

CITY OF HUNTSVILLE, TEXAS

Russell Humphrey, Mayor

Jon Strong, Ward 4, 2023 Chairman
Karen Denman, At-Large Position 2
Vicki McKenzie, At-Large Position 3
Pat Graham, At-Large Position 4



CITY COUNCIL FINANCE COMMITTEE AGENDA

TUESDAY, MARCH 19, 2024, 8:30 AM

Huntsville City Hall, 1220 11th Street, Huntsville, Texas, 77340

Persons with disabilities who plan to attend this meeting and may need auxiliary aids or services are requested to contact the City Secretary's office (936.291.5413) two working days prior to the meeting for appropriate arrangements.

1 CALL TO ORDER

2 DISCUSSION/CONSIDERATION

The Finance Committee will hear presentations, discuss, and may consider recommendations to the City Council on the following items.

- a** Approve minutes of the March 5, 2024 Finance Committee meeting.
Steve Ritter, Finance Director
- b** Discussion of proposed budget amendments.
Steve Ritter, Finance Director

3 ADJOURNMENT

CERTIFICATE

I do hereby certify that the above notice was posted on the City Hall bulletin board, a place convenient and readily accessible to the general public at all times, and to the City's website, www.HuntsvilleTX.gov, in compliance with Chapter 551, Texas Government Code.

DATE OF POSTING: March 15, 2024

Kristy Doll

TIME OF POSTING: 2:00 PM

Kristy Doll, City Secretary

TAKEN DOWN:



CITY COUNCIL FINANCE COMMITTEE AGENDA

3/19/2024

Agenda Item Number: 2.a.

Agenda Item: Approve minutes of the March 5, 2024 Finance Committee meeting.

Initiating Department/Presenter: Finance

Presenter:
Steve Ritter, Finance Director

Discussion:

Previous Council Action: Approve minutes of the March 5, 2024 Finance Committee meeting.

Financial Implications:

Associated Information:

1. Fin Comm Minutes 3.5.24 meeting

Finance Committee Minutes

March 5, 2024

Members Present: Jon Strong, Karen Denman, and Pat Graham

Staff Present: Aron Kulhavy, Steve Ritter

The agenda items discussed were:

- Approved the minutes from the February 20, 2024, meeting.
- Chris Pruitt with the audit firm Pattillo, Brown & Hill made a presentation of the FY 2023 audit and indicated the City's finances were in good shape. Mr. Pruitt will present the audit to the full Council at their meeting on March 19, 2024
- Steve provided an update on the need for an increase in the water rates in this FY. The rate increase is due to the TRA "settle-up" for last year being \$650,000 and that the city will need to pay the bill when it comes in. A 2% rate increase was proposed to cover the additional cost to the 23 - 24 budget. The 2% increase would impact a residential water bill with 5,000 gallons of by approximately 80 cents. A document was also provided to the Committee showing the bill to a Huntsville residential water customer with the additional 2% added to the rates would still be less than peer cities that were compared to when the rate study firm provided their presentation to Council. The committee was in agreement to take the proposed increase to water rates to the full Council at their March 19, 2024 meeting.
- Steve discussed the budget amendment for \$150,000 concerning additional funds needed for match for a TxDOT project at the City's airport to extend and improve the runway at the airport.



CITY COUNCIL FINANCE COMMITTEE AGENDA

3/19/2024

Agenda Item Number: 2.b.

Agenda Item: Discussion of proposed budget amendments.

Initiating Department/Presenter: Finance

Presenter:
Steve Ritter, Finance Director

Discussion:

Previous Council Action: Discussion of proposed budget amendments.

Financial Implications:

Associated Information:

1. BAs 3.19.24 Fin Comm

Budget Amendments FY 23-24

Finance Committee - March 19, 2024

Exhibit A

Increase: Parks - Aquatic Center - Special Maintenance Projects	\$	64,799
Increase: General Fund - Transfers from CIP	\$	64,799
Increase: MLK Center CIP - Transfers to General Fund	\$	39,846
Decrease: MLK Center CIP - Furniture, Fixtures & Equipment	\$	39,846
Increase: General CIP - Transfers to General Fund	\$	24,953
Decrease: General CIP - Miscellaneous old Parks projects with remaining budget	\$	24,953

Explanation:	Per regulations stipulated by Texas Municipal League Intergovernmental Risk Pool (TMLIRP), the Aquatic Center slide is classified as an amusement ride and is subject to regular inspections for insurance purposes. During the last inspection, TMLIRP highlighted concerns regarding the structural integrity of the slide's platform and main column. In response, staff collaborated with a structural engineer who conducted a thorough examination and recommended repairs. It was concluded that both the platform and the foundation around the column require replacement or repair to ensure compliance and safety standards. Subsequently, the engineer designed a new platform and staircase, which were submitted to a fabricator for a quotation. The quote received for repairs was slightly below the cost of purchasing a new slide. Considering the ongoing maintenance costs and the need for annual repairs to meet TMLIRP certification requirements, investing in a new slide emerged as a more viable long-term solution. Moreover, the existing slide exhibits significant wear and tear, further underscoring the necessity for an upgrade/replacement to enhance safety and visitor experience. Therefore, staff is inclined to proceed with the purchase of a new slide, which not only addresses the structural concerns but also eliminates the need for recurrent repairs and ensures compliance with TMLIRP standards. The cost for the new slide is \$64,799. Engineering costs related to this slide replacement issue has been \$8,000. The \$24,953 from miscellaneous old parks projects is comprised of \$2,410 from one project and \$22,543 from another. Taking budget from these 2 will zero out the budget for each project. For the budget requested to come from the MLK Center project Furniture, Fixtures, and Equipment account of \$39,846 that will leave \$14,462 in that account along with \$33,357 remaining in the Engineering account for the MLK Center project and along with \$156,094 remaining in the Construction account for the MLK Center project.
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Increase Water CIP - R&R - 11th St / Hickory waterline rehab - Engineering	\$	46,202
Decrease: Water CIP - R&R - Ave I (2121 to 7th)	\$	3,997
Decrease: Water CIP - R&R - Cline (FM 1374 - OHR)	\$	4,151
Decrease: Water CIP - R&R - Hayman (Cline - Powell)	\$	1,384
Decrease: WW CIP - Waters Edge Liftstation Force Main replace	\$	700
Decrease: Water CIP - R&R - Gazebo St. waterline replace	\$	27,377
Decrease: Water CIP - R&R - Robinson Way / 25th St waterline rehab	\$	3,074
Decrease: Water CIP - R&R - 12" replace between Ave D & SH 30E	\$	3,981
Decrease: Water CIP - R&R - Hazle Ave - waterline replace	\$	1,538

Explanation:	Staff determined additional engineering services are needed to add scope of work for waterlines in the vicinity of 11th St /Hickory waterlines rehab projects due to high frequency of waterline breaks in this area. Waterlines in the area are of old ductile iron pipe. This budget amendment is for additional engineering services only. The engineering firm will provide an estimate of construction costs from the additional services. Projects being decreased are completed projects with some leftover budget.
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