

COUNCIL MEETING DATE: AUGUST 3, 2021



CITY COUNCIL AGENDA ITEM #13

STAFF PREPARER/CONTACT INFORMATION: Suzanna Fleegal, City Accountant
sfleegal@sunsetvalley.org

COUNCIL SPONSOR: Council member Rosengarten/Administration

SUBJECT: ADMINISTRATION – AUDIT PRESENTATION

DESCRIPTION: Consider and act on approval of an Ordinance amending the FY 2020-2021 Budget

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 current actual budget has surplus revenues of \$2M. ([See report here](#)) The amounts necessary would be adjusted from any existing savings and also from this amount. (Attachment A) for a total amendment requested of \$171,643.

Budget & Finance Committee reviewed and recommended it to City Council for approval on 7/8/21. The committee approved everything except for the IT adjustment shown in the backup due to wanting to compare costs of purchasing vs leasing.

Among the items under consideration this year include some of the larger items include:

- Equipment Repair/Replacement
 - IT services are in competition with all other equipment. 75% of employee computers have reached their useful life. (See attached proposal – *Attachment B*)
 - The [link here](#) shows the Budget to Actual costs for IT Services. The Transaction tab shows the transfers from Equipment Repair and Replacement and associated journal entries each year.
- Engineering Services
 - Engineering design fees – Assumption that this would be assessed per project and not to a generic code was in error. While there will be some adjustments to projects as is customary at the end of each year, much of the year has been spent in preparation for capital and other projects. (See prior year history – *Attachment C*)
 - Engineering plan review – This amount will be adjusted at the end of the year and allocated to City projects and other private commercial projects which have required 3rd party services.
- Emergency Items
 - Related to the winter storm. Potential for federal reimbursement.
- Overtime
 - Related to staffing shortages and the winter storm. The portion related to the winter storm has the potential for federal reimbursement.

Summary				
Area	Amendment	Existing Budget Savings	Total Amendment Required	Source of Funds
Salaries	\$ 64,508	\$ 85,000	\$ (20,492)	General Fund
Community Programs	\$ 3,183		\$ 3,183	Not Budgeted
Emergency	\$ 30,000		\$ 30,000	Not Budgeted
Engineering	\$ 125,407	\$ 40,000	\$ 85,407	Unused project fund in the Utility Fund -The majority of CIP projects are related to utilities
Equipment Repair & Maintenance	\$ 47,785		\$ 47,785	Transfer from Equipment Repair and Replacement
Operating	\$ 25,760		\$ 25,760	General Fund
	\$ 296,643	\$ 125,000	\$ 171,643	

APPLICABLE CODE SECTIONS: The City of Sunset Valley Financial Policies

FUNDING: N/A

STAFF RECOMMENDATION: Approve

SUPPORTING MATERIALS PROVIDED:

- BUDGET AMENDMENT SPREADSHEET – ATTACHMENT A
- COMPUTER REPLACEMENT – ATTACHMENT B
- ENGINEERING HISTORY – ATTACHMENT C
- DRAFT BUDGET AMENDMENT ORDINANCE

