Duncanville City Council Meeting Minutes
Special Meeting – Budget Workshop
Tuesday, June 29, 2021

CALL TO ORDER

A regular meeting of the Duncanville City Council was called to order on Tuesday, June 29, 2021, at 6:00 p.m. in the Council Briefing Room at City Hall with a quorum to wit:

COUNCIL PRESENT:	Mayor Barry L. Gordon Councilmember At-Large Patrick Harvey Councilmember Joe Veracruz Councilmember Don McBurnett Mayor Pro Tem Mark D. Cooks Councilmember Greg Contreras
COUNCIL ABSENT:	Councilmember Jeremy Koontz

SUPPLEMENTAL NOTICE OF MEETING BY VIDEO CONFERENCE

In accordance with an Order of the Office of the Governor issued on March 16, 2020, as extended, the City Council for the City of Duncanville, Texas will conduct a City Council Regular Meeting in person and by video conference at 6:00 pm on Tuesday, June 29, 2021, in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") in an effort to slow the spread of the Coronavirus (COVID-19) pandemic.

This is an open meeting conducted by in person and video conference.

Due to limited seating in council chambers, persons or participants may attend by video conference in order to maintain safe social distance as provided in this notice.

To speak during Citizen Comments, you must register with the City Secretary before 4pm on Tuesday, June 29, 2021, email citysecretary@duncanville.com and title the email "Public Comment – June 29th". You will need to register with the link below and attend the meeting. During the Citizen Comments period of the agenda, the City Secretary will call your name and allow access to your camera and microphone for you to provide your comments. Feel free to email your comment to the City Secretary for the Mayor to read into the record for any unexpected technological issues that may arise.

Register in advance for this webinar:
https://us02web.zoom.us/webinar/register/WN_a5OSwpvQT6-bwyYKXj6IEg

After registering, you will receive a confirmation email containing information about joining the webinar.

A recording of the video meeting will be made available to the public in accordance with the Open Meetings Act upon written request.

1. **Call to Order.**

2. **Receive Public Comments (see above comments).**
   Mari Vega, 611 Oriole Blvd. – submitted a comment on the Keep Duncanville Beautiful Board's recognition program.

3. **Pre-Budget Workshop for Fiscal Year 2021-2022. Discussion of topics related to current year budget and next fiscal year budget planning including the following general topics:**

   - City Manager Overview of Budget Process and Organizational Alignment
     - FY 21-22 Budget Calendar
   - City of Duncanville Economic Update
   - FY 19-20 Budget Performance (Revenue vs Expenditure)
     - General Fund
     - Enterprise Funds
     - Special Revenue Funds
   - FY20-21 End of Year Projections - (Revenue vs Expenditure)
     - General Fund
     - Enterprise Funds
     - Special Revenue Funds
   - FY 21-22 Revenue Potential Outlook
     - General Fund
       - Tax Rate Discussion (proposed rate)
     - Enterprise Fund
       - Utility
       - Drainage

            - Solid waste
            - Fieldhouse
            - Replacement Funds
        - Special Revenue Fund
            - Hotel Motel
            - Duncanville Community Economic Development Corporation
            - Tax Incremental Financing Zone (TIF)
- Current & Potential Fee Schedule
    - New Fire Inspection Fee Schedule
- Future Budget Impacts
    - Potential Legislative Impacts
    - American Rescue Plan
- FY 21-22 Expenditure Potential Outlook
    - General Fund
    - Enterprise Fund
        - Utility
        - Drainage
        - Solid waste
        - Fieldhouse
        - Replacement Funds
    - Special Revenue Fund
        - Hotel Motel
        - Duncanville Community Economic Development Corporation
        - Tax Incremental Financing Zone (TIF)
    - Overview of Duncanville Debt Service (Requirements)
    - Capital Improvement Plans (CIP)
    - Bond Projects Update

Budget Administrator Otey presented the FY19-20 Budget Performance and FY20-21 End of Year Projections.

Mayor Gordon recessed the meeting at 7:33 p.m.

Mayor Gordon reconvened the meeting at 7:40 p.m.

Economic Development Garcia presented the Economic Update.

Councilmember Cooks would like to spend more time on Economic Development and for Council to discuss where they see the City moving towards.

