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**FY 2021 - 2022  
PROPOSED BUDGET  
UPDATES  
AUGUST 27, 2021**



**BUDGET MESSAGE**  
**BUDGET AT A GLANCE**



The City of Harker Heights  
305 Miller's Crossing  
Harker Heights, Texas 76548  
Phone 254/953-5600  
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August 27, 2021

Mayor  
Spencer H. Smith

Mayor Pro Tem  
Jennifer McCann

City Council  
Michael Blomquist  
Jackeline Soriano Fountain  
Lynda Nash  
Sam Halabi

Dear Mayor and City Council Members:

This Fiscal Year 2022 Budget, which begins on October 1, 2021, and ends on September 30, 2022, is submitted to you in accordance with the City of Harker Heights' Charter and has been filed with the City Secretary. This budget provides the resources needed to maintain a high level of service to citizens and businesses.

The budget is a plan of action that addresses which resources of the City will be used to accomplish objectives that the City Council feels are necessary. It meets the present challenges and helps to accomplish opportunities recognized by the City Council, Staff, and citizens.

Staff began working on the 2022 budget in March with the distribution of request forms for fixed assets, capital improvements, and personnel to all departments. Department Heads were then asked to produce a proposed budget for their departments' operating line items. Department expenditures / expenses were discussed in meetings held with the City Manager, Assistant City Manager, Finance Director, and Department Heads to provide guidance in the preparation of the budget.

Revenues were discussed in separate meetings with the City Manager, Assistant City Manager and Finance Director which included a look at the City's five-year long-range plans. The five-year long-range plans depict projected revenues and expenses for the next five fiscal years and the projected fund balances for the General, Utility, Drainage, and Sanitation Funds. The long-range plan for the Capital Project Fund was also reviewed to ensure that money would be available for the projects planned to continue or begin during the 2022 fiscal year and beyond. The Capital Project long-range plan is also reviewed during the fiscal year in case changes need to be made to funding sources or expenditures for projects.

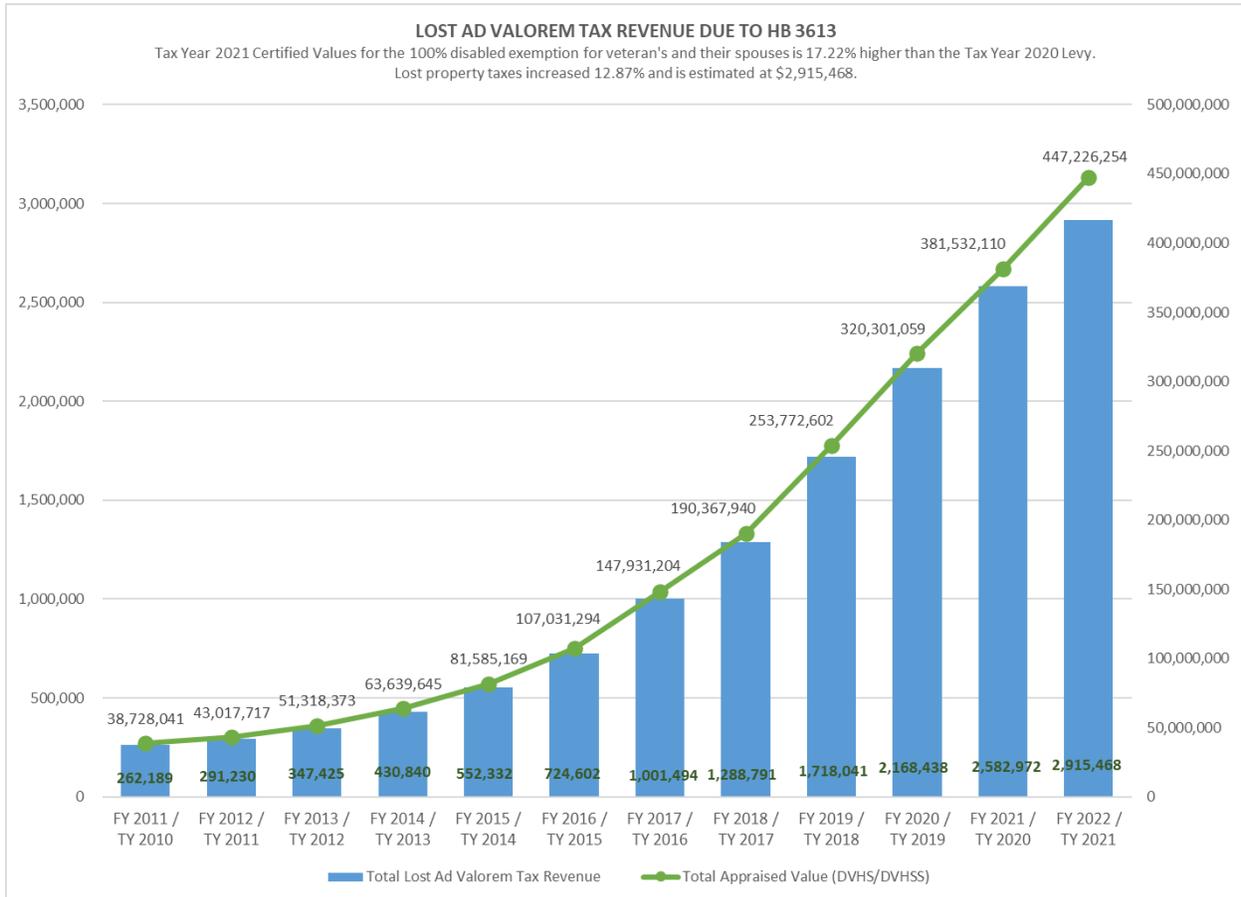
#### **Principal Issues / Challenges**

Following are some of the items that affect planning and impact the budget process:

##### House Bill 3613 and Property Taxes

House Bill 3613 eliminates property taxes for military veterans with a 100% disability rating from the U.S. Department of Veteran's Affairs. (Several years later, another bill was passed extending this exemption to the spouses of 100% disabled military veterans.)

When HB 3613 became effective in Fiscal Year 2010, it initially had a minor effect on property valuations. Over the years, these exemptions have grown with Fort Hood, one of the largest military installations in the world, just a few miles away. Cities that border Fort Hood, such as Killeen and Copperas Cove, get some relief due to a bill passed in 2015 offering disproportionate impact aid. The City of Harker Heights does not receive that impact aid and looks to lose over \$2.9 million from property revenues from 100% disability exemptions alone in the 2022 fiscal year. In FY 2011, the property tax loss from the 100% disability exemption was \$262,189.



City officials have been working with area legislators to tackle this issue. Staff understands that the intent of the legislators was to assist our veterans, however it inadvertently hurts these same veterans, in addition to our other citizens, by limiting the services the City can provide.

**Sales Tax**

During the COVID-19 pandemic, the City was faced with the challenge of projecting future sales tax revenue with many businesses closing for unknown periods of time; some permanently. As the pandemic came to the end, Staff was faced with a new challenge – predicting the growth of revenue, determining where it was coming from, and how long it will last. This is because Harker Heights, as well as surrounding Central Texas cities, saw record breaking sales tax revenue receipts during late Spring and early Summer making predictions for the 2021 fiscal year and 2022 fiscal year more difficult.

Pre-pandemic, the City's challenge was predicting how much sales tax would increase with the growth of new businesses in the area. Another large factor that impacts this line item is the ebb and flow of troop numbers at Fort Hood.

#### Residential and Commercial Growth

Residential and commercial growth have the potential to have a strong impact on our budget by way of building permit revenue as homes and commercial properties are built, additional property tax once those buildings are established, and sales tax as residents in those homes go to the commercial establishments within Harker Heights.

New single-family home construction continues to be strong with 94 permits issued at a reported valuation of \$32,861,256 during the period of October 1, 2020, to July 31, 2021. At the end of fiscal year 2020, there were 105 permits issued with a reported valuation of \$28,425,038.

Two family home dwellings, or duplexes, have become a practical option for many of our residents who are living in the area for a short time or may not be ready to buy a home. Twenty-nine permits were issued for duplexes from October 1, 2020, to July 31, 2021 with a reported valuation of \$7,064,500. During fiscal year 2020, 33 permits were issued with a \$6,352,000 reported valuation.

Residential growth is expected to rise this fiscal year as single-family homes in Cedarbrook Ridge and Stonewall Ridge are built to finish filling in their developing subdivisions. Additionally, a new development, The Village at Nolan Heights, will include 20 lots for duplexes and 130 lots for single family homes.

Seven commercial permits have been issued for an open-air RV resort, a hotel, a 13,000 square foot commercial building and several new commercial business spaces for lease through July 31, 2021, with a reported valuation total of \$9,178,006. Commercial permits during the 2020 fiscal year totaled seven with a reported valuation of \$1,256,750. These commercial permits were issued to a yoga studio, a Jack-in-the-Box and several office buildings.

#### Health Insurance

Health insurance rates nationwide are increasing. Currently, the City of Harker Heights absorbs the cost of employee coverage. Absorbing the cost of health insurance as it continues to rise will become even more challenging once growth within the City stabilizes and revenues become more constant. The City goes out almost every year for Requests for Proposals in hopes to keep rates competitively low as our employees must pay the cost to cover their spouses and children. This year, Staff was able to negotiate with our current health insurance provider as the cost for health care continues to increase. By doing so, the City was able to minimize rate increases while still maintaining the quality healthcare needed to hire and retain quality employees.

#### **Strategic Goals**

The City of Harker Heights has set strategic goals to improve service provision to citizens and businesses of the City. Those goals are as follows:

- (1) Foster the image of Harker Heights as a clean, safe, well-maintained, and progressive City
- (2) Stimulate creation and growth of locally owned businesses
- (3) Enhance and extend infrastructure in anticipation of further planned growth
- (4) Expand street maintenance and sewer rehabilitation projects throughout the City
- (5) Maintain a long-range Capital Improvement Plan
- (6) Maintain a multi-year equipment replacement program

(7) Determine and implement methods to better communicate with citizens

**Planning Processes**

The City’s planning processes assist in ensuring that the strategic goals are met each year. Those processes are described below and matched with their strategic goal:

<b>Planning Process</b>	<b>Description</b>	<b>Purpose</b>	<b>Budget Impact</b>	<b>Strategic Goal #</b>
<b>Long-Range Budget Plans</b>	Current year’s revenue and expenditure or expense projections and future projections.	Facilitates planning for the General, Utility, Drainage and Sanitation Funds.	Guides budget planning to ensure required reserves can be held in the future.	(4) (7)
<b>Capital Improvement Plan</b>	Five-year plan that includes expenditures for projects by type and their funding sources.	Identify and record expenditures and funding sources for capital projects.	Planning device to complete planned and projected projects.	(3) (4) (5)
<b>Parks &amp; Recreation Master Plan</b>	Ten-year master plan for parks and recreation facilities.	Guidelines for future decisions for city-wide parks system; the acquisition/development of park land to meet current and future needs; establishment of priorities; and identify possible funding.	Establishes operating and capital expenses required to maintain new and existing facilities.	(1)
<b>Comprehensive Plan</b>	Presents historical data on population, information on natural resources, and goals and objectives of various City departments.	Framework for obtaining the goals and objectives of the City focusing on Land Use, Urban Design, Stormwater Management, Public Safety and Culture & Recreation.	Reminder of goals and objectives set for the future of the City.	(1) (2) (3) (4)
<b>Water Master Plan</b>	Identifies the needs of the water system.	Recommendations of ways to satisfy the needs specified for the water system.	Planning water improvement projects; used in conjunction with the Capital Improvement Plan.	(3)

<b>Planning Process</b>	<b>Description</b>	<b>Purpose</b>	<b>Budget Impact</b>	<b>Strategic Goal #</b>
<b>Wastewater Master Plan</b>	Identifies the needs of the wastewater system.	Recommendations of ways to satisfy the needs specified for the wastewater system.	Assists in planning wastewater improvement projects; used in conjunction with the Capital Improvement Plan.	(3)
<b>Drainage Master Plan</b>	Identifies the needs of the City's drainage system.	Prioritizes projects and provides a process to improve drainage city-wide.	Assists in planning drainage projects; used in conjunction with the Capital Improvement Plan.	(3)
<b>Sewer Rehabilitation Program</b>	Ten-year plan that includes costs for manhole rehabilitation, line replacement and various other construction costs related to these repairs.	Serves as a guide to rehabilitate the sewer lines within the City.	Used in conjunction with the Capital Improvement Plan.	(3) (4)
<b>Exploring New Heights</b>	Citizen focus group.	Citizen developed goals and objectives in the areas of quality of life, business & economic development, and infrastructure.	Reminder of goals and objectives to accomplish throughout the City.	(2) (7)
<b>Mobility 2030 (Thoroughfare Plan)</b>	Multi-modal update to the thoroughfare plan that includes the street network, sidewalk network, on-street and off-street bicycle network, and mass transit.	Transportation planning document to identify current transportation needs and project future requirements for vehicular and pedestrian mobility within and without the City.	Identified and prioritizes transportation goals and objectives for the current and future needs of the City.	(3)

### **Objectives**

The planning processes above are used in creating short and long-term objectives.

#### Short-Term Objectives

- *Long-Range Budget Plan* – Follow trend of past fiscal years to guide forecasts for future years.
- *Capital Improvement Plan* – Reimplement funding of the multi-year street maintenance program from current non-bond revenues.

- *Parks and Recreation Master Plan* – Continue funding of the multi-year park improvements program from current non-bond revenues.
- *Comprehensive Plan* – Update the Future Land Use Map.
- *Water Master Plan* – Complete planned water projects to improve storage and delivery capabilities.
- *Wastewater Master Plan* – Complete wastewater project to improve flows and treatment.
- *Drainage Master Plan* – The FEMA Phase 2 Study that was completed in September 2014 identified the need to reduce storm water flooding in the north part of the City. Phase 1 of this project has been completed and Phases 2, 3, and 4 are currently being engineered.
- *Sewer Rehabilitation Program* – In Spring 2017, a flow monitoring study in the eighteen wastewater basins was conducted and submitted as a final step in the ten-year Sanitary Sewer Overflow Initiative (“SSI”) Agreement with the Texas Commission on Environmental Quality (“TCEQ”). The City has an engineer developing capital projects to include in a renewed SSI agreement with TCEQ.
- *Exploring New Heights* – The City completed its most recent Exploring New Heights session in 2017 to revise the Exploring New Heights goals and actions.
- *Thoroughfare Plan* – Create and prioritize multi-modal transportation networks integrating streets, sidewalks, on-street and off-street bicycle trails, and mass transit.

#### Long-Term Objectives

- *Long-Range Budget Plan* – Track forecasted revenues and expenditures in the outyears to determine what steps need to be taken in the current year to ensure required reserves can be held.
- *Capital Improvement Plan* – Reimplement funding of the multi-year street maintenance program from current non-bond revenues.
- *Parks and Recreation Master Plan* – Continue funding of the multi-year park improvements program from current non-bond revenues.
- *Comprehensive Plan* – Ensure the most appropriate land use for all areas of the City.
- *Water Master Plan* – Complete planned water projects to improve storage and processing capabilities.
- *Wastewater Master Plan* - Complete wastewater project to improve flows and treatment.
- *Drainage Master Plan* – Continue to fund the capital improvement projects prioritized in the Drainage Master Plan.
- *Sewer Rehabilitation Program* – Subject to City Council approval, the City will enter into a similar Sanitary Sewer Overflow Initiative Agreement with the TCEQ to improve the City’s sanitary sewer collection system. The Public Works Director has expressed to the TCEQ the City’s interest in applying for another agreement.
- *Exploring New Heights* – Implement suggestions from past and current Exploring New Heights committees to maintain and / or improve services and the quality of life for our citizens.
- *Thoroughfare Plan* – Implement street, sidewalk, and bicycle network construction / renovation based on established and periodically updated priority list.

The Budget at a Glance section that follows will provide a look into the major components of the 2022 fiscal year budget.

## BUDGET AT A GLANCE

The Fiscal Year 2022 Budget includes total revenues for all funds of \$55,169,700 and total expenditures of \$64,642,000. The budget is a balanced budget with the difference between revenues and expenditures being bond proceeds received in prior fiscal years whose capital improvement expenditures are budgeted in the current fiscal year. The Coronavirus Fund is a new fund for the 2022 fiscal year and is being used towards fixed asset and capital improvement expenditures. In comparison, the FY 2021 Budget included \$46,480,300 total revenues and \$47,697,800 total expenditures after being amended in July 2021.

