



**NOTICE OF A REGULAR MEETING OF THE
BUDGET AND FINANCE COMMITTEE
OF THE CITY OF SUNSET VALLEY, TEXAS
THURSDAY, JANUARY 27, 2022 at 6:00 P.M.**

This meeting will be held virtually. To actively participate in the meeting, please register at:

Registration URL: <https://attendee.gototraining.com/r/1545499250978895617>

Training ID: 123-213-708

Notice is hereby given that the Budget and Finance Committee of the City of Sunset Valley, Texas will hold a Regular Meeting on Thursday January 27, 2022 at 6:00 P.M. virtually via GoToTraining, at which time the following items will be discussed, to-wit:

1. 6:00 P.M. Call to Order
2. 6:00 – 6:05 Citizen Comments
3. 6:05 – 6:10 Council Liaison Report
4. 6:10 – 6:15 Approve minutes from the 10/28/2021 meeting
5. 6:15 – 6:45 General overview of the committee and new member orientation
6. 6:45 – 7:00 Presentation of Robert's Rules of Order
7. 7:00 – 7:30 Election of Chairperson, Vice-Chairperson, and Secretary
8. 7:30 – 8:00 Review, Discuss, and Possibly make a recommendation to City Council on FY21 Budget Adjustment #2
9. 8:00 – 8:15 Discussion of the 2022 meeting calendar and set next meeting date
10. 8:15 -8:20 Suggestions for future agenda items
11. 8:20 P.M. Adjourn

A quorum of the City Council may attend the meeting, however, no official action by the City Council shall be taken.

I certify that the above notice of meeting was posted at City Hall, 3205 Jones Road, Sunset Valley, Texas, on the 21st day of January at 6:00 PM.

Matt Lingafelter
City Secretary

The City of Sunset Valley is committed to the compliance with the American with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request.

BUDGET AND FINANCE COMMITTEE MEETING DATE: JANUARY 27, 2022



BUDGET AND FINANCE AGENDA ITEM #4

STAFF PREPARER/CONTACT INFORMATION: Suzanna Fleegal, Accounting Manager,
sfleegal@sunsetvalley.org

SUBJECT: MINUTES

DESCRIPTION: Approve minutes from the 10/28/2021 meeting

BACKGROUND: N/A

APPLICABLE CODE SECTIONS:

STAFF RECOMMENDATION: Approve

SUPPORTING MATERIALS PROVIDED: YES

- DRAFT MINUTES 10/28/2021



BUDGET AND FINANCE COMMITTEE
THURSDAY, October 28, 2021 at 6:00 P.M.

Members Present

Rudi Rosengarten, Council Liaison
Charles Young, Committee Chair
Ketan Kharod, Vice Chair
Justin Litchfield, Committee Member
Ariel Cloud, Committee Member
Liz Wright, Committee Member
Rose Hargrave, Committee Member

Members Absent:

Terry Cowan, Committee Member
Michael Francis, Committee Member
Charles Goyette, Committee Member

Staff Present

Sylvia Carrillo, City Administrator
Suzanna Fleegal, Accountant

This is not an official transcript of the minutes; the recorded audio is the official record.

1. Call to Order at 6:01 PM
2. Citizen Comments
3. Council Liaison Report
Rudi spoke on new audio/visual updates approved
4. Approve minutes from the 10/14/2021 meeting
Item 7 spell Ketan's name correctly, remove C Goyette from attendees, item 7 remove Ariel's "budget" part of the comment, item 8 change wording for Ariel to "be inclusive as possible"
Motion: Ketan
2nd: Ariel
No objections, motion passes
5. Review, Discuss, and possibly make a recommendation to City Council for the August 2021 financial statements
Chip would like to see a total on the Exp/Rev snapshots, Ariel mentioned the Canales FY22 expenses that will need to be reclassified to the correct year
Motion: Liz

2nd: Ketan

Unanimous approval, motion passes

6. Review, Discuss, and possibly make a recommendation to City Council for a budget adjustment

Many members admitted discomfort with approving a budget amendment when it goes against the financial policies. Members decided to forgo the vote in favor of discussing the financial policies and sending any changes to council.

Motion: Ariel motioned “We do not vote on this budget adjustment document. We pass it on to council without a vote”

2nd: Ketan

Unanimous approval, motion passes

7. A retrospective on the FY 21 budget process

Chip requested to postpone to the next meeting since several members missing

8. Suggestions for future agenda items

9. Adjourn

Motion to adjourn: Ketan

2nd: Liz

No objections

Adjourned at 6:57 PM

BUDGET AND FINANCE COMMITTEE MEETING DATE: JANUARY 27, 2022



BUDGET AND FINANCE AGENDA ITEM #5

STAFF PREPARER/CONTACT INFORMATION: Suzanna Fleegal, Accounting Manager,
sfleegal@sunsetvalley.org

SUBJECT: MINUTES

DESCRIPTION: General overview of the committee and new member orientation

BACKGROUND: N/A

APPLICABLE CODE SECTIONS:

STAFF RECOMMENDATION: Approve

SUPPORTING MATERIALS PROVIDED: YES

- LIST OF MEMBERS

FY22 Budget and Finance Committee Members
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Rudi Rosengarten, City Council Liaison
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Charles Young

Ariel Cloud

Terry Cowan

Shakthi Shrima

Jose Flores

Sunset Valley Vision, History, and the Big Picture

City of Sunset Valley Vision

Sunset Valley is a unique, diverse and vibrant City that respects its residents and environment, fosters a sense of community, encourages a healthful, active, peaceful, fulfilling lifestyle and supports business opportunities to promote a prosperous, diverse economy and sustainable quality of life.

City of Sunset Valley Core Values:

INNOVATIVE STEWARDS OF PUBLIC TRUST

By **Trust** we mean relying on one another, based on mutual respect and a belief in the positive intent and competence of others . . .

- I fulfill my commitments and deliver results.
- I respect others' thoughts and ideas.
- I perform my tasks to the best of my abilities and encourage the same of others.
- I accept personal responsibility for my work.

By **Integrity** we mean staying true to our values and doing what is right even when no one is looking . . .

- I treat everyone with dignity and respect.
- I do what is ethical in all situations.
- I handle confidential information discreetly and appropriately.

By **Collaboration** we mean working together towards a common goal by sharing knowledge, learning, and building consensus . . .

- I support and contribute to group efforts and goals.
- I work to achieve positive outcomes.
- I consider and build on others' thoughts and ideas.
- I utilize individual talents of team members.

By **Service** we mean what each of us does every day to make a meaningful contribution . . .

- I give my best efforts and take pride in all that I do.
- I anticipate needs and take action.
- I treat others as I would like to be treated.
- I am positive and helpful to all.

By **Communication** we mean open, honest, consistent, and timely exchange of information leading to a shared understanding . . .

- I clarify and confirm what is expected of me.
- I give and receive constructive feedback.
- I share ideas and information, in a timely manner, to the appropriate party.

By **Excellence** we mean the pursuit of the highest standard . . .

- I use creative solutions and strategies to continually improve.
- I support the importance of life/work balance.
- I celebrate success.

City of Sunset Valley History:

On September 13, 1954, the citizens in the area now known as Sunset Valley voted to incorporate as a town. They elected Clinton Vilven to serve as the first mayor of the area which now measures a little over 681 acres. Today, we remain a relatively small town, but there certainly have been a lot of changes and growth.

Origin of the Land

Abstracts indicate the first recorded land transaction involving our area occurred when the State of Coahuila, Mexico and Texas granted 25 labors of land to Theodore Bissell in 1835. Bissell's name appears in many of our legal descriptions here in Sunset Valley. According to a map in one of the old abstracts, a part of the Valley was also granted to Thomas Anderson in 1835.

Over many succeeding years pieces of these properties were sold to others, some of whom settled in the area we now know as Sunset Valley. Eventually, two brothers, M.H. and Clarence Flournoy purchased a large tract of the pasture type land in the early 50's to develop as a subdivision. M.H. Flournoy's son, Malcolm, who lives on Reese Drive said that his father and uncle were called crazy by their friends because the area was so far out from Austin!

The Development of City Services

The beginning of the first water system to serve the area occurred when the Flournoys drilled a well in the early 50's. The system was purchased later by the city and served until a new system was installed in 1977. Natural gas lines were installed in 1965 and Cable TV was installed in 1975. In the mid- 70's we also saw the addition of the elementary school and athletic stadium. Additionally, during the late 60's and 70's, the paving of streets took place throughout the city. Sunset Valley's wastewater system was constructed in 1990 with a grant from the Texas Water Development Board.

The first City Hall was built in 1977. Meetings and other activities no longer required the use of the elementary school and other locations. City Hall sits on a three-acre tract which was named the "Fred W. Adams Park". A fire hall/maintenance building was later built in 1989. This building is used for community events such as National Night Out and Meet The Candidates each year.

Police Protection was implemented in 1954 by appointing Gordon Fowler as City Marshal. Deputies were added later, and a police reserve force was created in 1978. The Sunset Valley Police Department was formally created in 1979.

Fire Protection got a boost with the acquisition of a fire truck in 1964. Beginning in 1973, however, Sunset Valley came under the protection of the Manchaca Volunteer Fire Department. As the City grew and the number of volunteers diminished, the city entered into an inter local agreement with the City of Austin Fire Department to provide firefighting services in 1998.

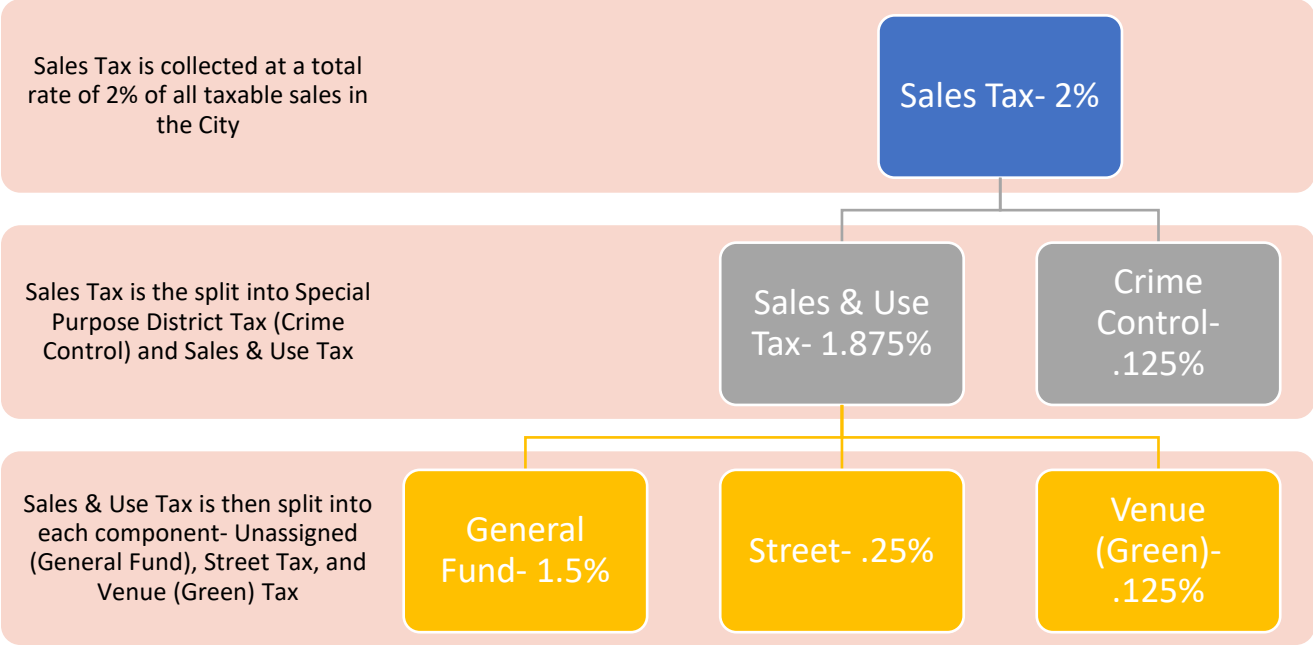
Valley Creek Park (1.43 acres) was donated in 1973 by Clyde Copus, of Nash-Phillips-Copus. This land is used to be the picnic grove for the Flournoy family years ago. Now it is equipped with picnic tables and play structures for the children.

Historical information provided by Carol F. Knight author of *Sunset Valley: An Informal History and Other Tales*

 [An Informal History of Sunset Valley Texas 1954-2004](#)

 [List of Mayor and Council \(1954-Present\)](#)

Sales Tax Allocations and Uses



Monthly Procedures

Sales Tax is collected by the Texas State Comptroller each month and deposited into the City’s accounts. A Sales Tax Report is included in each month’s Financial Statements for review and discussion by the Budget & Finance Committee. Once reviewed by the committee, it is recommended for approval by City Council at their next meeting.

