

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 04/23/24M&C FILE NUMBER: M&C 24-0326

LOG NAME: 17PID07 MIDYEAR FY24

SUBJECT

(CD 4 and CD 10) Adopt Ordinance Amending the Fiscal Year 2023-2024 Budget and Five-Year Service Plan for Public Improvement District 7 – Heritage and Adopt Appropriation Ordinances

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached ordinance amending the Fiscal Year 2023-2024 Budget and Five-Year Service Plan for Public Improvement District 7 – Heritage to reflect amendments associated with a mid-year review and direct the City Secretary to record the same in the real property records of Tarrant County, Texas no later than the seventh (7th) day after adoption by the City Council;
2. Adopt the attached appropriation ordinance adjusting appropriations in the Fort Worth Public Improvement District 7 - Heritage Fund in the amount of \$15,296.00, transferred from available funds from the Park and Recreation Department General Fund, for purpose of funding Payment In-Lieu of Services; and
3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Fort Worth Public Improvement District 7 - Heritage Fund 1) in the amount of \$133,968.00, in Fiscal Year 2023-2024, from available, unreserved fund balance, and 2) in the amount of \$1,757.00, transferred from the General Fund for the Economic Development Department, for purpose of funding Payment In-Lieu of Assessments.

DISCUSSION:

The City of Fort Worth's Department of Economic Development administers the City's Public Improvement Districts (PIDs). The City's PID Policy outlines the need to proactively work with the City's PID management companies to oversee the services being provided within each of the PIDs. PID 7 – Heritage (Heritage PID) is managed by FirstService Residential Texas PID, LLC (FirstService).

On September 12, 2023, City Council adopted Ordinance No. 26427-09-2023, approving the Fiscal Year (FY) 2023-2024 Budget, Five-Year Service Plan, Assessment Plan, and Tax Year 2023 Assessment Roll for the Heritage PID. After conducting a mid-year review of the Heritage PID's budget, City staff and FirstService have identified the need to increase Heritage PID's budget by \$151,021.00 to account for 1) \$15,296.00 of additional payment in-lieu of services 2) \$1,757.00 of additional City payment in-lieu of assessments, and 3) \$133,968.00 use of fund balance. Expenditure adjustments can be primarily attributable to increases in landscaping, common area maintenance, and prior year budget adjustments. These projects encompass irrigation repairs and creek and lake cleanout. Decreases in utilities, capital improvements, and City administrative fees are also part of the adjustments, primarily resulting from reallocation to accommodate increased expenditures and rectify prior year administrative fees.

Two line items listed on the Five-Year Service Plan require a transfer of City funds: (1) the City Payment In-Lieu of Services and (2) the City of Fort Worth Assessment. The City's Payment In-Lieu of Services is a supplement to the Heritage PID budget and intended to provide for the standard level of improvements and services as comparable to what would be provided by the City for the taxpayers generally. The City of Fort Worth Assessment is an allocation to the PID budget for assessments the City would pay on City-owned properties in the Heritage PID, if the City was not a tax-exempt entity.

Revenue Adjustments:

Line Items to be Adjusted	Previously Approved FY24 Budget Item	Recommended Mid-Year Adjustment	Amended FY24 Budget Item
PID Assessments	\$2,020,700.00	\$0.00	\$2,020,700.00
COFW Payment in lieu of Services	\$191,096.00	\$15,296.00	\$206,392.00

COFW Assessment	\$16,716.00	\$1,757.00	\$18,473.00
Use of Fund Balance	\$64,950.00	\$133,968.00	\$198,918.00
Totals	\$2,293,462.00	\$151,021.00	\$2,444,483.00

Expenditure Adjustments:

Lines Items to be Adjusted	Previously Approved FY24 Budget Item	Recommended Mid-Year Adjustment	Amended FY24 Budget Item
Prior Year Adjustment	\$0.00	\$101,072.00	\$101,072.00
Utilities	\$283,915.00	(\$17,000.00)	\$266,915.00
Landscaping	\$1,067,329.00	\$167,079.00	\$1,234,408.00
Common Area Maintenance	\$155,000.00	\$91,500.00	\$246,500.00
City Admin Fee	\$45,869.00	(\$1,299.00)	\$44,570.00
Capital Improvements	\$243,331.00	(\$190,331.00)	\$53,000.00
Totals	\$1,795,444.00	\$151,021.00	\$1,946,465.00

All other previously approved line items not mentioned above remain the same.

Upon approval of the above recommendations, the total budgeted expenses for FY 2023-2024 will be \$2,444,483.00. This mid-year budget adjustment will decrease the unaudited, unassigned fund balance by a total of \$133,968.00. The revised Budget and Five-Year Service Plan will take effect upon approval by City Council. The City and FirstService will amend the existing management contract to reflect the mid-year adjustments (City Secretary Contract No. 60311).

Funding is available for appropriation in the fund balance of the FWPID#7 - Heritage Fund. The beginning balance is \$1,815,888.07, after this M&C, available balance will be \$1,681,920.07.

The Heritage PID is located in COUNCIL DISTRICTS 4 & 10.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the current operating budget, as appropriated, in the FWPID #7 - Heritage Fund. Prior to any expenditure being incurred, the Economic Development Department has the responsibility to validate the availability of funds.

Submitted for City Manager's Office by: William Johnson 5806

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Expedited