<b>FY 2021-2022 BUDGET</b>	<b>REVENUES</b>	<b>EXPENDITURES</b>
General Fund	\$ 23,636,200	\$ 30,774,000
Debt Service Fund	3,161,900	3,192,800
Fixed Asset Fund	848,600	1,020,900
Capital Improvement Fund	4,250,200	10,469,300
Utility Fund	10,462,600	10,162,800
Sanitation Fund	2,568,600	2,424,800
Drainage Fund	870,300	821,600
Hotel / Motel Fund	109,900	27,500
Restricted Court Fund	108,000	85,000
Employee Benefits Fund	700	0
Coronavirus Fund	9,152,700	5,663,300
<b>TOTAL</b>	<b>\$ 55,169,700</b>	<b>\$ 64,642,000</b>

## GOVERNMENTAL FUNDS

### GENERAL FUND REVENUES

Total revenues for the General Fund for FY 2022 are \$23,636,200, a decrease of \$4,583,700 or 19.4% over the projected amount of \$28,219,900 for FY 2020. This is due to the grant funds received into the General Fund before the Coronavirus Fund was created. Major sources of General Fund revenues include:

#### Property Tax

Also known as Ad Valorem Tax, property tax is the largest revenue source in the General Fund at 46.5% (\$10,994,600) of total revenues. The FY 2022 Budget was prepared using a tax rate of \$0.6519 per \$100 of taxable valuation, \$0.0251 less than the prior year's tax rate of \$0.6770. The 2021 tax year certified taxable value, including totals approved and those pending under protest, is \$2,169,593,486 which is an increase of \$179,988,573 or 9.0% from the 2020 levy totals of \$1,989,604,913.

The tax rate is comprised of two components – maintenance and operation and debt service. The maintenance and operation portion (M&O) is in the General Fund and utilized for general governmental purposes. The debt service portion (I&S) is in the Debt Service Fund and utilized for the payment of principal and interest on debt.

The No New Revenue Rate is the tax rate that will produce the same amount of taxes as the prior year. Since the proposed tax rate of \$0.6519 is higher than the \$0.6305 no new revenue rate, a public hearing must be held per Truth-in-Taxation guidelines. The Voter Approval Rate is the rate that, if exceeded, requires an automatic election on the November uniform election date; a petition by citizens is no longer required.

Following is a chart reflecting how changing the rate effects the amount of revenue received in the General Fund:

Tax Rate	Rate	M&O Rate	Revenue Amount	Difference in Revenue from Proposed Rate
<b>Proposed Tax Rate</b>	<b>\$0.6519</b>	<b>\$0.5063</b>	<b>\$10,994,600</b>	
No New Revenue Rate	\$0.6305	\$0.4849	\$10,530,000	(\$464,600)
Voter Approval Rate	\$0.6727	\$0.5271	\$11,445,900	\$451,300
Proposed Rate Less One Penny	\$0.6419	\$0.4963	\$10,777,300	(\$217,300)
Proposed Rate Plus One Penny	\$0.6619	\$0.5163	\$11,210,600	\$216,000
<i>2021 Fiscal Year</i>	<i>\$0.6770</i>	<i>\$0.5314</i>	<i>\$11,538,100</i>	<i>\$543,500</i>

The tax rate cannot exceed \$0.6727, the voter approval rate, therefore the prior year's rate cannot be adopted.

Following is a comparison of the FY 2022 proposed property tax rates of the surrounding cities:

City	M & O	I & S	Total Rate	TY 2021 Certified Value
Belton	0.536600	0.083400	0.620000	\$1,556,589,820
Temple	0.303000	0.337000	0.640000	\$6,086,377,782
<b>Harker Heights</b>	<b>0.506300</b>	<b>0.145600</b>	<b>0.651900</b>	<b>\$2,169,593,486</b>
Killeen	0.517100	0.188500	0.705600	\$7,810,296,015
Copperas Cove	0.482763	0.277305	0.760068	\$1,420,938,883

HB 3195 – What Does It Mean?

In 2007, the State Legislature added an amendment to the Local Government Code Section 102.005 requiring that proposed budgets that raise more property tax revenue than in the previous year include a statement as seen in the “HB 3195” section. Following is how that is calculated:

2021 Total Taxable Value	2,169,593,486
X Proposed Tax Rate per \$100 Valuation	0.6519
= Estimated Total Revenue	14,143,580
- PY Adjusted Taxes	13,478,286
= <b>Total More (Less) Raised Than Prior Year</b>	<b>665,294</b>
Divided by PY Adjusted Taxes	13,478,286
= <b>Percent Increase (Decrease)</b>	<b>4.9%</b>

What should also be kept in mind is that the 2021 certified taxable value is a 9.0% increase from the 2020 levy total (2020 finalized taxable values) which is used to calculate this statement. New property on the tax rolls, including any improvements, totals \$32,152,746 of the 2021 certified taxable value or \$209,604 when multiplied by the proposed tax rate. **This equates to 31.5% of the \$665,294 increase in tax revenue.**

### Sales Tax

The second largest revenue source in the General Fund is sales taxes. The growth seen in this line item during and coming out of the pandemic has been much stronger than anticipated. Sales taxes can fluctuate from year to year and as such should be budgeted conservatively. The 2022 fiscal year budget is set at \$8,250,000, which is a 19.1% increase over the prior year's budget.

### Court Fines

The Municipal Court Department utilized virtual technology to hold court services during the COVID-19 pandemic and continued with this process as things began to return to normal. Projections for the 2021 fiscal year are \$1,000,000 and the line item is budgeted at \$1,000,000 for FY 2022.

### Other Revenue Categories

Many other revenue line items were hit by the pandemic and have had more trouble recovering. The "Licenses and Permits" category was budgeted at \$340,000 for the 2021 fiscal year and is projected to generate \$243,500 by September 30, 2021. This category's proposed budget for FY 2022 is \$253,000 with Building Permits, the subcategory that produces the most revenue within this category, projected at \$175,000.

The Charges for Services category was heavily impacted last year with the cancellation of several Parks and Recreation activities. This year, the revenues for activities look better, however ambulance revenue has fallen. The FY 2022 Budget reflects \$941,600 of revenue which is 1.0% more than the \$932,000 budgeted for FY 2021 but 20.2% more than the projected amount of \$783,500 for the current fiscal year.

### Transfers In

Transfers that are budgeted to come from other funds cover costs that are paid from the General Fund but also involve these other funds. These transfers total \$783,500 and are as follows:

- Transfer from Water (salaries of various administrators) - \$250,000
- Transfer from Sanitation (salaries of various administrators) - \$150,000
- Transfer from Restricted Courts (salaries for court personnel, supplies, etc.) - \$85,000

## **GENERAL FUND EXPENDITURES**

The primary governmental functions contained within this fund are general administration, public safety, parks, library, and streets. Total expenditures for the General Fund for FY 2022 are \$30,774,000, an increase of \$7,593,500 over the projected amount of \$23,180,500 for FY 2020. The major reason for this large increase is the transfer of grant funds to create the Coronavirus Fund and the transfer of reserves to fund the Winter Storm Street Repair Project. Other General Fund expenditures include:

### Personnel

Salaries and fringe benefits total \$17,787,600 or 79.0% of operating expenditures and includes:

- A one and a half percent cost of living adjustment for all employees
- An upgrade of the Human Resource Coordinator position to Assistant Director of Human Resources in the Administration Department
- The addition of a part-time Parts Clerk in the Maintenance Department
- An increase of 9.0% in health insurance coverage and a decrease of 1.1% in dental insurance coverage

### Outside Agency Funding

Each year, the City gives outside agencies that provide core services to the citizens of Harker Heights the opportunity to apply for funding based on the availability of funds. Approved funding for fiscal year 2021 totaled \$109,000. Outside agency funding included in the budget is as follows:

- Heart of Texas Defense Alliance - \$17,000
- Harker Heights Chamber of Commerce (Visitor's Center) - \$50,000
- Clements Boys and Girls Club (Afterschool Program at Union Grove and Eastern Hills Middle Schools) - \$30,000
- Greater Killeen Community Clinic - \$12,000

The Hill Country Transit District (the "HOP") notified us that they would not be requesting funding for FY 2022 as they continue to utilize the federal funds awarded through the Coronavirus Aid, Relief and Economic Security (CARES) Act.

### Transfers Out

Transfers that are budgeted to be sent out to other funds include:

- Transfer to Fixed Assets (funding various purchases) - \$500,000
- Transfer to Capital Projects (costs of Winter Storm Uri Road Repairs) - \$2,500,000
- Transfer of Cable PEG Funds to Fixed Assets (funding of AV System) - \$98,600
- Transfer of grant funds to Coronavirus Fund (set up new Special Revenue Fund) - \$5,150,700

The City's Fund Balance Policy for the General Fund is three months of operating expenses. The Fiscal Year 2022 Budget decreases the fund balance by \$7,137,800 (due to the transfer for road repairs and to setup the new fund) for an ending fund balance of \$10,235,244. This exceeds the three-month fund balance requirement of \$5,631,175 by \$4,604,069.

### **DEBT SERVICE FUND REVENUES**

Total revenues budgeted in the Debt Service Fund equal \$3,161,900. This is \$48,000 less than the \$3,209,900 projected in the prior fiscal year. The refunding in the prior year of the Series 2011 Certificates lowered our bond payments thereby lowering the necessary amount needed to be raised by the debt service portion of the property tax rate.

The debt service portion of the tax rate does not fluctuate and is \$0.1456 for the 2022 fiscal year. The amount of revenue estimated to be received at this rate is \$3,160,900.

### **DEBT SERVICE FUND EXPENDITURES**

Total principal and interest payments for FY 2022 total \$3,159,800; a detail of outstanding debt is included in the "Debt Service" section.

The ending fund balance for the Debt Service Fund is \$35,917. There is no fund balance requirement.

### **FIXED ASSET FUND REVENUES**

The primary revenue source for the Fixed Asset Fund are transfers in from other funds. Total transfers in for FY 2022 is \$848,600. With the receipt of Coronavirus Relief Funds and Coronavirus State and Local Relief Funds, the City will be supplementing these transfers by making purchases directly from these funds in the 2022 budget year in the amount of \$1,908,300.

**FIXED ASSET FUND EXPENDITURES**

The City’s threshold for fixed assets is currently \$5,000 per one item. The fixed asset yearly plan is to budget approximately \$1,000,000 each year in purchases. As stated above, Coronavirus Funds are being used to purchase additional items and with that the budgeted purchases for FY 2022 have increased to \$2,929,200. The following are some of the items:

- Vactor Jetrodder ..... \$424,100
- Various Police Vehicles (6) ..... \$292,300
- Medic Unit for Fire Department ..... \$269,500
- Vibratory Roller ..... \$148,200
- 15-Yard Dump Truck ..... \$108,200
- Council Chambers Audio Visual Renovation ..... \$98,600

For a more detailed listing see the “Fixed Asset Fund” section.

The ending fund balance for the Fixed Asset Fund is \$153,701. There is no fund balance requirement.

**CAPITAL PROJECT FUND REVENUES**

Revenues for the Capital Project Fund are received from transfers in (Non-Bond) and from bond proceeds (CO). Total revenues for FY 2022 are proposed at \$4,250,200 and are primarily transfers in from other funds to include \$2,500,000 from the General Fund for street repairs due to the Winter Storm in February 2021. Just like with the Fixed Asset Fund, there are several projects which will be supplemented or fully funded through the Coronavirus Fund. There are no plans for the City to go out for a Bond during the 2022 fiscal year.

**CAPITAL PROJECT FUND EXPENDITURES**

FY 2022 has \$14,224,300 in capital projects budgeted including those funded by the Coronavirus Fund. Following are some of the major projects planned along with their funding source(s) for the 2022 fiscal year:

- 2021 Street Program – Winter Storm Uri (Transfers / General Fund Reserves) ..... \$2,756,600
- Drainage Master Plan #1 – Connell Detention Pond (Transfers) ..... \$1,027,200
- Drainage Master Plan #2, Phases #2, 3 and 4 (Transfers and 2018 CO) ..... \$2,312,500
- Rummel Road Lift Station Upgrade (Coronavirus Fund – CSLRF) ..... \$991,000

For more details on all the projects planned, see the “Capital Projects Fund” section.

The ending fund balance for the Capital Project Fund is \$444,687. There is no fund balance requirement.

**PROPRIETARY FUNDS**

**UTILITY FUND REVENUES**

Total revenues for the Utility Fund for FY 2022 are \$10,462,600, an increase of \$364,900 or 3.6% over the projected amount of \$10,097,700 for FY 2021. Major sources of Utility Fund revenues include:

Water Income

Water income is budgeted at \$6,100,000 for the 2022 fiscal year based on a one percent expected growth in the City and a 3% rate increase. Projected water income for the current fiscal year totals \$5,865,400 which is \$389,200 less than the \$6,254,600 budgeted due to the increase of rainstorms the area has had.

Sewer Income

Sewer income is also budgeted based on a one percent expected growth and 3% rate increase for FY 2022 at \$4,136,100. Sewer rates are charged based on customer’s water consumption because the City does not have a way to measure sewer usage. There is a 10,000-gallon cap for residential customers.

Following is a chart that compares the proposed water and sewer rates for the surrounding cities:

<b>Residential Water and Sewer Charges Comparison (per gallons of usage)</b>			
	<b>3,000 gallons</b>	<b>10,000 gallons</b>	<b>25,000 gallons</b>
Killeen	\$36.18	\$86.44	\$152.09
Temple	35.70	103.60	249.10
Belton*	39.70	100.60	181.10
<b>Harker Heights</b>	<b>41.99</b>	<b>90.22</b>	<b>142.72</b>
Copperas Cove*	66.55	128.50	261.25

\*current rates are shown

**UTILITY FUND EXPENSES**

The primary functions contained within this fund are Water Administration, Water Operations, and Wastewater. Total expenses for the Utility Fund for FY 2022 are \$10,162,800, an increase of \$771,000 over the projected amount of \$9,391,800 for FY 2021. Utility Fund expenses include:

Personnel

Salaries and fringe benefits total \$1,606,600 or 25.4% of operating expenditures and includes:

- A one and a half percent cost of living adjustment for all employees
- Addition of a Maintenance Technician to the Wastewater Department
- An increase of 9.0% in health insurance coverage and a decrease of 1.1% in dental insurance coverage

Insurance

Property / Liability Insurance in the Utility Fund includes supplemental sewage backup coverage through Texas Municipal League. This coverage is designed to reimburse private property owners for damages caused by sewage that backs up from facilities owned or controlled by the City when the sewage backup was not caused by City actions and the City had no forewarning that it may happen. The total budgeted for the Utility Departments’ portion of property / liability insurance, to include the supplemental sewage backup coverage, is \$28,400 for the 2022 fiscal year.

Bond Expense

Principal and interest payments to cover outstanding debt are budgeted at \$1,998,800 for FY 2022. This is the portion of debt funded for water and wastewater projects that are to be paid back by utility revenues. Additional information regarding outstanding debt can be found in the “Debt Service” section.

Water Purchases

The City purchases water from Water Control and Improvement District #1 (“WCID #1”) and Brazos River Authority. The 2021 fiscal year budget was \$2,805,900 and projections for year-end are at \$2,997,500; a 6.8% increase from the budgeted amount primarily due to water leaks during Winter Storm Uri. For FY 2022, water purchases have been budgeted at \$3,052,800 based on projected water usage and WCID #1 debt payments.

### Bad Debt

Projections for bad debt expenses are at \$100,000 for the 2021 fiscal year due to bad debt collections from the previous fiscal year being put off until FY 2021. The City did not want to send out additional bad debt letters during a time in which residents, former or current, may be having difficulty with paying their other bills. This line item will remain at \$65,000 for FY 2022 for the additional bad debt collections that may be done in the upcoming year.

### Transfers Out

For the FY 2022 Budget, transfers out to the General Fund (\$250,000) and to the Capital Project Fund (\$1,550,000) are budgeted.

The City's Fund Balance Policy for the Utility Fund is three months of operating expenses. The Fiscal Year 2022 Budget adds \$299,800 to the fund balance for a total of \$3,179,452. This exceeds the three-month fund balance requirement of \$2,090,700 by \$1,088,752.

### **SANITATION FUND REVENUES**

Total revenues for the Sanitation Fund for FY 2022 are \$2,568,600, an increase of \$170,000 or 7.1% over the projected amount of \$2,398,600 for FY 2021. This is partially due to the inclusion of a new fee Staff would like to implement for the Drop Site Center discussed further below.

### Garbage Income

Garbage income is the main source of income for the Sanitation Fund. The budget of \$2,252,200 for the 2022 fiscal year includes a 2.0% expected growth in the City. There is no rate increase included.

Following is a chart that compares the proposed sanitation rates for the surrounding cities:

<b>Residential Sanitation Charges Comparison</b>						
	<b>Rate</b>	<b>Pickups</b>	<b>Can Provided</b>	<b>Recycling</b>	<b>Pickups</b>	<b>Bin Provided?</b>
Belton*	\$17.75	1 / week	96 gallons	Included	Biweekly	96 gallons
<b>Harker Heights</b>	<b>18.88</b>	<b>2 / week</b>	<b>96 gallons</b>	<b>Free Drop Site*</b>	<b>n/a</b>	<b>n/a</b>
Copperas Cove*	19.83	1 / week	96 gallons	Included	Biweekly	96 gallons
Temple	21.11	1 / week	96 gallons	Included	1 / week	90 gallons
Killeen	21.41	1 / week	96 gallons	n/a	n/a	n/a

\*current fee is shown

### New Drop Site Fee

Usage of the Drop Site has become increasingly popular especially through the pandemic and after the Winter Storm, in both instances residents have taken advantage of the time to get some cleaning up done. As seen in the next section, this has caused expenses for this free service to increase over time. Staff has included in the budgeted revenues a \$1 fee to be included in each residents' bill every month and estimates this to bring in approximately \$135,100 during the 2022 fiscal year.