{Councilmember Cooks left the meeting at 8:23 p.m.}
{Councilmember Cooks returned to the meeting at 8:24 p.m.}

Discussion continued on the following: FY21-22 Revenue Potential Outlook, Current & Potential Fee Schedule, and Future Budget Impacts.

FY21 Adopted vs FY 21 Projected End of Year

GENERAL FUND	2020-21 ADOPTED	2020-21 PROJECTION END OF YEAR	VARIANCE	% INCREASE (DECREASE)
REVENUES				
Property Taxes	$17,997,398	$18,121,948	$124,550	0.69%
Sales Taxes	7,314,692	8,373,983	1,059,291	14.48%
Transfers In	2,631,399	2,631,399	-	0.00%
Franchise Receipts	1,713,000	1,723,000	10,000	0.58%
Permits & Fees	1,237,500	1,573,500	336,000	27.15%
Other Revenue	612,370	585,380	(26,990)	-4.41%
Fines	557,000	348,000	(209,000)	-37.52%
Interest on Investments	290,000	139,000	(151,000)	-52.07%
Recreation Fees	266,000	196,100	(69,900)	-26.28%
TOTAL REVENUE	**$32,619,360**	**$33,692,310**	**$1,072,951**	**3.29%**

Sales Tax	14.48%	• Payments much higher than anticipated. Received thru April. • Stimulus money • COVID restrictions lifted
Permits and Fees	27.15%	• Added $135,000 projected Ambulance Supplemental Program • Ambulance fee collections • Building Permits – 3 commercial construction
Other Revenue	-4.41%	• Reimbursement for REM – vacancy 1st QTR
Fines	-37.52%	• Court Fines remaining low – starting to increase
Investments	-52.07%	• Interest rates remain low
Recreation Fees	-26.28%	• Budgeted assumption of pre-Covid levels; memberships and rentals resuming

GENERAL FUND	2020-21 ADOPTED	2020-21 PROJECTION END OF YEAR	VARIANCE	% INCREASE (DECREASE)
BASE EXPENDITURES				
General Gov./Non-Departmental	$3,708,587	$3,995,602	$287,015	7.74%
Finance	1,519,742	1,379,215	(140,527)	-9.25%
Parks and Recreation	3,884,641	3,787,887	(96,754)	-2.49%
Police	9,694,511	9,691,695	(2,816)	-0.03%
Public Works	6,874,523	6,860,776	(13,747)	-0.20%
Fire	7,072,886	7,090,996	18,109	0.26%
TOTAL EXPENSE	**$32,754,889**	**$32,806,171**	**$51,282**	**0.16%**

GENERAL GOVERNMENT / NON-DEPARTMENTAL	$287,015	EXPLANATION
Electricity	$162,788	• Winter storm - Electricity
City Marshal	$104,247	• Moved City Marshal office under General Government from Finance
Election Expenses	$29,000	• Increased election expense per Dallas County
City website	$38,300	• 1x fee for new website setup
Retiree medical subsidy	($75,000)	• Reduced subsidy due to less retiree participation

FINANCE	($140,527)	EXPLANATION
City Marshal	($104,247)	• Moved City Marshal office to General Government from Finance
City Marshal PT position	($30,000)	• Removed Part-Time position and costs

PARKS AND RECREATION	($96,754)	EXPLANATION
Salary/Benefits	($58,412)	• Further reductions of PT hours- Senior Center closure until June 2021
Special Events	($32,700)	• Reduced special event costs due to cancelled or drive thru events in Fall and Spring

POLICE	($2,816)	EXPLANATION
Overall Expenses	($2,816)	• Reductions in clothing and overtime • Offset by 1x increases in Vacation/Sick Leave Payouts • 1 vacancy currently

PUBLIC WORKS	($13,747)	EXPLANATION
Salary/Benefits	($57,873)	• Vacancies in Streets
Fuel Cost	($10,000)	• Lower actual cost than estimated
Street Materials	($30,000)	• Concrete
Building Inspections	$51,284	• Increase to contractual for 3rd party inspections • Project rollovers from FY20

FIRE	$18,109	EXPLANATION
Salary/Benefits	$18,109	• 1 vacancy currently • 1x Sick leave/Vacation payouts