Tax Uses

General Fund	Crime Control	Street	Venue (Green)
<ul style="list-style-type: none"> •No restrictions on use •Total revenue of \$5,105,213 in FY21 	<ul style="list-style-type: none"> •Can only be used for any and all purposes relating to the safety of the shopping centers •Total revenue of \$421,818 in FY21 	<ul style="list-style-type: none"> •Can only be used for street repair and maintenance •Total revenue of \$850,848 in FY21 	<ul style="list-style-type: none"> •Can only be used for venues which a fee is charged (of which the City does not have), municipal parks and recreation systems, and watershed protection and preservation projects (which is what the City uses this tax for, hence the name "Green Tax") •Total revenue of \$425,456 in FY21

Other Notable Taxes

Hotel Occupancy Tax

- Taxes reported to the City through the Texas State Comptroller, but paid directly by the taxpayer
- Taxes paid by Hotels and other short term rental business in the City limits
- Revenues for FY21 were \$155,050
- Uses include:
 - Construction and repair of convention/visitor center plus staffing and furnishing the center (never historically used in the City)
 - Advertising to attract tourists (must be at least 15% of all revenue)
 - Promoting the arts (cannot be more than 15% of the revenue)
 - Transportation system for tourists (never historically used)

Mixed Beverage Tax

- Taxes reported to the City and paid through the Texas State Comptroller
- Mixed Beverage Tax is a tax on any alcoholic drink served and consumed on premise of any facility within the City limits.
- Revenues for FY21 were \$31,718
- There are currently no restrictions to the use of Mixed Beverage Tax revenues

Foundations of Governmental Accounting- A crash course

Unlike most private sector organizations, governmental entities must be responsive to a number of different groups and organizations, including elected officials, other units of governments, investors, creditors, and citizens that are focused on monitoring their activities. All forms of monitoring include collecting and interpreting data, and this oversight function is often performed through information provided in governmental reports. Among the most important types of communication is the annual financial report, which presents the financial position, operating results, and cash flows for a particular accounting period. All governments, including school districts, develop their annual financial reports in accordance with principles established by standard-setting authorities to provide consistency and comparability for users.

For governments to achieve the objective of accountability, financial information must be both relevant and reliable for reasonably informed users. Financial reports must satisfy numerous and diverse needs or objectives, including short-term financial position and liquidity, budgetary and legal compliance, and issues having a long-term focus such as capital budgeting and maintenance. Additionally, differences exist in the amount of detail that various users need.

It is important for governments to provide effective financial information to constituencies in a consistent and clear format. Specifically, the information provided by governments should contribute to accountability in the following areas:

- Financial position and results of operations
- Actual financial results compared with adopted budgets
- Compliance with finance-related laws, rules and regulations
- Efficiency and effectiveness of operations
- Maintenance of governmental assets

Consistency in financial reporting by governments is provided through accounting standards. GASB is the standard-setting authority of generally accepted accounting principles (GAAP) for state and local governments and the code by which all governmental accountants use.

For governmental entities to ensure the proper segregation of resources and to maintain proper accountability, an entity's accounting system should be organized and operated on a fund basis. Each fund is a separate fiscal entity and is established to conduct specific activities and objectives in accordance with statutes, laws, regulations, and restrictions or for specific purposes. A fund is defined in GASB Codification Section 1300 as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

There are 5 types of governmental funds:

- General Fund- used to account for and report all financial resources not accounted for and reported in another fund. It constitutes the core operational and administrative tasks of the government entity. This is the only fund that all governments have.

- Sunset Valley Funds: 01- General Fund
- Enterprise Fund- a separate accounting and financial reporting mechanism for which revenues and expenditures are segregated into a fund with financial statements separate from all other governmental activities. Usually considered “business type activity,” meaning it is run more like the private sector, i.e., charging fees to offset the costs associated with the service. An enterprise fund is considered GAAP best practice to promote and maintain long-term financial sustainability for water, wastewater, and drainage activities. This fund is separated to calculate total costs to provide the service and revenues that support the service.
 - Sunset Valley Funds: 02- Utility Services, 25- Drainage Fund
- Special Revenue Fund- used to account for and report the proceeds of specific revenue sources that are restricted or committed to specific purposes other than debt, services, or capital projects. The main rationale behind special revenue funds is to create a level of transparency and accountability so the fund reserves are used in the right manner.
 - Sunset Valley Funds: 14- Street Repair & Replacement Fund, 16- Hotel Occupancy Tax Fund, 18- Venue Tax Fund, 19- Crime Control and Prevention District Fund, 21- Equipment Repair and Replacement Fund
- Capital Projects Fund- these funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities or other capital assets.
 - Sunset Valley Funds: 20- City Facilities Fund, 30- Capital Projects Fund



GLOSSARY OF GOVERNMENTAL BUDGETING AND ACCOUNTING TERMS AND DEFINITIONS

DEFINITIONS	
Accounting Period:	A period at the end of which and for which financial statements are prepared.
Accounting Procedure:	A group of closely related clerical operations which comprise a subjunction of a system.
Accounting System:	Records and procedures, both formal and informal, that relate to the assembling, recording and reporting of information related to the financial operations, and that also provide necessary internal controls.
Accounts Payable:	Amounts owed to others for goods and services received and assets acquired.
Accounts Receivable:	Amounts due from others for goods furnished and services rendered. Such amounts include reimbursements earned and refunds receivable.
Accrual Basis of Accounting:	The basis of accounting under which revenues are recorded when earned and expenditures are recorded when goods are received and services performed even though the receipt of the revenue or the payment of the expenditure may take place, in whole or part, in another accounting period.
Activity:	A specific line of work carried on by a governmental unit in order to perform its function as specified by constitutional, statutory, or administrative fiat.
Allotment:	A portion of an appropriation set aside for use during a certain period or for a particular purpose.
Appropriation:	<p>An authorization granted by the constitution or the legislature to make expenditures and to incur obligations for a specific purpose. An appropriation is usually limited in amount and as to the time when it may be spent, normally calendar or fiscal year. In the case of Michigan, the time is October 1 to September 30.</p> <p>Gross Appropriations: Total level of State appropriations from all fund sources</p> <p>Adjusted Gross Appropriations: Total Gross Appropriations excluding interdepartmental grants and transfers</p> <p>State Spending from State Resources Appropriations: Total level of State appropriations excluding Federal, local, and private funding sources; includes only State Restricted and General Fund/ General Purpose appropriations</p> <p>State Restricted Revenue Appropriations: State taxes or fees that are designated for a specific purpose in the budget by either constitutional or statutory requirements</p>

	General Fund/General Purpose Appropriations: Unrestricted portion of State budget fund sources
Assets:	Any item of economic value owned by a governmental unit. The item may be physical in nature (tangible) or a right to ownership (intangible) that is expressed in terms of cost or some other value.
Audit:	<p>The examination of some or all of the following items: documents, records, reports, systems of internal control, accounting procedures, and other evidence, for one or more of the following purposes: (a) determining the propriety, legality, and mathematical accuracy of proposed or consummated transactions; (b) ascertaining whether all transactions have been recorded; and (c) determining whether transactions are accurately reflected in the accounts and in the statements drawn therefrom in accordance with accepted accounting principles.</p> <p><u>Note:</u> The term "audit" is sometimes applied to the examination of a single transaction; for example, the audit of an invoice; that is, the checking of an invoice and supporting evidence for the purpose of approving the invoice for payment and properly reflecting the transaction in the accounts. This is referred to as preaudit. On the other hand, even a limited special audit involves the examination of documents, records, reports, systems of internal control, and other evidence. The term "audit" is, thus, of little significance when used without a modifier.</p>
Balanced Budget:	A budget in which receipts are equal to or greater than outlays.
Baseline Revenue:	Total revenue excluding revenue derived from one-time revenue items and tax structure changes. One-time revenue items typically include such things as an accounting change that results in a one-time revenue gain during the period when the change is implemented or a one-time transfer of revenue from one fund to another fund. Tax structure changes include tax rate increases or decreases, and additions to or subtractions from the base of a tax.
Boilerplate:	Intent language in appropriation bills.
Budget:	<p>A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them.</p> <p><u>Note:</u> The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the legislature for adoption and sometimes the plan finally approved by that body. It is usually necessary to specify whether the budget under consideration is preliminary and tentative or whether it has been approved by the legislature. The term is also sometimes confused with the budget document.</p>
Budget Authority:	Authority provided by law to enter into obligations that will result in immediate or future outlays involving State government funds.

Budgetary Accounts:	Those accounts necessary to reflect budget operations and condition, such as estimated revenues, appropriations, and encumbrances, as distinct from the proprietary accounts.
Budgetary Control System:	A system designed to provide management with the information necessary to keep encumbrances and expenditures within an allotment.
Capital Outlay:	Expenditures that result in the acquisition of or additions to fixed assets (i.e., land acquisition, building and construction, addition, renovation).
Carry Forward:	A portion or total of the unspent balance of an appropriation that is made available for expenditure in the succeeding year.
Cash Basis of Accounting:	The basis of accounting whereby revenues are recorded when received in cash and expenditures (outlays) are recorded when paid, without regard to the accounting period to which the transactions apply.
Consumer Price Index:	A measure of the average change in prices over time in a fixed market basket of goods and services typically purchased by consumers. The consumer price index (CPI) for all urban consumers covers about 80% of the total population.
Cost-Benefit Analysis:	<p>An analytical technique that compares the social costs and benefits of proposed programs or policy actions. All losses and gains experienced by society are included and measured in dollar terms. The net benefits created by an action are calculated by subtracting the losses incurred by some sectors of society from the gains that accrue to others. Alternative actions are compared to choose one or more that yield the greatest net benefits, or ratio of benefits to costs.</p> <p>The inclusion of all gains and losses to society in cost-benefit analysis distinguishes it from cost-effectiveness analysis, which is a more limited view of costs and benefits.</p>
Cost Center:	A unit or organization for which costs are accumulated or computed. In the State this may take several forms: (1) a significant activity within a department for which administrative control is desirable and/or necessary, (2) a designated area within a department with costs that have significance in terms of financing and budgeting of the department, (3) an area or activity under a single supervisor with costs that can be controlled by direct budgeting to such supervisor.
Cost-Effectiveness Analysis:	An analytical technique used to choose the most efficient method for achieving a program or policy goal. The costs of alternatives are measured by their requisite estimated dollar expenditures. Effectiveness is defined by the degree of goal attainment, and may also (but not necessarily) be measured in dollars. Either the net effectiveness (effectiveness minus costs) or the cost effectiveness ratios of alternatives are compared. The most cost-effective method chosen may involve one or more alternatives.

Countercyclical:	Actions aimed at smoothing out swings in economic activity. Countercyclical actions may take the form of monetary and fiscal policy (such as countercyclical revenue sharing or jobs programs). Automatic (built-in) stabilizers have a countercyclical effect without necessitating changes in governmental policy.
Deficiency:	A general term indicating the amount by which anything falls short of some requirement or expectation. The term should not be used without qualification.
Deficit:	The excess of the liabilities and reserves of a fund over its assets.
Deficit Financing:	A situation in which the Federal government's excess of outlays over receipts for a given period is financed by borrowing from the public.
Depreciation:	The systematic and rational allocation of the costs of equipment and buildings (having a life of more than one year) over their useful lives. To match costs with related revenues in measuring income or determining the costs of carrying out program activities, depreciation reflects the use of the asset(s) during specific operating periods.
Disposable Income:	Personal income less personal tax and nontax payments.
Encumbrances:	An amount of the available balance of an allotment earmarked for paying anticipated or known obligations.
Fiscal Policy:	Federal government policies with respect to taxes, spending and debt management, intended to promote the nation's macroeconomic goals, particularly with respect to employment, gross national product, price level stability, and equilibrium in balance of payments. The budget process is a major vehicle for determining and implementing Federal fiscal policy. The other major component of Federal macroeconomic policy is monetary policy.
Fiscal Year:	Any yearly accounting period. The State's fiscal year begins on October 1 and ends on the following September 30. Budget Year: The fiscal year for which the budget is being considered; the fiscal year following the current year. Current Year: The fiscal year in progress. Prior Year: The fiscal year immediately preceding the current year.
Fiscal Year Equated Student (FYES):	The representation of 30 semester credit hours per year.
Fixed Charges:	Repetitive expenditures of which the amounts are more or less constant. These may repeat at various intervals – weekly, monthly, annually, etc. Examples are insurance premiums, contributions to pensions, and land and building rentals.
Full Faith and Credit Debt:	State and local debt for which the credit of the government, implying the power of taxation, is unconditionally pledged.