### **SANITATION FUND EXPENSES**

The primary function contained within this fund is Sanitation or the Drop Site. Total expenses for the Sanitation Fund for FY 2022 are \$2,424,800, an increase of \$75,800 over the projected amount of \$2,349,000 for FY 2021. Sanitation Fund expenses include:

Personnel

Salaries and fringe benefits total \$56,400 or 2.7% of operating expenditures and includes:

- A one and a half percent cost of living adjustment for all employees
- Deletion of a part-time Maintenance Technician
- An increase of 9.0% in health insurance coverage and a decrease of 1.1% in dental insurance coverage

Roll Off Dumpster

The roll off dumpsters are maintained at the Drop Site and picked up by Centex Waste Management. During FY 2021, the Drop Site continued to see increased usage and this line item is projected to reach \$305,000 versus the \$205,000 that was budgeted (a 48.8% increase). The roll off dumpster line item has been budgeted at \$250,000 for the 2022 fiscal year.

Garbage Contract

The garbage contract line item is used to pay Centex Waste Management for residential and commercial hand garbage pickup throughout the City. (Centex Waste Management handles commercial billing.) This is the major expense for the Sanitation Fund and is budgeted at \$1,769,500 and is a 3% increase over the \$1,718,000 projected for FY 2021.

Transfers Out

For the FY 2022 Budget, transfers out to the Fixed Asset Fund (\$150,000) and the General Fund (\$150,000) are budgeted.

There is no fund balance requirement for the Sanitation Fund however a balance of \$340,879 is projected to remain at the end of the 2022 fiscal year which will be used to take care of interfund payables.

**DRAINAGE FUND REVENUES**

Total revenues for the Drainage Fund for FY 2022 are \$870,300, an increase of \$6,900 or 0.8% over the projected amount of \$863,400 for FY 2021.

Drainage Fees

The Drainage Fund was created to maintain the stormwater management systems within Harker Heights. This is a flat fee charged monthly on each water bill and is used to fund drainage related expenses and projects. The \$869,700 budget for the 2022 fiscal year includes a 1.0% expected growth in the City. There is no rate increase included.

Following is a chart that compares the proposed residential drainage rates for the surrounding cities:

<b>Residential Drainage Charges Comparison</b>	
Belton*	\$5.00
<b>Harker Heights</b>	<b>6.00</b>
Copperas Cove*	7.00
Killeen	6.00
Temple	6.00

\*current fee is shown

## **DRAINAGE FUND EXPENSES**

The primary function contained within this fund is Drainage. Total expenses for the Drainage Fund for FY 2022 are \$821,600, a decrease of \$49,300 from the projected amount of \$870,900 for FY 2021. Drainage Fund expenses include:

### Personnel

Salaries and fringe benefits total \$131,100 or 70.1% of operating expenditures and includes:

- A one and a half percent cost of living adjustment for all employees
- An increase of 9.0% in health insurance coverage and a decrease of 1.1% in dental insurance coverage

### Bond Expense

Total bond expenses are budgeted at \$384,500 for FY 2022 which includes the principal and interest payments to cover outstanding debt as well as the amortization expense. Additional information regarding outstanding debt can be found in the "Debt Service" section.

### Transfers Out

For the FY 2021 Budget, transfers out to the Fixed Asset Fund (\$100,000) and the Capital Projects Fund (\$150,000) are budgeted.

The ending fund balance for the Drainage Fund is \$97,171. There is no fund balance requirement.

## **SPECIAL REVENUE FUNDS – RESTRICTED FUNDS**

### **HOTEL / MOTEL FUND REVENUES**

City hotel occupancy taxes, levied at seven percent of room rental rates, are recorded in the Hotel / Motel Fund. In Fiscal Year 2018, the City began receiving a portion of Bell County's hotel occupancy taxes. Hotel occupancy taxes are expected to rise again in FY 2022 with the opening of a new hotel and are budgeted at \$105,000. Projections for the 2021 fiscal year are at \$95,000 with the temporary closure of a hotel due to renovations needed from water damage caused by Winter Storm Uri.

### **HOTEL / MOTEL FUND EXPENDITURES**

Expenditures in the Hotel / Motel Fund must meet the "heads in bed" test and are restricted to promote tourism, conventions, and the hotel industry. Budgeted expenditures total \$27,500 which is the same as the current fiscal year's budget. Funding has also been given to the Harker Heights Chamber through yearly requests and approval by the City Council, and this year their request totals \$22,500 for Chamber Events (\$5,000), the Food and Wine Festival (\$10,000), and fishing tournaments (\$7,500).

The ending fund balance for the Hotel / Motel Fund is \$516,695. There is no fund balance requirement for the Hotel / Motel Fund. The City does have a long-range plan to use the fund balance of this fund to start construction on Comanche Gap Historical Park once it is at a sufficient level. Because Comanche Gap is a historical area it does fit into the restricted criteria.

### **RESTRICTED COURT FUND REVENUES**

Certain fines paid through the Municipal Court have fees attached that are deposited into restricted court funds. These restricted funds are Child Safety, Time Payment Reimbursement, Municipal Jury, Building Security, Administration of Justice, Court Technology, Local Truancy Diversion, and Teen Court Program.

Budgeted revenues for FY 2022 total \$108,000 which is a \$1,200 increase or 1.1% over the projected amount for the 2021 fiscal year of \$106,800 and a 20.0% decrease of the \$129,600 budgeted for FY 2021.

**RESTRICTED COURT FUND EXPENDITURES**

Expenditures in the Restricted Court Fund are shown as transfers to the General Fund as it reimburses for the day-to-day costs incurred in the Municipal Court Department. For FY 2022 expenditures are budgeted at \$85,000 for transfers to the General Fund which includes:

- Building Security Fund (alarm system, fire protection, personnel) ..... \$1,000
- Administration of Justice (training, memberships, supplies) ..... \$4,000
- Court Technology Fund (equipment maintenance and supplies)..... \$15,000
- Local Truancy Diversion Fund (Juvenile Case Manager position)..... \$30,000
- Child Safety Fund (Youth Health Coordinator position) ..... \$35,000

The ending fund balance for the Restricted Court Fund is \$217,761. There is no fund balance requirement.

**EMPLOYEE BENEFITS FUND**

The Employee Benefits Fund was created for the purpose of reducing the premium tax paid by the City to an insurance carrier for eligible lines of coverage. This fund is a pass-through fund for the collection and payment of employee insurance premiums.

Revenues received in this account is interest income only and is budgeted at \$700 for FY 2022. There are no expenses budgeted for this fund.

The ending fund balance for the Employee Benefits Fund is \$6,018. There is no fund balance requirement.

**CORONAVIRUS FUND**

The 2022 fiscal year will be the start of the Coronavirus Fund. Grant funds remaining after the purchase of fixed assets in FY 2021 that were received from Texas Department of Emergency Management for the Coronavirus Relief Fund, or CRF, (\$1,297,300) and the Coronavirus State and Local Recovery Fund, or CSLRF, (\$3,853,400) will be transferred here for better accounting. The City also expects to receive the second tranche of funds by the end of FY 2022 in the amount of \$4,000,000. This plus interest income of \$2,000 brings total revenues to \$9,152,700.

Staff has also devised a plan of purchases to come directly from this fund to include fixed asset purchases from the CRF (\$1,297,200), fixed asset purchases from the CSLRF (\$611,100) and capital project expenses from the CSLRF (\$3,755,000). This brings total expenditures to \$5,663,300.

The ending fund balance for the Coronavirus Fund is \$3,489,400 and there is no fund balance requirement.

**SUMMARY**

2020 and 2021 brought severe challenges for the City in terms of the Covid-19 pandemic and the winter storm. The City has, at times, had to totally shift how we normally do business to meet the service needs of our citizens and businesses. Just as with the challenges that exemptions have had on property tax revenue, the City has been agile in dealing with these issues all with the end goal of meeting the City’s Vision: *Providing public services that empower people to focus on what matters most: their goals, hopes and dreams.* The 2021-2022 budget is designed with that Vision in mind. It provides the resources needed for the City to continue to provide high levels of service. The budget lowers the tax rate and is balanced.

The operating budgets are conservatively developed based on current and expected economic trends. The budget includes new Federal funding sources for Covid relief which have specific expenditure requirements. The budget adds personnel, equipment, and capital projects all with a singular purpose – serving our citizens. I am excited to present to you the 2021-2022 budget as it affirms our Vision and reflects the great passion the City has for service.

I would like to thank the City Council and City staff for their work in preparing this budget. It is an honor to serve alongside such service minded individuals. It is a privilege to serve such a diverse and supporting citizenry. We are excited about seeing where your goals, hopes and dreams take you!

Sincerely,

A handwritten signature in black ink that reads "David R. Mitchell". The signature is written in a cursive, flowing style.

David R. Mitchell  
City Manager

A large, light gray number '11' is centered on the page. Overlaid on the center of the '11' is a pink five-pointed star. The star has a halftone or dithered texture, with the top-left and bottom-left points featuring a grid pattern and the other three points featuring a vertical line pattern. The text 'BUDGET SUMMARIES' is printed in a bold, black, sans-serif font across the middle of the star.

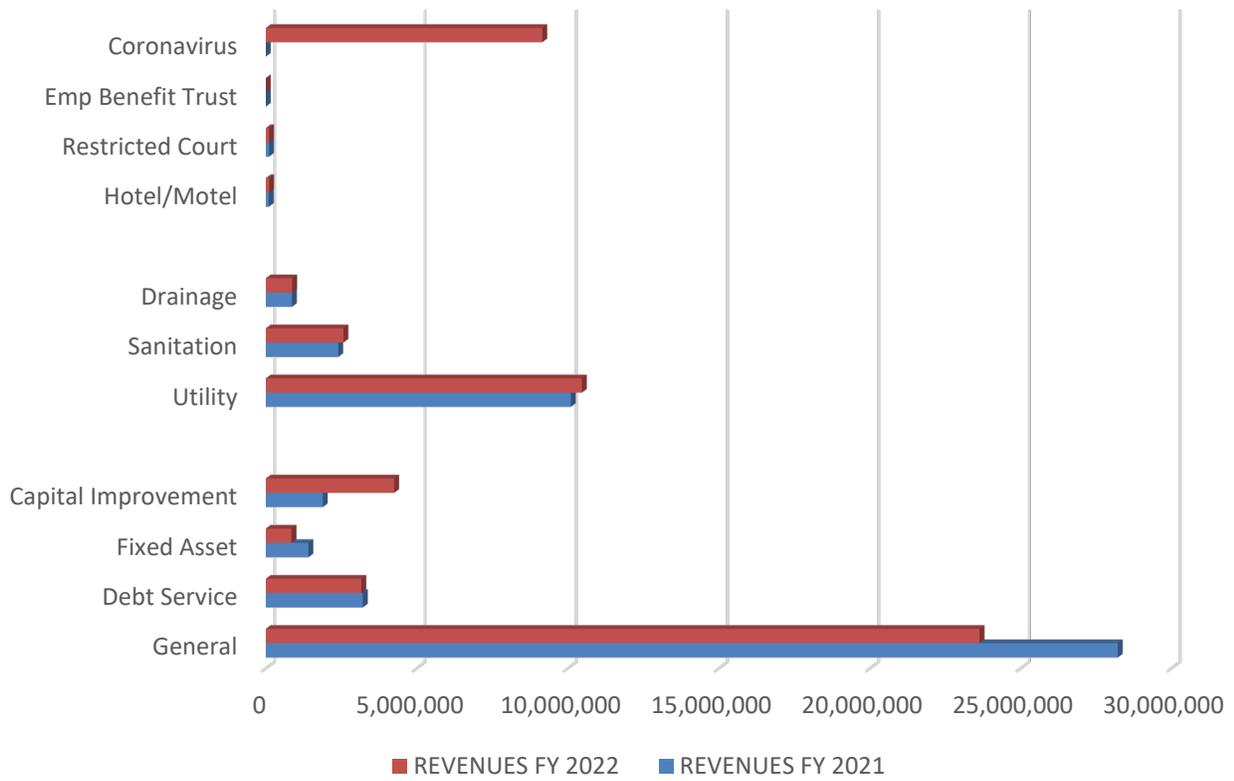
# **BUDGET SUMMARIES**

	GOVERNMENTAL FUNDS				Total
	General	Debt Service	Fixed Asset	Capital Projects	
Fund Balance @ 09/30/2020	12,333,644	50,917	263,901	7,111,987	19,760,449
<b>FY 2020-2021 PROJECTIONS:</b>					
Revenues	28,219,900	3,209,900	1,409,300	1,883,900	34,723,000
Expenditures	23,180,500	3,194,000	1,347,200	2,332,100	30,053,800
Increase (Decrease) in Fund Balance	5,039,400	15,900	62,100	(448,200)	4,669,200
Estimated Fund Balance @ 09/30/2021	17,373,044	66,817	326,001	6,663,787	24,429,649
<b>FY 2021-2022 PROPOSED BUDGET:</b>					
Revenues	23,636,200	3,161,900	848,600	4,250,200	31,896,900
Expenditures	30,774,000	3,192,800	1,020,900	10,469,300	45,457,000
Increase (Decrease) in Fund Balance	(7,137,800)	(30,900)	(172,300)	(6,219,100)	(13,560,100)
Estimated Fund Balance @ 09/30/2022	10,235,244	35,917	153,701	444,687	10,869,549
Less:					
Restricted Funds					
Reserve Requirement	(5,631,175)				(5,631,175)
Estimated Fund Balance Remaining	4,604,069	35,917	153,701	444,687	5,238,374

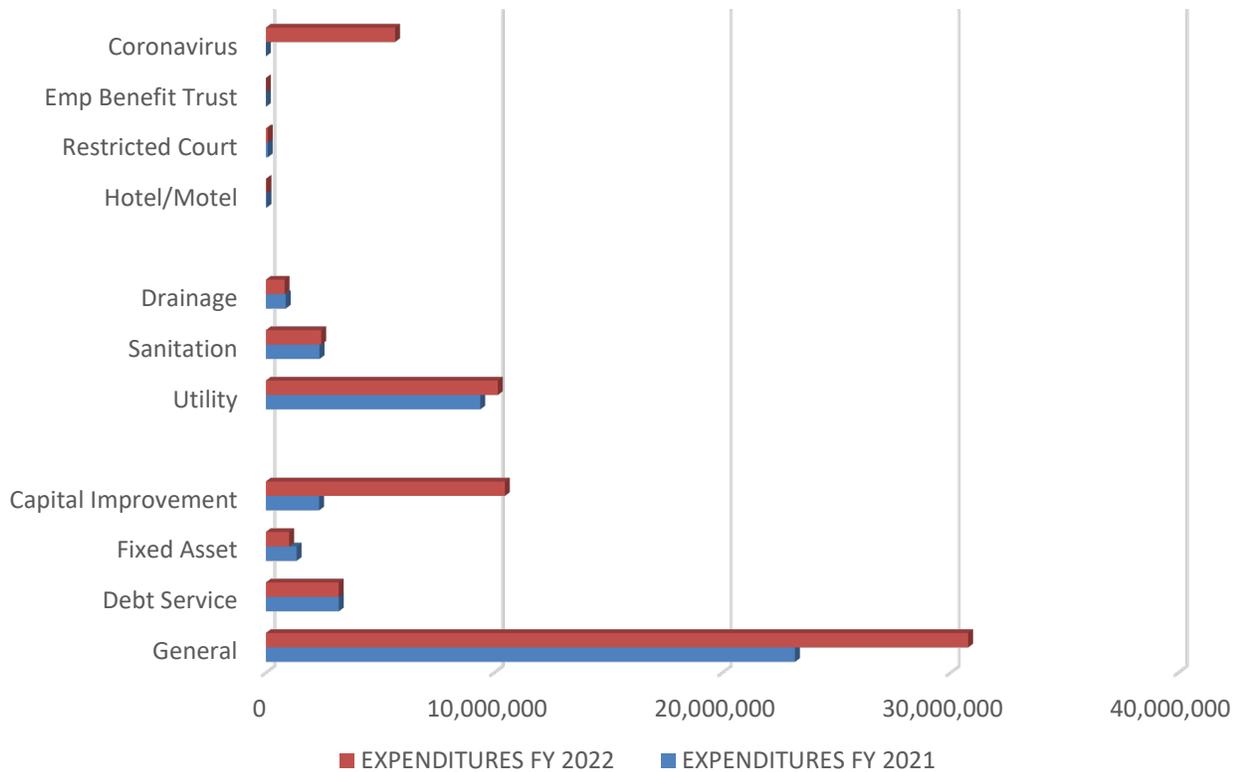
	PROPRIETARY FUNDS			Total
	Utility	Sanitation	Drainage	
Fund Balance @ 09/30/2020	2,173,752	147,479	55,971	2,377,202
<b>FY 2020-2021 PROJECTIONS:</b>				
Revenues	10,097,700	2,398,600	863,400	13,359,700
Expenditures	9,391,800	2,349,000	870,900	12,611,700
Increase (Decrease) in Fund Balance	705,900	49,600	(7,500)	748,000
Estimated Fund Balance @ 09/30/2021	2,879,652	197,079	48,471	3,125,202
<b>FY 2021-2022 PROPOSED BUDGET:</b>				
Revenues	10,462,600	2,568,600	870,300	13,901,500
Expenditures	10,162,800	2,424,800	821,600	13,409,200
Increase (Decrease) in Fund Balance	299,800	143,800	48,700	492,300
Estimated Fund Balance @ 09/30/2022	3,179,452	340,879	97,171	3,617,502
Less:				
Restricted Funds				
Reserve Requirement	(2,090,700)			(2,090,700)
Estimated Fund Balance Remaining	1,088,752	340,879	97,171	1,526,802

