



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** December 13, 2021
SUBJECT: Ordinance No. 3722, public hearing and consideration to approve an amendment to the FY 2021/2022 Adopted Budget.
PRESENTER: Karen Manila, Assistant City Manager

SUMMARY:

City Council is requested to open a public hearing and receive public comment on amendments to the 2021/2022 Adopted Budget. At the conclusion of the public hearing, Council is requested to consider the approval of Ordinance No. 3722, approving the proposed budget amendment.

GENERAL DESCRIPTION:

The Fiscal Year 2021/2022 Budget was adopted by City Council on August 16, 2021. Subsequent to adoption of the budget, on September 13, 2021 City Council adopted an amendment to the FY 2021/2022 budget with the amended budget effective at the start of the fiscal year on October 1, 2021. That budget amendment was the result of obtaining additional clarification regarding debt service supported by tax collections in a tax increment fund and ultimately tax supported debt. This second amendment to the FY 2021/2022 budget is to appropriate the first installment of funding received from the American Rescue Plan Act ("ARPA").

On June 14, 2021 City Council approved Resolution No. 2021-026 authorizing the City Manager to accept American Rescue Plan Act local fiscal recovery funds. The City of North Richland Hills was awarded \$9,515,205 to be received directly from the United States Treasury. The funds are to be received in two installments, referred to as tranches, with each tranche equal to 50% of the approved funding. The City received the first tranche of \$4,757,602.50 in late June and expect the second tranche to be released to the City twelve (12) months from the date the first tranche was paid. The City is required to have all funds encumbered by December 2024 and have all payments made from these funds by December 2026.

The FY 2021/2022 Adopted Capital Budget included \$150,000 of the ARPA funds appropriated for Fire Station technology upgrades and replacement (IT2111) with \$424,985 appropriated in the Operating Budget for 1% of FY 2021/2022 market/merit. At the budget work session held with City Council on July 23, 2021, a preliminary list of future projects was presented with the understanding that staff would be evaluating needs within the City to fully utilize the first tranche of funding provided from ARPA. The budget



amendment being discussed tonight appropriates \$4,182,618, the remaining balance in the first tranche.

As mentioned in the previous paragraph, \$575,985 of the ARPA proceeds were appropriated within the FY 2021/2022 Adopted Budget leaving \$4,182,618 to be appropriated with this budget amendment. Attachment A reflects the ARPA Grant Fund will be increased by \$4,182,618 to fund projects from the proposed project list included as Attachment B. The proposed projects with estimated costs are summarized below:

Facility Requests	\$1,772,650
Technology	\$1,936,020
Equipment	\$ 343,948
Business Support	\$ 280,000
Lost Revenue	<u>\$ 424,985</u>
Total	\$4,757,603

In order to amend the budget, City Council is required to conduct a public hearing to receive public comments. A notice of the public hearing was posted in the Star Telegram on Wednesday, December 1, 2021 and is included as Attachment C.

RECOMMENDATION:

Approve Ordinance No. 3722.