<p>Full-Time Equated (F.T.E.):</p>	<p>A representation of 2,080 hours of employee compensated time (2,088 in a leap year), including all annual leave and used sick leave.</p>
<p>Fund:</p>	<p>In governmental accounting a fund may be described as representing a distinct phase of the activities of government and is controlled by a self-balancing group of accounts in which all of the financial transactions of the particular phase are recorded.</p> <p><u>Note:</u> A fund is both a sum of resources and an independent accounting entity. A self-balancing group of accounts must be provided for each fund to show the assets and other resources, on one hand, and obligations, surplus, and other credits, on the other. Accounts must also be set up to permit the identification of revenues and expenditures and receipts and disbursements with the fund to which they apply. Although the General Fund is available for all legally authorized purposes, the definition also applies to it, for the fund can be used for governmental purposes only and expenditures cannot be made from it without legal authorization.</p> <p>The terms "fund" and "appropriation" are often confused.</p> <p>A fund represents a distinct phase of the activities of government and the fund is controlled by a self-balancing group of accounts in which all of the financial transactions of the particular phase are recorded. For instance, the State General Fund is established to account for the general activities of State government.</p> <p>An appropriation is a legal authorization to make specified expenditures for specified purposes. A separate account is set up within each fund to account for each appropriation. Appropriations may be created by annual legislative enactment, other statutory or constitutional provisions, or contractual agreements.</p> <p>Types of Funds:</p>
	<p>Bond Funds: Bond funds are used to account for the receipt and disposition of the proceeds of all bonds issued. A separate Bond Fund must be provided for each bond issue, and each such fund must have its own self-balancing set of accounts. The manner and degree in which the bond proceeds are allocated to specific expenditure purposes will vary depending on the original authorization and related statutory implementation.</p>
	<p>Bond and Interest Redemption Funds: This type of a fund is established to account for the financing and payment of matured serial bonds and interest of a specific bond issue. It serves principally as a receiving and disbursing device. Financing is provided by other State funds or designated sources. The cash in this fund is segregated from other State cash and can be used only for payment of interest coupons or redemption of matured bonds.</p>

	<p>General Fund: By statute the State General Fund covers all State appropriation, expenditure and receipt transactions, except those for which special constitutional or statutory requirements demand separate fund accounting. Most of the traditional State services are included in the General Fund.</p> <p>The accounts of the General Fund reflect the major share of the State's fiscal transactions. It is the predominant element in the annual budget review and enactment from the viewpoints of both appropriations and taxes. This is evidenced by the frequent identification of the "General" Fund with the State of Michigan as a whole.</p> <p>The General Fund is financed by what are defined as general purpose and restricted revenues. General purposes are self-explanatory. Restricted revenues are those resources that, by constitution, statute, contract or agreement, are reserved to specific purposes, and expenditures that are limited by the amount of revenue realized.</p>
	<p>Revolving Funds: Revolving funds are those employed to finance industrial, commercial, and service activities of the State, the expenses of which are to be met by operating income; or to finance supply inventories for State institutions.</p> <p>Three distinct types of enterprises are financed through revolving funds; the most important from the standpoint of volume of transactions consist of those of a public service character. These serve the general public, and their income is derived principally from sales of products or services. The Liquor Purchase Revolving Fund and the former Mackinac Ferry Revolving Fund (now terminated) are examples of this type. Another class consists of those which serve State agencies. The Motor Transport Revolving Fund and the Paper and Stationery Revolving Fund are examples of this type. The third is the Inventory Revolving Fund.</p>
	<p>Special Revenue Funds: These are funds used to finance particular activities from the receipts of specific taxes or other revenue. Such a fund is created by constitution or statute to provide certain activities with definite and continuing revenues. After the fund is created, it usually continues year after year until discontinued or revised by equivalent authority. Accounting transactions are treated the same as they are in the General Fund.</p>
	<p>Trust and Agency Funds: Trust funds consist of assets received and held by the State in a capacity similar to that of a trustee. Agency funds consist of money received by the State as agent for other governmental units. Most of the trust funds are of the expendable type (i.e., the total resources are available for expenditure in accordance with the provisions of the trust or other restrictions). Most trust and agency funds have receipts and make</p>

	expenditures and it is necessary to set up accounts to show the kind of receipts and the nature of expenditures. At the end of a fiscal period, the receipts and expenditures are closed out and the difference is used to increase or decrease the fund balance. All receipts and expenditures of trust and agency funds are of a nonoperating nature.
Generally Accepted Accounting Principles:	Accounting procedures and methods established by the Governmental Accounting Standards Board (GASB).
Grant:	In governmental terminology, a contribution to or from a unit of government for specific or general purposes. This may take the form of donations, bequests, payments to or for local units, aid, reimbursements, etc. According to the Constitution of the State of Michigan, grants must be passed by a 2/3 vote in the Senate and House.
Grants-In-Aid:	Payments made by one government unit to another government unit for specified purposes. They represent Federal support for a State or locally administered program, or State support for a local program.
Gross Domestic Product:	The market value of the output of all goods and services produced by the nation's economy, before deduction of depreciation charges and other allowances for capital consumption.
Indirect Cost:	Any cost that is incurred for common objectives and therefore cannot be directly charged to any single cost objective. These costs are allocated to the various classes of work in proportion to the benefit to each class. Indirect cost is also referred to as overhead or burden cost.
Inflation:	A rise in the general price level that results in a decline in the purchasing power of money.
Labor Force:	All persons 16 years of age or over who are either employed or unemployed and actively looking for a job. Total labor force includes members of the armed forces stationed either in the United States or abroad. They are excluded from civilian labor force.
Lapse:	As applied to appropriations, the termination of all or part of the balance of an appropriation. An appropriation is usually made for the period of a fiscal year, at the end of which the balance is lapsed, subject to constitutional and/or statutory directives.
Liabilities:	<p>Amounts owed for items received, services rendered, expenses incurred, assets acquired, construction performed (regardless of whether invoices have been received), and amounts received but as yet unearned.</p> <p>Included are amounts owed for goods in the hands of contractors under the constructive delivery concept (when the records of the agency provide such information), and amounts owed under grants, pensions, awards, and other indebtedness not involving the furnishing of goods and services. The two classifications occurring most frequently are the following:</p>

	<p>Current Liabilities: Liabilities that will be due within a short time (usually one year or less) and that are to be paid out of current assets.</p> <p>Includes all amounts owed on the basis of invoices or other evidence of receipt of goods and services, other amounts owed for the purchase of goods and services even if not "due and payable", and deferred income (received but not earned).</p> <p>Long-Term and Unfunded Liabilities: Liabilities that will not be due for a comparatively long time (usually more than one year). However, as they come within the one-year range, and are to be paid, such liabilities become current.</p> <p>Includes bonded debt, notes payable, and liabilities that will not become obligations until a later time (e.g., accrued annual leave in the case of appropriation accounts).</p>
Liquidity:	The ease with which an asset can be converted to cash at prevailing prices. For example, demand deposits (checking accounts) are more liquid than time (saving) deposits, but both are more liquid than real estate or plants and equipment.
Lump-Sum Appropriation:	An appropriation made for a stated purpose or for a named department, without further specification of the amounts that may be spent for specific activities or for particular objects of expenditure.
Monetary Policy:	Policies affecting the money supply, interest rates, and credit availability, that are intended to promote national macroeconomic goals – particularly with respect to employment, gross domestic product, price level stability, and equilibrium in balance of payments. Monetary policy is directed primarily by the Board of Governors of the Federal Reserve System and the Federal Open Market Committee. Monetary policy works by influencing the cost and availability of bank reserves. This is accomplished through open-market operations, the purchase and sale of securities (primarily government securities), changes in the ratio of reserves to deposits that commercial banks are required to maintain, and changes in the discount rate and the Federal funds rate.
Obligations:	Amounts that the State may be required legally to meet out of its resources at a particular date.
Operating Expenditures:	In Michigan's accounting procedures, all charges incurred during a fiscal period for supplies, materials, services, grants-in-aid, debt service, and capital outlay that will affect the fund surplus or deficit of that period. It is immaterial whether payment has been made. The benefits of such expenditures may extend into subsequent periods.

Outlays:	<p>Obligations are generally liquidated when checks are issued or cash disbursed. Such payments are called outlays. In lieu of the issuance of checks, obligations also may be liquidated (and outlays may occur) by the maturing of interest coupons in the case of some bonds, or by the issuance of bonds or notes (or increases in the redemption value of bonds outstanding).</p> <p>With respect to the Federal budget, outlays during a fiscal year may be for payment of obligations incurred in prior years (prior-year outlays) or in the same year. Outlays, therefore, flow in part from unspent balances of prior-year budget authority and in part from budget authority provided for the year in which the money is spent.</p>
Overexpenditures:	<p>An overexpenditure occurs when actual expenditures of a State agency or program exceed the level authorized by the Legislature. This exceeding of an authorization can occur on the total appropriation authorization, or when one or more earmarked fund sources contained in an appropriation line item exceed the level authorized.</p>
Personal Income:	<p>Income received by individuals, from all sources including wages and salaries, interest, dividends, rent, workers' compensation, proprietors' earnings, and transfer payments.</p>
Receipts:	<p>Actual cash received, unless the term is otherwise qualified.</p>
Refund:	<p>An amount paid back or credit allowed because of an overcollection, the return of an item purchased, or an overpayment.</p>
Refundable Tax Credits:	<p>Certain tax credits are refundable to the taxpayer. The tax credit is first to be applied against tax liability. If the amount of the credit is greater than the tax liability, the excess is treated as an overpayment of taxes and is refunded to the taxpayer. An example is the Homestead ("circuit-breaker") Property Tax Credit provided by Public Act 20 of 1973, as amended.</p>
Reserves:	<p>While the State operates on the principle that unspent appropriation balances are canceled at the end of the fiscal year, constitutional and statutory provisions create a number of deviations from this general rule. These exceptions include appropriations for capital additions, repair and alterations; special projects; and purchase orders on which the State is obligated, but on which delivery has not been made at June 30. In addition, included are amounts received from certain revenue sources that by law may be used only for specified purposes.</p>
Restricted Revenue:	<p>Revenue that is designated or earmarked, by law, to finance some specific activity or group of related activities.</p>
Revenue:	<p>The income attributable to a designated fiscal accounting period that will affect the balance (surplus) or deficit resulting from the operations of that period. Certain items earned during that period are also considered revenue of that period even though the cash is not received until a subsequent period.</p>

Revenue From Own Sources:	Taxes and charges and miscellaneous revenue, exclusive of Federal aid, local revenue, and other intergovernmental transfers.
Securities:	Bonds, notes, mortgages, or other forms of negotiable or nonnegotiable instruments.
Self-Liquidating Debt:	Debt obligations whose principle and interest are payable primarily from the earnings of enterprises for the construction or improvement of which they were originally issued.
Short-Term Debt:	Interest-bearing debt payable within one year from date of issue, such as bond anticipation notes, bank loans, and tax anticipation notes and warrants. It includes obligations having no fixed maturity date if payable from a tax levied for collection in the year of their issuance.
Special Program:	A regular recurring activity that is segregated in the accounts, to control a special annual appropriation, or to establish a control for reporting purposes.
Special Project:	A one-time, nonrecurring undertaking for the purpose of accomplishing a specific objective, the appropriation for which remains available until the work is completed. This does not include Work Orders.
Subsidy:	Generally, a payment or benefit made by the government for which there is no current charge. Subsidies are designed to support the conduct of an economic enterprise or activity, such as ship operations. They may also refer to provisions in the tax laws that provide certain tax expenditures and to the provisions of loans, goods, and services to the public at prices lower than market value, such as interest subsidies.
Supplemental Appropriation:	An act appropriating funds in addition to those in an annual appropriation act. Supplemental appropriations provide additional budget authority beyond the original estimates for programs or activities (including new programs authorized after the date of the original appropriation act) in cases where the need for funds is too urgent to be postponed until enactment of the next regular appropriation bill.
Surplus:	The excess of the assets of a fund over its liabilities and necessary reserves. While the liabilities represent amounts owed or payable or in process of payment, the reserves are segments set aside for special use, due to constitutional or statutory provisions, or contracts and agreements with other governmental units or private grantors.
Tax Credits:	Tax credits include any special provision of law that results in a dollar-for-dollar reduction in tax liabilities that would otherwise be due. In some cases, tax credits may be carried forward or backward from one tax year to another, while other tax credits lapse if not used in the year earned. Tax credits may result in a reduction of tax collections or an increase in the value of tax refunds.

