

CITY OF TEXAS CITY

Fiscal Year 2023-2024

Budget Workshop

SPECIAL REVENUE FUND A type of fund used to account for revenues legally earmarked for a particular purpose. For example, a hotel/motel occupancy tax may be earmarked for tourism and convention development. A Hotel/Motel Tax fund would then account for the revenues and expenditures associated with such purposes.

City's largest Special Revenue Funds:

- Hotel Motel Tax Fund (#201)
- CDBG-Disaster Recovery Mitigation Grant (#242)
- American Rescue Plan Act (#243)
- CDBG-Mitigation Infrastructure Grant (#244)
- Capital Recovery Fund Water Zone 2 (#255)
- Capital Recovery Fund Sewer Zone 2 (#256)
- Texas City Dike Fund (#279)

Hotel Motel Occupancy Tax Fund (Fund 201)

- City tax is 7% of the hotel's receipts
- Payable by the entity to the city each calendar quarter
- Currently, there are 17 locations subject to this ordinance
- Projected Sept. 30, 2023, unassigned fund balance is \$1.4 million

FY 2023-2024 SUPPLEMENTAL REQUESTS OR SIGNIFICANT OPERATING LINE ITEM INCREASES

Recreation & Tourism (department 401)

City wide Christmas decorations – lease renewal	\$34,165
Doyle Convention Center – resurface kitchen floor, replace one set of metal double doors, replace one door to loading dock	\$24,000
Nessler Center-Captain’s Room – renovate flooring 30x43 sq ft	\$32,200
Nessler Center-kitchen – replace 2 sets of double doors between kitchen and Captain’s Room and kitchen and Wings of Heritage Room	\$24,700
Nessler Park – funding to support Vietnam Veterans’ Memorial Monument project through an agreement with the Texas City Rotary Foundation	\$13,341
Palmer/9 th Ave – replace tree lights in front of City Hall (42)	\$87,500

FY 2023-2024 SUPPLEMENTAL REQUESTS OR SIGNIFICANT OPERATING LINE ITEM INCREASES

Recreation & Tourism (department 401) continued

Nessler Center-Alamo Room – replace two 5 ton AC units	\$12,793
Doyle Convention Center – replace existing floor scrubber	\$6,000
Nessler/Doyle – replace existing golf cart with a rear bed	\$13,500
Nessler/Doyle – convert old preschool room into meeting room/ bride-groom suite for renting space	\$74,000

CDBG-Disaster Recovery Mitigation Grant (Fund 242)

- Grant award: \$14,965,447
- Federal funds administered by Texas General Land Office (GLO)
- Projects:
 - 34th St. drainage improvements – YTD spent and encumbered: \$309,208
 - 7th Ave. drainage improvements – YTD spent and encumbered: \$2,764,859
 - Pump station A improvements – YTD spent and encumbered: \$203,180
 - Pump station B improvements – YTD spent and encumbered: \$203,180
- YTD percentage of grant spent and encumbered: 23.26%
- Vendor invoices are not paid until GLO approves and sends funds to the City.
- Projects will be carried over to fiscal year 2023/2024

Coronavirus State and Local Fiscal Recovery Funds (SLFRF) aka: American Rescue Plan Act (Fund 243)

- Grant award: \$10,309,444
 - \$5,154,722 received Sept. 2021 and \$5,154,722 received Sept. 2022
- Federal funds administered by United States Treasury – funds must be obligated by December 31, 2024 and spent by December 31, 2026
- Projects in varying stages:
 - Rental Assistance
 - Housing Rehabilitation
 - Humble Camp Rd. drainage - COMPLETED
 - Bay St. Extension bridge replacement
 - Ditch 50A slope stabilization
 - Loop 197 concrete ditch lining
 - Wastewater Treatment Plant improvements
 - Various drainage crossings
 - Library building repairs
- Currently, \$5.3 million has been spent or encumbered
- Projects will be carried over to fiscal year 2023/2024

CDBG-Mitigation Infrastructure Grant (Fund 244)

- Grant award: \$17,874,592
- Federal funds administered by Texas General Land Office (GLO)
- Projects:
 - Moses Lake pump station – YTD spent and encumbered: \$1,268,802
 - Drainage improvements in subdivisions:
 - Amburn Park – YTD spent and encumbered: \$410,522
 - Southpoint – YTD spent and encumbered: \$732,546
 - Freeway Park – YTD spent and encumbered: \$563,420
- YTD percentage of grant spent and encumbered: 16.65%
- Vendor invoices are not paid until GLO approves and sends funds to the City.
- Projects will be carried over to fiscal year 2023/2024

Capital Recovery Fund-Water Zone 2 (Fund 255) and Capital Recovery Fund-Sewer Zone 2 (Fund 256)