	SPECIAL REVENUE FUNDS				Total	ALL FUNDS
	Hotel/ Motel	Restricted Courts	Employee Ben Trust	Coronavirus Fund		Grand Total
Fund Balance @ 09/30/2020	361,295	171,461	4,678	0	537,434	22,675,085
<b>FY 2020-2021 PROJECTIONS:</b>						
Revenues	100,500	106,800	700	0	208,000	48,290,700
Expenditures	27,500	83,500	60	0	111,060	42,776,560
Increase (Decrease) in Fund Balance	73,000	23,300	640	0	96,940	5,514,140
Estimated Fund Balance @ 09/30/2021	434,295	194,761	5,318	0	634,374	28,189,225
<b>FY 2021-2022 PROPOSED BUDGET:</b>						
Revenues	109,900	108,000	700	9,152,700	9,371,300	55,169,700
Expenditures	27,500	85,000	0	5,663,300	5,775,800	64,642,000
Increase (Decrease) in Fund Balance	82,400	23,000	700	3,489,400	3,595,500	(9,472,300)
Estimated Fund Balance @ 09/30/2022	516,695	217,761	6,018	3,489,400	4,229,874	18,716,925
Less:						
Restricted Funds	(516,695)	(217,761)	(6,018)	(3,487,300)	(4,227,774)	(4,227,774)
Reserve Requirement						(7,721,875)
Estimated Fund Balance Remaining	0	0	0	2,100	2,100	6,767,276

**FY 2021 PROJECTED REVENUES vs FY 2022 PROPOSED REVENUES**



**FY 2021 PROJECTED EXPENDITURES vs FY 2022 PROPOSED EXPENDITURES**



FY 2021-2022 SUMMARY OF SOURCES AND USES

8/26/2021

GOVERNMENTAL FUNDS

	General	Debt Service	Fixed Asset	Capital Projects	Total
<b>PROJECTED FUND BALANCE</b>					
<b>AS OF 09/30/2021</b>	<b>17,373,044</b>	<b>66,817</b>	<b>326,001</b>	<b>6,663,787</b>	<b>24,429,649</b>
<b>FY 2021-2022 PROPOSED BUDGET:</b>					
REVENUES/SOURCES					
Ad Valorem Taxes	10,994,600	3,160,900	0	0	14,155,500
Other Taxes and Special Assessments	9,724,000	0	0	0	9,724,000
Licenses & Permits	253,000	0	0	0	253,000
Fines & Fees	1,000,000	0	0	0	1,000,000
Charges for Services	941,600	0	0	0	941,600
Intergov't / Grants / Donations / Misc	163,000	0	0	0	163,000
Investment Earnings	75,000	1,000	0	50,200	126,200
Transfers In	485,000	0	848,600	4,200,000	5,533,600
<b>TOTAL REVENUES/SOURCES</b>	<b>23,636,200</b>	<b>3,161,900</b>	<b>848,600</b>	<b>4,250,200</b>	<b>31,896,900</b>
EXPENDITURES/USES					
Personnel Service	17,787,600	0	0	0	17,787,600
Supplies	859,600	0	0	0	859,600
Maintenance	797,600	0	0	0	797,600
Insurance	197,500	0	0	0	197,500
Services	2,298,400	0	0	0	2,298,400
Miscellaneous	584,000	33,000	0	0	617,000
Capital Improvement Projects	0	0	0	10,469,300	10,469,300
Fixed Asset Purchases	0	0	1,020,900	0	1,020,900
Transfers Out	8,249,300	0	0	0	8,249,300
Debt Service	0	3,159,800	0	0	3,159,800
<b>TOTAL EXPENDITURES/USES</b>	<b>30,774,000</b>	<b>3,192,800</b>	<b>1,020,900</b>	<b>10,469,300</b>	<b>45,457,000</b>
INCREASE (DECREASE)					
IN FUND BALANCE	(7,137,800) <sup>1</sup>	(30,900) <sup>2</sup>	(172,300) <sup>3</sup>	(6,219,100) <sup>4</sup>	(13,560,100)
<b>PROJECTED FUND BALANCE</b>					
<b>AS OF 09/30/2022</b>	<b>10,235,244</b>	<b>35,917</b>	<b>153,701</b>	<b>444,687</b>	<b>10,869,549</b>

<sup>1</sup> The General Fund is utilizing \$2,500,000 in reserves to fund street repairs caused by Winter Storm Uri in February 2021. A \$5 million transfer will be done to create a new Special Revenue Fund, the Coronavirus Fund, which will contain the grant funds received from the Coronavirus State and Local Recovery Fund created by the American Rescue Plan Act as well as Coronavirus Relief Funds created by Coronavirus Aid, Relief, and Economic Security Act. Creating a separate fund will aid the City in keeping better accounting of these funds.

<sup>2</sup> The Debt Service Fund is where the interest and sinking portion of property taxes are held as they are received from the Bell County Appraisal District. In February and August of each year, the tax portion of the City's bond payments are paid from this fund.

<sup>3</sup> Transfers into the Fixed Asset Fund are less than the amount planned for equipment and vehicle purchases in the 2022 fiscal year. The "Fixed Asset Fund" section provides a list of these purchases by department.

<sup>4</sup> Major projects that will utilize the Capital Improvement Fund's fund balance include the 2021 Street Improvement Plan (Winter Storm 2021) which is being partially funded by the transfer from the General Fund mentioned above. Additional projects and their funding sources can be found in the "Capital Improvement" section.

**FY 2021-2022 SUMMARY OF SOURCES AND USES**

8/26/2021

	PROPRIETARY FUNDS			
	Utility	Sanitation	Drainage	Total
<b>PROJECTED FUND BALANCE</b>				
<b>AS OF 09/30/2021</b>	<b>2,879,652</b>	<b>197,079</b>	<b>48,471</b>	<b>3,125,202</b>
<b>FY 2021-2022 PROPOSED BUDGET:</b>				
REVENUES/SOURCES				
Ad Valorem Taxes	0	0	0	0
Other Taxes and Special Assessments	0	179,600	0	179,600
Licenses & Permits	0	0	0	0
Fines & Fees	109,000	0	0	109,000
Charges for Services	10,336,100	2,387,300	869,700	13,593,100
Intergov't / Grants / Donations / Misc	0	1,000	0	1,000
Investment Earnings	17,500	700	600	18,800
Transfers In	0	0	0	0
<b>TOTAL REVENUES/SOURCES</b>	<b>10,462,600</b>	<b>2,568,600</b>	<b>870,300</b>	<b>13,901,500</b>
EXPENDITURES/USES				
Personnel Service	1,606,600	56,400	131,100	1,794,100
Supplies	143,500	1,000	9,500	154,000
Maintenance	533,200	3,000	28,000	564,200
Insurance	28,400	900	2,200	31,500
Services	3,868,000	2,023,000	7,900	5,898,900
Miscellaneous	184,300	40,500	8,400	233,200
Capital Improvement Projects	0	0	0	0
Fixed Asset Purchases	0	0	0	0
Transfers Out	1,800,000	300,000	250,000	2,350,000
Debt Service	1,998,800	0	384,500	2,383,300
<b>TOTAL EXPENDITURES/USES</b>	<b>10,162,800</b>	<b>2,424,800</b>	<b>821,600</b>	<b>13,409,200</b>
INCREASE (DECREASE)				
IN FUND BALANCE	299,800 <sup>5</sup>	143,800 <sup>6</sup>	48,700	492,300
<b>PROJECTED FUND BALANCE</b>				
<b>AS OF 09/30/2022</b>	<b>3,179,452</b>	<b>340,879</b>	<b>97,171</b>	<b>3,617,502</b>

<sup>5</sup> Utility Fund budgeted transfers out have been set lower this year at \$1.8 million than the typical \$2.0 million or more in order to ensure that the fund balance remains within its required range.

<sup>6</sup> The Drainage Fund was set up to do stormwater maintenance throughout the City. Funds are used to pay for projects and maintenance of the city-wide drainage system.

FY 2021-2022 SUMMARY OF SOURCES AND USES

8/26/2021

	SPECIAL REVENUE FUNDS					ALL FUNDS
	Hotel/ Motel	Restr Courts	Emp Ben Trust	Coronavirus Funds	Total	Grand Total
<b>PROJECTED FUND BALANCE AS OF 09/30/2021</b>	<b>434,295</b>	<b>194,761</b>	<b>5,318</b>	<b>0</b>	<b>634,374</b>	<b>28,189,225</b>
<b>FY 2021-2022 PROPOSED BUDGET:</b>						
REVENUES/SOURCES						
Ad Valorem Taxes	0	0	0	0	0	14,155,500
Other Taxes and Special Assessments	109,500	0	0	0	109,500	10,013,100
Licenses & Permits	0	0	0	0	0	253,000
Fines & Fees	0	107,600	0	0	107,600	1,216,600
Charges for Services	0	0	0	0	0	14,534,700
Intergov't / Grants / Donations / Misc	0	0	0	4,000,000	4,000,000	4,164,000
Investment Earnings	400	400	700	2,000	3,500	148,500
Transfers In	0	0	0	5,150,700	5,150,700	10,684,300
<b>TOTAL REVENUES/SOURCES</b>	<b>109,900</b>	<b>108,000</b>	<b>700</b>	<b>9,152,700</b>	<b>9,371,300</b>	<b>55,169,700</b>
EXPENDITURES/USES						
Personnel Service	0	0	0	0	0	19,581,700
Supplies	0	0	0	0	0	1,013,600
Maintenance	0	0	0	0	0	1,361,800
Insurance	0	0	0	0	0	229,000
Services	0	0	0	0	0	8,197,300
Miscellaneous	27,500	0	0	0	27,500	877,700
Capital Improvement Projects	0	0	0	3,755,000	3,755,000	14,224,300
Fixed Asset Purchases	0	0	0	1,908,300	1,908,300	2,929,200
Transfers Out	0	85,000	0	0	85,000	10,684,300
Debt Service	0	0	0	0	0	5,543,100
<b>TOTAL EXPENDITURES/USES</b>	<b>27,500</b>	<b>85,000</b>	<b>0</b>	<b>5,663,300</b>	<b>5,775,800</b>	<b>64,642,000</b>
INCREASE (DECREASE)						
IN FUND BALANCE	82,400 <sup>7</sup>	23,000 <sup>8</sup>	700 <sup>9</sup>	3,489,400 <sup>10</sup>	3,595,500	(9,472,300)
<b>PROJECTED FUND BALANCE AS OF 09/30/2022</b>	<b>516,695</b>	<b>217,761</b>	<b>6,018</b>	<b>3,489,400</b>	<b>4,229,874</b>	<b>18,716,925</b>

<sup>7</sup> An additional hotel will be opening in the City in April 2022 which should increase hotel occupancy taxes by the last quarter of the 2022 fiscal year.

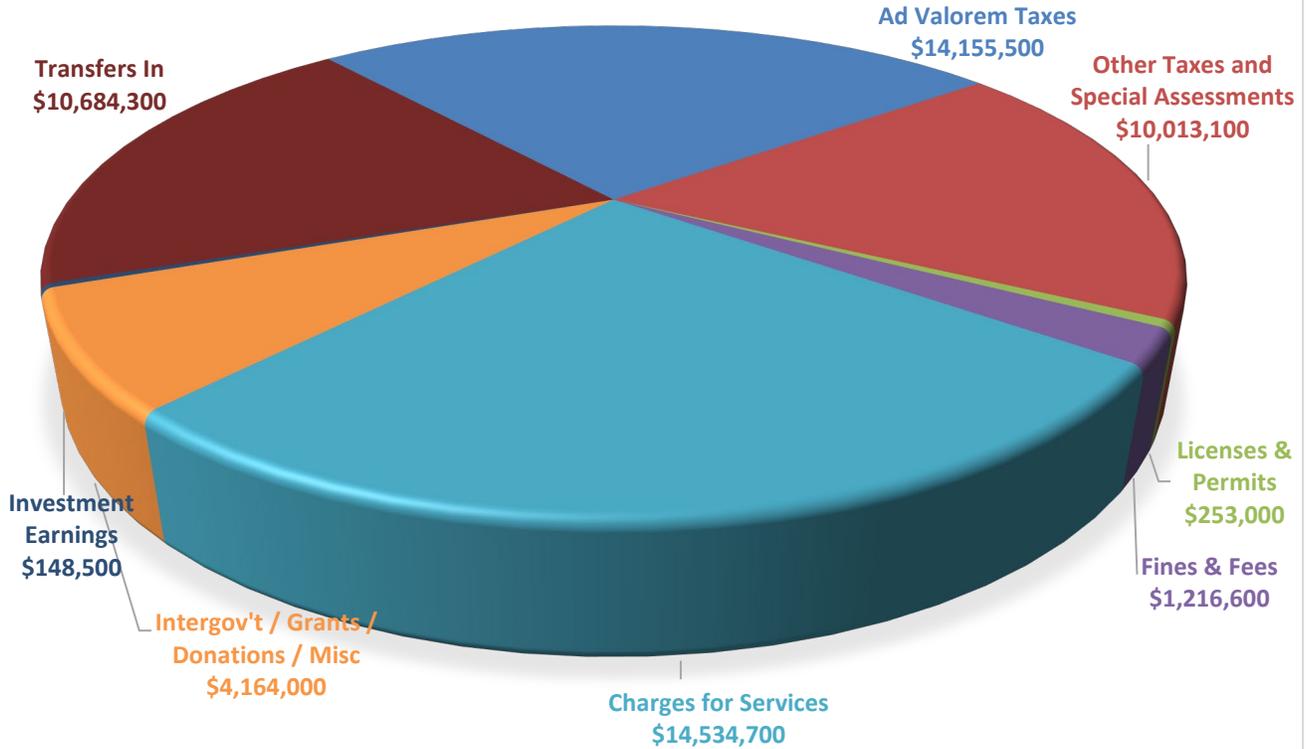
<sup>8</sup> The Restricted Court Fund's revenues are restricted to specific uses. As the City grows, we are able to find additional uses for these funds such as personnel, equipment, supplies, and equipment maintenance expenses that fit the required restrictions.

<sup>9</sup> The Employee Benefit Trust Fund is a pass-through account for the collection and payment of insurance premiums. It was created in FY 2011 and the addition to fund balance is only accumulated interest income.

<sup>10</sup> The Coronavirus Fund is a new fund being created this fiscal year. Transfers in of \$5 million is funding received and expected to be received prior to the end of the 2021 fiscal year. The City expects the remaining funding to be received by the end of FY 2022. Planning for use of these funds begin with this budgeting process.