Tax Expenditures:	Revenue losses attributable to provisions of the tax laws that allow special exclusions or deductions or that provide a special credit, preferential tax rate, or deferral of tax liability.
Taxes:	Sums imposed by a government authority upon persons or property to pay for government services. The power to impose and collect taxes is given to the legislature in Article 9, Section 1 of the State Constitution of 1963.
Total Debt:	All long-term obligations of the government and its agencies (whether backed by the unit of government's full faith and credit or nonguaranteed) and all interest-bearing short-term credit obligations. Long-term obligations are those repayable more than one year after issue.
Transfer Between Appropriation/Fund Accounts:	A transaction that, pursuant to law, withdraws budget authority or balances from one appropriation account for credit to another.
Transfer Payments:	Payments to individuals by government and business for which no goods or services are currently rendered. Examples are benefits from social insurance funds, relief payments, military pensions, and corporate gifts to nonprofit institutions.
Unallotted Balance of Appropriation:	An appropriation balance available for allotment.
Unencumbered Balance of Allotment:	That portion of an allotment not yet spent or encumbered; the balance remaining after deducting from the allotment the accumulated expenditures and outstanding encumbrances.
Work in Process:	The cost of partially completed products that are being manufactured. Sometimes referred to as "Work in Progress".
Work Order Account:	An account established by, or from, an appropriation for a project for the construction, alteration, addition, or major repair, of a building or structure, including site.
Work Project:	A one-time nonrecurring undertaking for the purpose of accomplishing an objective contained in a specific line-item appropriation, or any other specific line-item appropriation designated as a work project pursuant to the Management and Budget Act, Sec. 451a.
Zero Base Budgeting:	A process emphasizing management's responsibility to plan, budget, and evaluate. Zero-base budgeting provides for analysis of alternative methods of operation and various levels of effort. It places new programs on an equal footing with existing programs by requiring that program priorities be ranked, thereby providing a systematic basis for allocating resources.

BUDGET AND FINANCE COMMITTEE MEETING DATE: JANUARY 27, 2022



BUDGET AND FINANCE AGENDA ITEM #6

STAFF PREPARER/CONTACT INFORMATION: Suzanna Fleegal, Accounting Manager,
sfleegal@sunsetvalley.org

SUBJECT: MINUTES

DESCRIPTION: Presentation of Robert's Rules of Order

BACKGROUND: The City Council has requested that the committees use Robert's Rules of Order during the committee meetings. The committee will discuss Robert's Rules of Order before election of Chairperson, Vice-Chairperson, and Secretary.

APPLICABLE CODE SECTIONS:

STAFF RECOMMENDATION: Approve

SUPPORTING MATERIALS PROVIDED: NO

- N/A

BUDGET AND FINANCE COMMITTEE MEETING DATE: JANUARY 27, 2022



BUDGET AND FINANCE AGENDA ITEM #7

STAFF PREPARER/CONTACT INFORMATION: Suzanna Fleegal, Accounting Manager,
sfleegal@sunsetvalley.org

SUBJECT: MINUTES

DESCRIPTION: Election of Chairperson, Vice-Chairperson, and Secretary

BACKGROUND: The Committee will election a Chairperson, Vice-Chairperson, and a secretary to serve for 1 year.

APPLICABLE CODE SECTIONS: Chapter 31 of the Code of Ordinances

STAFF RECOMMENDATION: Approve

SUPPORTING MATERIALS PROVIDED: NO

- N/A

BUDGET AND FINANCE COMMITTEE MEETING DATE: JANUARY 27, 2022



BUDGET AND FINANCE AGENDA ITEM #8

STAFF PREPARER/CONTACT INFORMATION: Suzanna Fleegal, Accounting Manager, sfleegal@sunsetvalley.org

DESCRIPTION: Consider and act on approval of Ordinance amending the FY 2021 Budget (Budget Amendment #2 – FY 21) and appropriation of a budget surplus.

BACKGROUND: Semi-annually, Finance will submit a budget adjustment for items that were either not budgeted at the appropriate level, or new items that may have arisen during the year that were not considered when preparing the original budget. The ending FY21 actual budget had surplus revenues of \$1.6M, and we came under budget in adopted expenses by \$746K.

Budget & Finance saw the Budget Adjustment #2 on 10/28/2021. The motion that passed unanimously was, “We do not vote on this budget adjustment document. We pass it on to council without a vote.” It was agreed to discuss the Financial Policies that address this issue in a future meeting in the hopes of preventing/reducing budget adjustments in the future.

Budget Adjustment #2 (Attachment A)

This will be the second budget adjustment of the year, the last of which was approved by Council on 8/2/21. The total amount of this budget adjustment is for \$414,429.22. Of that, only \$37,534.42 will need to be taken from the \$1.6M of excess revenues in the General Fund. All other items will be funded with available funds from underbudget expenses in their respective departments (total: \$259,962.15), American Rescue Plan Funds (\$100,000) and a transfer from Repair & Replacement funds (\$16,932.65).

It is important to note that the overall budget was in line with the overall amount approved by Council. Budgeted Revenues of \$7,084,576 and Expenses of \$6,527,294 at year end were Actual Revenues of \$8,730,560 and Actual Expenses of \$5,782,057.

However, City of Sunset Valley Financial Policies prevent transfers among line items in departments within the same fund by staff for items less than \$500 and by the Mayor for items over \$500 but less than \$2,500. Historically, all budget adjustments have been brought before City Council. For example, if the Police Department budget was underbudget in line 5000-Salaries by \$50,000, but overbudget in line 5656 – Liability Insurance by \$20,000, the City’s Financial Policy prevents staff or the Mayor from doing an internal transfer of funds within the department, even if the net result is the department is still under budget by \$30,000.

Budget Adjustment Summary

Total Budget Adjustment	(414,429.22)
Available Funds from Underbudget Expenses	259,962.15
American Rescue Plan Funds	100,000.00
Repair & Replacement Funds	16,932.65
Surplus General Fund Revenues	<u>37,534.42</u>
	<u>414,429.22</u>

Subsidy/Transfer Amendment (Attachment B)

Each year, a transfer from the General Fund to the Utility Fund is made to subsidize the utility expenses. We budgeted \$590,435 to be subsidized in FY21, but since we came in underbudget on many expenses, we can reduce the subsidy to \$312,812.65. Historically, the amount that was budgeted for utility subsidy was transferred, even when not required. However, the Utility Fund Reserve is a restricted account with less flexibility than the General Fund Reserve. By amending the subsidy to reduce the transfer, it will allow an extra \$277,622.35 fall to General Fund reserves, that would normally have fallen to Utility Reserve.

Sunset Valley also exceeded revenue expectations in Crime Control, thus allowing the budgeted \$102,806 transfer from General Fund to Crime Control to be cancelled.

The last item in this section is the Open Space Planning earmarked funds that were approved by Council in September. The \$700K would need to be transferred from the excess \$1.6M in revenues from the General Fund.

FY21 Utility Subsidy Budget Adjustment						
Department	FY21 Actual Expenses	FY21 Actual Revenues	Profit (Deficit)	FY21 Budgeted Subsidy	FY21 Suggested Subsidy	Difference
05-Water	719,087.99	671,335.44	(47,752.55)	263,425.00	47,752.55	215,672.45
06-Wastewater	614,938.65	508,082.67	(106,855.98)	172,681.00	106,855.98	65,825.02
07-Solid Waste	165,138.98	6,934.86	(158,204.12)	149,657.00	158,204.12	(8,547.12)
25-Drainage	74,554.19	102,251.67	27,697.48	4,672.00	-	4,672.00
	1,573,719.81	1,288,604.64	(285,115.17)	590,435.00	312,812.65	277,622.35

FY21 Transfer Budget Adjustment						
Department	FY21 Actual Expenses	FY21 Actual Revenues	Profit (Deficit)	FY21 Budgeted Transfer	FY21 Suggested Transfer	Difference
19-Crime Control	371,231.41	422,176.32	50,944.91	102,806.00	\$0	(102,806.00)

FY21 Open Space Earmarked Funds						
Department	FY21 Actual Expenses	FY21 Actual Revenues	Profit (Deficit)	FY21 Budgeted Transfer	FY21 Suggested Transfer	Difference
09-General Government					\$700,000	700,000.00

Budget Sweep (Attachment C)

The last piece of this agenda item is for your information only. At the end of every fiscal year, all the underbudget expenses for the year are swept into reserves in each fund. In FY21, we did a great job at staying underbudget on many of the expenses allowing us to be able to sweep \$539,536.73 back to fund balance. If the above subsidy/transfer amendment also passes, that would be a total of \$919,965 that is able to fall back to fund balance.

Total Budget Sweep Across All Funds	
General Fund Sweep	117,449.57
Utility Fund Sweep	181,182.76
Street Fund Sweep	40,643.66
HOT Fund Sweep	50,459.13
Venue Fund Sweep	42,100.09
Crime Control Fund Sweep	53,694.63
Drainage Fund Sweep	54,006.89
Total Budget Sweep Across All Funds	539,536.73

STAFF RECOMMENDATION: Approve all budget adjustments

SUPPORTING MATERIALS PROVIDED: YES

- FY21 BUDGET ADJUSTMENT #2
- FY21 SUBSIDY/TRANSFER AMENDMENT
- FY21 BUDGET SWEEP
- ORDINANCE
- CLARIFICATION ON COMMENTS

Fund	Dept.	GL	GL Title	Adopted Budget	Actuals	Budget Under (Over)	Notes	
Administration Overbudget Expenses								
01	01	5000	Payroll	331,553.25	361,326.60	(29,773.35)	Organizational changes resulted in the prior Court Clerk being promoted to the City Secretary/Assistant to the City Administrator and the hiring of a new Court Clerk which was not considered in the previous budget. Council approved this item when the City Secretary was formally appointed in January of 2021. The new Court Clerk began duties in May of 2021.	
01	01	5084	Salary - Cell phone allowance	480.00	616.00	(136.00)		
01	01	5086	Salary - Bilingual	-	75.00	(75.00)		
01	01	5087	Salary - Education	1,080.00	1,267.50	(187.50)		
01	01	5091	Salary - Licensing Incentives	240.00	265.00	(25.00)		
01	01	5120	Life Insurance Benefits	153.36	193.78	(40.42)		
01	01	5121	Medical Insurance Benefits	31,083.00	32,096.91	(1,013.91)		
01	01	5122	Dental Insurance Benefits	1,493.00	1,834.00	(341.00)		
01	01	5123	Vision Insurance	310.00	368.58	(58.58)		
01	01	5124	Long Term Disability Insurance	1,166.00	1,166.54	(0.54)		
01	01	5130	Medicare Tax - Employers Contribution	4,888.65	4,948.02	(59.37)		
01	01	5140	TMRS City Contribution	39,126.00	40,248.36	(1,122.36)		
01	01	5367	Payroll Services	4,320.00	4,354.49	(34.49)		
01	01	5327	Engineer - Design Fees	52,849.00	86,089.11	(33,240.11)		Multiple complex council meetings, CIP, and other tasks not budgeted
01	01	5343	IT Management Services	12,731.00	32,507.95	(19,776.95)		Increased cost due to a-la-carte style contract
01	01	5515	Bank / Management Fees	5,200.00	7,185.58	(1,985.58)	Higher rates, but have since removed some unnecessary services to reduce costs	
01	01	5516	Credit Card Fees	1,000.00	1,356.52	(356.52)	Increased costs due to mailing statement fees, which have been removed for FY22 (statement credit expected)	
01	01	5600	Dues / Subscriptions / Fees	2,000.00	4,862.51	(2,862.51)	ICMA dues \$1280, TML dues \$591 - Contractual obligation	
01	01	5725	Printing	4,500.00	6,069.08	(1,569.08)	Higher use of printers	
01	01	5782	Software Maintenance Fees	48,225.80	67,747.84	(19,522.04)	Higher due to increased needs for telecommuting and teleconferencing due to COVID -example GoTo	
01	01	5820	Training & Education - City Staff	1,000.00	2,729.00	(1,729.00)	ICMA and TML conferences - contractual obligation	
				543,399.06	657,308.37	(113,909.31)		
Administration Suggested Funding								
01	01	5126	Short Term Disability Insurance			7.98		
01	01	5131	TWC - Employers Contribution			973.44		
01	01	5306	Attorney			19,355.00		
01	01	5309	Audit			6,000.00		
01	01	5312	Building Inspections/Structural Engineer			4,842.50		
01	01	5326	Emergency Fund			1,507.24		
01	01	5330	Engineer - Review & Inspection Fees			18,014.00		
01	01	5345	Landscape Architect Fees			3,750.00		
01	01	5362	Ordinance Codification Maintenance			673.15		
01	01	5366	Records Management			1,819.30		
01	01	5381	Water Quality Consultants			500.00		
01	01	5450	Library Card Reimbursement			65.50		
01	01	5475	Volunteer Awards Banquet			311.03		
01	01	5500	Advertising / Public Notices			1,973.25		
01	01	5545	Coffee / Food Service			3,694.10		
01	01	5601	Organizational Memberships			1,311.93		
01	01	5615	Election Expense			312.19		
01	01	5655	Insurance - Fire/Theft/Vandalism/Bonds			4,608.43		
01	01	5656	Insurance - Liability			660.74		
01	01	5704	Employee Appreciation			335.44		
01	01	5705	Office Supplies/Delivery Fees			1,076.91		
01	01	5706	Postage			533.21		
01	01	5720	Personal Vehicle Use Mileage Expense			97.55		
01	01	5735	Rental Expense - Equipment			2,819.14		
01	01	5770	Small Equipment Repair/Purchase			661.90		
01	01	5815	Training - Mileage Reimbursement			250.00		
01	01	5835	Utilities: Elec/water/wastewater/telephone/gas			4,021.66		