- Developers pay an impact fee or capital recovery fee for each lot they will build on
- There are separate fees for water and sewer
- These monies can only be spent on water or sewer infrastructure projects in the specified zone
- Fund 255 current projects that will be carried over to FY 23/24:
 - West side ground storage water tank: \$1,928,251
 - West side water well #2: \$3,329,563
- Fund 256 current projects that will be carried over to FY 23/24:
 - Lago Mar force main phase 1: \$4,371,051
 - Lago Mar force main phase 2: \$3,250,326
- Currently, the respective fund balances are \$12,058,540 and \$10,066,435

Texas City Dike Fund (Fund 279)

- Majority of the revenue in this fund is from ticket sales to access the dike on weekends between March 1st and October 31st.
- These funds are used to pay for personnel assigned to the dike, whether it be at the gate, police patrol, or sanitation.
- These funds are also used to pay for maintenance or improvements on the dike, projects at Bay Street Park, and projects at Rainbow Park.
- Currently, the unassigned fund balance is \$6.5 million.

Texas City Dike Fund (Fund 279) continued...

FY 2023-2024 Supplemental Requests or Significant Operating Line Item Increases

Sanitation Department increases:

- Additional toilets and related expenses - increase from \$105,000 to \$300,000
- Additional temporary personnel - increase from \$150,000 to \$300,000

Recreation & Tourism maintenance projects:

Bay Street Park and Rainbow Park

- Repair 4 bridges in Bay St. Park-safety hazards \$99,700
- Rainbow Park gazebo repairs \$44,500
- Repairs at Bay St. Park soccer pavilion and restroom \$53,000
- Replace handrail and post lead to Rainbow Park amphitheater \$12,500

Additional active Special Revenue Funds:

Municipal Court Security Fund (#203) current fund balance: \$484,091

Municipal Court Technology Fund (#204) current fund balance: \$46,970

COPS Grant Fund (#226) City is reimbursed as funds are spent.

Cable-P.E.G. Fund (#230) current fund balance: \$315,788

Municipal Court Efficiency Fund (#235) current fund balance: \$178,272

Municipal Court Truancy Fund (#239) current fund balance: \$157,678

Municipal Court Juror Fund (#241) current fund balance: \$3,150

Community Development Block Grant (CDBG) (HUD funds) City has been awarded \$374,271, for the new program year (FY23/24). There are currently funds from multiple, previous program years still available to be spent.

Personnel request: Program Coordinator

DEBT SERVICE FUND One or more funds established to account for revenues and expenditures used to repay the principal and interest on debt.

Debt Service Fund (#301)

Payment of principal and interest on General Obligation Bonds and Certificates of Obligation issued by the City

Projected 9/30/2023 fund balance: \$3.1 million

CITY OF TEXAS CITY DEBT SCHEDULE

Activity Type	Year Ending September 30,	Principal	Interest
Governmental Activities			
Gen. Obligation Refunding Bonds, Series 2012	2024	890,000	29,400
	2025	535,000	8,025
		\$ 1,425,000	\$ 37,425
Combination Tax & Revenue Cert. of Obligation, Series 2013	2024	6,120,000	82,314
		\$ 6,120,000	\$ 82,314
Certificates of Obligation, Series 2015	2024	1,030,000	47,250
	2025	1,060,000	15,900
		\$ 2,090,000	\$ 63,150
Gen. Obligation Refunding Bonds, Series 2020	2024	330,000	95,800
	2025	345,000	82,300
	2026 - 2030	2,575,000	189,900
		\$ 3,250,000	\$ 368,000
		\$ 12,885,000	\$ 550,889
	2024	\$ 8,370,000	\$ 254,764
9/30/2024 Outstanding Debt		\$ 4,515,000	\$ 296,125

CONSTRUCTION FUND (#401)

Fire Station #4 and Police Substation:

Expenses to date (2021-current): \$8,877,008

This is 70% of the total related purchase orders of \$12,681,937.
These amounts include the sanitary sewer line being installed to service the station.

Access Road at Fire Station #4:

Expenses to date (2023): \$31,963

This is 7.75% of the total related purchase orders of \$412,587.

ENTERPRISE FUND A separate fund that supports services primarily from fees. Examples are water and sewer funds. Enterprise fund agencies generate their own revenue through the sale of services. That revenue directly affects spending levels of that agency.

Utilities Fund (#501) – Water and Sewer Activities

Water Administration (dept. #701)

Water Distribution (dept. #705)

Sewer (Wastewater Collection) (dept. #702)

Wastewater Treatment Plant (dept. #703)

Lift Stations (dept. #706)

Debt: Certificates of Obligation, Series 2018

Outstanding at 9/30/2023: \$10,521,463

Debt service in FY 23/24: \$700,588

Projected 9/30/2023 fund balance: \$50 million

FY 2023-2024 SUPPLEMENTAL REQUESTS OR SIGNIFICANT OPERATING LINE ITEM INCREASES

Water Administration (department 701)

Water Purchased increase from \$5,200,000 to \$5,426,000

Utilities increase from \$240,000 to \$250,000

Professional fees increase from \$390,000 to \$400,000 for water & sewer line locates or reduce professional fees by \$250,000 and use those funds to hire 2 employees in Water Distribution (department 705) to do the locates

