## <u>CITY OF HEMPHILL</u> <u>BUDGET AMENDMENT 2019-003</u> <u>FOR F.Y. ENDING 06/30/2020</u>

DATE: August 20, 2019 Regular City Council Meeting

The Honorable Governing Body of the City of Hemphill, Texas has amended the 07/01/2019-06/30/2020 City Budget at the City Council Meeting on August 20, 2019 as follows:

Content Fund   O1-61-6210	<b>FUND</b>	<b>DEPARTMENT</b>	<b>EXPLANATION</b>	ADD OR	<u>AMOUNT</u>
Administration		&G/L ACCOUNT		SUBTRACT	
Utility Fund	General Fund				\$3,500.00
Capital Improvements Utility Fund Buildings					
Capital Improvements Utility Fund Buildings	Utility Fund	02-1635	Gutters for Drainage needed	ADD TO	\$1,650.00
Fund Buildings				ASSET	
Utility Fund   O2-1632   Capital Improvements-   Electrical System   Additional Electrical   System   Additional Electrical   O1-611-6401   Administration   O1-518-5650 TCF Grant   Receipts-Street Department   Receipts-Street Department   O1-618-6401   Capital Improvement-   FROM   EXPENSE   SUBTRACT   SUBTRACT   FROM   EXPENSE   EXPENSE   SUBTRACT   FROM   EXPENSE   EXPENS		Capital Improvements Utility	Equipment Shed		
Capital Improvements   Electrical System   Additional Electrical Upgrades to System   Capital Outlay-Welcome   SUBTRACT   FROM   EXPENSE   S		Fund Buildings			
Electrical System	Utility Fund	02-1632	Capital Improvements-	ADD TO	\$10,850.00
Upgrades to System		Capital Improvements-		ASSET	
General Fund   O1-611-6401   Administration   Signs   EXPENSE   EXPENSE   EXPENSE   EXPENSE   EXPENSE   Signs   EXPENSE   EXPENSE   Signs   EXPENSE   Signs   EXPENSE   Signs   Sign		Electrical System	Additional Electrical		
Administration  General Fund  General Fund  O1-518-5650 TCF Grant Receipts-Street Department  General Fund  O1-618-6401  Capital Improvement- Polymer Project-Streets  General Fund  O1-511-5618 Grant Receipts Misc./General Administration  General Fund  O1-511-6401  Capital Improvement- Polymer Project-Streets  General Fund  O1-511-6401  Capital Improvement- PROM EXPENSE  General Fund  O1-611-6401  Capital Improvement-Capital Outlay—Polymer Project Admin Cost (Expense)  EXPENSE  Utility Fund  O2-1632  Capital Improvement- Polymer Project Admin Cost (Expense)  TCF Grant Funds that will NEVENUE  SUBTRACT FROM EXPENSE  SUBTRACT FROM SUBTRACT FROM REVENSE  SUBTRACT FROM REVENUE  FROM REVENUE  SUBTRACT FROM RE			Upgrades to System		
General Fund 01-518-5650 TCF Grant Receipts-Street Department not be received FROM REVENUE SUBTRACT FROM REVENUE SUBTRACT FROM EXPENSE SUBTRACT FROM EXPENSE SUBTRACT FROM EXPENSE SUBTRACT FROM EXPENSE SUBTRACT FROM REVENUE SUBTRACT FROM EXPENSE SUBTRACT FROM REVENUE SUBTRACT FROM ASSET SUBTRACT FROM ASSET SUBTRACT FROM ASSET SUBTRACT FROM REVENUE SUBTRACT FROM REVENUE SUBTRACT FROM ASSET SUBTRACT FROM REVENUE SUBTRACT FROM REVENUE SUBTRACT FROM REVENUE SUBTRACT FROM ASSET SUBTRACT FROM REVENUE SUBTRACT SUBTRACT FROM REVENUE SUBTRACT FROM REVENUE SUBTRACT SUBTRACT SU	General Fund	01-611-6401	Capital Outlay-Welcome	SUBTRACT	\$<12,500.00>
General Fund   O1-518-5650 TCF Grant   Receipts-Street Department   Not be received   FROM   REVENUE   Subtract   Subtr		Administration	Signs	FROM	
Receipts-Street Department   Not be received   FROM REVENUE				EXPENSE	