GENERAL FUND	2020-21 ADOPTED	2020-21 PROJECTION END OF YEAR	VARIANCE
Transfer to Grant Fund	$95,000	$95,000	-
Transfer to Street CIP	265,000	265,000	-
Reserve for TIF	73,019	95,612	22,593
Reserve for P-25 Compliant Public Safety	838,003	838,003	-
Loan Payment (Ends 12/21)	240,228	240,228	-
TOTAL TRANSERS AND 1X PROJECTS	**$1,511,250**	**$1,533,843**	**$22,593**

GENERAL FUND	2020-21 ADOPTED	2020-21 PROJECTION END OF YEAR
BEGINNING FUND BALANCE	**$8,377,965**	**$11,714,675**
TOTAL REVENUES	$32,619,360	$33,692,310
TOTAL OPERATIONAL EXPENSES	(32,754,889)	(32,806,171)
NET REVENUES (EXPENSES)	**($135,530)**	**$886,139**
NEW FUND BALANCE	$8,242,436	$12,600,815
TARGETED FUND BALANCE (75 DAYS)	(6,730,457)	(5,392,795)
BALANCE REMAINING OVER (BELOW) RESERVE	1,511,979	7,208,019
TOTAL TRANSFERS/1x PROJECTS	($1,511,250)	($1,533,843)
UNRESERVED BALANCE	**$729**	**$5,674,176**
ENDING FUND BALANCE	**$6,731,186**	**$11,066,971**

UTILITY FUND	2020-21 ADOPTED	2020-21 PROJECTION END OF YEAR	VARIANCE	% INCREASE (DECREASE)
TOTAL WATER REVENUES	$8,216,600	$8,216,600	$0	0.00%
TOTAL SEWER REVENUES	$9,551,600	$9,551,600	$0	0.00%
TOTAL OTHER REVENUES	$454,500	$379,500	($75,000)	-16.50%
TOTAL ALL REVENUES	**$18,222,700**	**$18,147,700**	**($75,000)**	**-0.41%**

- No change to Water/Wastewater Revenue projections
- Other revenue decrease is reduction investment income – low rates

UTILITY FUND	2020-21 ADOPTED	2020-21 PROJECTION END OF YEAR	VARIANCE	% INCREASE (DECREASE)
UTILITY ACCOUNTING	$1,091,798	$1,210,489	$118,691	10.87%
UTILITY ADMINISTRATION	384,747	375,577	(9,170)	-2.38%
WATER SERVICES	4,643,674	4,616,389	(27,285)	-0.59%
WASTEWATER SERVICES	5,796,451	5,781,951	(14,500)	-0.25%
TOTAL OPERATION EXPENSE	**$11,916,670**	**$11,984,406**	**$67,736**	**0.57%**
TOTAL DEBT/TRANSFERS	7,290,223	7,290,223	0	0.00%
TOTAL FUND EXPENSES	**$19,206,893**	**$19,274,629**	**$67,736**	**0.35%**

- Utility Accounting – Increase due to FY20 Munis implementation project rollover and Banner support
- Water and Wastewater – decreases in direct material correlated with staffing; offset by the $18,000 in electricity ancillary charge

UTILITY FUND	2020-21 ADOPTED	2020-21 PROJECTION END OF YEAR
BEGINNING FUND BALANCE	**$7,956,235**	**$8,449,864**
TOTAL REVENUES	$18,222,700	$18,147,700
TOTAL OPERATIONAL EXPENSES	(11,916,670)	(11,984,406)
NET REVENUES (EXPENSES)	**$6,306,030**	**$6,163,294**
TOTAL DEBT/TRANSFERS	($7,290,223)	($7,290,223)
NET CHANGE IN FUND BALANCE	**($984,193)**	**($1,126,929)**
NEW FUND BALANCE	$6,972,042	$7,322,935
TARGETED FUND BALANCE (60 DAYS)	(3,157,297)	(3,168,432)
UNRESERVED BALANCE	**$3,814,745**	**$4,154,503**
ENDING FUND BALANCE	**$6,972,042**	**$7,322,935**