Attachment A - Proposed Budget Amendments

GL	Description	Current Budget	Current Actuals	Base Budget Amendment Requested	Additional Projected Needs	Suggested Ending Budget	Notes
Salaries & Benefits							
5000	Salaries	\$ 1,777,286	\$ 1,025,219	\$ -	\$ -	\$ 1,777,286	Consolidation of all salaries nested under one GL code. Total amount not changing.
5046	Longevity	\$ 6,560	\$ 7,348	\$ 788	\$ -	\$ 7,348	Error in projection. This number should go down next year as long term staff have retired or are no longer with the City.
5090	Overtime	\$ 32,879	\$ 69,208	\$ 36,329	\$ 10,792	\$ 80,000	Combination of winter storm; short staffed in PD and PW previously.
5093	Holiday	\$ 25,000	\$ 36,599	\$ 11,599	\$ 5,000	\$ 41,599	Due to the winter storm occurring on president's day and longer than normal shifts for employees who worked
	Subtotal	\$ 1,841,725	\$ 1,138,374	\$ 48,716	\$ 15,792	\$ 1,906,233	
Community Programs							
5400	Adopt a Tree	\$ -	\$ 2,883	\$ 2,883	\$ -	\$ 2,883	An additional Adopt a Tree that was not budgeted due to storm.
5437	Community Garden	\$ 700	\$ 702	\$ 2	\$ 298	\$ 1,000	Additional support to clear the garden after storm
	Subtotal	\$ 700	\$ 3,585	\$ 2,885	\$ 298	\$ 3,883	
Emergency Operations							
5326	Emergency Fund	\$ -	\$ 26,128	\$ 26,128	\$ 3,872	\$ 30,000	An unfunded account due to storm.
	Subtotal	\$ -	\$ 26,128	\$ 26,128	\$ 3,872	\$ 30,000	
Engineering							
5327	Engineer Design Fees	\$ 500	\$ 8,602	\$ 8,102	\$ 5,000	\$ 8,602	Task Order 1 - Engineer Design Fees
		\$ -	\$ 42,271	\$ 42,271	\$ 7,729	\$ 50,000	Task Order 6 - Capital Improvement Plan
		\$ -	\$ 2,713	\$ 2,500	\$ -	\$ 5,213	Task Order 8 - CRS Certification -Floodplain
5330	Engineer Review & Inspection Fees	\$ 11,250	\$ 40,510	\$ 29,260	\$ 7,500	\$ 48,010	Task Order 2 - A good portion of this amount will be assessed to projects such as the Barn, 4715, etc.
7184	Sunset Trail	\$ 15,000	\$ 35,122	\$ 20,122	\$ -	\$ 35,122	Task Order 3 - Jones Rd and Sunset Trail -This is the Sunset segment
5696	City Infrastructure	\$ -	\$ 3,210	\$ 3,210	\$ 2,000	\$ 5,210	Task Order 5 - City Pond
	Subtotal	\$ 26,750	\$ 132,428	\$ 105,465	\$ 22,229	\$ 152,157	
Equipment Repair/Maintenance							
5560	Computer Equip/Software Acquisition	\$ -	\$ 5,862	\$ 5,862	\$ -	\$ 5,862	Computers are lumped into an overall equipment repair and replacement and are up against items such as air conditioning units, and other heavy equipment needing replacement. 75% of the computers used by staff have reached the end of their useful life and continue to cause issues. This is a proposal to begin a new category for IT related equipment (computers, servers, etc.) and to also begin a new IT Repair and Replacement line item. Committee and Council requested this item be further investigated to compare lease versus purchase. Amounts included here are for emergency replacement of 2 PD computers and a small contingency for others needing to be replaced in the event of an emergency.
5625	Equipment Acquisition	\$ -	\$ 26,975	\$ 26,975	\$ -	\$ 26,975	Purchased with repair and replacements funds for computers and equipment that was due for replacement.
5740	Repair and Maintenance Buildings	\$ 10,500	\$ 8,551	\$ 0	\$ 10,345	\$ 20,845	Emergency repairs related to the storm. This will be moved from reserve in this account
5758	Repair and Maintenance System	\$ 30,000	\$ 34,603	\$ 4,603	\$ -	\$ 34,603	Over due to extra testing from winter storm and costs charged from temporary help
	Subtotal	\$ 40,500	\$ 75,991	\$ 37,440	\$ 10,345	\$ 88,285	