General Fund Ol-618-6401 Capital Improvement- Polymer Project-Streets FROM EXPENSE  General Fund Ol-511-5618 Grant Receipts Misc./General Administration  General Fund Ol-611-6401 Capital Improvement- Project Streets SUBTRACT FROM EXPENSE  Subtract FROM REVENUE  General Fund Ol-611-6401 Capital Improvement-Capital Outlay—Polymer Project Admin Cost (Expense) EXPENSE  Utility Fund Ol-531-5500 Grant Receipts Electric Department Receipts Electric Department Capital Improvement- Project Admin Cost (Expense) EXPENSE  Utility Fund Ol-1632 Electrical Dept./System Capital Improvement- Polymer Project - Electric System Upgrade  Utility Fund Ol-1632 Electrical Dept./System Capital Improvement- Polymer Project - Electric System Upgrade  Utility Fund Ol-1634 Water/Sewer Department  Utility Fund Ol-1634 Waste Water/Sewer Ol-1634 Waste Water/Sewer Ol-1634 Value Capital Improvement- Polymer Project - Waste Value SUBTRACT FROM REVENUE  SUBTRACT ST5,000.00	General Fund	01-518-5650 TCF Grant	TCF Grant Funds that will	SUBTRACT	\$200,000.00
General Fund  O1-618-6401  Capital Improvement-Polymer Project-Streets  SUBTRACT FROM EXPENSE  General Fund  O1-511-5618 Grant Receipts Misc./General Administration  General Fund  O1-611-6401  Capital Improvement-Capital Outlay—Polymer Project Admin Cost (Expense)  Utility Fund  O2-531-5500 Grant Receipts Electric Department  O2-1632 Electrical Dept./System  Utility Fund  O2-534-5470 Grant Receipts Waste Water/Sewer Department  O2-1634  Waste Water/Sewer  Capital Improvement-Capital Outlay—Polymer Project Admin Cost (Expense)  SUBTRACT FROM EXPENSE  SUBTRACT FROM REVENUE  SUBTRACT FROM REVENUE  SUBTRACT FROM ASSET  ST5,000.00  S75,000.00		Receipts-Street Department	not be received	FROM	
General Fund 01-511-5618 Grant Receipts Misc./General Administration 10-611-6401 Capital Improvement-Capital Outlay—Polymer Project Admin Cost (Expense) EXPENSE 10-611-6401 Capital Improvement-Capital Outlay—Polymer Project Admin Cost (Expense) EXPENSE 10-611-6401 TCF Grant Funds that will Receipts Electric Department 10-611-6401 Receipts Electric Substract 10-611-6401 Receipts Electric Proof Revenue 10-611-6401 Revenue 10-611-6401 Receipts Electric Proof Revenue 10-611-6401 Revenue 10-611-6401 Substract 10-611-6401 Revenue 10-611-6401 Substract 10-611-6401 Revenue 10-611-6401 Substract 10-611-6401 Revenue 10-611-64				REVENUE	
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General Fund 01-511-5618 Grant Receipts Misc./General Administration 101-611-6401				EXPENSE	
Administration  General Fund  O1-611-6401  Capital Improvement-Capital Outlay—Polymer Project Admin Cost (Expense)  Utility Fund  O2-531-5500 Grant Receipts Electric Department  O2-1632 Electrical Dept./System  Utility Fund  O2-534-5470 Grant Receipts Waste Water/Sewer Department  O2-1634 Waste Water/Sewer  O2-1634 Waste Water/Sewer  O1-611-6401  Capital Improvement-Polymer Project - Electric System  O2-1634 Capital Improvement-Polymer Project - Electric Subtract FROM REVENUE  O2-1634 Capital Improvement-Project - Electric System  O2-1634 Capital Improvement-Project - Electric Subtract FROM REVENUE  O2-1634 Capital Improvement-Polymer Project - Waste  O2-1634 Capital Improvement-Polymer Project - Waste  O2-1634 Capital Improvement-Polymer Project - Waste  O2-1634 FROM Subtract Subtract Subtract Subtract FROM REVENUE	General Fund	01-511-5618 Grant	TCF Grant Funds that will		\$300,000.00
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Utility Fund 02-1634 Capital Improvement- SUBTRACT \$<75,000.00> Waste Water/Sewer Polymer Project – Waste FROM				REVENUE	
Waste Water/Sewer Polymer Project – Waste FROM					
Waste Water/Sewer Polymer Project – Waste FROM	Utility Fund	02-1634	Capital Improvement-	SUBTRACT	\$<75,000.00>
	•	Waste Water/Sewer			
		Dept./System		ASSET	