SOLID WASTE	2020-21 ADOPTED	2020-21 PROJECTION END OF YEAR	VARIANCE	% INCREASE (DECREASE)
TOTAL FEES & COLLECTIONS	$4,168,000	$4,168,000	$0	0.00%
INVESTMENT REVENUE	$6,000	$6,000	$0	0.00%
TOTAL ALL REVENUES	**$4,174,000**	**$4,174,000**	**$0**	**0.00%**
SOLID WASTE	$3,796,084	$3,791,702	($4,382)	-0.12%
LITTER CONTROL	$249,188	$249,188	$0	0.00%
TOTAL OPERATION EXPENSE	**$4,045,272**	**$4,040,890**	**($4,382)**	**-0.11%**
TOTAL TRANSFERS	$342,297	$342,297	$0	0.00%
TOTAL FUND EXPENSES	**$4,387,569**	**$4,383,187**	**($4,382)**	**-0.10%**

SOLID WASTE	2020-21 ADOPTED	2020-21 PROJECTION END OF YEAR
BEGINNING FUND BALANCE	**$640,128**	**$847,903**
TOTAL REVENUES	$4,174,000	$4,174,000
TOTAL OPERATIONAL EXPENSES	(4,045,272)	(4,040,890)
NET REVENUES (EXPENSES)	**$128,728**	**$133,110**
TOTAL TRANSFERS	($342,297)	($342,297)
NET CHANGE IN FUND BALANCE	**($213,569)**	**($209,187)**
NEW FUND BALANCE	$426,559	$638,716
TARGETED FUND BALANCE (60 DAYS)	(721,244)	(720,524)
UNRESERVED BALANCE	**($294,685)**	**($81,808)**
ENDING FUND BALANCE	**$426,559**	**$638,716**

DRAINAGE	2020-21 ADOPTED	2020-21 PROJECTION END OF YEAR	VARIANCE	% INCREASE (DECREASE)
TOTAL STORM WATER FEES	$769,000	$831,000	$62,000	8.06%
OTHER REVENUE	$10,000	$10,100	$100	1.00%
TOTAL ALL REVENUES	**$779,000**	**$841,100**	**$62,100**	**7.97%**
DRAINAGE ADMINISTRATION	$362,672	$294,566	($68,106)	-18.78%
CIP AND EROSION CONTROL	$451,932	$808,473	$356,541	78.89%
TRANSFER				
TOTAL OPERATION EXPENSE	**$814,604**	**$1,103,039**	**$288,435**	**35.41%**

DRAINAGE	2020-21 ADOPTED	2020-21 PROJECTION END OF YEAR
BEGINNING FUND BALANCE	**$782,450**	**$1,079,229**
TOTAL REVENUES	$779,000	$841,100
TOTAL OPERATIONAL EXPENSES	$814,604	$1,103,039
NET REVENUES (EXPENSES)	**($35,604)**	**($261,939)**
NEW FUND BALANCE	$746,846	$817,290
TARGETED FUND BALANCE (60 DAYS)	(133,908)	(181,321)
UNRESERVED BALANCE	**$612,938**	**$635,969**
ENDING FUND BALANCE	**$746,846**	**$817,290**

FIELDHOUSE	2020-21 ADOPTED	2020-21 PROJECTION END OF YEAR	VARIANCE	% INCREASE (DECREASE)
SPONSORSHIP	$50,000	$58,000	$8,000	16.00%
FOOD AND BEVERAGE	$237,000	$290,000	$53,000	22.36%
GENERAL STORE	$5,000	$5,000	$0	0.00%
COURT/FACILITY RENTALS	$34,000	$34,000	$0	0.00%
BASKETBALL/VOLLEYBALL RENTALS	$355,000	$425,000	$70,000	19.72%
OTHER SPORTS	$68,000	$85,000	$17,000	25.00%
CAMPS/AFTER SCHOOL	$226,000	$122,000	($104,000)	-46.02%
CLASSES	$30,000	$46,000	$16,000	53.33%
MISCELLANEOUS	$80,390	$80,390	$0	0.00%
TOTAL ALL REVENUES	**$1,085,390**	**$1,145,390**	**$60,000**	**5.53%**
OPERATIONS	1,153,120	1,136,206	(16,914)	-1.47%
DEBT TRANSFER IN	(537,800)	(537,800)	0	0
DEBT	538,300	538,300	0	0
TOTAL EXPENSE	**$1,153,620**	**$1,136,706**	**($16,914)**	**-1.47%**