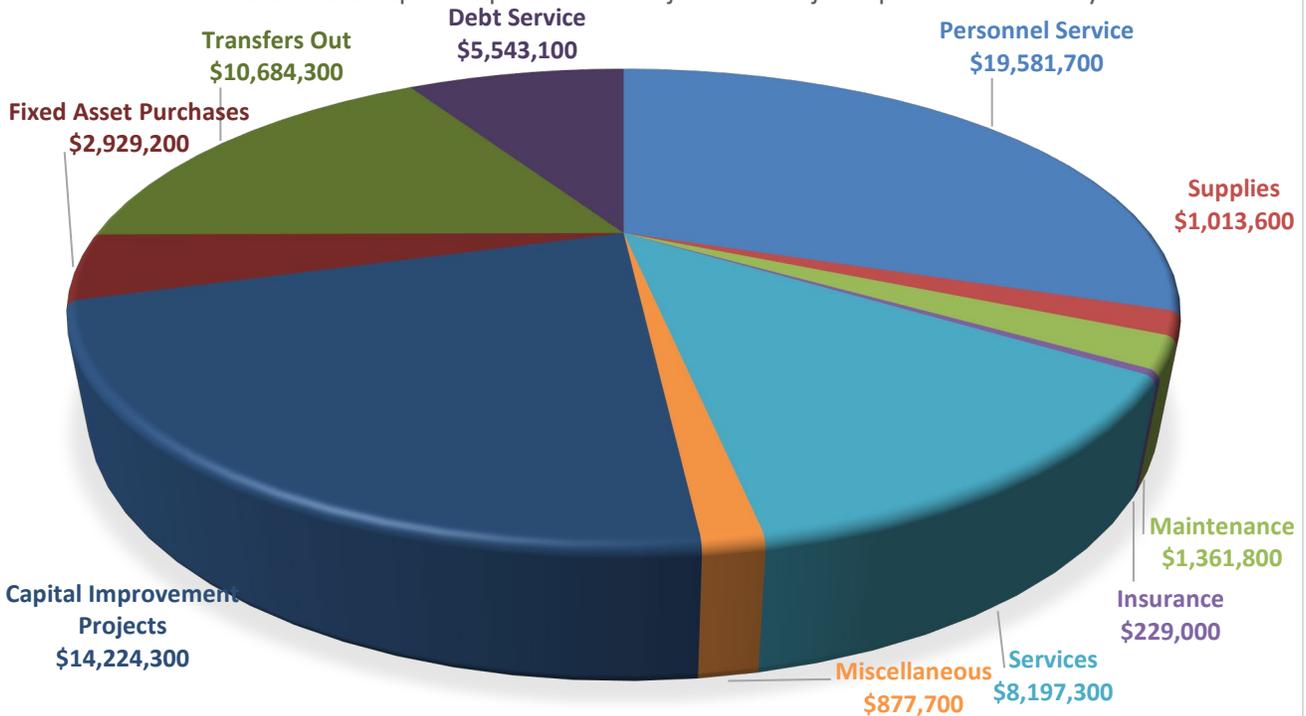
## TOTAL REVENUES FOR ALL FUNDS

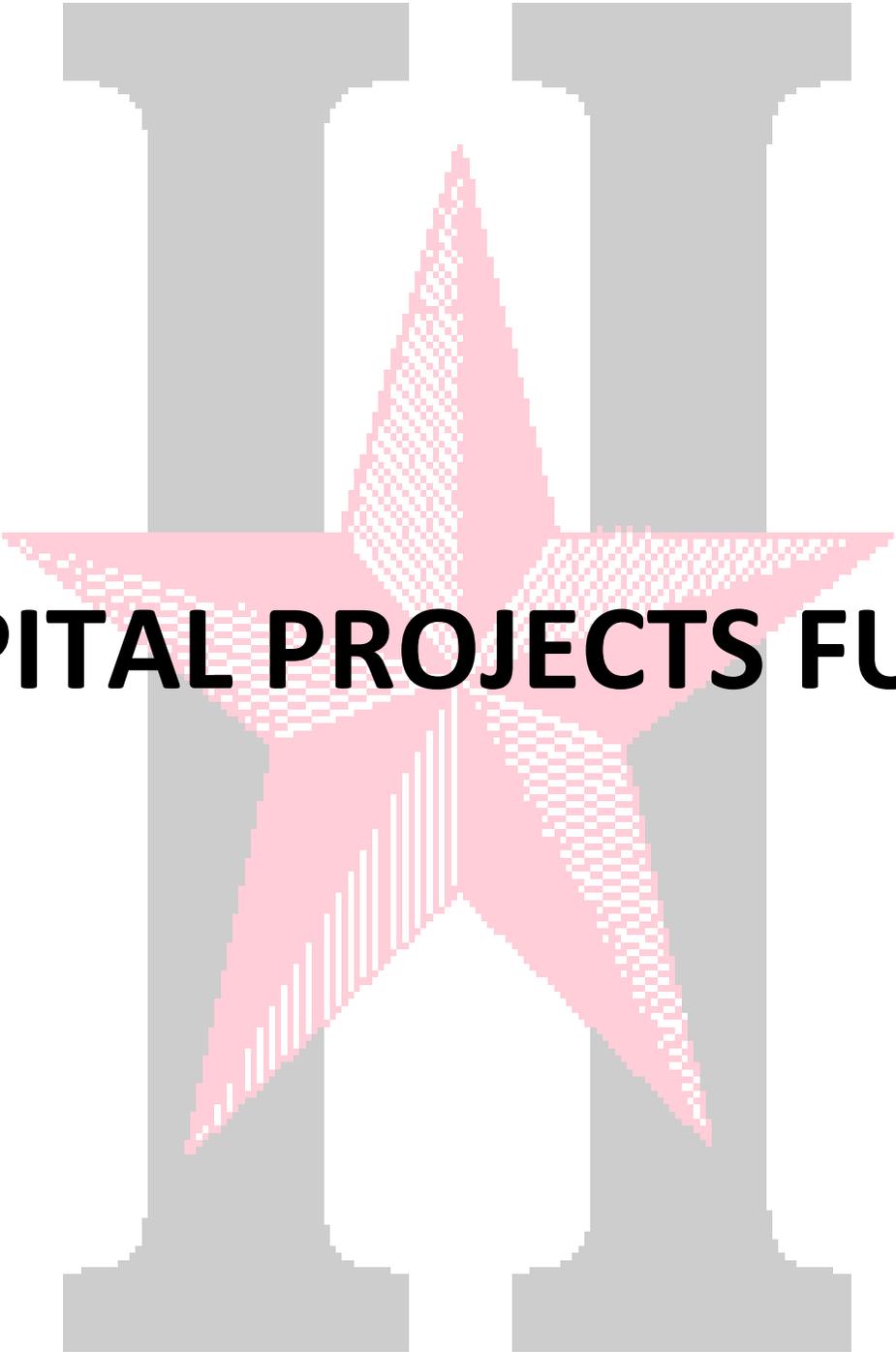
Property Taxes is the largest revenue source for the City of Harker Heights. Transfers is second due to the General Fund transfers for CIP and Grants.



## TOTAL EXPENDITURES FOR ALL FUNDS

Personnel and Capital Improvement Projects are major expenses for the City.





**CAPITAL PROJECTS FUND**

FY 2021-2022 PROPOSED CAPTIAL IMPROVEMENT PROJECTS		FUNDING SOURCE			
PROJECT TYPE	AMOUNT	TRANSFERS IN	2018 CO's	2019 CO's	CSLRF - ARPA
<b>Water Projects</b>					
Water Main Improvements	25,000	25,000			
Beeline Drive Waterline Replacement	440,000				440,000
FM 2410 Utility Conflicts (FM 3481 to I14) Phase 2	51,500	51,500			
Cedar Knob Waterline Upgrade	406,500				406,500
SUBTOTAL	923,000	76,500	0	0	846,500
<b>Wastewater Projects</b>					
Sewer Rehabilitation/Improvements	285,700	285,700			
Beeline Drive Sewer Replacement (2019)	630,300	266,300		364,000	
VFW Lift Station Upgrade	50,000				50,000
Rummel Road Lift Station Upgrade	991,000				991,000
Second Belt Filter Press at Sludge Dewatering Building	923,500				923,500
West Mechanical Bar Screen Access - WWTP	40,000	40,000			
SUBTOTAL	2,920,500	592,000	0	364,000	1,964,500
<b>Drainage Projects</b>					
Drainage Master Plan #2 - Phase #2, 3, and 4	2,312,500	1,027,200	2,162,200		
Drainage Master Plan #1 - Connell Detention Pond	1,027,200	150,300			
Roy Reynolds Bridge Abutment Stabilization	136,100		136,100		
Jorgette Drive Bank Stabilization	155,000		155,000		
Pinewood Erosion/Retaining Wall	179,900		179,900		
Cayuga French Drain Project	43,400		43,400		
Fuller Lane / Tye Valley Cross Drainage Replacement	65,000				65,000
Reconstruct Concrete Drainage Channel - Preswick/Lantana	253,600				253,600
Thoroughbred Estates Drainage Phase 1 (French Drain)	625,400				625,400
SUBTOTAL	4,798,100	1,177,500	2,676,600	0	944,000
<b>Building Improvements</b>					
Flooring Updates at City Hall	31,000	31,000			
New Cubicles / Desks in Finance and Courts	60,000	60,000			
SUBTOTAL	91,000	91,000	0	0	0
<b>Park Projects</b>					
Miscellaneous Park Projects	100,000	100,000			
SUBTOTAL	100,000	100,000	0	0	0
<b>Sidewalk Projects</b>					
Sidewalk from Prospector to Vineyard	541,400	541,400			
FM 3481 East Side Phase 1 (St Pauls / Vacant Property)	224,200	224,200			
FM 3481 East Side Phase 3 (Magill / Williams Property)	491,900	491,900			
SUBTOTAL	1,257,500	1,257,500	0	0	0
<b>Street Projects</b>					
Mountain Lion to Pontiac Drainage Flume Reconstruction	97,600	97,600			
Warrior's Path Phase 2 - Pontotoc Trace to FM 2410 (engineer)	460,000	460,000			
2021 Street Improvement Program (Winter Storm Uri)	2,756,600	2,756,600			
2022 Street Improvement Program	820,000	820,000			
SUBTOTAL	4,134,200	4,134,200	0	0	0
<b>GRAND TOTAL</b>	<b>14,224,300</b>	<b>7,428,700</b>	<b>2,676,600</b>	<b>364,000</b>	<b>3,755,000</b>

CAPITAL IMPROVEMENT PROGRAM - SUMMARY OF REVENUES AND PROJECTS

	ORIGINAL BUDGETED	PROJ / ACT COST	OVER (UNDER)	FY 2020 BUDGET	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 PROJECTED	FY 2022 BUDGET	FY 2023 BUDGET	FY 2024 BUDGET	FY 2025 BUDGET	FY 2026 BUDGET
<b>BEGINNING BALANCE - CAPITAL PROJ FUNDS</b>				<b>8,288,469</b>	<b>11,073,503</b>	<b>13,153,920</b>	<b>7,111,987</b>	<b>6,663,787</b>	<b>444,687</b>	<b>1,326,087</b>	<b>1,325,687</b>	<b>2,637,687</b>
<b>REVENUE SOURCES:</b>												
Interest Income / Interest Receivable				125,000	164,980	150,000	55,000	50,200	45,400	45,400	45,600	45,600
Non Bond Revenues				2,720,000	1,355,876	1,750,000	1,828,900	4,200,000	2,200,000	2,750,000	2,500,000	2,475,000
2018 Comb Tax & Utility Revenue CO				2,427,834	0	2,433,315	0	0	0	0	0	0
2019 Comb Tax & Utility Revenue CO				3,027,800	0	81,696	0	0	0	0	0	0
<b>Total Revenue Sources</b>				<b>8,300,634</b>	<b>1,520,856</b>	<b>4,415,011</b>	<b>1,883,900</b>	<b>4,250,200</b>	<b>2,245,400</b>	<b>2,795,400</b>	<b>2,545,600</b>	<b>2,520,600</b>
<b>Total Funded by Coronavirus Fund</b>				<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,755,000</b>	<b>3,312,300</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CIP PROJECT EXPENDITURES*:</b>												
<i>Budgeted Water Projects:</i>												
034 Rattlesnake Road Waterline Replacement (2019)	258,000	244,051	(13,949)	147,900	143,755	0	0	0	0	0	0	0
036 Beeline Drive Waterline Replacement (2019 / CF)	490,200	440,000	(50,200)	490,200	0	490,200	0	440,000	0	0	0	0
500 Water Main Improvements				8,200	8,180	25,000	0	25,000	25,000	25,000	25,000	25,000
542 FM 2410 Utility Conflicts (FM 3481 to I14) Phase 1	34,000	34,000	0	0	0	0	34,000	0	0	0	0	0
542 FM 2410 Utility Conflicts (FM 3481 to I14) Phase 2	51,500	51,500	0	0	0	0	0	51,500	0	0	0	0
510 Cedar Knob Waterline Upgrade (CF)	813,000	813,000	0	0	0	0	0	406,500	406,500	0	0	0
<b>Total Budgeted Water Projects</b>	<b>1,646,700</b>	<b>1,582,551</b>	<b>(64,149)</b>	<b>646,300</b>	<b>151,935</b>	<b>515,200</b>	<b>34,000</b>	<b>923,000</b>	<b>431,500</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
<i>Budgeted Wastewater Projects</i>												
008 Warrior's Path WW Interceptor Line (2019)	798,100	776,031	(22,069)	0	3,135	0	0	0	0	0	0	0
009 Thoroughbred 8" WW Line / 21" @ Prospector	147,200	90,780	(56,420)	0	70,733	0	0	0	0	0	0	0
035 Sanitary Sewer at Station #2	77,900	63,332	(14,568)	0	38,328	0	0	0	0	0	0	0
037 Beeline Drive Sewer Replacement (2019)	630,300	630,300	0	0	0	0	0	630,300	0	0	0	0
516 Sewer Rehabilitation & Improvements				250,000	0	250,000	140,900	285,700	275,000	275,000	275,000	275,000
517 Rummel Road Lift Station Ferrous Chloride Dosing	112,000	113,870	1,870	0	1,000	0	0	0	0	0	0	0
518 Highland Oaks WW Line Extension	23,900	23,851	(49)	0	23,851	0	0	0	0	0	0	0
519 Rummel Road Lift Station Upgrade (CF)	1,064,000	1,064,000	0	0	0	0	73,000	991,000	0	0	0	0
521 Second Belt Filter Press at Sludge Dewatering Bldg (CF)	505,000	953,500	448,500	0	0	505,000	30,000	923,500	0	0	0	0
528 Low Water Crossing (Connell Property)	20,000	34,780	14,780	0	3,000	17,000	31,800	0	0	0	0	0
528 Trimmer Creek LS Iron Chloride Dosing System	125,000	147,793	22,793	110,000	135,293	0	0	0	0	0	0	0
401 VFW Lift Station Upgrade (CF)	50,000	50,000	0	0	0	50,000	0	50,000	0	0	0	0
402 West Mechanical Bar Screen Access - WWTP	35,000	35,000	0	0	0	0	0	40,000	0	0	0	0
403 Manhole Rehabilitation - WWTP to Indian Oaks Drive (CF)	650,000	650,000	0	0	0	0	0	0	650,000	0	0	0
404 Manhole Rehabilitation - FM 2410 (CF)	240,000	240,000	0	0	0	0	0	0	240,000	0	0	0
<b>Total Budgeted Wastewater Projects</b>	<b>4,478,400</b>	<b>4,873,237</b>	<b>394,837</b>	<b>360,000</b>	<b>275,340</b>	<b>822,000</b>	<b>275,700</b>	<b>2,920,500</b>	<b>1,165,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>
<i>Budgeted Drainage Projects</i>												
501 Jorgette Drive Bank Stabilization (2018)	155,000	155,000	0	120,000	0	120,000	0	155,000	0	0	0	0
501 Pinewood Erosion Project - Retaining Wall (2018)	225,000	214,826	(10,174)	204,000	17,000	200,000	12,500	179,900	0	0	0	0
501 Roy Reynolds Bridge Abutment Stabilization (2018)	182,100	152,100	(30,000)	124,000	14,500	122,100	1,500	136,100	0	0	0	0
512 Drainage Master Plan #1 Connell Det Pond (2018)	1,031,200	1,051,200	20,000	1,031,200	19,950	1,101,200	0	1,027,200	0	0	0	0
512 Drainage Master Plan #2, Phases #2, 3, 4 (2018)	1,162,600	2,402,500	1,239,900	1,162,600	9,044	2,221,000	90,000	2,312,500	0	0	0	0
512 Tahuaya Drive Drainage Project	16,400	18,359	1,959	0	16,359	0	0	0	0	0	0	0
601 Cayuga French Drain Project (2018)	43,400	43,400	0	0	0	0	0	43,400	0	0	0	0
602 Fuller Lane / Tye Valley Cross Drainage Replacement (CF)	65,000	65,000	0	0	0	0	0	65,000	0	0	0	0
603 Reconstruct Concrete Drainage Channel - Preswick/Lantana (C)	253,600	253,600	0	0	0	0	0	253,600	0	0	0	0
604 Thoroughbred Estates Drainage Phase 1 (French Drain) (CF)	625,400	625,400	0	0	0	0	0	625,400	0	0	0	0
605 Alberta Circle Drainage Improvements (CF)	518,000	518,000	0	0	0	0	0	0	518,000	0	0	0
606 Storm Water Improvements @ 208 Cherokee Drive (CF)	375,800	375,800	0	0	0	0	0	0	375,800	0	0	0
607 Storm Water Improvements @ 715 Jason Drive (CF)	669,800	669,800	0	0	0	0	0	0	669,800	0	0	0
608 Thoroughbred Estates Drainage Phase 2 (Tanglewood) (CF)	452,200	452,200	0	0	0	0	0	0	452,200	0	0	0
Drainage Master Plan #3 HHHS Det Pond	474,000	474,000	0	0	0	0	0	0	0	237,000	237,000	0
Drainage Master Plan #4	672,300	672,300	0	0	0	0	0	0	0	0	0	224,100
Drainage Master Plan #5	46,700	46,700	0	0	0	0	0	0	0	0	0	46,700
Drainage Master Plan #6	175,000	175,000	0	0	0	0	0	0	0	0	0	175,000
Drainage Master Plan #7	993,400	993,400	0	0	0	0	0	0	0	0	0	153,200
Drainage Master Plan #8	156,600	156,600	0	0	0	0	0	0	0	0	0	156,600
<b>Total Budgeted Drainage Projects</b>	<b>8,293,500</b>	<b>9,515,185</b>	<b>1,221,685</b>	<b>2,641,800</b>	<b>76,853</b>	<b>3,764,300</b>	<b>104,000</b>	<b>4,798,100</b>	<b>2,015,800</b>	<b>237,000</b>	<b>237,000</b>	<b>755,600</b>
<i>Budgeted Building Improvements</i>												
028 Utility Relocation on Old PD Lot	22,200	21,929	(271)	0	8,769	0	0	0	0	0	0	0
504 Fire Station #2 Renovation (2019)	2,035,400	2,334,308	298,908	1,765,400	1,596,941	0	617,700	0	0	0	0	0
508 Public Works Water / Street Yard	552,200	552,200	0	0	3,738	57,000	0	0	44,000	500,000	0	0
508 Purchase Mobile Home Park Adjacent to Street Yard	400,000	6,500	(393,500)	0	0	400,000	6,500	0	0	0	0	0
509 Police Dept Building Repairs	60,000	89,200	29,200	0	24,326	35,000	64,900	0	0	0	0	0
520 Stairwell and Grating Safety Improvements (CF)	37,000	79,000	42,000	0	3,000	35,000	71,000	0	0	0	0	0
537 Remodel City Council Chambers	30,000	29,985	(15)	30,000	29,985	0	0	0	0	0	0	0
537 Flooring Updates in City Hall	31,000	31,000	0	0	0	31,000	0	31,000	0	0	0	0
537 New Cubicles / Desks in Finance and Courts	60,000	60,000	0	0	0	0	0	60,000	0	0	0	0
539 Demo / Replace Pavement at Central Station	124,900	178,770	53,870	124,900	9,500	110,400	169,300	0	0	0	0	0
539 New Roof Wellness Center (Central Station)	35,400	16,953	(18,447)	35,400	16,953	0	0	0	0	0	0	0
<b>Total Budgeted Building Improvement Projects</b>	<b>3,388,100</b>	<b>3,399,845</b>	<b>11,745</b>	<b>1,955,700</b>	<b>1,693,212</b>	<b>668,400</b>	<b>929,400</b>	<b>91,000</b>	<b>44,000</b>	<b>500,000</b>	<b>0</b>	<b>0</b>
<i>Budgeted Park Improvements</i>												
505 Miscellaneous Park Projects				50,000	63,294	50,000	53,000	100,000	100,000	150,000	150,000	100,000
536 Bathrooms at Carl Levin Park (2017)	300,000	365,109	65,109	0	33,472	0	0	0	0	0	0	0
545 Dana Peak Park Development	25,000	25,000	0	0	0	25,000	0	0	0	0	0	0
<b>Total Budgeted Park Projects</b>	<b>325,000</b>	<b>390,109</b>	<b>65,109</b>	<b>50,000</b>	<b>96,766</b>	<b>75,000</b>	<b>53,000</b>	<b>100,000</b>	<b>100,000</b>	<b>150,000</b>	<b>150,000</b>	<b>100,000</b>