Fund	Dept.	GL	GL Title	Adopted Budget	Actuals	Budget Under (Over)	Notes
			Total Unused Expense Lines			80,175.59	
			Surplus Required General Fund Revenues			33,733.72	
						113,909.31	
Police Department Overbudget Expenses							
01	02	5122	Dental Insurance Benefits	4,627.00	4,687.06	(60.06)	Increase due to high turnover rates
01	02	5090	Salary - Overtime	45,826.00	67,576.00	(21,750.00)	Increase due to high turnover rates
01	02	5140	TMRS City Contribution	93,071.00	106,539.77	(13,468.77)	Increase due to high turnover rates
01	02	5525	Bullet Proof Vests	-	929.79	(929.79)	Transfer from R&R Fund
01	02	5625	Equipment Acquisition	-	9,310.00	(9,310.00)	Transfer from R&R Fund for new radios
01	02	5656	Insurance - Liability	8,100.00	8,508.36	(408.36)	Unbudgeted increase in cost from TML
01	02	5755	Repair & Maintenance - Vehicles	12,200.00	17,898.16	(5,698.16)	Unexpected repairs to vehicles
01	02	5820	Training & Education - City Staff	7,000.00	8,029.56	(1,029.56)	Increase due to high turnover rates
01	02	5830	Uniforms	8,000.00	13,807.08	(5,807.08)	Increase due to high turnover rates
				178,824.00	237,285.78	(58,461.78)	
Police Department Suggested Funding							
21	12		Repair & Replacement Funding			10,239.79	Transfer from Repair and Replacement to cover Bullet Proof Vests and Radios that were scheduled
01	02	5000	Payroll			48,221.99	Available dollars due to turnover and staffing shortages.
						58,461.78	
Municipal Court Overbudget Expenses							
01	03	5000	Payroll	25,002.00	28,334.69	(3,332.69)	Organizational changes resulted in the prior Court Clerk being promoted to the City Secretary/Assistant to the City Administrator and the hiring of a new Court Clerk which was not considered in the previous budget. Council approved this item when the City Secretary was formally appointed in January of 2021. The new Court Clerk began duties in May of 2021.
01	03	5084	Salary - Cell phone allowance	-	24.00	(24.00)	
01	03	5086	Salary - Bilingual	-	75.00	(75.00)	
01	03	5087	Salary - Education	120.00	132.50	(12.50)	
01	03	5121	Medical Insurance Benefits	1,361.00	1,855.49	(494.49)	
01	03	5122	Dental Insurance Benefits	84.00	104.16	(20.16)	
01	03	5123	Vision Insurance	16.49	21.09	(4.60)	
01	03	5124	Long Term Disability Insurance	48.00	146.15	(98.15)	
01	03	5126	Short Term Disability Insurance	32.00	34.22	(2.22)	
01	03	5130	Medicare Tax - Employers Contribution	371.63	474.81	(103.18)	
01	03	5140	TMRS City Contribution	1,466.00	2,367.55	(901.55)	
01	03	5516	Credit Card Fees	1,500.00	1,609.11	(109.11)	
				30,001.12	35,178.77	(5,177.65)	
Municipal Court Suggested Funding							
01	03	5306	Attorney			3,263.00	
01	03	5343	IT Management Services			905.00	
01	03	5354	Municipal Court Services			500.00	
01	03	5690	Municipal Court Supplies			500.00	
01	03	5725	Printing			9.65	
						5,177.65	
Public Works Overbudget Expenses							
01	04	5000	Payroll	82,795.00	86,865.29	(4,070.29)	Extra Maintenance Techs Approved by Council
01	04	5077	Salary - Youth Program	10,000.00	11,093.04	(1,093.04)	Extra ancillary costs for Summer Youth Program
01	04	5086	Salary - Bilingual	270.00	325.00	(55.00)	Extra Maintenance Techs Approved by Council
01	04	5091	Salary - Licensing Incentives	465.00	630.00	(165.00)	Extra Maintenance Techs Approved by Council
01	04	5121	Medical Insurance Benefits	7,824.00	9,277.46	(1,453.46)	Extra Maintenance Techs Approved by Council
01	04	5122	Dental Insurance Benefits	484.00	520.78	(36.78)	Extra Maintenance Techs Approved by Council

Fund	Dept.	GL	GL Title	Adopted Budget	Actuals	Budget Under (Over)	Notes
01	04	5123	Vision Insurance	100.00	105.48	(5.48)	Extra Maintenance Techs Approved by Council
01	04	5130	Medicare Tax - Employers Contribution	1,249.00	1,353.06	(104.06)	Extra Maintenance Techs Approved by Council
01	04	5140	TMRS City Contribution	9,998.00	11,837.75	(1,839.75)	Extra Maintenance Techs Approved by Council
01	04	5332	Planning Services	-	29.00	(29.00)	Costs for pulling deed documents
01	04	5343	IT Management Services	9,793.00	11,881.95	(2,088.95)	Increased cost due to a-la-carte style contract
01	04	5523	Building Services	35,353.50	40,424.99	(5,071.49)	Increased contractual rate for building cleaning services
01	04	5711	Open Space Management	500.00	3,900.63	(3,400.63)	Increased cost for temp help
01	04	5740	Repair & Maintenance - Buildings	20,845.00	27,483.96	(6,638.96)	AC repair& replace, will be pulled from R&R
01	04	5745	Repair & Maintenance - Equipment	6,000.00	6,068.56	(68.56)	Repair of Kubota
01	04	5753	Repair & Maintenance - Trails & Footpaths	2,500.00	2,990.28	(490.28)	Increased cost for temp help
01	04	5755	Repair & Maintenance - Vehicles	5,000.00	6,311.91	(1,311.91)	Unexpected vehicle repair
01	04	5775	Small Tools	4,000.00	4,889.52	(889.52)	Extra purchases due to freeze damage
01	04	5860	Vehicle Insurance	5,230.00	7,638.12	(2,408.12)	Unbudgeted increase in cost from TML
				202,406.50	233,626.78	(31,220.28)	
Public Works Suggested Funding							
			Repair & Replacement Funding			6,638.96	Covering cost of AC Replacements
01	04	5133	Urban Forestry			3,004.38	
01	04	5350	Grounds Maintenance			21,076.84	
01	04	5444	Energy Conservation Rebates			500.10	
						31,220.28	
General Government Overbudget Expenses							
01	09	7010	Business Grant Program	-	100,000.00	(100,000.00)	Approved by Council, offset with American Rescue Plan Funds
				-	100,000.00	(100,000.00)	
General Government Suggested Funding							
			American Rescue Plan Funds			100,000.00	
						100,000.00	
Water Overbudget Expenses							
02	05	5086	Salary - Bilingual	210.00	312.50	(102.50)	Extra Maintenance Techs Approved by Council
02	05	5090	Salary - Overtime	2,302.00	2,324.06	(22.06)	Extra Maintenance Techs Approved by Council
02	05	5091	Salary - Licensing Incentives	555.00	740.00	(185.00)	Extra Maintenance Techs Approved by Council
02	05	5124	Long Term Disability Insurance	385.00	433.55	(48.55)	Extra Maintenance Techs Approved by Council
02	05	5126	Short Term Disability Insurance	253.00	292.59	(39.59)	Extra Maintenance Techs Approved by Council
02	05	5140	TMRS City Contribution	12,109.00	14,205.31	(2,096.31)	Extra Maintenance Techs Approved by Council
02	05	5327	Engineer - Design Fees	5,766.00	10,955.66	(5,189.66)	CIP Investigation for COA Contract Negotiations and Sunset Trail
02	05	5516	Credit Card Fees	1,000.00	1,964.83	(964.83)	Increased costs due to mailing statement fees, which have been removed for FY22 (statement credit
02	05	5600	Dues / Subscriptions / Fees	880.00	1,402.00	(522.00)	Texas Water Utilities Association fees
02	05	5758	Repairs & Maintenance - System	26,889.00	38,442.24	(11,553.24)	Increased costs due to freeze repairs
02	05	5877	Water Conservation Program	10,000.00	13,078.67	(3,078.67)	Cost for water bill rebates larger than expected
				60,349.00	84,151.41	(23,802.41)	
Water Suggested Funding							
02	05	5373	Utility Contractual Services			23,802.41	
						23,802.41	
Wastewater Overbudget Expenses							
02	06	5086	Salary - Bilingual	150.00	203.75	(53.75)	Extra Maintenance Techs Approved by Council
02	06	5090	Salary - Overtime	1,336.00	1,349.53	(13.53)	Extra Maintenance Techs Approved by Council
02	06	5091	Salary - Licensing Incentives	285.00	415.00	(130.00)	Extra Maintenance Techs Approved by Council

Fund	Dept.	GL	GL Title	Adopted Budget	Actuals	Budget Under (Over)	Notes
02	06	5120	Life Insurance Benefits	43.00	47.25	(4.25)	Extra Maintenance Techs Approved by Council
02	06	5121	Medical Insurance Benefits	7,056.00	7,421.97	(365.97)	Extra Maintenance Techs Approved by Council
02	06	5124	Long Term Disability Insurance	230.00	289.05	(59.05)	Extra Maintenance Techs Approved by Council
02	06	5126	Short Term Disability Insurance	151.00	195.07	(44.07)	Extra Maintenance Techs Approved by Council
02	06	5140	TMRS City Contribution	7,260.00	9,470.20	(2,210.20)	Extra Maintenance Techs Approved by Council
02	06	5327	Engineer - Design Fees	3,311.00	4,044.88	(733.88)	CIP Investigation for 290 Sewer
02	06	5745	Repair & Maintenance - Equipment	1,200.00	3,146.73	(1,946.73)	Increased costs due to freeze repairs
02	06	5753	Repair & Maintenance - Trails & Footpaths	-	33.75	(33.75)	Increased costs due to freeze repairs
02	06	5758	Repairs & Maintenance - System	6,889.00	14,433.17	(7,544.17)	Increased costs due to freeze repairs
				27,911.00	41,050.35	(13,139.35)	
Wastewater Suggested Funding							
02	06	5373	Utility Contractual Services			13,139.35	
						13,139.35	
Solid Waste Overbudget Expenses							
02	07	5086	Salary - Bilingual	120.00	128.75	(8.75)	Extra Maintenance Techs Approved by Council
02	07	5091	Salary - Licensing Incentives	60.00	135.00	(75.00)	Extra Maintenance Techs Approved by Council
02	07	5140	TMRS City Contribution	4,703.00	4,735.10	(32.10)	Extra Maintenance Techs Approved by Council
02	07	5410	Brush Chipping Program	12,000.00	18,643.75	(6,643.75)	Increased costs due to freeze repairs
				16,883.00	23,642.60	(6,759.60)	
Solid Waste Suggested Funding							
02	07	5373	Utility Contractual Services			6,759.60	
						6,759.60	
Street Overbudget Expenses							
14	14	5086	Salary - Bilingual	120.00	168.75	(48.75)	Extra Maintenance Techs Approved by Council
14	14	5090	Salary - Overtime	1,017.00	1,024.58	(7.58)	Extra Maintenance Techs Approved by Council
14	14	5091	Salary - Licensing Incentives	300.00	355.00	(55.00)	Extra Maintenance Techs Approved by Council
14	14	5327	Engineer - Design Fees	-	6,840.04	(6,840.04)	CIP Investigation for Lone Oak and Sunset Trail
14	14	5770	Small Equipment Repair/Purchase	-	112.50	(112.50)	Increased costs due to freeze repairs
				1,437.00	8,500.87	(7,063.87)	
Street Suggested Funding							
14	14	5750	Repair & Maintenance - Streets & Drainage			7,063.87	
						7,063.87	
Hotel Occupancy Tax Overbudget Expenses							
16	16	6556	Advertising - SFC	10,000.00	29,895.54	(19,895.54)	FY20 Invoice posted in FY21 for \$23,418.95. No encumbrance was done
				10,000.00	29,895.54	(19,895.54)	
Hotel Occupancy Tax Suggested Funding							
16	16	5500	Advertising / Public Notices			19,895.54	
						19,895.54	
Venue Tax Overbudget Expenses							
18	18	5086	Salary - Bilingual	210.00	257.50	(47.50)	Extra Maintenance Techs Approved by Council
18	18	5090	Salary - Overtime	903.00	909.15	(6.15)	Extra Maintenance Techs Approved by Council
18	18	5091	Salary - Licensing Incentives	375.00	440.00	(65.00)	Extra Maintenance Techs Approved by Council
18	18	5120	Life Insurance Benefits	41.00	47.24	(6.24)	Extra Maintenance Techs Approved by Council
18	18	5121	Medical Insurance Benefits	6,464.00	7,421.97	(957.97)	Extra Maintenance Techs Approved by Council
18	18	5122	Dental Insurance Benefits	400.00	416.62	(16.62)	Extra Maintenance Techs Approved by Council

