



## CITY COUNCIL MEMORANDUM

**FROM:** The Office of the City Manager   **DATE:** April 24, 2023  
**SUBJECT:** Conduct a public hearing and approve Ordinance No. 3786,  
amending the Fiscal Year 2022-2023 Adopted Operating and  
Capital Budget

**PRESENTER:** Trudy J. Lewis, Director of Budget and Research

### **SUMMARY:**

The City Council is requested to conduct a public hearing and receive public comments on proposed amendments to the Fiscal Year 2022-2023 Adopted Operating and Capital Improvement Budgets. At the conclusion of the public hearing, Council is requested to consider the approval of Ordinance No. 3786, approving a budget amendment not to exceed \$3,951,263.

### **GENERAL DESCRIPTION:**

The Fiscal Year 2022-2023 Operating and Capital Budget was adopted by the City Council on September 12, 2022 and became effective at the start of the fiscal year on October 1, 2022. City Council is being requested to consider an amendment to allocate 1) available American Rescue Plan Act (ARPA) funding, 2) additional funds to the Green Valley Raceway Capital Improvement Project (PK1801), 3) revisions to the adopted Parks and Recreation Budget and Aquatic Park (NRH2O) Budget.

During the Council Goals meeting on February 24, 2023, staff presented recommendations for use of remaining ARPA Grant Funds. A total of four (4) projects were discussed:

- Fiscal Year 2022-23 employee merit/market salary increases: The FY23 Adopted General Fund includes increases in employee pay of just under \$2,000,000. A total of \$539,512 of that cost is requested to be offset from ARPA funding.
- Building Security Enhancements: The need to provide comprehensive security within public spaces has increased in recent years. Funds are requested to provide protective barriers and other security measures in city facilities including City Hall and the Animal Adoption Center. This new capital project will be FC2317.



- Davis Boulevard Church purchase, abatement, and demolition: The city is interested in facilitating redevelopment of the property located at 5301 Davis Blvd. Purchasing this site, demolishing the existing building, and addressing any necessary construction compliance standards including asbestos abatement allows for an alternate use of the site. This new capital project will be FC2315.
- Library Furniture Replacements: The NRH Library was furnished at the time of its opening 15 years ago. With an annual patronage of 200,000+ visitors and a strict cleaning regimen during the COVID-19 pandemic, the furniture has aged and needs replacement. This new capital project will be FC2316.

The combined ARPA Grant funding allocation amendment to the Fiscal Year 2022-2023 Budget is summarized below.

Project	Amendment 04.24.23
FY23 General Fund Merit/Market Salary Increases	\$ 539,512
Building Security	\$ 210,000
Davis Boulevard Church Purchase, Abatement, and Demolition	\$1,640,877
Library Furniture Replacements	\$ 711,000

The Green Valley Raceway was a motorsport racetrack located in the area between North Tarrant Parkway and Green Valley Drive, immediately east of Smithfield Rd. City Council approved a capital improvement project in the FY2017-18 Adopted Budget to design and construct an historical plaza to commemorate the legacy of the site. Funding for the project totaled \$155,717 from several sources including \$95,000 from community donations, \$30,717 from Parks CIP Reserves, and \$30,000 from sales tax reserve. The current cost of construction has an estimated cost of \$266,333 and requires an additional \$110,61. Staff recommends allocating \$85,616 in Park Impact Fees and \$25,000 in Promotion Fund Reserves to fund project completion. This project is eligible to use both sources of funds.

The combined impact of the amendment on the Fiscal Year 2022-2023 Capital Budget is summarized below.

Category	Adopted 2022-23	Amendment 04-24-23	Amended 2022-23
Street & Sidewalk Capital Projects	\$ 8,095,550		\$ 8,095,550
Drainage Capital Projects	\$ 2,237,000		\$ 2,237,000
Utility Capital Projects	\$12,465,500		\$12,456,500
Parks & Recreation Capital Projects	\$ 861,689	\$110,616	\$ 972,305
Aquatic Park Capital Projects	\$ 385,000		\$ 385,000
Facility Capital Projects	\$ 1,904,325		\$ 1,904,325



Major Capital Equipment Projects	\$ 1,782,250		\$ 1,782,250
Economic Development Projects	\$ 290,291		\$ 290,291
CIP Personnel	\$ 0		\$ 0
Other Capital Projects	\$ 70,970		\$ 70,970

The Parks and Recreation Department has rebounded well following the COVID-19 Pandemic. NRH Centre memberships, attendance at classes, Grand Hall rentals, food and beverage sales, as well as youth programs have all significantly increased. Staff projects an increase of \$411,840 in revenues collected this year compared to the adopted budget. To support the financial performance of the facility, additional expenses are also required. Staff is requesting an increase in expenses of \$256,054 to fund additional credit card fees, building maintenance, part-time staffing increases, youth programming costs, additional food and beverage, and supplies. The projected increase in revenues exceeds the increase in expenditures by \$155,786.

The NRH2O Family Water Park is also trending well this year compared to the adopted budget. In FY22 the park collected \$5.3 million in revenues and anticipates a similar performance for this year. Revenues are projected to increase by \$583,741 over the adopted budget due to increases in admissions, food and beverage sales, and merchandise sales. To support the increased revenue performance, some additional expenses are necessary including part-time salary increases, credit card processing fees, maintenance, supplies, and food and beverage. The total increase in expenses requested is \$483,204. The projected increase in revenues exceeds the increase in expenditures by \$100,537.

The impact of the amendment on the Fiscal Year 2022-2023 Operating Budget is summarized below.

Department	Adopted 2022-23	Amendment 04.24.23	Amended 2022-23
Parks and Recreation Fund Budget	\$6,867,908	\$256,054	\$7,123,962
Aquatic Fund Budget	\$4,660,284	\$483,204	\$5,143,488

At the conclusion of the public hearing, staff requests that City Council consider Ordinance No. 3786, amending the Fiscal Year 2022-2023 Budget. A notice of public hearing was posted in the Star Telegram on Friday, April 7, 2023 and is included as Attachment B to this item. Project revisions sheets are also included for all capital related requests as Attachment C, D, E, and F.

**RECOMMENDATION:**

Approve Ordinance No. 3786.