284	8,000		44,284
COULTER AIRPORT	607,487	67,340		674,827
SOLID WASTE FUND	7,311,997	152,465		7,464,462
SELF INSURANCE FUND	2,584,211	16,525	1,000,000	3,600,736
ALL OTHER FUNDS	228,943,042	-		228,943,042
	\$ 338,295,425	\$ 5,729,327	\$ 1,777,813	\$ 345,802,565

A detail listing of the recommended encumbrances is provided in Exhibit A. All budget increases for encumbrance carry-overs will be funded by available fund balance of the individual fund.

Other increases in appropriations are proposed for the following funds and purposes:

General Fund \$487,725

- Amendment to provide the additional funding for the City's portion of the Health and Wellness Master Plan - \$86,750

This expenditure will be funded by General Fund fund balance.

- Amendment to allow for the transfer of \$400,975 to provide short term funding for the construction activities and development costs for CDBG Low-Moderate Income Housing development - \$400,975

These funds will be repaid to the General Fund at closing.

TIRZ #10 Traditions \$47,574

There are approximately 60 lights that have been installed within Traditions that BTU did not accept for maintenance. This expenditure is to provide the replacement heads for BTU to install when needed and complete the transfer of the lights to BTU for maintenance.

Expenditures will be funded by TIRZ #10 Traditions fund balance.

TIRZ #21 Downtown

\$200,000

Façade grant improvement program for the development and redevelopment of downtown. The project and finance plan was updated to approve up to \$250,000 for this purpose. Available fund balance will limit the program to \$200,000 for the current year with the balance to be budgeted next year.

Expenditures will be funded by TIRZ #21 Downtown fund balance.

TIRZ #22 Target

\$42,514

This amendment will increase the transfer to debt service due to higher construction costs.

Expenditures will be funded by TIRZ #22 Target fund balance.

Self Insurance Fund

\$1,000,000

This amendment will allow for the transfer of \$1,000,000 from the Self Insurance Fund to the Employee Benefits Fund.

The City of Bryan funds employee health care through employee contributions and employer contributions. Although employee and employer contributions have increased in recent years, those increases have not been sufficient to maintain adequate reserves (90 days) in the Employee Benefits fund. A number of unusually high cost cases over the last several years have driven Bryan's costs above the regional average. The City of Bryan Self Insurance Fund covers the workers compensation and liability claims. This fund has a balance sufficient to allow for the transfer of \$1,000,000 to the Employee Benefits Fund and still maintain its 90 day reserve. During the FY15 budget process, future funding for both of these funds will be addressed.

Transfer out expense will be funded by the Self Insurance Fund balance.

STAFF ANALYSIS AND RECOMMENDATION: By approving this ordinance, the City Council will allow for the appropriation and expenditure of funds for authorized purposes.

Staff recommends the approval of all items included in the budget amendment within this Council Action Form (CAF). A budget amendment to increase appropriations due to previous year carry-overs is standard accounting and budget practice. The amendment appropriately recognizes an increase in expenditures as the cost for obligated goods and services are shifted from one fiscal year to the next. Budget increases for the other identified purposes will provide the necessary funds to meet contractual obligations.

In comparison to previous years encumbrance carry-overs, the amounts have been:

	General Fund	All Other Funds	Total
FY2011	\$ 2,256,950.01	\$ 9,824,367.40	\$ 12,081,317.41
FY2012	\$ 515,336.00	\$ 6,189,380.00	\$ 6,704,716.00
FY2013	\$ 192,168.00	\$ 6,609,218.00	\$ 6,801,386.00
FY2014	\$ 209,783.00	\$ 5,519,544.00	\$ 5,729,327.00

OPTIONS (In Suggested Order of Staff Preference):

1. Approve all items as proposed.

2. Approve some of the items as proposed, which may require consideration at a future City Council meeting.
3. Do not approve the budget amendment, which could result in the City not being able to cover the cost of goods and service for which the City is contractually obligated to pay.

ATTACHMENTS:

1. Budget Amendment Ordinance
2. Exhibit A – FY2014 Budget Amendment Encumbrance Carry-Overs (pdf file)

FUNDING SOURCE: Use of fund balance as shown by amendment amount and fund in the table included above in the Summary Statement.

APPROVALS: Hugh R. Walker, 03/28/2014

APPROVED FOR SUBMITTAL: CITY MANAGER Kean Register, 03-30-2014

APPROVED FOR SUBMITTAL: CITY ATTORNEY Janis K. Hampton, 03/31/2014

Revised 04/2013

ORDINANCE NO. _____

AN ORDINANCE AMENDING ORDINANCE NO. 2016; INCREASING EXPENDITURE APPROPRIATIONS FOR FISCAL YEAR 2014 FROM \$338,295,425 to \$345,802,565; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING A SEVERABILITY CLAUSE; FINDING AND DETERMINING THAT THE MEETINGS AT WHICH THE ORDINANCE IS PASSED ARE OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, state law requires that municipal budget appropriations be increased when spending exceeds the amount appropriated, and

WHEREAS, the City of Bryan wishes to increase appropriations to facilitate the payment of contractual obligations which were not included in the Fiscal Year 2014 budget upon adoption.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BRYAN, TEXAS:

1.

That the City of Bryan City Council approves increases in appropriations in the amount of \$7,507,140.

2.

That Ordinance No. 2016 the appropriations ordinance for the fiscal year beginning October 1, 2013 and ending September 30, 2014, be amended to reflect total expenditures for the City of Bryan be increased from \$338,295,425 to \$345,802,565.

3.

That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

4.

That should any section, paragraph, sentence, clause, phrase or word of this ordinance be declared unconstitutional or invalid for any reason, the remainder of this ordinance shall not be affected thereby, and to this end the provisions of this ordinance are declared to be severable.

5.

That it is hereby found and determined that the meetings at which this ordinance was passed were open to the public, as required by Section 551.001 et seq., Texas Government Code, and that advance public notice of time, place and purpose of said meetings was given.

6.

That this ordinance shall take effect immediately after its second and final reading.

PRESENTED AND GIVEN first reading the 8th day of April, 2014 at a regular meeting of the City Council of the City of Bryan, Texas; and given second reading, passed and approved on the 22nd day of

April, 2014 by a vote of ____ ayes and ____ nays at a regular meeting of the City Council of the City of Bryan, Texas.

ATTEST:

CITY OF BRYAN:

Mary Lynne Stratta, City Secretary

Jason P. Bienski, Mayor

APPROVED AS TO FORM:

Janis K. Hampton, City Attorney