\*Projects also funded by bond proceeds will have the Series in parenthesis

	ORIGINAL BUDGETED	PROJ / ACT COST	OVER (UNDER)	FY 2020 BUDGET	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 PROJECTED	FY 2022 BUDGET	FY 2023 BUDGET	FY 2024 BUDGET	FY 2025 BUDGET	FY 2026 BUDGET
<i>Budgeted Sidewalk Projects</i>												
513 From Prospector to Vineyard	587,800	594,400	6,600	255,100	33,000	562,800	20,000	541,400	0	0	0	0
513 Miscellaneous Sidewalk Projects	<i>projects vary yearly</i>			0	0	0	0	0	0	0	0	100,000
514 FM 3481 East Side Phase 1 (St Pauls / Vacant Property)	224,200	224,200	0	0	0	0	0	224,200	0	0	0	0
514 FM 3481 East Side Phase 3 (Magill / Williams Property)	491,900	491,900	0	0	0	0	0	491,900	0	0	0	0
514 FM 3481 East Side Phase 2 (Parker CNL Addition)	596,500	596,500	0	0	0	0	0	0	0	596,500	0	0
<b>Total Budgeted Sidewalk Projects</b>	<b>1,900,400</b>	<b>1,907,000</b>	<b>6,600</b>	<b>255,100</b>	<b>33,000</b>	<b>562,800</b>	<b>20,000</b>	<b>1,257,500</b>	<b>0</b>	<b>596,500</b>	<b>0</b>	<b>100,000</b>
<i>Budgeted Street Projects</i>												
007 Mounion Lion / Pontiac Drainage Flume Recon	101,600	101,600	0	64,900	0	97,600	0	97,600	0	0	0	0
030 FM 3481 and Vineyard Traffic Light / Turn Lane	87,500	63,451	(24,049)	0	0	0	2,300	0	0	0	0	0
031 Warrior's Path ROW / Street Reconstruction (2019)	3,153,400	2,643,516	(509,884)	3,153,400	2,408,202	0	0	0	0	0	0	0
032 Warrior's Path ROW	2,000	3,250	1,250	0	3,250	0	0	0	0	0	0	0
Warrior's Path Phase 2 - Pontotoc Tr to FM 2410 (engineer)	460,000	460,000	0	0	0	0	0	460,000	0	0	0	0
502 2021 Street Improvement Program (Winter Storm Uri)	3,278,300	3,004,571	(273,729)	0	0	0	248,000	2,756,600	0	0	0	0
503 Chaucer Drive Improvements	36,000	37,030	1,030	0	37,030	0	0	0	0	0	0	0
503 Tejas Trail Roadway Improvement	41,000	42,080	1,080	0	42,080	0	0	0	0	0	0	0
503 2019 Street Improvement Program	1,147,000	1,262,868	115,868	897,400	628,254	0	0	0	0	0	0	0
503 2020 Street Improvement Program	551,200	702,114	150,914	1,000,000	36,450	496,700	665,700	0	0	0	0	0
2022 Street Improvement Program	820,000	820,000	0	0	0	0	0	820,000	0	0	0	0
Annual Street Improvement Projects (Future Fiscal Years)	<i>projects to be determined</i>			0	0	0	0	0	920,000	1,012,300	546,600	627,000
<b>Total Budgeted Street Projects</b>	<b>9,678,000</b>	<b>9,140,480</b>	<b>(537,520)</b>	<b>5,115,700</b>	<b>3,155,266</b>	<b>594,300</b>	<b>916,000</b>	<b>4,134,200</b>	<b>920,000</b>	<b>1,012,300</b>	<b>546,600</b>	<b>627,000</b>
<b>Total CIP Project Expenditures</b>	<b>29,710,100</b>	<b>30,808,407</b>	<b>1,098,307</b>	<b>11,024,600</b>	<b>5,482,372</b>	<b>7,002,000</b>	<b>2,332,100</b>	<b>14,224,300</b>	<b>4,676,300</b>	<b>2,795,800</b>	<b>1,233,600</b>	<b>1,882,600</b>
INCREASE (DECREASE) TO FUND BALANCE				(2,723,966)	(3,961,516)	(2,586,989)	(448,200)	(9,974,100)	(2,430,900)	(400)	1,312,000	638,000
<b>ENDING BALANCE - CAPITAL PROJECT FUNDS</b>				<b>5,564,503</b>	<b>7,111,987</b>	<b>10,566,931</b>	<b>6,663,787</b>	<b>444,687</b>	<b>1,326,087</b>	<b>1,325,687</b>	<b>2,637,687</b>	<b>3,275,687</b>

\*Projects also funded by bond proceeds will have the Series in parenthesis

## CAPITAL IMPROVEMENT PROGRAM - NON BOND REVENUES (INCLUDING GRANTS AND CONTRIBUTIONS)

	FY 2020 BUDGET	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 PROJECTED	FY 2022 BUDGET	FY 2023 BUDGET	FY 2024 BUDGET	FY 2025 BUDGET	FY 2026 BUDGET
<b>Capital Project Accounts (Cash and Investments)</b>	<b>4,288,469</b>	<b>4,931,225</b>	<b>3,979,229</b>	<b>3,727,629</b>	<b>3,334,829</b>	<b>151,329</b>	<b>1,032,729</b>	<b>1,032,329</b>	<b>2,344,329</b>
<b>REVENUE SOURCES:</b>									
Interest Income	125,000	69,617	50,000	45,000	45,200	45,400	45,400	45,600	45,600
General Fund Transfer	0	0	500,000	500,000	2,500,000	1,000,000	1,000,000	750,000	750,000
Utility Fund Transfer	1,000,000	0	1,000,000	1,000,000	1,500,000	1,000,000	1,500,000	1,500,000	1,500,000
Utility Connect Fee Transfer	100,000	100,000	100,000	50,000	50,000	50,000	50,000	50,000	50,000
Drainage Fund Transfer	100,000	100,000	150,000	150,000	150,000	150,000	200,000	200,000	175,000
Miscellaneous Revenue	0	0	0	128,900	0	0	0	0	0
KISD Warrior's Path Contribution	1,520,000	1,125,175	0	0	0	0	0	0	0
City of Nolanville Warrior's Path Contribution	0	25,600	0	0	0	0	0	0	0
Highland Oaks Reimbursement	0	3,088	0	0	0	0	0	0	0
Grant Funding - TXDOT	0	2,013	0	0	0	0	0	0	0
<b>Total Non Bond Revenue Sources</b>	<b>2,845,000</b>	<b>1,425,493</b>	<b>1,800,000</b>	<b>1,873,900</b>	<b>4,245,200</b>	<b>2,245,400</b>	<b>2,795,400</b>	<b>2,545,600</b>	<b>2,520,600</b>
<b>Total CIP Projects (detailed below)</b>	<b>5,477,100</b>	<b>2,629,089</b>	<b>4,151,600</b>	<b>2,266,700</b>	<b>7,428,700</b>	<b>1,364,000</b>	<b>2,795,800</b>	<b>1,233,600</b>	<b>1,882,600</b>
<b>Estimated Non Bond Funds Remaining @ Sept 30</b>	<b>1,656,369</b>	<b>3,727,629</b>	<b>1,627,629</b>	<b>3,334,829</b>	<b>151,329</b>	<b>1,032,729</b>	<b>1,032,329</b>	<b>2,344,329</b>	<b>2,982,329</b>
<b>CIP PROJECTS (projects also funded by bond proceeds will have the Series in parenthesis)</b>									
<i>Budgeted Water Projects</i>									
034 Rattlesnake Road Waterline Replacement (2019)	0	578	0	0	0	0	0	0	0
036 Beeline Drive Waterline Replacement	215,200	0	307,900	0	0	0	0	0	0
500 Water Main Improvements	8,200	8,180	25,000	0	25,000	25,000	25,000	25,000	25,000
542 FM 2410 Utility Conflicts (FM 3481 to I14) Phase 1	0	0	0	34,000	0	0	0	0	0
542 FM 2410 Utility Conflicts (FM 3481 to I14) Phase 2	0	0	0	0	51,500	0	0	0	0
<b>Total Budgeted Water Projects</b>	<b>223,400</b>	<b>8,758</b>	<b>332,900</b>	<b>34,000</b>	<b>76,500</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>
<i>Budgeted Wastewater Projects</i>									
008 Warrior's Path WW Interceptor Line (2019)	0	3,135	0	0	0	0	0	0	0
009 Thoroughbred 8" WW Line / 21" @ Prospector	0	70,733	0	0	0	0	0	0	0
035 Sanitary Sewer at Station #2	0	38,328	0	0	0	0	0	0	0
037 Beeline Drive Sewer Replacement (2019)	0	0	0	0	266,300	0	0	0	0
401 VFW Lift Station Upgrade	0	0	50,000	0	0	0	0	0	0
516 Sewer Rehabilitation & Improvements	250,000	0	250,000	45,900	275,000	275,000	275,000	275,000	275,000
- TCEQ Ten Year Sanitary Sewer Overflow Plan	0	0	0	0	10,700	0	0	0	0
- Lift Station Evals - Evergreen, Fawn Valley, Trimmier	0	0	0	45,000	0	0	0	0	0
- Jamie Road Wastewater Relocation	0	0	0	50,000	0	0	0	0	0
517 Rummel Road Lift Station Ferrous Chloride Dosing	0	1,000	0	0	0	0	0	0	0
518 Highland Oaks WW Line Extension	0	23,851	0	0	0	0	0	0	0
519 Rummel Road Lift Station Upgrade	0	0	0	73,000	0	0	0	0	0
521 Second Belt Filter Press at Sludge Dewatering Building	0	0	505,000	30,000	0	0	0	0	0
528 Low Water Crossing (Connell Property)	0	3,000	17,000	31,800	0	0	0	0	0
528 Trimmier Creek LS Iron Chloride Dosing System	110,000	135,293	0	0	0	0	0	0	0
402 West Mechanical Bar Screen Access - Treatment Plant	0	0	0	0	40,000	0	0	0	0
<b>Total Budgeted Wastewater Projects</b>	<b>360,000</b>	<b>275,340</b>	<b>822,000</b>	<b>275,700</b>	<b>592,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>
<i>Budgeted Drainage Projects</i>									
512 Drainage Master Plan #1 Connell Det Pond (2018)	140,000	0	192,500	0	1,027,200	0	0	0	0
512 Drainage Master Plan #2, Phases #2, 3, 4 (2018)	0	9,044	903,700	90,000	150,300	0	0	0	0
512 Tahuaya Drive Drainage Project	0	16,359	0	0	0	0	0	0	0
Drainage Master Plan #3 HHS Det Pond	0	0	0	0	0	0	237,000	237,000	0
Drainage Master Plan #4	0	0	0	0	0	0	0	0	224,100
Drainage Master Plan #5	0	0	0	0	0	0	0	0	46,700
Drainage Master Plan #6	0	0	0	0	0	0	0	0	175,000
Drainage Master Plan #7	0	0	0	0	0	0	0	0	153,200
Drainage Master Plan #8	0	0	0	0	0	0	0	0	156,600
<b>Total Budgeted Drainage Projects</b>	<b>140,000</b>	<b>25,403</b>	<b>1,096,200</b>	<b>90,000</b>	<b>1,177,500</b>	<b>0</b>	<b>237,000</b>	<b>237,000</b>	<b>755,600</b>
<i>Budgeted Building Improvements</i>									
028 Utility Relocation on Old PD Lot	0	8,769	0	0	0	0	0	0	0
504 Fire Station #2 Renovation (2019)	352,600	63,460	0	566,300	0	0	0	0	0
508 Public Works Water / Street Yard	0	3,738	57,000	0	0	44,000	500,000	0	0
508 Purchase Mobile Home Park Adjacent to Street Yard	0	0	400,000	6,500	0	0	0	0	0
509 Police Dept Building Repairs	0	24,326	35,000	64,900	0	0	0	0	0
520 Stairwell and Grating Safety Improvements	0	3,000	35,000	71,000	0	0	0	0	0
537 Remodel City Council Chambers	30,000	29,985	0	0	0	0	0	0	0
537 Flooring Updates in City Hall	0	0	31,000	0	31,000	0	0	0	0
537 New Cubicles / Desks in Finance and Courts	0	0	0	0	60,000	0	0	0	0
539 Demo / Replace Pavement at Central Station	124,900	9,500	110,400	169,300	0	0	0	0	0
539 New Roof Wellness Center (Central Station)	35,400	16,953	0	0	0	0	0	0	0
<b>Total Budgeted Building Improvement Projects</b>	<b>542,900</b>	<b>159,731</b>	<b>668,400</b>	<b>878,000</b>	<b>91,000</b>	<b>44,000</b>	<b>500,000</b>	<b>0</b>	<b>0</b>

FY 2020 BUDGET    FY 2020 ACTUAL    FY 2021 BUDGET    FY 2021 PROJECTED    FY 2022 BUDGET    FY 2023 BUDGET    FY 2024 BUDGET    FY 2025 BUDGET    FY 2026 BUDGET

*Budgeted Park Projects*

505 Miscellaneous Park Projects	50,000	63,294	50,000	53,000	100,000	100,000	150,000	150,000	100,000
536 Bathrooms at Carl Levin Park (2017)	0	33,472	0	0	0	0	0	0	0
545 Dana Peak Park Development	0	0	25,000	0	0	0	0	0	0
<b>Total Budgeted Park Projects</b>	<b>50,000</b>	<b>96,766</b>	<b>75,000</b>	<b>53,000</b>	<b>100,000</b>	<b>100,000</b>	<b>150,000</b>	<b>150,000</b>	<b>100,000</b>

*Budgeted Sidewalk Projects*

513 FM3481 From Prospector to Vineyard	255,100	33,000	562,800	20,000	541,400	0	0	0	0
513 Miscellaneous Sidewalk Projects	0	0	0	0	0	0	0	0	100,000
514 FM 3481 East Side Phase 1 (St Pauls / Vacant Property)	0	0	0	0	224,200	0	0	0	0
514 FM 3481 East Side Phase 3 (Magill / Williams Property)	0	0	0	0	491,900	0	0	0	0
514 FM 3481 East Side Phase 2 (Parker CNL Addition)	0	0	0	0	0	0	596,500	0	0
<b>Total Budgeted Sidewalk Projects</b>	<b>255,100</b>	<b>33,000</b>	<b>562,800</b>	<b>20,000</b>	<b>1,257,500</b>	<b>0</b>	<b>596,500</b>	<b>0</b>	<b>100,000</b>