Water Distribution (department 705)

Two Ford Ranger trucks (for the 2 new employees, if approved) \$76,000

Replace 2 high mileage 1 ton service body trucks - \$160,000

Replace 1 high mileage 1 ton service body truck + crane - \$92,500

Add 3 reducing stations to SCADA - \$90,000

Paint & repair Heights elevated storage tank (carry over 25%) \$200,000

Paint & repair 14th St elevated storage tank \$900,000

Paint & repair 32nd St ground storage tank \$425,000

FY 2023-2024 SUPPLEMENTAL REQUESTS OR SIGNIFICANT OPERATING LINE ITEM INCREASES

Water Distribution (department 705) continued

Water line improvements Phase 20 (carry over 80%) \$1,280,000

Water line improvements Phase 21 \$1,600,000

Sewer (department 702)

Small dump truck \$110,000

Sewer line improvements Phase 22 and Sanitary Sewer Overflow (SSO)
(carry over 75%) \$900,000

Sewer line improvements Phase 23 and SSO \$1,500,000

Wastewater Treatment Plant (department 703)

Personnel request: 3 additional maintenance technicians

Sludge contract increase from \$400,000 to \$450,000

Chlorine increase from \$140,000 to \$240,000

Hydro Tank Rehabilitation - \$110,000 (carry over to FY 23/24)

Update treatment plant SCADA - \$136,250 (carry over to FY 23/24)

FY 2023-2024 SUPPLEMENTAL REQUESTS OR SIGNIFICANT OPERATING LINE ITEM INCREASES

Wastewater Treatment Plant (department 703) continued

Heaters for CL2 and press room - \$145,000

Fence replacement - \$180,000

Replace Ford F150 extended cab truck - \$55,000

Lift Stations (department 706)

Lift Stations #25 and #21 Rehabilitation (carry over 40%) \$508,000

Lift Station #22 (carry over 40%) \$700,000

Lift Stations #7 and #15 Rehabilitation \$1,225,000

Generators for lift stations #10 and #30 \$554,731

Rainsong Lift Station fence \$30,000

Underground electric service for Rainsong lift station \$18,000

INTERNAL SERVICE FUNDS One or more funds that accounts for the goods and services provided by one department to another within government on a cost-reimbursement basis.

City's key Internal Service Funds:

Capital Equipment Replacement Fund (#602) discussed in 1st workshop
Group Insurance Fund (#601)

Group Insurance Fund (#601)

Revenues: Employee and Employer contributions

Expenses: Medical, Dental, and Vision claims

Premiums and administrative fees

FY 19/20 Fund Balance: (\$116,456)

FY 20/21 Fund Balance: \$357,445

FY 21/22 Fund Balance: \$1,176,475

Projected fund balance at 9/30/2023: \$1.16 million

RELATED CORPORATIONS

- Texas City Economic Development Corporation (#801)
- Texas City Public Facilities Development Corporation (#803)
- Texas City Industrial Development Corporation (#804)
- Texas City Harbour Foreign Trade Zone Corporation (#805)
- Texas City Cultural Arts Foundation (#807)
- Texas City Historical Preservation Corporation (#808)

FY 2023-2024 SUPPLEMENTAL REQUESTS OR SIGNIFICANT OPERATING LINE ITEM CHANGES

Texas City Economic Development Corporation (Fund 801)

Projected fund balance at 9/30/2023: \$17 million

Personnel – TCISD Workforce Liaison – salary only - \$75,000

Office equipment and supplies, most for new business incubator - \$303,000

Demolition of commercial properties – \$825,000

Business Incentive – reduction from \$325,000 to \$300,000

Building maintenance – increase from \$275,000 to \$325,000

Maintenance contracts for TCEDC property mowing contract - \$275,000

Advertising & Marketing – increase from \$104,000 to \$195,000

Professional fees – increase from \$579,000 to \$800,000

FY 2023-2024 SUPPLEMENTAL REQUESTS OR SIGNIFICANT OPERATING LINE ITEM CHANGES

Texas City Economic Development Corporation (Fund 801) continued

Dues and Membership Fees – increase from \$0 to \$55,000

Contributions & Donations – reduction from \$85,000 to \$45,000

Employee training – increase from \$0 to \$30,000

Procurement of Property - \$300,000

Community Plaza on 6th Street project - \$6,600,000

Texas City Public Facilities Development Corporation (Fund 803)

No significant changes in line items

Texas City Industrial Development Corporation (Fund 804)

No significant changes in line items

Texas City Harbour Foreign Trade Zone Corporation (Fund 805)

Professional fees – increase from \$1,500 to \$25,000

Texas City Cultural Arts Foundation (Fund 807)

Texas City Music Festival - \$200,000

Texas City Historical Preservation Corporation (Fund 808)

Replace AC unit at Texas City Museum - \$15,420

QUESTIONS ???