Operating							
5656	Insurance- Liability	\$ 8,100	\$ 8,730	\$ 630		\$ 8,730	A few claims which have deductibles associated with them include the wall and some items in City Hall that were damaged in the freeze.
5706	Postage	\$ 3,000	\$ 3,889	\$ 889	\$ 1,111	\$ 5,000	Higher than average postage usage- mostly mailing W9s and 1099s
5782	Software Maintenance Fees	\$ 79,848	\$ 74,689	\$ -	\$ 20,000	\$ 99,848	A consistently underbudgeted line item due to an "a la cart" contract which is difficult to hold down costs. A new RFQ for IT services will be issued ASAP. This also includes the new website from Granicus and ESRI Software approved by Council in April for \$32,116.
5825	Training & Supplies City Council	\$ 1,000	\$ 1,727	\$ 1,727	\$ 273	\$ 2,000	Newly elected official training (\$1090 on it's own) set amount over budget
5601	Organizational Memberships	\$ 1,000	\$ 2,432	\$ 1,432	\$ 568	\$ 3,000	Large amounts due mostly to CAMPO and SAM Directory
5650	Hazardous Material Disposal	\$ 350	\$ 411	\$ 39		\$ 450	More HM disposal than anticipated
5200	Temporary Help	\$ 300	\$ 301	\$ 1		\$ 301	Went over \$1
5332	Planning Services	\$ -	\$ 29	\$ 29		\$ 29	Spent on copies of deeds
	Subtotal	\$ 93,598	\$ 92,208	\$ 4,747	\$ 21,952	\$ 119,358	
	Total	\$ 2,003,273	\$ 1,468,714	\$ 225,381	\$ 74,488	\$ 2,299,916	
	Amendment Required	\$ 296,643					
Summary							
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Engineering	\$ 125,407	\$ 40,000	\$ 85,407	Unused project fund in the Utility Fund -The majority of CIP projects are related to utilities			
Equipment Repair & Maintenance	\$ 47,785		\$ 47,785	Transfer from Equipment Repair and Replacement			
Operating	\$ 25,760		\$ 25,760	General Fund			
	\$ 296,643	\$ 125,000	\$ 171,643				

Attachment B - Computer Replacement - IT Services

City Of Sunset Valley - Budget 2021 - 22

Last Updated: 7/6/2021 11:17

FY: 10/1 - 9/30

What	Inventory Info	Why / Notes	NOTES from budget meetings	Estimated Labor Hrs	Estimated Labor Cost	Estimated HW Cost	Estimated Svc or SW Cost	Estimated TOTAL
REPAIR/REPLACE					105.00			\$77,521.86
Windows 7 to 10 Upgrades	Admin	Windows 7 EOL January 2020	3 desktops for users / Monitors	17.00	\$1,785.00	\$10,782.92		\$12,567.92
Windows 7 to 10 Upgrades	PD	Compliance / EOL	5 MDC's with Docks	56.00	\$5,880.00	\$24,415.00		\$30,295.00
Existing PC Memory Upgrades	Overflow	Use existing inventory for best use case	Upgrade 7 AIO Desktops	14.00	\$1,470.00	\$788.94		\$2,258.94
					\$0.00			\$0.00
Replace Server Hardware 2021/2022				80.00	\$8,400.00	\$24,000.00		\$32,400.00
					\$0.00			\$0.00
LICENSING & WARRANTY RENEWAL								\$2,600.00
Skykick Cloud Backup	1 year renewal	Expires 1/12/22			\$0.00		\$1,800.00	\$1,800.00
SonicWALL: TZ 400 Wireless & Support	18B1695C5680	Expires 7/31/22			\$0.00		\$800.00	\$800.00
					\$0.00			\$0.00
					\$0.00			\$0.00
					\$0.00			\$0.00
					\$0.00			\$0.00
					\$0.00			\$0.00
UNIVISTA CONTRACT SERVICES								\$8,400.00
Current Core Monthly Agreement		\$2818/mo	\$33,816.00					
ESTIMATED Billable Hourly Services				80.00	\$8,400.00			\$8,400.00
OPTIONAL SPECIAL PROJECTS				UniVista Hrs	UniVista Cost	Setup Fee	Annual Cost	\$0.00
Comprehensive Monthly Agreement	7 servers, 42 Desktops	\$3520/mo	All inclusive comprehensive		\$0.00		\$42,240.00	\$42,240.00
							See Note Below	
TOTAL without Optional Projects =				247	\$25,935.00	\$59,986.86	\$2,600.00	\$88,521.86
TOTAL of Optional Projects =				0	\$0.00	\$0.00	\$42,240.00	\$42,240.00
TOTAL WITH OPTIONAL PROJECTS =				247	\$25,935.00	\$59,986.86	\$44,840.00	\$130,761.86