Fund	Dept.	GL	GL Title	Adopted Budget	Actuals	Budget Under (Over)	Notes
18	18	5123	Vision Insurance	83.00	84.38	(1.38)	Extra Maintenance Techs Approved by Council
18	18	5124	Long Term Disability Insurance	263.00	289.04	(26.04)	Extra Maintenance Techs Approved by Council
18	18	5126	Short Term Disability Insurance	173.00	195.07	(22.07)	Extra Maintenance Techs Approved by Council
18	18	5140	TMRS City Contribution	8,102.00	9,470.20	(1,368.20)	Extra Maintenance Techs Approved by Council
18	18	5711	Open Space Management	40,000.00	41,920.23	(1,920.23)	Clearing brush from freeze
18	18	7181	Ernest Robles Way WQP Rehabilitation	-	13,920.00	(13,920.00)	Budgeted in FY 20, however, not encumbered and funding did not carry over. Repairs occurred in FY 21.
				57,014.00	75,371.40	(18,357.40)	
Venue Tax Suggested Funding							
18	18	5381	Water Quality Consultants			15,000.00	
18	18	5749	Repair and Maintenance - Natural Waterways			3,357.40	
						18,357.40	
Crime Control Overbudget Expenses							
19	19	5035	Salary - Reserves	-	2,022.67	(2,022.67)	Cost of reserves incidentals
19	19	5090	Salary - Overtime	23,435.00	23,958.84	(523.84)	Increase due to high turnover rates
19	19	5120	Life Insurance Benefits	129.60	141.70	(12.10)	Increase due to high turnover rates
19	19	5124	Long Term Disability Insurance	797.00	867.11	(70.11)	Increase due to high turnover rates
19	19	5126	Short Term Disability Insurance	540.00	585.21	(45.21)	Increase due to high turnover rates
19	19	5140	TMRS City Contribution	25,477.00	28,410.60	(2,933.60)	Increase due to high turnover rates
19	19	5349	Digital Mapping Services	-	120.00	(120.00)	For emergency mapping services
19	19	5782	Software Maintenance Fees	13,572.75	13,749.72	(176.97)	Higher due to increased needs for telecommuting and teleconferencing due to COVID (Zoom, etc.)
				63,951.35	69,855.85	(5,904.50)	
Crime Control Suggested Funding							
19	19	5000	Payroll			5,904.50	
						5,904.50	
City Facilities Overbudget Expenses							
20	20	5327	Engineer - Design Fees	438.00	875.00	(437.00)	Engineering costs for pond repair
20	20	7120	City Facilities-New PW/PD Building	5,210.00	8,573.70	(3,363.70)	Costs of pond repair
				5,648.00	9,448.70	(3,800.70)	
City Facilities Suggested Funding							
			Surplus Required General Fund Revenues			3,800.70	
						3,800.70	
Repair & Replacement Overbudget Expenses							
21	12	5560	Computer Equip/Software Acquisition	1,102.00	1,155.90	(53.90)	
				1,102.00	1,155.90	(53.90)	
Repair & Replacement Suggested Funding							
			Transfer in from Reserves			53.90	~\$550k in reserves
						53.90	

Fund	Dept.	GL	GL Title	Adopted Budget	Actuals	Budget Under (Over)	Notes
Drainage Budget Expenses							
25	25	5086	Salary - Bilingual	120.00	128.75	(8.75)	Extra Maintenance Techs Approved by Council
25	25	5090	Salary - Overtime	430.00	435.00	(5.00)	Extra Maintenance Techs Approved by Council
25	25	5091	Salary - Licensing Incentives	60.00	135.00	(75.00)	Extra Maintenance Techs Approved by Council
25	25	5120	Life Insurance Benefits	19.00	23.61	(4.61)	Extra Maintenance Techs Approved by Council
25	25	5121	Medical Insurance Benefits	3,062.00	3,710.99	(648.99)	Extra Maintenance Techs Approved by Council
25	25	5122	Dental Insurance Benefits	189.00	208.31	(19.31)	Extra Maintenance Techs Approved by Council
25	25	5123	Vision Insurance	39.00	42.19	(3.19)	Extra Maintenance Techs Approved by Council
25	25	5124	Long Term Disability Insurance	106.00	144.52	(38.52)	Extra Maintenance Techs Approved by Council
25	25	5126	Short Term Disability Insurance	70.00	97.54	(27.54)	Extra Maintenance Techs Approved by Council
25	25	5140	TMRS City Contribution	3,358.00	4,735.10	(1,377.10)	Extra Maintenance Techs Approved by Council
25	25	5327	Engineer - Design Fees	-	4,674.92	(4,674.92)	CIP Investigation for Lovegrass Pond
				7,453.00	14,335.93	(6,882.93)	
Drainage Suggested Funding							
25	25	5746	Repair & Maint. - Drainage-Streets & ROW	20,000.00	1,437.50	6,882.93	
						6,882.93	
Totals							
			Total Budget Adjustment			(414,429.22)	
			Available funds from Underbudget Expenses			259,962.15	Available funds from Underbudget Expenses as of Year End
			American Rescue Plan Funds			100,000.00	Council approved Small Business Grant Expenses
			Transfer in from Repair & Replacement			16,932.65	Police Department Expenses (Vests & Radios), and City Hall AC Replacements/Planned but not budgeted
			Surplus General Fund Revenues Required for Other Expenses			37,534.42	
						414,429.22	

GL	Sum of Adopted Budget	Sum of Actuals	Sum of Budget Under (Over)
Advertising - SFC	10,000.00	29,895.54	(19,895.54)
Bank / Management Fees	5,200.00	7,185.58	(1,985.58)
Brush Chipping Program	12,000.00	18,643.75	(6,643.75)
Building Services	35,353.50	40,424.99	(5,071.49)
Bullet Proof Vests	-	929.79	(929.79)
Business Grant Program	-	100,000.00	(100,000.00)
City Facilities-New PW/PD Building	5,210.00	8,573.70	(3,363.70)
Computer Equip/Software Acquisition	1,102.00	1,155.90	(53.90)
Credit Card Fees	3,500.00	4,930.46	(1,430.46)
Dental Insurance Benefits	7,277.00	7,770.93	(493.93)
Digital Mapping Services	-	120.00	(120.00)
Dues / Subscriptions / Fees	2,880.00	6,264.51	(3,384.51)
Engineer - Design Fees	62,364.00	113,479.61	(51,115.61)
Equipment Acquisition	-	9,310.00	(9,310.00)
Ernest Robles Way WQP Rehabilitation	-	13,920.00	(13,920.00)
Insurance - Liability	8,100.00	8,508.36	(408.36)
IT Management Services	22,524.00	44,389.90	(21,865.90)
Life Insurance Benefits	385.96	453.58	(67.62)
Long Term Disability Insurance	2,995.00	3,335.96	(340.96)
Medical Insurance Benefits	56,850.00	61,784.79	(4,934.79)
Medicare Tax - Employers Contribution	6,509.28	6,775.89	(266.61)
Open Space Management	40,500.00	45,820.86	(5,320.86)
Payroll	439,350.25	476,526.58	(37,176.33)
Payroll Services	4,320.00	4,354.49	(34.49)
Planning Services	-	29.00	(29.00)
Printing	4,500.00	6,069.08	(1,569.08)
Repair & Maintenance - Buildings	20,845.00	27,483.96	(6,638.96)
Repair & Maintenance - Equipment	7,200.00	9,215.29	(2,015.29)
Repair & Maintenance - Trails & Footpaths	2,500.00	3,024.03	(524.03)
Repair & Maintenance - Vehicles	17,200.00	24,210.07	(7,010.07)
Repairs & Maintenance - System	33,778.00	52,875.41	(19,097.41)
Salary - Bilingual	1,200.00	1,675.00	(475.00)
Salary - Cell phone allowance	480.00	640.00	(160.00)
Salary - Education	1,200.00	1,400.00	(200.00)
Salary - Licensing Incentives	2,340.00	3,115.00	(775.00)
Salary - Overtime	75,249.00	97,577.16	(22,328.16)
Salary - Reserves	-	2,022.67	(2,022.67)
Salary - Youth Program	10,000.00	11,093.04	(1,093.04)
Short Term Disability Insurance	1,219.00	1,399.70	(180.70)
Small Equipment Repair/Purchase	-	112.50	(112.50)
Small Tools	4,000.00	4,889.52	(889.52)
Software Maintenance Fees	61,798.55	81,497.56	(19,699.01)
TMRS City Contribution	204,670.00	232,019.94	(27,349.94)
Training & Education - City Staff	8,000.00	10,758.56	(2,758.56)
Uniforms	8,000.00	13,807.08	(5,807.08)
Vehicle Insurance	5,230.00	7,638.12	(2,408.12)
Vision Insurance	548.49	621.72	(73.23)
Water Conservation Program	10,000.00	13,078.67	(3,078.67)
Grand Total	1,206,379.03	1,620,808.25	(414,429.22)

FY21 Subsidy/Transfer Amendment
Attachment B

FY21 Utility Subsidy Budget Adjustment						
Department	FY21 Actual Expenses	FY21 Actual Revenues	Profit (Deficit)	FY21 Budgeted Subsidy	FY21 Suggested Subsidy	Difference
05-Water	719,087.99	671,335.44	(47,752.55)	263,425.00	47,752.55	215,672.45
06-Wastewater	614,938.65	508,082.67	(106,855.98)	172,681.00	106,855.98	65,825.02
07-Solid Waste	165,138.98	6,934.86	(158,204.12)	149,657.00	158,204.12	(8,547.12)
25-Drainage	74,554.19	102,251.67	27,697.48	4,672.00	-	4,672.00
	1,573,719.81	1,288,604.64	(285,115.17)	590,435.00	312,812.65	277,622.35

FY21 Transfer Budget Adjustment						
Department	FY21 Actual Expenses	FY21 Actual Revenues	Profit (Deficit)	FY21 Budgeted Transfer	FY21 Suggested Transfer	Difference
19-Crime Control	371,231.41	422,176.32	50,944.91	102,806.00	\$0	(102,806.00)

FY21 Open Space Earmarked Funds						
Department	FY21 Actual Expenses	FY21 Actual Revenues	Profit (Deficit)	FY21 Budgeted Transfer	FY21 Suggested Transfer	Difference
09-General Government	-	-	-	-	\$700,000	700,000.00