FIELDHOUSE	2020-21 ADOPTED	2020-21 PROJECTION END OF YEAR
BEGINNING FUND BALANCE	**($1,540,423)**	**($1,484,380)**
TOTAL REVENUES	$1,085,390	$1,145,390
TOTAL OPERATIONAL EXPENSES	(1,153,620)	(1,136,706)
NET REVENUES (EXPENSES)	**($68,230)**	**$8,684**
TARGETED FUND BALANCE (60 DAYS)	189,636	186,856
ENDING FUND BALANCE	**($1,608,653)**	**($1,475,696)**

ECONOMIC DEVELOPMENT	2020-21 ADOPTED	2020-21 PROJECTION END OF YEAR	VARIANCE	% INCREASE (DECREASE)
TOTAL SALES TAX	$2,438,231	$2,791,328	$353,097	14.48%
INTEREST INCOME	20,000	2,000	(18,000)	-90.00%
TOTAL ALL REVENUES	**$2,458,231**	**$2,793,328**	**$335,097**	**13.63%**
ADMINISTRATION	$439,620	$418,022	($21,598)	-4.91%
PROGRAMS	391,877	374,410	(17,467)	0
FIELDHOUSE DEBT TRANSFER	537,800	537,800	0	0
DCEDC DEBT	488,346	488,346	0	0
1X PROJECTS & TRANSFERS	0	204,075	204,075	
TOTAL EXPENSE	**$1,857,643**	**$2,022,653**	**$165,010**	**8.88%**

- Sales Tax performed better than expected
- 1x project for demo/abatement of former Toyota Property

ECONOMIC DEVELOPMENT	2020-21 ADOPTED	2020-21 PROJECTION END OF YEAR
BEGINNING FUND BALANCE	**$3,298,370**	**$3,709,166**
TOTAL REVENUES	$2,458,231	$2,793,328
TOTAL OPERATIONAL EXPENSES	(1,857,643)	(2,022,653)
NET REVENUES (EXPENSES)	**$600,588**	**$770,675**
ENDING FUND BALANCE	**$3,898,958**	**$4,479,841**

HOTEL/MOTEL	2020-21 ADOPTED	2020-21 PROJECTION END OF YEAR	VARIANCE	% INCREASE (DECREASE)
TOTAL TAXES	$752,760	$734,060	($18,700)	-2.48%
INTEREST INCOME	$2,400	$240	($2,160)	-90.00%
TOTAL ALL REVENUES	**$755,160**	**$734,300**	**($20,860)**	**-2.76%**
ADMINISTRATION	$443,041	$438,554	($4,487)	-1.01%
GRANTS/INCENTIVES	$240,445	$198,445	($42,000)	-17.47%
TRANSFER	$56,637	$56,637	$0	0.00%
TOTAL EXPENSE	**$740,123**	**$693,636**	**($46,487)**	**-6.28%**

HOTEL/MOTEL	2020-21 ADOPTED	2020-21 PROJECTION END OF YEAR
BEGINNING FUND BALANCE	**$1,994,169**	**$2,246,016**
TOTAL REVENUES	$755,160	$734,300
TOTAL OPERATIONAL EXPENSES	(740,123)	(693,636)
NET REVENUES (EXPENSES)	**$15,037**	**$40,664**
ENDING FUND BALANCE	**$2,009,206**	**$2,286,680**

TRANSPORTATION IMPROVEMENT & SAFETY	2019-20 ADOPTED REVISED	2019-20 ACTUAL	2020-21 PROJECTION END OF YEAR
ENFORCEMENT FEES	$8,514	$8,958	$300
INTEREST INCOME	2,072	2,073	
GRANT REIMBURSEMENT		120,370	
TOTAL ALL REVENUES	**$10,586**	**$131,401**	**$300**
TRAFFIC/SAFETY MAINTENANCE	$350,815	$319,104	$25,500
TRAFFIC/SAFETY CIP	461,422	292,581	130,202
TRANSFER TO STREET CIP			252,570
TOTAL EXPENSE	**$812,237**	**$611,685**	**$408,272**
BEGINNING FUND BALANCE	**$888,256**	**$888,256**	**$407,972**
TOTAL REVENUES	$10,586	$131,401	$300
TOTAL OPERATIONAL EXPENSES	(812,237)	(611,685)	(408,272)
NET REVENUES (EXPENSES)	**($801,651)**	**($480,284)**	**($407,972)**
ENDING FUND BALANCE	**$86,605**	**$407,972**	**$0**