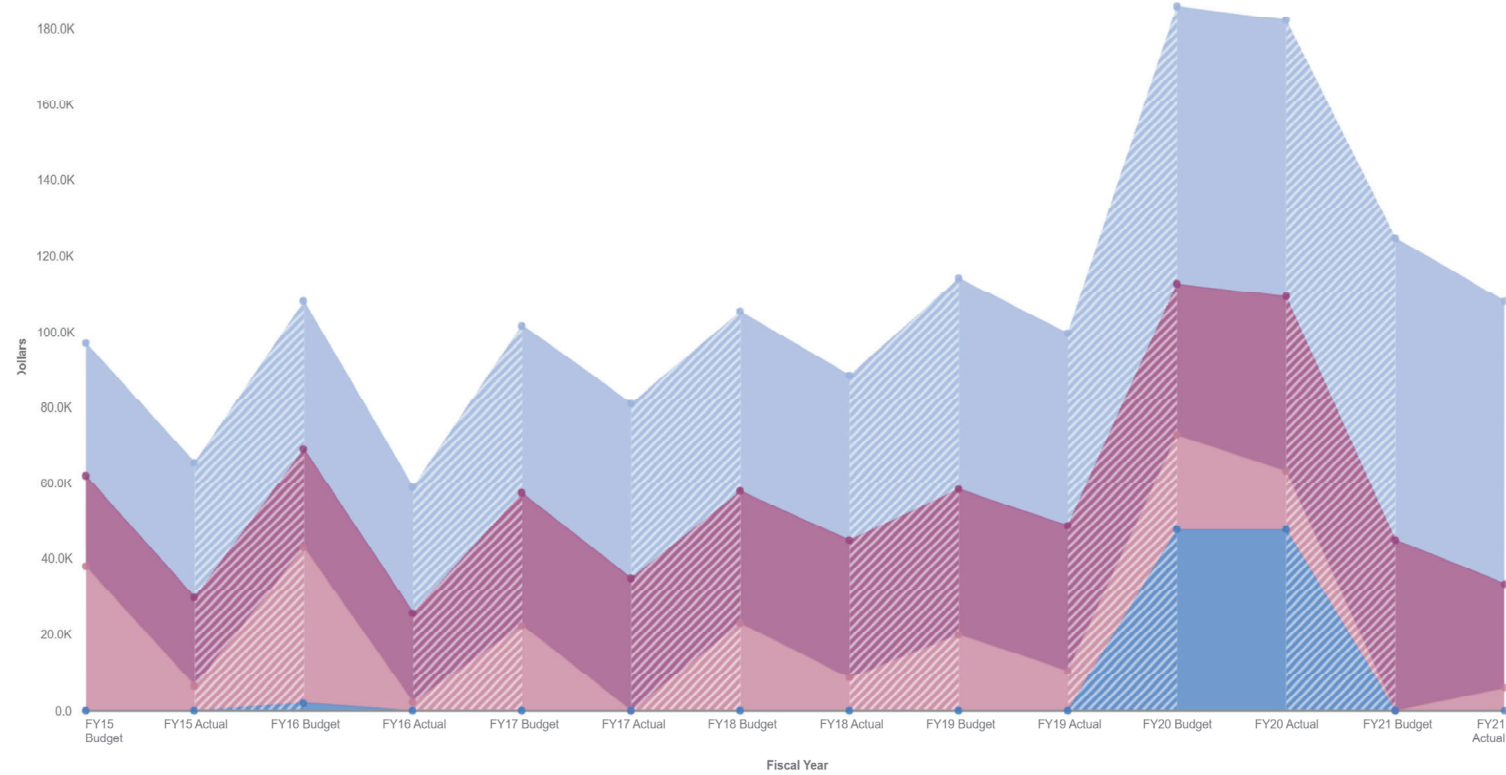
Univista Contract is due for RFP. The Core Monthly Agreement is exceeded each year due to an "a la carte" service that is embedded into the existing contract. The \$42,240 is Univista's proposal to remain the SV vendor. SV Financial Policy Requires we solicit vendors every 3 years. Staff recommended every 5 years. In any event, the contract is due for rebid