Utility Fund	02-533-5550 Grant Receipts Water Department	TCF Grant Funds that will not be received	SUBTRACT FROM	\$75,000.00
	water Bepartment	not be received	REVENUE	
Utility Fund	02-1633 Water Dept./System	Capital Improvement Polymer Project-Water	SUBTRACT FROM	\$<75,000.00>
Utility Fund	02-1640	System Upgrade Capital Improvements-Tank Coating Project Water Plant	EXPENSE ADD TO EXPENSE	\$11,060.00
Net Effect to Budget				\$ 3,500.00 additional expense to General Fund. And \$ 11,560.00 additional expense to Utility Fund

## REASONS/EXPLANATION/NOTES:

## Notes that council needs to be aware of:

- 1) The City currently has \$12,500.00 budgeted for 5 welcome signs at the five major highway entrances into the city. After looking more into the requirements, the City Manager sees where these signs would only cost \$10,000.00 if purchased, which would be a savings to budget of \$2,500.00. Since our city electrician is retiring in February 2020 and since we are needing to put gutters for the drainage problems on the new storage shed, we are recommending to the council that these signs be foregone for this fiscal year, and this \$12,500 spent on the gutters needed for \$1,650 and to allow the city electrical department to make more upgrades to the electrical system that were requested up to \$10,850 more. A portion of the electrical supervisor's list of upgrades was cut when the original budget was done. This will allow for our electrical system to be in better condition before he retires.
- 2) The City currently has a Tank Coating Project budgeted as a Capital Improvement for the Water Treatment Plant/Utility Fund, with the majority of the funding coming from a CDBG grant with funding of \$255,987, with an actual construction budget of \$197,500. The bid awarded was to T&G Services as a base bid of \$196,560 and an alternate bid for replacing four butterfly valves of \$12,000; therefore, this is over the construction budget. Therefore, the city council approved adding \$11,560 to the budget to allow for the alternate bid, due to a savings in employee health insurance anticipated.
- 3) In addition, the city manager spoke with the City Attorney, Bobby Neal, regarding the retainer fee that was not originally put in the original budget as the original budget only allowed for an estimated pay-as-we-go amount of \$1,200; however, after speaking with Bobby Neal, he is not willing to work on a pay-as-we-go basis, so we have worked out the following arrangement:
  - a) handle the class "c" city misdemeanor cases, dangerous dog cases, and truancy cases for a flat fee of \$350.00 per month; and
  - b) any appeal or other civil work requested will be billed at the rate of \$200.00 per hour. As a result, the city manager is estimating the following:
- a) July 2019-June 2020 Retainer Fee—12 months @ \$350.00=\$4,200
- b) Estimated additional attorney fees for legal opinions and retainer fee is \$4,700.00

Amount needed for attorney fees	\$4,700	
Less: Amount presently in budget	-1,200	
Additional amount needed in budget for attorney fees	\$3,500	

The City Attorney also feels like he is saving the City money through just charging the City for the retainer fee to represent the City as prosecutor for all class "c" city misdemeanor cases, dangerous dog cases, and truancy cases. In addition, the amount for legal fees for title work for land transfer for cemetery land will be paid out of the Cash In Bank-Cemetery Fund, so this will not be a net effect to budget.

4) We have now learned that 2BGreen, LLC is not coming to Hemphill, so as a result of their decision, we will not be able to apply for and receive the \$1,000,000.00 Texas Capital Fund Grant through the state that we had planned to use for the infrastructure. The City Manager and City Secretary/Accountant are recommending that these numbers for both the revenue for the grant and the funds budget for capital improvements for this infrastructure be taken out of the budget through a budget amendment, since these figures are skewing our budget numbers and reporting. By removing these for a net effect of zero, this will allow for more accurate budget reporting. The grant funds and capital improvements using those grant funds had been included in our capital improvements as follows:

200,000.00

City Manager

a) Street Department:

u, ~	areer zeparament.	Ψ.	-00,000.00
b) A	Administration Department	\$	300,000.00
c) E	lectrical Department	\$	350,000.00
d) V	Vastewater/Sewer Department	\$	75,000.00
e) V	Vater Department	\$	75,000.00
(Thes	e were all listed as capital projects	.)	
			AS REQUESTED BY:
08/20/2019			
DATE APPRO	OVED BY CITY COUNCIL		Laure Morgan, TRMC, CMC, MPA

\_\_\_\_\_ ATTEST: \_\_\_\_ Kelli Beall, City Secretary/Accountant