Funding Source Departments General				Revised	Budget		Available
Code	Code	Ledger Code	General Ledger Title	Budget	Actual	Adjustment	Budget
Police Department Available Budget							
01	02	5000	Payroll	774,382.00	703,439.37	26,471.99	44,470.64
01	02	5084	Salary - Cell phone allowance	1,920.00	1,750.00		170.00
01	02	5086	Salary - Bilingual	1,200.00	600.00		600.00
01	02	5087	Salary - Education	2,700.00	1,900.00		800.00
01	02	5120	Life Insurance Benefits	475.20	472.15		3.05
01	02	5121	Medical Insurance Benefits	87,442.00	83,497.17		3,944.83
01	02	5123	Vision Insurance	961.00	949.25		11.75
01	02	5124	Long Term Disability Insurance	2,978.00	2,900.25		77.75
01	02	5126	Short Term Disability Insurance	1,976.00	1,956.12		19.88
01	02	5130	Medicare Tax - Employers Contribution	11,628.82	11,478.84		149.98
01	02	5131	TWC - Employers Contribution	2,640.00	133.50		2,506.50
01	02	5150	Workers Compensation Benefits	26,834.71	13,487.84		13,346.87
01	02	5343	IT Management Services	20,566.00	12,818.97		7,747.03
01	02	5505	Ammunition	2,800.00	2,772.90		27.10
01	02	5570	Consumables	1,600.00	1,545.30		54.70
01	02	5600	Dues / Subscriptions / Fees	4,050.00	2,800.48		1,249.52
01	02	5645	Fuel	19,000.00	18,435.74		564.26
01	02	5725	Printing	900.00	850.45		49.55
01	02	5745	Repair & Maintenance - Equipment	3,000.00	2,826.12		173.88
01	02	5775	Small Tools	3,000.00	2,590.99		409.01
01	02	5782	Software Maintenance Fees	10,334.37	10,334.37		0.00
01	02	5815	Training - Mileage Reimbursement	2,500.00	1,453.85		1,046.15
01	02	5860	Vehicle Insurance	7,810.00	7,638.12		171.88
				990,698.10	886,631.78	26,471.99	77,594.33
Municipal Court Available Budget							
01	03	5091	Salary - Licensing Incentives	60.00	35.00		25.00
01	03	5120	Life Insurance Benefits	8.64	8.51		0.13
01	03	5131	TWC - Employers Contribution	288.00	8.92		279.08
01	03	5135	Social Security Contribution	806.00	672.28		133.72
01	03	5306	Attorney	6,000.00	2,737.00	3,263.00	0.00
01	03	5343	IT Management Services	980.00	75.00	905.00	0.00
01	03	5354	Municipal Court Services	500.00	0.00	500.00	0.00
01	03	5690	Municipal Court Supplies	500.00	0.00	500.00	0.00
01	03	5725	Printing	500.00	0.00	9.65	490.35
01	03	5815	Training - Mileage Reimbursement	400.00	0.00		400.00
01	03	5820	Training & Education - City Staff	400.00	0.00		400.00
				10,442.64	3,536.71	5,177.65	1,728.28
Public Works Available Budget							
01	04	5084	Salary - Cell phone allowance	504.00	417.00		87.00
01	04	5087	Salary - Education	480.00	365.00		115.00
01	04	5090	Salary - Overtime	1,083.00	1,028.72		54.28
01	04	5094	Salary-Water Sampling	7,893.00	6,307.66		1,585.34
01	04	5100	Exams/ Testing / Certifications	750.00	0.00		750.00
01	04	5120	Life Insurance Benefits	50.00	35.65		14.35
01	04	5124	Long Term Disability Insurance	325.00	129.31		195.69
01	04	5126	Short Term Disability Insurance	214.00	151.49		62.51
01	04	5131	TWC - Employers Contribution	276.00	28.42		247.58
01	04	5133	Urban Forestry	4,000.00	995.62	3,004.38	0.00
01	04	5150	Workers Compensation Benefits	3,678.00	3,566.00		112.00
01	04	5350	Grounds Maintenance	135,000.00	113,923.16	21,076.84	0.00

Funding Source Departments General				Revised	Budget		Available
Code	Code	Ledger Code	General Ledger Title	Budget	Actual	Adjustment	Budget
01	04	5436	Trails Master Plan	1,500.00	0.00		1,500.00
01	04	5437	Community Gardens	701.58	701.58		0.00
01	04	5444	Energy Conservation Rebates	10,000.00	7,096.63	500.10	2,403.27
01	04	5447	Pollution reduction Program	1,000.00	531.01		468.99
01	04	5476	Teen Program Expenses	2,000.00	606.12		1,393.88
01	04	5547	Ice Service	2,200.00	179.00		2,021.00
01	04	5570	Consumables	900.00	797.14		102.86
01	04	5575	Wildlife Management & Implementation	2,500.00	0.00		2,500.00
01	04	5600	Dues / Subscriptions / Fees	1,000.00	408.18		591.82
01	04	5645	Fuel	8,000.00	5,473.76		2,526.24
01	04	5735	Rental Expense - Equipment	750.00	300.00		450.00
01	04	5743	Repair & Maintenance - Landscaped Areas	4,500.00	2,841.03		1,658.97
01	04	5744	Repair & Maintenance - Parks & Grounds	8,000.00	7,802.08		197.92
01	04	5748	Repair & Maintenance - Fencing	2,500.00	335.14		2,164.86
01	04	5762	Reprographics Services	500.00	0.00		500.00
01	04	5815	Training - Mileage Reimbursement	1,750.00	816.56		933.44
01	04	5820	Training & Education - City Staff	2,500.00	875.29		1,624.71
01	04	5830	Uniforms	2,000.00	1,108.12		891.88
				206,554.58	156,819.67	24,581.32	25,153.59
General Government Available Budget							
01	09	5089	Tuition Reimbursement	4,500.00	3,227.31		1,272.69
01	09	5321	Contingency Fund	500.00	0.00		500.00
01	09	5552	Sunset Valley Arts Commission-Community Programs	5,000.00	4,477.57		522.43
01	09	5558	Community Events - Spring Fling	4,400.00	0.00		4,400.00
01	09	5561	Community Events	3,000.00	0.00		3,000.00
01	09	5726	Property Lease Expense	5,200.00	2,600.00		2,600.00
01	09	5825	Training & Supplies - City Council	3,000.00	2,321.75		678.25
				25,600.00	12,626.63	0.00	12,973.37
			Total General Fund Available Budget				117,449.57
Water Available Budget							
02	05	5000	Payroll	100,512.00	87,470.88		13,041.12
02	05	5084	Salary - Cell phone allowance	552.00	448.00		104.00
02	05	5087	Salary - Education	510.00	252.50		257.50
02	05	5120	Life Insurance Benefits	71.00	70.86		0.14
02	05	5121	Medical Insurance Benefits	11,730.00	11,132.95		597.05
02	05	5122	Dental Insurance Benefits	694.00	624.94		69.06
02	05	5123	Vision Insurance	144.00	126.56		17.44
02	05	5130	Medicare Tax - Employers Contribution	1,513.00	1,358.30		154.70
02	05	5131	TWC - Employers Contribution	396.00	19.94		376.06
02	05	5303	Aquifer District Fees	3,500.00	3,235.32		264.68
02	05	5343	IT Management Services	980.00	0.00		980.00
02	05	5373	Utility Contractual Services	586,663.20	506,037.89	23,802.41	56,822.90
02	05	5375	Utility Inspections	250.00	0.00		250.00
02	05	5515	Bank / Management Fees	2,000.00	796.00		1,204.00
02	05	5645	Fuel	500.00	0.00		500.00
02	05	5705	Office Supplies/Delivery Fees	1,000.00	114.37		885.63
02	05	5735	Rental Expense - Equipment	250.00	0.00		250.00
02	05	5745	Repair & Maintenance - Equipment	1,200.00	461.79		738.21
02	05	5755	Repair & Maintenance - Vehicles	1,000.00	591.19		408.81

Funding Source Departments General				Revised	Budget		Available
Code	Code	Ledger Code	General Ledger Title	Budget	Actual	Adjustment	Budget
02	05	5775	Small Tools	3,000.00	2,633.04		366.96
02	05	5782	Software Maintenance Fees	9,448.63	9,448.63		0.00
02	05	5815	Training - Mileage Reimbursement	1,600.00	0.00		1,600.00
02	05	5820	Training & Education - City Staff	4,350.00	3,584.80		765.20
02	05	5830	Uniforms	700.00	341.64		358.36
02	05	5835	Utilities: Elec/water/wastewater/telephone/gas	3,000.00	1,089.03		1,910.97
02	05	7212	Backflows, Meters, & Vaults Improvements	50,000.00	0.00		50,000.00
				785,563.83	629,838.63	23,802.41	131,922.79
Wastewater Available Budget							
02	06	5000	Payroll	60,334.00	52,487.70		7,846.30
02	06	5084	Salary - Cell phone allowance	336.00	274.00		62.00
02	06	5087	Salary - Education	285.00	126.25		158.75
02	06	5122	Dental Insurance Benefits	421.00	416.63		4.37
02	06	5123	Vision Insurance	87.00	84.37		2.63
02	06	5130	Medicare Tax - Employers Contribution	907.00	813.27		93.73
02	06	5131	TWC - Employers Contribution	240.00	11.99		228.01
02	06	5371	Industrial Waste Services	1,000.00	0.00		1,000.00
02	06	5373	Utility Contractual Services	519,161.64	485,981.01	13,139.35	20,041.28
02	06	5375	Utility Inspections	500.00	91.71		408.29
02	06	5600	Dues / Subscriptions / Fees	575.00	75.00		500.00
02	06	5645	Fuel	500.00	0.00		500.00
02	06	5705	Office Supplies/Delivery Fees	800.00	126.80		673.20
02	06	5735	Rental Expense - Equipment	250.00	27.71		222.29
02	06	5755	Repair & Maintenance - Vehicles	1,000.00	486.22		513.78
02	06	5775	Small Tools	2,000.00	365.88		1,634.12
02	06	5798	Annual WW Line Inspections	15,000.00	14,397.51		602.49
02	06	5815	Training - Mileage Reimbursement	1,000.00	0.00		1,000.00
02	06	5820	Training & Education - City Staff	1,500.00	236.67		1,263.33
02	06	5830	Uniforms	500.00	374.91		125.09
02	06	5835	Utilities: Elec/water/wastewater/telephone/gas	1,000.00	674.39		325.61
				607,396.64	557,052.02	13,139.35	37,205.27
Solid Waste Available Budget							
02	07	5000	Payroll	39,142.00	36,717.74		2,424.26
02	07	5084	Salary - Cell phone allowance	168.00	140.00		28.00
02	07	5087	Salary - Education	105.00	71.25		33.75
02	07	5090	Salary - Overtime	723.00	573.88		149.12
02	07	5120	Life Insurance Benefits	28.00	23.61		4.39
02	07	5121	Medical Insurance Benefits	4,926.00	3,710.99		1,215.01
02	07	5122	Dental Insurance Benefits	273.00	208.31		64.69
02	07	5123	Vision Insurance	57.00	42.19		14.81
02	07	5124	Long Term Disability Insurance	151.00	144.52		6.48
02	07	5126	Short Term Disability Insurance	99.00	97.54		1.46
02	07	5130	Medicare Tax - Employers Contribution	588.00	553.81		34.19
02	07	5131	TWC - Employers Contribution	156.00	7.25		148.75
02	07	5150	Workers Compensation Benefits	1,322.00	157.00		1,165.00
02	07	5373	Utility Contractual Services	100,000.00	92,133.32	6,759.60	1,107.08
02	07	5374	Utility Dumpster Rental	7,000.00	3,625.66		3,374.34
02	07	5510	Animal Control	3,500.00	2,323.29		1,176.71
02	07	5650	Hazardous Material Disposal	389.00	60.84		328.16
02	07	5735	Rental Expense - Equipment	750.00	0.00		750.00
02	07	5795	Tire Recycling	650.00	621.50		28.50

Funding Source Code	Departments Code	General Ledger Code	General Ledger Title	Revised Budget	Actual	Budget Adjustment	Available Budget
				160,027.00	141,212.70	6,759.60	12,054.70
			Total Utility Fund Available Budget				181,182.76
Street Available Budget							
14	14	5000	Payroll	41,214.00	35,984.45		5,229.55
14	14	5084	Salary - Cell phone allowance	264.00	214.00		50.00
14	14	5087	Salary - Education	225.00	111.25		113.75
14	14	5120	Life Insurance Benefits	28.00	23.61		4.39
14	14	5121	Medical Insurance Benefits	4,422.00	3,710.99		711.01
14	14	5122	Dental Insurance Benefits	273.00	208.31		64.69
14	14	5123	Vision Insurance	57.00	42.19		14.81
14	14	5124	Long Term Disability Insurance	159.00	144.52		14.48
14	14	5126	Short Term Disability Insurance	105.00	97.54		7.46
14	14	5130	Medicare Tax - Employers Contribution	624.00	562.07		61.93
14	14	5131	TWC - Employers Contribution	156.00	8.60		147.40
14	14	5140	TMRS City Contribution	4,993.00	4,735.10		257.90
14	14	5750	Repair & Maintenance - Streets & Drainage	82,000.00	40,969.84	7,063.87	33,966.29
				134,520.00	86,812.47	7,063.87	40,643.66
			Total Street Fund Available Budget				40,643.66
HOT Available Budget							
16	16	5500	Advertising / Public Notices	260,000.00	189,645.33	19,895.54	50,459.13
				260,000.00	189,645.33	19,895.54	50,459.13
			Total HOT Fund Available Budget				50,459.13
Venue Available Budget							
18	18	5000	Payroll	67,136.00	63,078.95		4,057.05
18	18	5084	Salary - Cell phone allowance	408.00	337.00		71.00
18	18	5087	Salary - Education	390.00	282.50		107.50
18	18	5130	Medicare Tax - Employers Contribution	1,012.00	957.97		54.03
18	18	5131	TWC - Employers Contribution	228.00	14.04		213.96
18	18	5133	Urban Forestry	5,000.00	247.50		4,752.50
18	18	5381	Water Quality Consultants	15,000.00	0.00	15,000.00	0.00
18	18	5446	Environmental Monitoring Program	2,500.00	0.00		2,500.00
18	18	5745	Repair & Maintenance - Equipment	3,000.00	0.00		3,000.00
18	18	5749	Repair and Maintenance - Natural Waterways	12,000.00	0.00	3,357.40	8,642.60
18	18	5753	Repair & Maintenance - Trails & Footpaths	2,000.00	0.00		2,000.00
18	18	5820	Training & Education - City Staff	2,000.00	499.00		1,501.00
18	18	5823	Education Programs	2,000.00	0.00		2,000.00
18	18	5880	Water Quality Ponds	15,000.00	1,799.55		13,200.45
				127,674.00	67,216.51	18,357.40	42,100.09
			Total Venue Fund Available Budget				42,100.09
Crime Control Available Budget							
19	19	5000	Payroll	227,230.00	188,148.29	5,904.50	33,177.21