Attachment A1

Budget Vs Actuals Last 5 Years

IT Services and Associated Costs

Visualization



Sort Large to Small

- (5782) Software Maintenance Fees
- (5343) IT Management Services
- (5560) Computer Equip/Software Acquisition
- (5780) Software Acquisition

	FY15 Budget	FY15 Actual	FY16 Budget	FY16 Actual	FY17 Budget	FY17 Actual	FY18 Budget	FY18 Actual	FY19 Budget	FY19 Actual	FY20 Budget	FY20 Actual	FY21 Budget	FY21 Actual
(5782) Software Maintenance Fees	\$ 35,040	\$ 35,592	\$ 39,091	\$ 33,155	\$ 44,372	\$ 46,326	\$ 47,492	\$ 43,532	\$ 55,741	\$ 50,818	\$ 73,381	\$ 73,146	\$ 79,848	\$ 74,689
(5343) IT Management Services	24,000	23,329	26,000	23,592	35,000	34,836	35,000	36,413	38,500	38,454	40,000	46,172	45,050	27,503
(5560) Computer Equip/Software Acquisition	38,118	6,535	41,089	2,257	22,489	0	23,000	8,584	20,010	10,446	25,010	15,406	0	5,916
(5780) Software Acquisition	0	0	2,000	0	0	0	0	0	0	0	47,778	47,778	0	0
Total	\$ 97,158	\$ 65,456	\$ 108,180	\$ 59,004	\$ 101,861	\$ 81,162	\$ 105,492	\$ 88,529	\$ 114,251	\$ 99,718	\$ 186,169	\$ 182,502	\$ 124,898	\$ 108,198

