

Mayor and Council Communication

DATE: 05/05/20

M&C FILE NUMBER: M&C 20-0278

LOG NAME: 13PID7 MIDYEARFY20

SUBJECT

Adopt Resolution Amending the Fiscal Year 2019-2020 Budget and Five-Year Service Plan for Public Improvement District 7 - Heritage and Adopt Appropriation Ordinance (COUNCIL DISTRICTS 4 & 7)

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached resolution approving the revised Fiscal Year 2019-2020 Budget and Five-Year Service Plan for Public Improvement District 7 – Heritage to reflect amendments associated with a mid-year review; and
2. Adopt the attached appropriation ordinance adjusting receipts and appropriations in the Fort Worth Public Improvement District 7 - Heritage Fund by decreasing receipts and appropriations in the amount of \$204,304.00 in Fiscal Year 2019-2020, and increasing the available, unreserved fund balance.

DISCUSSION:

The City of Fort Worth Department of Financial Management Services administers the City's Public Improvement Districts (PIDs), in accordance with Chapter 372 of the Texas Local Government Code. The City's PID Policy outlines the need to proactively work with the PID managers to oversee the services being provided by the PIDs and their associated financial positions. Staff, along with the contracted PID management companies, have conducted mid-year reviews of the Public Improvement District 7 - Heritage (Heritage PID) Annual Budget (Budget) and recommend the following adjustments.

The City contracts with FirstService Residential Texas PID, LLC (FirstService) to manage the Heritage PID. FirstService has identified the need to decrease the Heritage PID Budget by the use of fund balance in the amount of \$204,304.00, in order to align expenses with actual activities in the Budget and Five-Year Service Plan. The expense decrease can be attributed primarily to planned activities being postponed, reduced, or interrupted by COVID-19. The proposed decrease in use of fund balance for Heritage PID will increase reserves in the fund balance.

Revenue Adjustments:

Line Items to be Adjusted	Previously Approved FY20 Budget Item	Recommended Mid-Year Adjustment	Amended FY20 Budget Item
PID Assessments	\$1,790,204.00	-	\$1,790,204.00
COFW Payment in lieu of Services	\$191,096.00	-	\$191,096.00
Use of Fund Balance	\$343,244.00	\$(204,304.00)	\$138,940.00
Total Budget Revenue	\$2,324,544.00	\$(204,304.00)	\$2,120,240.00

Expenditure Adjustments:

Line Items to be Adjusted	Previously Approved FY20 Budget Item	Recommended Mid-Year Adjustment	Amended FY20 Budget Item
Landscaping/Tree Maintenance	\$1,166,551.00	\$(38,657.00)	\$1,127,894.00
Common Area Maintenance	\$316,323.00	\$(94,789.00)	\$221,534.00
Holiday Lighting	\$28,500.00	\$3,000.00	\$31,500.00

Line Items to be Adjusted	Previously Approved FY20 Budget Item	Recommended Mid-Year Adjustment	Amended FY20 Budget Item
Security Enhancements	\$85,000.00	\$(6,250.00)	\$78,750.00
Advertising	\$35,000.00	\$(34,000.00)	\$1,000.00
Public Events	\$85,000.00	\$(50,000.00)	\$35,000.00
Capital Improvements	\$200,000.00	\$6,392.00	\$206,392.00
Annual Review	-	\$10,000.00	\$10,000.00
Totals	\$1,916,374.00	\$(204,304.00)	\$1,712,070.00

Staff supports FirstService's recommended mid-year budget adjustments. All other previously approved line items not mentioned above remain the same. Upon approval of the above recommendations, the total budgeted expenses for Fiscal Year 2019-2020 will be \$2,120,240.00. This mid-year budget adjustment will increase the unaudited, unassigned fund balance by a total of \$204,304.00. 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 adjustment (City Secretary Contract No. 52905). The proposed changes to the Heritage PID Budget maintains compliance with reserve requirements

The Heritage PID is located in COUNCIL DISTRICTS 4 & 7.

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 ordinance, funds will be available in the current operating budget , as appropriated of the FWPID #7-Heritage Fund. Prior to any expenditure being incurred, the Financial Management Services Department has the responsibility to validate the availability of funds.

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