

Budget Order

City of New Braunfels FY 2022 Budget

For the period October 1, 2021 through September 30, 2022

Approval of the FY 2022 Budget

City Council approves the FY 2022 Budget as filed with the City Secretary.

Authorized Positions and Salaries

The positions listed in the FY 2022 Budget document under each department or division are the authorized positions for FY 2022. These lists include seasonal, part time regular and part time positions but not temporary positions. Temporary positions are approved during the year at the City Manager's discretion and depend on available budgeted funds. Any increase in the authorized number of positions requires City Council approval.

Salary increases are authorized for FY 2022 and unless otherwise directed by the City Manager, will be effective January 28, 2022. Uniform employees are also eligible for step pay plan adjustments. Step pay plan increases are effective on the employee's anniversary in their current position.

The FY 2022 Budget, as adopted by City Council, controls expenditures by fund, department and at the group level for all funds in these categories. These groups are:

- Employee Expenses
- Operations Expenses
- Capital Expenses
- Interfund Transfers
- Debt Service
- Contingencies

This means that, although funds are allocated into individual line items in each budget and those line-item allocations are adopted as part of the FY 2022 Budget, departments have flexibility in expensing these funds within the group. As long as the total appropriation for a group (for example employee expenses) is not exceeded, one or more-line items in the group (for example certification pay) may exceed its budget allocation. Operating (recurring) and Equipment and Initiatives (one-time), shown separately in the budget appropriations, are considered part of one appropriation - Operations Expenses - for budget control purposes. In the proposed budget document, funding for resource requests are separated from the other expenditure categories. This funding will be incorporated into the adopted budget document in the appropriate expenditure category i.e. employee, operating, capital expenditures.

In the CDBG, Special Revenue, Grants Funds, EARIP/HCP Fund and New Braunfels Economic Development Corporation (NBEDC) Budget, appropriations are controlled at the project level. As the Council accepts federal entitlements and grants, as donations are received from outside sources, and as projects are approved, those proceeds are appropriated and available to departments and to NBEDC to expend for identified City purposes and needs. As projects are completed, appropriations are reconciled to match the actual expenditure, to ensure that funds aren't expended up and above the intent of the specific allocation.

Capital Improvement Funds (as listed in the designated section of the FY 2022 Budget document)

Capital improvement funds are controlled at the project level. Expenditures within the individual projects may span fiscal years. However, budgetary control is not exercised by fiscal year; it is by the total project cost and total project expenditures. This provides a more realistic approach to budgetary control for these types of activities.

Budget Amendment Process

The budget may be changed through a budget transfer or a budget amendment only through an action of the City Manager (transfers) or City Council (amendments). Transfers move appropriations within a fund from one of the appropriation groups listed above to another of those groups, for example from operations expenses to capital expenses. These transfers most often occur within one department but can occur between departments within the same fund. The City Manager has the discretion to approve budget transfers. Budget amendments generally reflect changes in revenues and may allocate additional funds into a budget expenditure appropriation. Staff prepares an agenda item for Council consideration that describes the proposed budget amendment. A vote by the majority of the Council is required for approval of a budget amendment.

Authority of the City Manager

The City Manager and his authorized and designated employees, at his direction, are authorized to sign or release easements, airport leases, permits, and licenses; to authorize change orders of less than \$50,000; to sign interlocal agreements as authorized by state law; to sign documents authorizing the payment of funds, and to expend public funds as authorized by state law unless otherwise authorized by the City Council; to settle paving assessment, weed mowing, demolition, and other disputes based on legal questions of whether the assessments are enforceable or other extenuating factual circumstances. The City Manager is authorized to adjust compensation, within Council policy direction, of any City employee when in his discretion an adjustment needs to be made to hire or retain qualified personnel. The City Manager is authorized to hire temporary employees when needed and if sufficient funds are available within the adopted budget. The intent of this section is to provide the ability to conduct daily affairs of the City, which involves numerous decisions of a routine nature, and to hire and retain qualified personnel.

City Council Approval

The City Council hereby approves grants and contracts that are set out by this budget and authorizes the City Manager and his authorized and designated employees, at his discretion, to sign said federal, state, and other such grant and contract documents, including interlocal agreements, on behalf of the City. The funds for said contracts, agreements, and purchases are hereby approved and appropriated. The intent of this section is to approve and simplify the grant process and approve expenditures that are exempt from the Purchasing and Contracting Authority of Municipalities, Chapter 252 of the Local Government Code.

ATTACHMENT 1

To: City Council

From: Jared Werner, Chief Financial Officer

Date: September 9, 2021

Subject: Recommended Changes to the FY 2022 Proposed Budget

After further staff review of the FY 2022 Proposed Budget document submitted to the City Council for their consideration, the following changes are recommended.

1. General Fund – The Proposed Budget included 3 months of operating costs for the new Police Department Headquarters, which included a Custodial position as well as operating costs such as janitorial supplies, landscaping, etc. The Proposed Budget captured all the cost in the Police Department Budget. This amendment will allocate the appropriate funding from the Police Department to the Public Works and Parks Department for all non-PD related expenses. There is no fiscal impact to this amendment.

New Police Department Headquarters	
<i>Decrease</i> Police Dept operating expenditures	\$41,224
<i>Increase</i> Parks and Rec operating expenditures	\$5,000
<i>Increase</i> Public Works operating expenditures	\$36,224

2. General Fund – The Proposed Budget included funding for a custodial contract within the Das Rec operating budget. As the budget was finalized, city staff was in the process of determining whether to maintain this service under contract or internalize the service with additional staff. As a result of various service issues and deficiencies, City staff have determined it is necessary to cancel the current custodial contract. As a result, this amendment will decrease the Das Rec operating budget to allow for the creation of a new Custodial position (1 FTE).

Parks and Recreation	
<i>Decrease</i> operating expenditures	\$40,000
<i>Increase</i> salary expenditures	\$40,000

Das Rec
Custodian

FY 2020 Actuals	FY 2021 Actuals	FY 2022 Adopted Budget
2	2	3

3. Enterprise Funds – When the final numbers for the proposed document were developed, there was a formulaic error within the Enterprise Funds budget. The error specifically removed the funding for FICA and TMRS (retirement) benefit expenditures. To address the miscalculation, the following increases to employee expenditure budgets are recommended to be included in the Adopted Budget so that benefit costs are accurately budgeted.

Increase Employee Expenditures	
Solid Waste	\$676,649
Golf Course	\$141,863
Civic/Convention Center Fund	\$90,066
Airport Fund	\$111,286

4. Solid Waste – The Proposed Budget included four additional Solid Waste Operators to allow the residential division to reestablish the number of stops per route in line with industry standards. Three of the new automated side load collection vehicles will be purchased from the Solid Waste Fund, while the fourth will be purchased from the Enterprise Equipment Replacement Fund. After the proposed budget was presented to City Council, staff determined there was an error in the amount allocated for the three vehicles to be purchase from the Solid Waste Fund. The increase referenced below will allocate the additional funds needed to purchase all three vehicles within the Solid Waste fund. The impact to the Fund Balance from the increase will be immaterial. The FY 2022 Adopted Fund Balance is still well above the 25% target required by policy.

Solid Waste	
<i>Increase Capital expenditures</i>	\$565,394