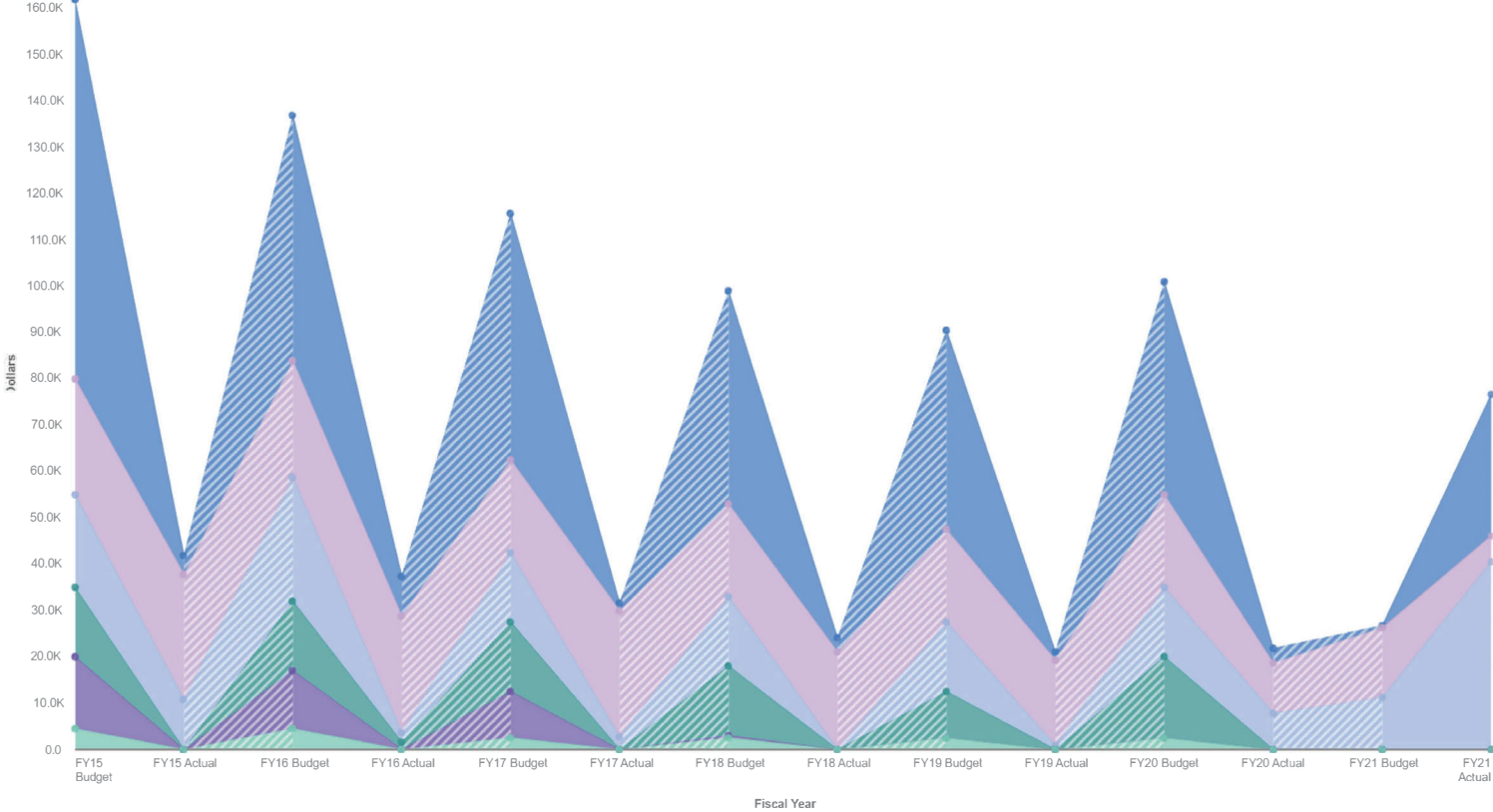
Data filtered by Expenses, All Funds, All Departments and exported on July 6, 2021. Created with OpenGov

Attachment B - Engineering Costs

Budget Vs Actuals Last 5 Years

Engineering Expenses since FY 15

Visualization



Sort Large to Small

- (5327) Engineer - Design Fees
- (5312) Building Inspections/Structural Engineer
- (5330) Engineer - Review & Inspection Fees
- (5325) Construction Management Services
- (7156) Land Development Revisions
- (5379) Traffic Consultant

	FY15 Budget	FY15 Actual	FY16 Budget	FY16 Actual	FY17 Budget	FY17 Actual	FY18 Budget	FY18 Actual	FY19 Budget	FY19 Actual	FY20 Budget	FY20 Actual	FY21 Budget	FY21 Actual
(5327) Engineer - Design Fees	\$ 81,934	\$ 4,085	\$ 53,000	\$ 8,608	\$ 53,225	\$ 1,683	\$ 46,000	\$ 3,044	\$ 43,000	\$ 1,798	\$ 46,000	\$ 3,205	\$ 500	\$ 30,573
(5312) Building Inspections/Structural Engineer	25,000	27,020	25,137	25,137	20,000	27,247	20,000	21,051	20,000	18,388	20,000	10,816	15,000	5,585
(5330) Engineer - Review & Inspection Fees	20,000	10,761	26,767	2,056	15,000	2,680	15,000	0	15,000	900	15,000	7,818	11,250	40,510
(5325) Construction Management Services	15,000	0	15,000	1,560	15,000	0	15,000	0	10,000	0	17,500	0	0	0
(7156) Land Development Revisions	15,500	0	12,500	32	10,000	0	500	0	0	0	0	0	0	0
(5379) Traffic Consultant	4,500	0	4,500	0	2,500	0	2,500	0	2,500	0	2,500	0	0	0
Total	\$ 161,934	\$ 41,866	\$ 136,904	\$ 37,393	\$ 115,725	\$ 31,610	\$ 99,000	\$ 24,095	\$ 90,500	\$ 21,086	\$ 101,000	\$ 21,839	\$ 26,750	\$ 76,668