*Budgeted Street Projects*

007 Mountain Lion / Pontiac Drainage Flume Recon	64,900	0	97,600	0	97,600	0	0	0	0
030 Traffic Light FM 3481 and Vineyard (2019)	0	0	0	2,300	0	0	0	0	0
031 Warrior's Path ROW / Street Reconstruction (2019)	1,520,000	1,125,175	0	0	0	0	0	0	0
031 Warrior's Path ROW / Street Reconstruction (2019)	423,400	157,852	0	0	0	0	0	0	0
032 Warrior's Path ROW	0	3,250	0	0	0	0	0	0	0
Warrior's Path Phase 2 - Pontotoc Tr to FM 2410 (engineer)	0	0	0	0	460,000	0	0	0	0
502 Street Projects (Winter Storm 2021)	0	0	0	248,000	2,756,600	0	0	0	0
<i>Chaucer, Crowfoot, Miller's Crossing, Pioneer, Wildewood, Memory, Shelby, Drawbridge, Comanche Gap, point repairs, drainage items, and sidewalks</i>									
503 Chaucer Drive Improvements	0	37,030	0	0	0	0	0	0	0
503 Tejas Trail Roadway Improvement	0	42,080	0	0	0	0	0	0	0
<b>503 2019 Street Improvement Program</b>									
Old Nolanville Road	-	-	0	0	0	0	0	0	0
Fullview Court Cul de Sac	-	-	0	0	0	0	0	0	0
Mountain Lion Road	-	-	0	0	0	0	0	0	0
Roy Reynolds Drive	-	-	0	0	0	0	0	0	0
Dorothy Lane	-	-	0	0	0	0	0	0	0
Roy Reynolds Circle Cul de Sac	-	-	0	0	0	0	0	0	0
Modoc Channel Improvements	-	-	0	0	0	0	0	0	0
<b>Total 2019 Street Improvement Program</b>	<b>897,400</b>	<b>628,254</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>503 2020 Street Improvement Program</b>									
Mossy Oaks Circle Cul de Sac	0	0	105,000	106,500	0	0	0	0	0
Rattlesnake Road	0	0	220,000	270,700	0	0	0	0	0
Chapparral Road	0	0	165,000	149,400	0	0	0	0	0
Miller's Crossing Guardrail	-	-	6,700	22,100	0	0	0	0	0
Dorothy Lane Valley Gutter	-	-	0	16,800	0	0	0	0	0
Maintenance Guard Rail	-	-	0	24,600	0	0	0	0	0
ADA Path - Community Park Batting Cage	-	-	0	21,200	0	0	0	0	0
ADA Path - Kern Park Path and Parking Lot	-	-	0	39,500	0	0	0	0	0
Pima Trail Curb Ramps	-	-	0	14,900	0	0	0	0	0
<b>Total 2020 Street Improvement Program</b>	<b>1,000,000</b>	<b>36,450</b>	<b>496,700</b>	<b>665,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2022 Street Improvement Program</b>									
Spicewood Circle Cul de Sac	0	0	0	0	35,000	0	0	0	0
Oak Timbers Circle Cul de Sac	0	0	0	0	40,000	0	0	0	0
Wood Shadows Road	0	0	0	0	70,000	0	0	0	0
Holly Court Cul de Sac	0	0	0	0	40,000	0	0	0	0
Tanglewood Drive Cul de Sac	0	0	0	0	40,000	0	0	0	0
Maya Trail	0	0	0	0	125,000	0	0	0	0
Seminole Trace	0	0	0	0	150,000	0	0	0	0
Yuron Trace	0	0	0	0	155,000	0	0	0	0
Sun Meadows Drive	0	0	0	0	165,000	0	0	0	0
<b>Total 2022 Street Improvement Program</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>820,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	FY 2020 BUDGET	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 PROJECTED	FY 2022 BUDGET	FY 2023 BUDGET	FY 2024 BUDGET	FY 2025 BUDGET	FY 2026 BUDGET
<b>503 Annual Street Improvement Projects</b>									
Cedar Oaks Lane (Nola Ruth to End O Trail)	0	0	0	0	0	375,000	0	0	0
Cedar Oaks Circle	0	0	0	0	0	235,000	0	0	0
Cedar Oaks Lane (Nola Ruth to N Cul de Sac)	0	0	0	0	0	310,000	0	0	0
Beeline Drive	0	0	0	0	0	0	1,012,300	0	0
Antelope Trail	0	0	0	0	0	0	0	413,200	0
Vinson Circle	0	0	0	0	0	0	0	36,600	0
Bear Trail	0	0	0	0	0	0	0	10,100	0
Wolf Trail	0	0	0	0	0	0	0	20,600	0
Badger Circle	0	0	0	0	0	0	0	26,500	0
Coyote Circle	0	0	0	0	0	0	0	24,500	0
Bobcat Circle	0	0	0	0	0	0	0	15,100	0
Wind Ridge Drive	0	0	0	0	0	0	0	0	100,000
Oak Trail	0	0	0	0	0	0	0	0	77,000
End O Trail	0	0	0	0	0	0	0	0	255,000
Silver Creek Drive	0	0	0	0	0	0	0	0	195,000
High Oak Drive	0	0	0	0	0	0	0	0	0
Rummel Road	0	0	0	0	0	0	0	0	0
Highview Road	0	0	0	0	0	0	0	0	0
Lakeside Drive	0	0	0	0	0	0	0	0	0
<b>Total Annual Street Improvement Projects</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>920,000</b>	<b>1,012,300</b>	<b>546,600</b>	<b>627,000</b>
<b>Total Budgeted Street Projects</b>	<b>3,905,700</b>	<b>2,030,091</b>	<b>594,300</b>	<b>916,000</b>	<b>4,134,200</b>	<b>920,000</b>	<b>1,012,300</b>	<b>546,600</b>	<b>627,000</b>
<b>TOTAL PROJECT EXPENDITURES</b>	<b>5,477,100</b>	<b>2,629,089</b>	<b>4,151,600</b>	<b>2,266,700</b>	<b>7,428,700</b>	<b>1,364,000</b>	<b>2,795,800</b>	<b>1,233,600</b>	<b>1,882,600</b>

## CAPITAL IMPROVEMENT PROGRAM - 2018 COMBINATION TAX AND UTILITY SYSTEM CERTIFICATES OF OBLIGATION

	FY 2020 BUDGET	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 PROJECTED	FY 2022 BUDGET	FY 2023 BUDGET	FY 2024 BUDGET
<b>REVENUE SOURCES:</b>							
General Fund Proceeds (\$3 million)	(10)	(19,010)	(19,010)	(19,010)	(19,010)		
General Fund CIP Projects	0	0	0	0	0		
Proceeds Remaining	(10)	(19,010)	(19,010)	(19,010)	(19,010)	0	0
Drainage Fund Proceeds (\$3 million)	2,494,944	2,546,125	2,461,125	2,494,675	2,480,675		
Drainage Fund CIP Projects	(2,501,800)	(51,450)	(2,668,100)	(14,000)	(2,676,600)		
Proceeds Remaining	(6,856)	2,494,675	(206,975)	2,480,675	(195,925)	0	0
Less: Issuance Cost at Closing	(67,100)	(67,117)	(8,800)	(67,100)	(67,100)		
Adjustment to Actual	0	50,090	0	50,112	50,100		
Total Proceeds Remaining	(73,966)	2,458,638	(234,785)	2,444,677	(231,935)	0	0
Interest Income	5,000	35,152	15,000	7,500	5,000		
Interest Earned From Prior Year(s)	184,400	184,387	219,800	219,500	227,000		
<b>Estimated 2018 CO Funds Remaining @ Sept 30</b>	<b>115,434</b>	<b>2,678,177</b>	<b>15</b>	<b>2,671,677</b>	<b>65</b>	<b>0</b>	<b>0</b>
<b>CIP PROJECTS</b>							
<i>Budgeted Drainage Projects</i>							
501 Jorgette Drive Bank Stabilization	120,000	0	120,000	0	155,000	0	0
501 Pinewood Erosion Project - Retaining Wall	204,000	17,000	200,000	12,500	179,900	0	0
501 Roy Reynolds Bridge Abutment Stabilization	124,000	14,500	122,100	1,500	136,100	0	0
601 Cayuga French Drain Project	0	0	0	0	43,400	0	0
512 Drainage Master Plan #1 Connell Det Pond	891,200	19,950	908,700	0	0	0	0
512 Drainage Master Plan #2, Phases #2, 3, 4	1,162,600	0	1,317,300	0	2,162,200	0	0
Total Budgeted Drainage Projects	2,501,800	51,450	2,668,100	14,000	2,676,600	0	0
<b>TOTAL PROJECT EXPENDITURES</b>	<b>2,501,800</b>	<b>51,450</b>	<b>2,668,100</b>	<b>14,000</b>	<b>2,676,600</b>	<b>0</b>	<b>0</b>

**CAPITAL IMPROVEMENT PROGRAM - 2019 COMBINATION TAX AND UTILITY SYSTEM CERTIFICATES OF OBLIGATION**

	<b>FY 2020 BUDGET</b>	<b>FY 2020 ACTUAL</b>	<b>FY 2021 BUDGET</b>	<b>FY 2021 PROJECTED</b>	<b>FY 2022 BUDGET</b>	<b>FY 2023 BUDGET</b>	<b>FY 2024 BUDGET</b>
<b>REVENUE SOURCES:</b>							
General Fund Proceeds (\$3 million)	2,626,000	2,710,054	(146,146)	51,398	(2)		
General Fund CIP Projects	(2,622,800)	(2,658,656)	0	(51,400)	0	0	
Proceeds Remaining	3,200	51,398	(146,146)	(2)	(2)	0	0
Utility Fund Proceeds (\$1 million)	456,200	436,842	282,242	293,665	293,665		
Utility Fund CIP Projects	(422,900)	(143,177)	(182,300)	0	(364,000)	0	
Proceeds Remaining	33,300	293,665	99,942	293,665	(70,335)	0	0
Less Issuance Cost at Closing	(54,400)	(54,422)	(54,400)	(54,400)	(54,400)		
Adjustment to Actual	0	318,120	0	0	24,900		
Proceeds Remaining	(17,900)	608,761	(100,604)	239,263	(99,837)	0	0
Interest Income	15,000	48,935	5,000	2,500	0		
Interest Earned From Prior Year(s)	30,000	48,485	95,700	97,400	99,900		
<b>Estimated 2019 CO Funds Remaining @ Sept 30</b>	<b>27,100</b>	<b>706,181</b>	<b>96</b>	<b>339,163</b>	<b>63</b>	<b>0</b>	<b>0</b>
<b>CIP PROJECTS</b>							
<i>Budgeted Water Projects</i>							
034 Rattlesnake Road Waterline Replacement	147,900	143,177	0	0	0	0	0
036 Beeline Drive Waterline Replacement	275,000	0	182,300	0	0	0	0
<b>Total Budgeted Water Projects</b>	<b>422,900</b>	<b>143,177</b>	<b>182,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Budgeted Wastewater Projects</i>							
037 Beeline Drive Sewer Replacement	0	0	0	0	364,000	0	0
<b>Total Budgeted Wastewater Projects</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>364,000</b>	<b>0</b>	<b>0</b>
<i>Budgeted Building Improvements</i>							
504 Fire Station #2 Renovation	1,412,800	1,533,481	0	51,400	0	0	0
<b>Total Budgeted Building Improvement Projects</b>	<b>1,412,800</b>	<b>1,533,481</b>	<b>0</b>	<b>51,400</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Budgeted Street Projects</i>							
031 Warrior's Path ROW / Street Reconstruction	1,210,000	1,125,175	0	0	0	0	0
<b>Total Budgeted Street Projects</b>	<b>1,210,000</b>	<b>1,125,175</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL PROJECT EXPENDITURES</b>	<b>3,045,700</b>	<b>2,801,833</b>	<b>182,300</b>	<b>51,400</b>	<b>364,000</b>	<b>0</b>	<b>0</b>

CAPITAL IMPROVEMENT PROGRAM - CORONAVIRUS FUND

	FY 2020 BUDGET	FY 2020 ACTUAL	FY 2021 BUDGET	FY 2021 PROJECTED	FY 2022 BUDGET	FY 2023 BUDGET	FY 2024 BUDGET	FY 2025 BUDGET	FY 2026 BUDGET
<b>Coronavirus State / Local Relief Fund (ARPA)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUE SOURCES:</b>									
Coronavirus State / Local Relief Fund (ARPA)	0	0	0	0	3,755,000	3,312,300	0	0	0
<b>Total CIP Projects (detailed below)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,755,000</b>	<b>3,312,300</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Estimated CSLRF Funding @ Sept 30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CIP PROJECTS</b>									
<i>Budgeted Water Projects</i>									
036 Beeline Drive Waterline Replacement	0	0	0	0	440,000	0	0	0	0
510 Cedar Knob Waterline Upgrade	0	0	0	0	406,500	406,500	0	0	0
<b>Total Budgeted Water Projects</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>846,500</b>	<b>406,500</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Budgeted Wastewater Projects</i>									
401 VFW Lift Station Upgrade	0	0	0	0	50,000	0	0	0	0
519 Rummel Road Lift Station Upgrade	0	0	0	0	991,000	0	0	0	0
521 Second Belt Filter Press at Sludge Dewatering Bldg	0	0	0	0	923,500	0	0	0	0
403 Manhole Rehab - WWTP to Indian Oaks Drive	0	0	0	0	0	650,000	0	0	0
404 Manhole Rehab - FM 2410	0	0	0	0	0	240,000	0	0	0
<b>Total Budgeted Wastewater Projects</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,964,500</b>	<b>890,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Budgeted Drainage Projects</i>									
602 Fuller Lane / Tye Valley Cross Drainage Replacement	0	0	0	0	65,000	0	0	0	0
605 Alberta Circle Drainage Improvements	0	0	0	0	0	518,000	0	0	0
603 Reconstruct Concrete Drainage Channel - Preswick/Lantana	0	0	0	0	253,600	0	0	0	0
606 Storm Water Improvements @ 208 Cherokee Drive	0	0	0	0	0	375,800	0	0	0
607 Storm Water Improvements @ 715 Jason Drive	0	0	0	0	0	669,800	0	0	0
604 Thoroughbred Estates Drainage Phase 1 (French Drain)	0	0	0	0	625,400	0	0	0	0
608 Thoroughbred Estates Drainage Phase 1 (Tanglewood)	0	0	0	0	0	452,200	0	0	0
<b>Total Budgeted Building Improvement Projects</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>944,000</b>	<b>2,015,800</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Budgeted Building Improvements</i>									
520 Stairwell and Grating Safety Improvements	0	0	0	0	0	0	0	0	0
<b>Total Budgeted Street Projects</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL PROJECT EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,755,000</b>	<b>3,312,300</b>	<b>0</b>	<b>0</b>	<b>0</b>



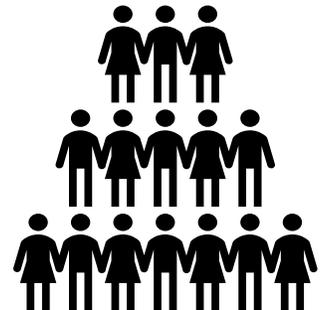
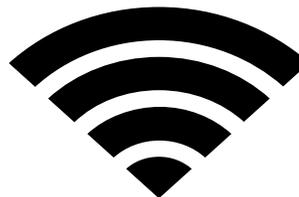
**CORONAVIRUS FUND**

**CORONAVIRUS FUND**

8/26/2021

	FY 2019-20 BUDGET	FY 2019-20 ACTUAL	FY 2020-21 BUDGET	FY 2020-21 MID-YEAR	FY 2020-21 PROJECTED	FY 2021-22 PROPOSED BUDGET
<b>BEGINNING FUND BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
REVENUES:						
020 Interest Income	0	0	0	0	0	2,000
070 Grant Revenue	0	0	0	0	0	4,000,000
801 Transfer from General Fund	0	0	0	0	0	5,150,700
<b>TOTAL REVENUES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,152,700</b>
EXPENDITURES:						
Fixed Assets:						
Coronavirus Relief Fund	0	0	0	0	0	1,297,200
Coronavirus State / Local Recovery Fund (ARPA)	0	0	0	0	0	611,100
<b>Total Fixed Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,908,300</b>
Capital Improvement Projects:						
Coronavirus State / Local Recovery Fund (ARPA)	0	0	0	0	0	3,755,000
<b>Total Capital Improvement Projects</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,755,000</b>
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,663,300</b>
<b>INCR (DECR) IN FUND BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,489,400</b>
<b>ENDING FUND BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,489,400</b>

Eligible uses of the Coronavirus State and Local Recovery Funds include public health emergency response, water and sewer infrastructure investments, broadband projects, and payroll expenses.