FY 2021-2022 Proposed Budget Tax Rate

Tax Rate Comparison				
Fiscal Year	Tax Year	Tax Rate	No-New-Revenue Rate	Voter-Approval Rate
2017	2016	$0.758447	$0.704578	$0.763848
2018	2017	$0.758447	$0.717895	$0.780079
2019	2018	$0.748448	$0.689904	$0.748940
2020	2019	$0.743447	$0.686452	$0.751442
2021	2020	$0.716852	$0.698962	$0.721852
2022 EST *	2021	$0.716852	$0.704096	$0.728739

- Estimate prior to receiving certified values from DCAD
- Preliminary estimate is based on 2% increase in values

CY 2020 Certified Taxable Values	2,538,540,507
Divide by $100	$25,385,405
Penny on Tax Rate	0.01
Tax Revenue	**$ 253,854**

American Rescue Plan Act

- The City of Duncanville will be allocated up to $8.45 million.
- Covered period is March 3, 2021-December 31, 2024.
- Costs can be incurred by December 31, 2024 and must be expended by December 31, 2026.
- The funds will flow from the State to the City.
- The funds will be sent to the City in two tranches: 50% of allocation no later than 30 days after the State receives the first tranche distributions from the Treasury and the remaining 50% of allocation after the State receives the second tranche distributions which will occur no earlier than 12 months of receiving first tranche distributions from the Treasury.

Eligible Uses – Public Health and Economic Impacts

- Responding to COVID-19
    - Containing/Mitigating COVID-19
    - Behavioral Healthcare Needs
    - Payroll/Benefits for Public Health and Safety Workers primarily dedicated to COVID-19
- Responding to Negative Economic Impacts
    - Implement measures to enable safe resumption of tourism, travel, and hospitality services
    - Rebuilding Public Sector Capacity to Pre-Pandemic Levels
    - Small Business Support
    - Hardest-hit communities (i.e. housing, education)

Eligible Uses – Premium Pay for Eligible Workers

- Must be essential employees
- Can be used retroactively
- Can be provided directly or through grants to private employers of public health/safety staff and essential workers outside the public sector

Eligible Uses – Loss of Revenue

- Base Year Revenue: Fiscal Year 2019
- Apply Growth Rate: Greater of 4.1% or average annual growth rate of past three fiscal years
- Multiplier applies to the revenue collected in each *calendar* year: 2020, 2021, 2022, and 2023
- Compare projected growth revenue to actuals collected
- Exclude: federal transfers, internal transfers, revenues from utilities (water supply, electric power supply, gas supply, and public mass transit systems), refunds and correcting transactions, proceeds from issuance of debt, and liquor store revenues.
- The recouped revenue can be used for:
    - Government services:
        - directly provide services or aid to citizens

    - Maintenance pay go of building (can be used on a capital project together with bond financed portion or can start a project and finish with future revenues/bonds)
    - Cybersecurity, Healthcare service, School or education services, police, fire, or public safety
    - The recouped revenue *cannot* be used for:
- Principal or interest of debt service
- Reserves or rainy-day funds

Eligible Uses – Investments in Water, Sewer, and Broadband Infrastructure

- Necessary investments are designed to provide an adequate minimum level of service and are unlikely to be made using private sources of funds
- Uses aligned with Environmental Protection Agency's Clean Water Revolving Fund and Drinking Water State Revolving Fund to expedite project identification
- Building/upgrading facilities and transmission, distribution, and storage systems, including the replacement of lead service lines.
- Invest in wastewater infrastructure projects
- Build broadband infrastructure with modern technologies
- Assisting households to support internet access or digital literacy

ADJOURNMENT

The meeting was adjourned at 9:14 p.m.

APPROVED:

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MAYOR

ATTEST:

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CITY SECRETARY

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