Data filtered by Expenses, All Funds, All Departments and exported on June 30, 2021. Created with OpenGov

Actual amounts vary greatly due to adjusting entries at year end assigning to a project OR by the auditor at year end

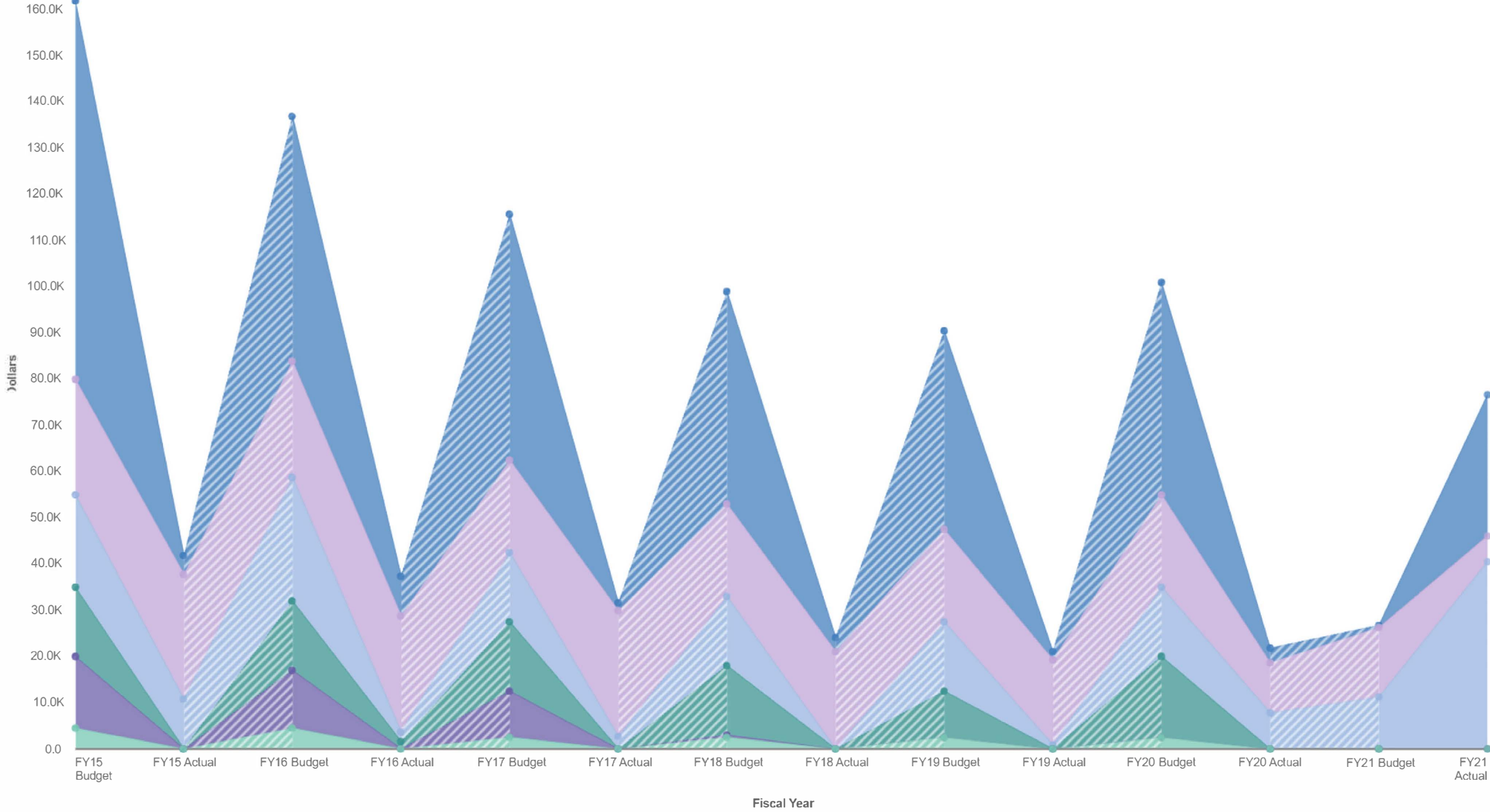
Attachment C - Historical Engineering Costs