**CORONAVIRUS FUND LONG RANGE PROJECTIONS**

	<b>FY 2021 BUDGET</b>	<b>FY 2021 PROJECTED</b>	<b>FY 2022 BUDGET</b>	<b>FY 2023 BUDGET</b>	<b>FY 2024 BUDGET</b>	<b>FY 2025 BUDGET</b>	<b>FY 2026 BUDGET</b>
<b>BEGINNING FUND BALANCE</b>	0	0	0	3,489,400	179,100	180,100	181,100
<b>REVENUES:</b>							
020 Interest Income	0	0	2,000	2,000	1,000	1,000	1,000
070 Grant Revenue	0	0	4,000,000	0	0	0	0
801 Transfer from General	0	0	5,150,700	0	0	0	0
<b>TOTAL REVENUES:</b>	0	0	9,152,700	2,000	1,000	1,000	1,000
<b>EXPENSES:</b>							
<b>Fixed Assets:</b>							
<b>Coronavirus Relief Fund</b>							
705 Equipment	0	0	615,600	0	0	0	0
707 Vehicles	0	0	681,600	0	0	0	0
<b>Subtotal Coronavirus Relief Fund</b>	0	0	1,297,200	0	0	0	0
<b>Coronavirus State and Local Recovery Fund</b>							
715 Equipment	0	0	611,100	0	0	0	0
<b>Subtotal Coronavirus State and Local Recovery Fund</b>	0	0	611,100	0	0	0	0
<b>Total Fixed Assets</b>	0	0	1,908,300	0	0	0	0
<b>Capital Improvement Projects:</b>							
<b>Coronavirus State and Local Recovery Fund</b>							
BD-520 Stairwell and Grating Safety Improvements	0	0	0	0	0	0	0
DR-602 Fuller Lane / Tye Valley Cross Drainage Replacement	0	0	65,000	0	0	0	0
DR-603 Reconstruct Concrete Drainage Channel (Preswick/Lantana)	0	0	253,600	0	0	0	0
DR-604 Thoroughbed Estates Drainage (French Drain)	0	0	625,400	0	0	0	0
DR-605 Alberta Circlue Drainage Improvements	0	0	0	518,000	0	0	0
DR-606 Storm Water Improvements @ 208 Cherokee Dr	0	0	0	375,800	0	0	0
DR-607 Storm Water Improvements @ 715 Jason Dr	0	0	0	669,800	0	0	0
DR-608 Thoroughbed Estates Drainage (Tanglewood)	0	0	0	452,200	0	0	0
WA-036 Beeline Drive Waterline Drive Replacement	0	0	440,000	0	0	0	0
WA-510 Cedar Knob Waterline Upgrade	0	0	3,755,000	406,500	0	0	0
WW-401 VFW Lift Station Upgrade	0	0	50,000	0	0	0	0
WW-403 Manhole Rehab (WWTP to Indian Oaks Dr)	0	0	0	650,000	0	0	0
WW-404 Manhole Rehab (FM 2410)	0	0	0	240,000	0	0	0
WW-519 Rummel Road Lift Station Upgrade	0	0	991,000	0	0	0	0
WW-521 Second Belt Press at Sludge Dewatering Building	0	0	923,500	0	0	0	0
<b>Total Capital Improvement Projects</b>	0	0	3,755,000	3,312,300	0	0	0
<b>TOTAL EXPENSES</b>	0	0	5,663,300	3,312,300	0	0	0
<b>INCREASE (DECREASE) IN FUND BALANCE</b>	0	0	3,489,400	(3,310,300)	1,000	1,000	1,000
<b>ENDING FUND BALANCE</b>	<b>0</b>	<b>0</b>	<b>3,489,400</b>	<b>179,100</b>	<b>180,100</b>	<b>181,100</b>	<b>182,100</b>



# Coronavirus State and Local Fiscal Recovery Funds

The American Rescue Plan will deliver \$350 billion for state, local, territorial, and Tribal governments to respond to the COVID-19 emergency and bring back jobs.

The Coronavirus State and Local Fiscal Recovery Funds provide a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

## Funding Objectives

- **Support urgent COVID-19 response efforts** to continue to decrease spread of the virus and bring the pandemic under control
- **Replace lost public sector revenue** to strengthen support for vital public services and help retain jobs
- **Support immediate economic stabilization** for households and businesses
- **Address systemic public health and economic challenges** that have contributed to the inequal impact of the pandemic

## Eligible Jurisdictions & Allocations

### Direct Recipients

- States and District of Columbia (\$195.3 billion)
- Counties (\$65.1 billion)
- Metropolitan cities (\$45.6 billion)
- Tribal governments (\$20.0 billion)
- Territories (\$4.5 billion)

### Indirect Recipients

- Non-entitlement units (\$19.5 billion)



### Support Public Health Response

Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff



### Address Negative Economic Impacts

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector



### Replace Public Sector Revenue Loss

Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic



### Premium Pay for Essential Workers

Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors



### Water and Sewer Infrastructure

Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure



### Broadband Infrastructure

Make necessary investments to provide unserved or underserved locations with new or expanded broadband access



**For More Information:** Please visit [www.treasury.gov/SLFRP](http://www.treasury.gov/SLFRP)

**For Media Inquiries:** Please contact the U.S. Treasury Press Office at (202) 622-2960

**For General Inquiries:** Please email [SLFRP@treasury.gov](mailto:SLFRP@treasury.gov) for additional information



# Example Uses of Funds

## Support Public Health Response

- **Services to contain and mitigate the spread of COVID-19**, including vaccination, medical expenses, testing, contact tracing, quarantine costs, capacity enhancements, and many related activities
- **Behavioral healthcare services**, including mental health or substance misuse treatment, crisis intervention, and related services
- **Payroll and covered benefits** for public health, healthcare, human services, and public safety staff to the extent that they work on the COVID-19 response

## Replace Public Sector Revenue Loss

- **Ensure continuity of vital government services** by filling budget shortfalls
- **Revenue loss is calculated** relative to the expected trend, beginning with the last full fiscal year pre-pandemic and adjusted annually for growth
- **Recipients may re-calculate revenue loss** at multiple points during the program, supporting those entities that experience revenue loss with a lag

## Water & Sewer Infrastructure

- **Includes improvements to infrastructure**, such as building or upgrading facilities and transmission, distribution, and storage systems
- **Eligible uses aligned to Environmental Protection Agency project categories** for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund

## Equity-Focused Services

- **Additional flexibility for the hardest-hit communities and families** to address health disparities, invest in housing, address educational disparities, and promote healthy childhood environments
- **Broadly applicable** to Qualified Census Tracts, other disproportionately impacted areas, and when provided by Tribal governments

## Address Negative Economic Impacts

- **Deliver assistance to workers and families**, including support for unemployed workers, aid to households, and survivor's benefits for families of COVID-19 victims
- **Support small businesses** with loans, grants, in-kind assistance, and counseling programs
- **Speed the recovery of impacted industries**, including the tourism, travel, and hospitality sectors
- **Rebuild public sector capacity** by rehiring staff, replenishing state unemployment insurance funds, and implementing economic relief programs

## Premium Pay for Essential Workers

- **Provide premium pay to essential workers**, both directly and through grants to third-party employers
- **Prioritize low- and moderate-income workers**, who face the greatest mismatch between employment-related health risks and compensation
- **Key sectors include** healthcare, grocery and food services, education, childcare, sanitation, and transit
- **Must be fully additive** to a worker's wages

## Broadband Infrastructure

- **Focus on households and businesses** without access to broadband and those with connections that do not provide minimally acceptable speeds
- **Fund projects that deliver reliable service** with minimum 100 Mbps download / 100 Mbps upload speeds unless impracticable
- **Complement broadband investments** made through the Capital Projects Fund

## Ineligible Uses

- **Changes that reduce net tax revenue** must not be offset with American Rescue Plan funds
- **Extraordinary payments into a pension fund** are a prohibited use of this funding
- **Other restrictions apply** to eligible uses

The examples listed in this document are non-exhaustive, do not describe all terms and conditions associated with the use of this funding, and do not describe all the restrictions on use that may apply. The U.S. Department of the Treasury provides this document, the State and Local contact channels, and other resources for informational purposes. Although efforts have been made to ensure the accuracy of the information provided, the information is subject to change or correction. Any Coronavirus State and Local Fiscal Recovery Funds received will be subject to the terms and conditions of the agreement entered into by Treasury and the respective jurisdiction, which shall incorporate the provisions of the Interim Final Rule and/or Final Rule that implements this program.

## **ARPA Local Relief Frequently Asked Questions**

After the American Rescue Plan Act was signed into law by President Biden on March 11, 2021, it guaranteed direct relief to all 19,000 cities, towns and villages in the United States (Sec. 9901: Coronavirus State and Local Fiscal Recovery Funds). The U.S. Department of the Treasury is responsible for distributing this unprecedented program, and they are currently developing methods and guidance for the allocation and oversight process. NLC is sharing information about municipal allocations by state and city leaders' questions with the Treasury.

NLC has identified your frequently asked questions about Coronavirus Local Fiscal Recovery Fund grants, and we have provided answers based on available information to help you prepare while we all wait for official guidance. These answers will be updated when additional information becomes available.

### **When can we expect more guidance?**

The American Rescue Plan Act gives the U.S. Department of Treasury 60 days from enactment on March 11, 2021, to make their allocations to state and local governments. Considering the complexity of distributing these funds to 19,000 cities, towns and village, the Treasury may take close to 60 days to develop guidance.

### **What should my city do while we wait for more guidance?**

The US Department of the Treasury has released information about preliminary steps that municipalities should take to facilitate quick receipt of funds. Metropolitan cities (populations over 50,000) need a valid DUNS number, an active SAM registration, and payment information whereas Non-Entitlement Units of Local Government (populations under 50,000) need a valid DUNS number to meet reporting requirements.

Municipalities should also take informal steps to prepare for these funds. Assess government operations AND community needs to develop a plan for recovery. Gather your team and include internal and external stakeholders. Include resident voices. Get to know the community's needs at all levels: individuals, families, organizations and businesses, and each level of government. Think about building connections across systems and levels. Solicit input from valuable staff and stakeholders to help create a comprehensive needs assessment. Make racial equity a part of your plan and ensure that you have set targets to support those who are often excluded.

The federal government has prioritized the timely distribution of funds, so do not wait to get started. The sooner that you develop a recovery plan, the faster you can get people back to work, stabilize your operations, and support those most impacted by COVID-19. As you put your plan together, consider the benchmarks of success including key metrics that will help you tell the story of how the American Rescue Plan Act has helped your city, town, or village.

NLC has created principles to help guide your planning and use of the Coronavirus Local Fiscal Recovery Fund grants. [You can view those principles here.](#)

### **What does my city need to do to receive funds?**

The Coronavirus Local Fiscal Recovery Fund grants are *formula grants* and under the formula every municipal government is entitled to receive a calculated share of the \$65.1 billion for cities, towns, and villages. These are not *competitive grants* and local governments will NOT have to submit an application or certification or justify their needs in advance. Municipalities do need to take certain steps to make sure they receive their grants, however.

Metropolitan cities (population greater than 50,000) should ensure they have a valid DUNS number, an active SAM registration, and payment information – including Entity Identification Number (EIN), name, and contact information; name and title of authorized representative of the entity; and financial institution information.

Non-entitlement Units of Local Government (population less than 50,000) must have a valid DUNS number to meet reporting requirements. Since they will be receiving their grants through their state government, they do not need an active SAM registration.

### **What is a DUNS number?**

Metropolitan cities (populations over 50,000) and Non-Entitlement Units of Local Government (populations under 50,000) must have a valid DUNS number to meet reporting requirements in the Coronavirus Local Fiscal Recovery Fund.

A DUNS number is a unique nine-character number used to identify an organization and is issued by Dun & Bradstreet. The federal government uses the DUNS number to track how federal money is allocated. A DUNS number is required prior to registering with the SAM database, which is outlined below. Registering for a DUNS number is free of charge.

If an entity does not have a valid DUNS number, please visit <https://fedgov.dnb.com/webform/> or call 1-866-705-5711 to begin the registration process.

### **What is an active SAM registration?**

Since they will receive their funds directly from the federal government, Metropolitan cities (populations over 50,000) will need an active SAM registration, whereas Non-Entitlement Units of Local Government (populations under 50,000) will not need this registration since they will receive their funds through their state governments.

SAM is the official government-wide database to register with in order to do business with the U.S. government. All Federal financial assistance recipients must register on SAM.gov and renew their SAM registration annually to maintain an active status to be eligible to receive Federal financial assistance. There is no charge to register or maintain your entity SAM registration.

If an entity does not have an active SAM registration, please visit, SAM.gov to begin the entity registration or renewal process. Please note that SAM registration can take up to three weeks; delay in registering in SAM could impact timely payment of funds.

### **How will my city receive its funds?**

More than 19,000 municipalities will receive direct funding under the America Rescue Plan Act. Direct funding means:

1. All cities, towns, and villages are entitled to a federal grant from the new Coronavirus Local Fiscal Recovery Fund.
2. Aid obligated to municipalities is not in any way mingled with aid obligated to state or county governments.
3. Aid for municipalities is protected from state or county interference by iron-clad statutes compelling states to comply, including penalties for states that fail to carry out their responsibilities to small cities and towns.

The Act designates the approximately 1,000 cities with more than 50,000 residents as Metropolitan cities, and those cities will receive their funds directly from the U.S. Department of Treasury. The act designates the approximately 18,000 cities, towns and villages with less than 50,000 residents as non-metro, non-county units of local government and makes the states responsible for passing through all federal funds that non-metro localities are entitled to.

### **What will I need to report to the Treasury?**

Cities should prepare to report how they spent their funds. NLC is waiting on guidance from the U.S. Department of Treasury to know what details need to be included and in what format they will need to be reported.

Cities will need a valid DUNS number to meet the reporting requirements for the Coronavirus Local Fiscal Recovery Fund.

### **When will I need to report to the Treasury?**

Cities will need to make “periodic” reports to the U.S. Department of Treasury, according to the statute. Cities should plan to report how these funds are spent. Audits might go on for years after 2024, the date by which the money will remain available. Therefore, it is important to maintain good records.

### **How much money will my city receive?**

Accurate grant calculations depend on a perfected list of eligible municipalities. The Treasury department is finalizing a list of all local governments to accurately calculate the share each municipality will receive from the \$65.1 billion municipal fund. Existing estimates provided by Congress are not completely accurate or final. However, you can find those non-final estimates of your allocation on our [Estimated Local Allocations in the American Rescue Plan](#) webpage.

Of the \$65.1 billion total, \$45.57 billion, or 70% of funds, will be allocated to metro cities with more than 50,000 residents using a modified Community Development Block Grant formula calculation. The remaining \$19.53 billion, or 30% of funds, will be allocated non-metro cities with less than 50,000 residents using a simple per-capita calculation, with total grant size for non-metro cities capped at 75% of the locality’s most recent budget as of January 27, 2020.

### **Why is my city missing from the estimated allocations?**

The Congressional Research Service calculated the estimates to inform debate over the American rescue Plan Act. The estimates were based on incomplete Census data from the U.S. Department of Housing and Urban Development, the Census Bureau, and the Congressional Research

Service. However, as a result of incomplete data, some cities, towns and villages are missing or misclassified. The Act permits the Treasury Department to correct the estimates by supplementing federal data with state and locally- derived data. NLC is coordinating with the state municipal leagues to provide the U.S. Department of Treasury with lists of missing and misclassified cities.

### **When will my municipality receive funds?**

Cities designated as “Metropolitan cities” will receive their money within 60 days of the laws signing (March 11, 2021). Cities, towns and villages considered non-metro units of local government will receive their money approximately 90 days after the signing of the law (March 11, 2021).

Funding will be released to state and local governments by Treasury in two tranches. Half the funding each city is entitled to will be released under the first tranche by May 10, 2021; and the second half of funds will be released under the second tranche one year after the disbursement of the first tranche.

### **Is there a deadline to use the funds?**

We are waiting for the U.S. Department of Treasury to weigh in on this. The bill states that funds for local governments will “remain available through December 31, 2024.” Treasury will need to decide whether this means spent by or obligated by that date.

### **Can recovery funds be used for stormwater projects and expenses?**

At this point, it is unclear if stormwater or wastewater projects and expenses are eligible expenses under the statute. [In a letter to Treasury](#), NLC made a push for a liberal interpretation of the statute to include stormwater and wastewater projects and expenses.

### **Can my city decrease taxes after receiving these funds?**

The rule that would prohibit tax decreases is a restriction only on States. The local government section of the bill contains no prohibition on lowering taxes.

### **If fiscal recovery funds are used for infrastructure projects, does my municipality need to comply with typical federal requirements like NEPA?**

NLC raised this issue with the U.S. Department of Treasury during a call and the Department of Treasury said it is an issue it is looking in to.

### **What infrastructure projects can funds be used on?**

The statute states that the allowable infrastructure includes water, sewer, or broadband. It is unclear at this point if waste and stormwater are allowable uses. As for other infrastructure projects, we will have to wait for Treasury guidance to see what is considered a permissible use.

### **Can recovery funds be used for pensions?**

No, the statute states explicitly that cities receiving funds may not “use funds made available under this section for deposit into any pension fund.”

### **Can cities transfer their allotted funds to counties?**

The statute provides four categories in which a city can transfer funds.

1. A private nonprofit organization
2. A public benefit corporation involved in the transportation of passengers or cargo
3. A special-purpose unit of State or local government
4. A state government

The statute is silent on transferring funds to a county.

**Can Governors or state legislatures interfere with the allocation or spending of Coronavirus Local Fiscal Recovery Funds?**

The Act does not give states authority to change the amount of, or attach additional requirements to, the payments allocated to local government recipients.