Funding Source Code	Departments Code	General Ledger Code	General Ledger Title	Revised Budget	Actual	Budget Adjustment	Available Budget
19	19	5084	Salary - Cell phone allowance	480.00	370.00		110.00
19	19	5088	Salary - Shift Differential	2,400.00	1,700.00		700.00
19	19	5091	Salary - Licensing Incentives	2,400.00	2,000.00		400.00
19	19	5092	Salary - Holiday Traffic Control	5,000.00	0.00		5,000.00
19	19	5093	Salary - Holiday Pay	11,906.00	9,905.90		2,000.10
19	19	5121	Medical Insurance Benefits	22,931.00	22,265.91		665.09
19	19	5122	Dental Insurance Benefits	1,262.00	1,249.88		12.12
19	19	5123	Vision Insurance	262.00	253.13		8.87
19	19	5130	Medicare Tax - Employers Contribution	3,557.00	3,114.53		442.47
19	19	5131	TWC - Employers Contribution	960.00	36.15		923.85
19	19	5135	Social Security Contribution	1,597.00	848.76		748.24
19	19	5150	Workers Compensation Benefits	7,729.69	0.00		7,729.69
19	19	5439	Community Partnership	2,250.00	1,467.65		782.35
19	19	5600	Dues / Subscriptions / Fees	500.00	0.00		500.00
19	19	5613	800 MHz Operation and Maintenance	9,495.00	9,000.36		494.64
19	19	5614	911 Call Share	59,847.00	59,847.00		0.00
				359,806.69	300,207.56	5,904.50	53,694.63
			Total Crime Control Fund Available Budget				53,694.63
Drainage Available Budget							
25	25	5000	Payroll	27,985.00	25,329.54		2,655.46
25	25	5084	Salary - Cell phone allowance	168.00	140.00		28.00
25	25	5087	Salary - Education	105.00	41.25		63.75
25	25	5130	Medicare Tax - Employers Contribution	420.00	385.46		34.54
25	25	5131	TWC - Employers Contribution	108.00	5.81		102.19
25	25	5746	Repair & Maint. - Drainage-Streets & ROW	20,000.00	1,437.50	6,882.93	11,679.57
25	25	5761	Repair & Maintenance - Water Quality Ponds	5,000.00	1,428.62		3,571.38
25	25	5823	Education Programs	750.00	0.00		750.00
25	25	7184	Sunset Trail Street	35,122.00	0.00		35,122.00
				89,658.00	28,768.18	6,882.93	54,006.89
			Total Drainage Fund Available Budget				54,006.89
Total Budget Sweep Across All Funds							
			General Fund Sweep				117,449.57
			Utility Fund Sweep				181,182.76
			Street Fund Sweep				40,643.66
			HOT Fund Sweep				50,459.13
			Venue Fund Sweep				42,100.09
			Crime Control Fund Sweep				53,694.63
			Drainage Fund Sweep				54,006.89
			Total Budget Sweep Across All Funds				539,536.73

ORDINANCE NO. _____

AN ORDINANCE AMENDING ORDINANCE NO. 200915 AMENDING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020 AND TERMINATING SEPTEMBER 30, 2021 AND MAKING TRANSFERS AND APPROPRIATIONS OF FUNDS FOR ACCOUNTS AFFECTING THE GENERAL, CITY FACILITIES, UTILITY, DRAINAGE UTILITY, STREET REPAIR AND MAINTENANCE, HOTEL OCCUPANCY TAX, VENUE TAX, AND CRIME CONTROL AND PREVENTION DISTRICT FUNDS.

WHEREAS, the City Council of the City of Sunset Valley, Texas, deems it necessary to amend Ordinance No. 200915 to meet unexpected and/or unforeseen conditions that could not have been included in the original budget using reasonably diligent thought and attention.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SUNSET VALLEY, TEXAS THAT:

Ordinance No. 200915 passed and approved on September 15, 2020, is hereby amended, to provide for the line-item adjustments and transfers set forth in Attachment A, Budget Amendment #2, and Attachment B, Subsidy/Transfer Amendment, attached hereto and incorporated herein. Except as specifically affected by the transfers and appropriations reflected on the attached Attachment A, the budget for Fiscal Year 2020-2021 as previously approved, shall remain in full force and effect.

PASSED AND APPROVED this 7TH DAY OF DECEMBER 2021.

Marc Bruner
Mayor

ATTEST:

Matt Lingafelter, City Secretary

Clarification on Comments from 1/4/22 Council Meeting

- Lack of accuracy and clarity in the current state of the budget process. While the City has adequate financial policies, the implementation of these policies was not adequate in this budget adjustment
 - o Going back through the last 7 years of history, there was at least two budget adjustments each year approved by council. “Because it’s always been done that way” isn’t a good answer to the question though. Sylvia and I have started implementing a few new policies that will ensure the budget is top priority. With that said- there will always still be some items that were unexpected and go over budget. We hope to address these items when we discuss the policy during the year.
- “Wiggle room” because not all of the expenses were in yet
 - o Budgeting is not an exact science. At the time the budget adjustment was first presented, not all invoices for FY21 had been turned into the city yet. There was an estimated amount of budget reserved for those items. This is a normal method to account for unknown budgetary items.
- this revised amendment is substantially different.
 - o It was brought to the Committee’s attention that the budget adjustment they were seeing was not complete but Council had requested it before FY21 was closed. By the time it got to council, the rest of the numbers had come in so the “wiggle room” mentioned above could be removed and actual numbers used instead. That is the difference in the two adjustments.
- In any good financial accounting system, every number should be justified and every change should be explained and accounted for.
 - o Every number *is* justified and accounted for. This is why the annual external audit occurs. The auditors ensure that the numbers have been entered correctly according to GAAP (Generally Accepted Accounting Principles) and have adequate documentation.
- Budgeted and actual numbers for the items that are supposedly under budget have been removed, leaving only the difference between the numbers.
 - o This was done purposefully because it seemed to be confusing to committee members when presented the first time. Councilmember Rosengarten says she prefers the format that was presented to council so it will continue to be presented in that manner.
- This is probably a typo - it should probably say 414,429.22
 - o Yes, it was a typo.
- There was no constant fluctuation of the numbers, documents presented to us were generally clear, accurate, and complete, there were no known significant violations of our financial policies, and no enormous deviations from our budget that required massive amendments with significant moneys already spent before the amendment.
 - o Accounting is not a flat, consistent number. Invoices are entered, journal entries are booked, revenue is added, etc. OpenGov show the data in real time. It shows each time I enter a journal entry or run checks for accounts payable. The numbers will continue to change due to the constant inflow and outflow.

- Three years ago, under a different city administration, we had a clear process that worked. It wasn't perfect, the old-fashioned paper-based system could be awkward, and there was the occasional typo, but overall it worked and worked well.
 - o Council has directed that the accounting department and Budget & Finance Committee use OpenGov. The reason why accounting prefers OpenGov to paper is for the same reason stated in the bullet above. It shows the numbers in real time. The only way those numbers change is if the accounting department enters an entry into our accounting software. On paper, it is easy to change a number here, move some numbers there, etc. It has no accountability and the numbers can easily be manipulated. That is not possible with OpenGov, which is why it is preferred by both Council and staff.

Clarification on Comments from 1/4/22 Council Meeting

- Lack of accuracy and clarity in the current state of the budget process. While the City has adequate financial policies, the implementation of these policies was not adequate in this budget adjustment
 - o Going back through the last 7 years of history, there was at least two budget adjustments each year approved by council. “Because it’s always been done that way” isn’t a good answer to the question though, and we understand that. As the prior chair Michael Francis pointed out, they have historically been approved after the fact. Sylvia and I have started implementing a few new policies that will ensure budget amendments are kept to a minimum, and that is using the existing tools available to us in MIP, the City’s accounting software, namely the PO process. However, with that said- there will always still be some items that were unexpected and go over budget such as accidents or increases in premiums mid-year. We hope to address these items when we discuss the policy during the year.
- “Wiggle room” because not all of the expenses were in yet
 - o Budgeting is not an exact science. At the time the budget adjustment was first presented, not all invoices for FY21 had been turned into the city yet. There was an estimated amount of budget reserved for those items. This is a normal method to account for unknown budgetary items.
- this revised amendment is substantially different.
 - o It was brought to the Committee’s attention that the budget adjustment they were seeing was not complete, but Council had requested it before FY21 was closed. By the time it got to council, the rest of the numbers had come in so the “wiggle room” mentioned above could be removed and actual numbers used instead. That is the difference in the two adjustments.
- In any good financial accounting system, every number should be justified and every change should be explained and accounted for.
 - o Every number *is* justified and accounted for. This is why the annual external audit occurs. The auditors ensure that the numbers have been entered correctly according to GAAP (Generally Accepted Accounting Principles) and have adequate documentation. At the end of every year, in every accounting and budgeting public agency, there will always be journal entries to correct prior entries, for things like a refund or missed invoice. The Auditors ensure these items are correctly accounted for, and again, the numbers may change. The Council’s adoption of the audit is when any and all numbers are finally permanent.
- Budgeted and actual numbers for the items that are supposedly under budget have been removed, leaving only the difference between the numbers.
 - o This was done purposefully because it seemed to be confusing to committee members when presented the first time. Councilmember Rosengarten says she prefers the format that was presented to council so it will continue to be presented in that manner.
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 - o Yes, it was a typo.

- There was no constant fluctuation of the numbers, documents presented to us were generally clear, accurate, and complete, there were no known significant violations of our financial policies, and no enormous deviations from our budget that required massive amendments with significant moneys already spent before the amendment.
 - o Accounting is not a flat, consistent number. Invoices are entered, journal entries are booked, revenue is added, etc. OpenGov shows the data in real time. It shows each time I enter a journal entry or run checks for accounts payable. The numbers will continue to change due to the constant inflow and outflow.
 - o OpenGov is a viewer into the City's financial software. It is not the software we are working in. Snapshots of time are taken and presented, but again, journal entries, etc may change the numbers presented. It is not an attempt to hide anything, but rather OpenGov allows the committee members and Council to see every transaction; that was not possible before.
- Three years ago, under a different city administration, we had a clear process that worked. It wasn't perfect, the old-fashioned paper-based system could be awkward, and there was the occasional typo, but overall it worked and worked well.
 - o Council has directed that the accounting department and Budget & Finance Committee use OpenGov. The reason why accounting prefers OpenGov to paper is for the same reason stated in the bullet above. It shows the numbers in real time. The only way those numbers change is if the accounting department enters an entry into our accounting software. On paper, it is easy to change a number here, move some numbers there, etc. It has no accountability and the numbers can easily be manipulated. That is not possible with OpenGov, which is why it is preferred by both Council and staff.

BUDGET AND FINANCE COMMITTEE MEETING DATE: JANUARY 27, 2022



BUDGET AND FINANCE AGENDA ITEM #9

STAFF PREPARER/CONTACT INFORMATION: Suzanna Fleegal, Accounting Manager,
sfleegal@sunsetvalley.org

DESCRIPTION: Discussion of the 2022 meeting calendar and set next meeting date

BACKGROUND: The committee currently meets on the last Thursday of the month. The meeting normally starts at 6:00 P.M. The next meeting date is February 24, 2021. During the budget sessions the committee meets once a week, usually during June and July. There also might be a couple of work sessions if needed.

STAFF RECOMMENDATION: None

SUPPORTING MATERIALS PROVIDED: YES

- FY22 B&F CALENDAR

FINANCIAL PLANNING CALENDAR	2022
May 19, 2022	
Sales Tax Revenue Discussion	
Administration Department	
May 26, 2022	
Police Department & Crime Control District	
June 2, 2022	
Municipal Court	
General Government	
June 9, 2022	
Public Works Department	
June 16, 2022	
Water Department	
Wastewater Department	
June 23, 2022	
Solid Waste Department	
Drainage Department	
June 30, 2022	
Street Tax	
Green Tax	
July 21, 2022	
HOT Fund Proposals*	