

Mayor and Council Communication

DATE: 04/06/21

M&C FILE NUMBER: M&C 21-0224

LOG NAME: 17PID6 MIDYEARFY21

SUBJECT

(CD 4) Adopt Attached Resolution Amending the Fiscal Year 2020-2021 Budget and Five-Year Service Plan for Public Improvement District 6 - Park Glen and Adopt Attached Appropriation Ordinance

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached resolution approving the revised Fiscal Year 2020-2021 Budget and Five-Year Service Plan for Public Improvement District 6 – Park Glen to reflect amendments associated with a mid-year review; and
2. Adopt the attached appropriation ordinance increasing receipts and appropriations in the Fort Worth Public Improvement District 6 – Park Glen Fund in the amount of \$111,941.00 in Fiscal Year 2020-2021, from available, unreserved fund balance.

DISCUSSION:

The City of Fort Worth Department of Economic Development administers the City's Public Improvement Districts (PIDs) in accordance with Chapter 372 of the Texas Local Government Code. The City's Operating 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 6 - Park Glen (Park Glen PID) Annual Budget (Budget) and recommend the following adjustments.

The City contracts with FirstService Residential Texas PID, LLC (FirstService) to manage the Park Glen PID. FirstService has identified the need to increase the Park Glen PID Budget by the use of fund balance in the amount of \$111,941.00, in order to align expenses with actual activities in the Budget and Five-Year Service Plan. The expense increase can be attributed primarily to increases to common area maintenance line item to assist with wall maintenance and repair, and the removal of additional insurance line item. Removal of the insurance line item does not relieve FirstService from acquiring insurance in the types and amounts required under the contract. All such insurance costs are built into the current management fee.

Revenue adjustments:

| Line Items to be Adjusted | Previously Approved FY21 Budget Item | Recommended Mid-Year Adjustment | Amended FY21 Budget Item |
|----------------------------------|--------------------------------------|---------------------------------|--------------------------|
| PID Assessments | \$1,614,679.00 | \$0.00 | \$1,614,679.00 |
| COFW Payment in lieu of Services | \$199,556.00 | \$0.00 | \$199,566.00 |
| Use of Fund Balance | \$0.00 | \$111,941.00 | \$111,941.00 |
| Totals | \$1,814,235.00 | \$111,941.00 | \$1,926,176.00 |

Expenditure adjustments:

| Line Items to be Adjusted | Previously Approved FY21 Budget Item | Recommended Mid-Year Adjustment | Amended FY21 Budget Item |
|---------------------------|--------------------------------------|---------------------------------|--------------------------|
| Common Area Maintenance | \$213,295.00 | \$148,339.00 | \$361,634.00 |
| Insurance | \$36,398.00 | (\$36,398.00) | \$0.00 |
| Totals | \$249,693.00 | \$111,941.00 | \$361,634.00 |

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 recommendation, the total budgeted expenses for Fiscal Year 2020-2021 will remain at \$1,926,176.00. The revised Budget and Five-Year Service Plan will take effect upon approval by City Council. The City and FirstService will update the exiting contract

to reflect the mid-year adjustment (City Secretary Contract No. 54792).

The Park Glen PID is located in COUNCIL DISTRICT 4.

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, in the FWPID #6 - Park Glen 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: Jay Chapa 5804

Originating Business Unit Head: Robert Sturns 2663

Additional Information Contact: Crystal Hinojosa 7808