Budget Vs Actuals Last 5 Years

Engineering Expenses since FY 15



Visualization



Sort Large to Small

- (5327) Engineer - Design Fees
- (5312) Building Inspections/Structural Engineer
- (5330) Engineer - Review & Inspection Fees
- (5325) Construction Management Services
- (7156) Land Development Revisions
- (5379) Traffic Consultant

	FY15 Budget	FY15 Actual	FY16 Budget	FY16 Actual	FY17 Budget	FY17 Actual	FY18 Budget	FY18 Actual	FY19 Budget	FY19 Actual	FY20 Budget	FY20 Actual	FY21 Budget	FY21 Actual
(5327) Engineer - Design Fees	\$ 81,934	\$ 4,085	\$ 53,000	\$ 8,608	\$ 53,225	\$ 1,683	\$ 46,000	\$ 3,044	\$ 43,000	\$ 1,798	\$ 46,000	\$ 3,205	\$ 500	\$ 30,573
(5312) Building Inspections/Structural Engineer	25,000	27,020	25,137	25,137	20,000	27,247	20,000	21,051	20,000	18,388	20,000	10,816	15,000	5,585
(5330) Engineer - Review & Inspection Fees	20,000	10,761	26,767	2,056	15,000	2,680	15,000	0	15,000	900	15,000	7,818	11,250	40,510
(5325) Construction Management Services	15,000	0	15,000	1,560	15,000	0	15,000	0	10,000	0	17,500	0	0	0
(7156) Land Development Revisions	15,500	0	12,500	32	10,000	0	500	0	0	0	0	0	0	0
(5379) Traffic Consultant	4,500	0	4,500	0	2,500	0	2,500	0	2,500	0	2,500	0	0	0
Total	\$ 161,934	\$ 41,866	\$ 136,904	\$ 37,393	\$ 115,725	\$ 31,610	\$ 99,000	\$ 24,095	\$ 90,500	\$ 21,086	\$ 101,000	\$ 21,839	\$ 26,750	\$ 76,668

Data filtered by Expenses, All Funds, All Departments and exported on June 30, 2021. Created with OpenGov

Actual amounts vary greatly due to adjusting entries at year end assigning to a project OR by the auditor at year end



ORDINANCE NO. 210803

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 FUND ADMINISTRATION, MUNICIPAL COURT, PUBLIC WORKS, AND THE POLICE DEPARTMENTS, THE UTILITY FUND WATER, WASTEWATER, AND SOLID WASTE DEPARTMENTS, THE DRAINAGE UTILITY, STREET REPAIR AND MAINTENANCE, CITY FACILITIES, AND THE VENUE TAX.

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:

- 1) 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 Amendments, 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 3rd DAY OF AUGUST 2021.

Marc Bruner
Mayor

ATTEST:

Matt Lingafelter, City Secretary