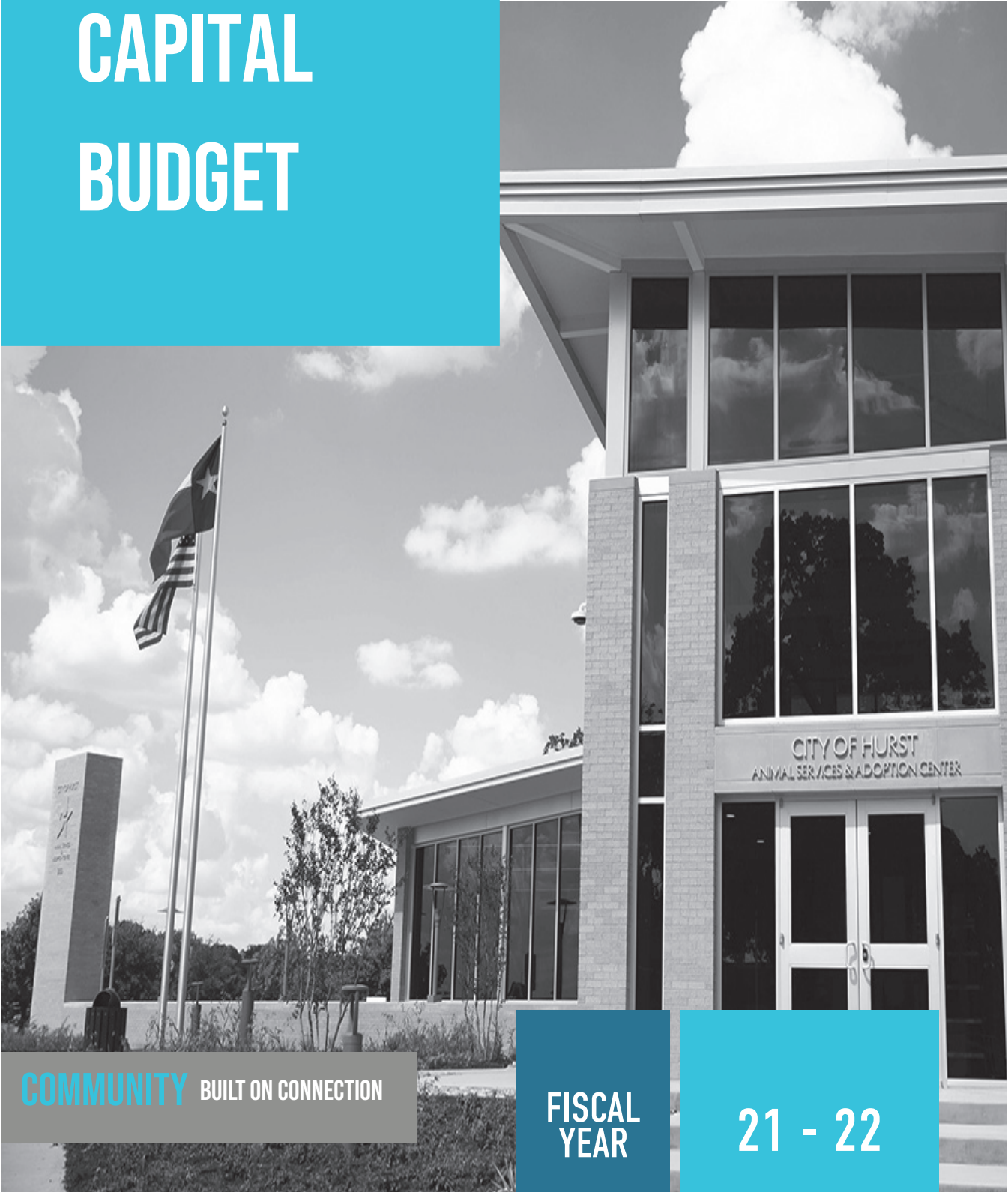




# ANNUAL CAPITAL BUDGET



**COMMUNITY** BUILT ON CONNECTION

**FISCAL  
YEAR**

**21 - 22**

# THE HURST WAY

Having a passionate approach to work live, serving to the highest standard and contributing to the sustainability of Hurst.

**PUBLIC SERVICE**



**CUSTOMER SERVICE**

**FINANCIAL SUSTAINABILITY**

# CAPITAL IMPROVEMENT PROGRAM

## CAPITAL IMPROVEMENTS PROGRAM SUMMARY

The City of Hurst Capital Improvements Program (CIP) is a process by which the City develops a plan for major capital expenditures that matches available resources and satisfies City tax rate objectives. The CIP attempts to identify and plan for *all* major capital needs. Generally, the CIP includes improvements costing \$100,000 or more, that are debt funded, that are non-recurring and have a multi-year useful life resulting in fixed assets. These include the construction and acquisition of new buildings, additions or renovations of existing buildings, construction and reconstruction of streets, water and sanitary sewer improvements, drainage improvements, land purchases and major equipment purchases. Projects are identified for funding through staff analysis, citizen input and meetings with City Council and Boards and Commissions. The lists herein are categorized by funding source and project type.

## THE CITY'S GENERAL APPROACH AND OPERATING IMPACT OVERVIEW

The CIP for the City of Hurst is focused on adding value and extending life of City infrastructure with minimal increase in current operating costs. Funds in the Street Bond Fund are expended for reconstruction work on major streets and the resurfacing of roads with no anticipated operating costs. The Drainage Improvements Program also has a positive impact on maintenance costs for the General Fund with the addition of concrete lined drainage channels in place of "natural" channels, which typically require a more substantial amount of landscape maintenance. For the Enterprise Fund, the replacement of water and wastewater mains and lines will also help remove costs in the operating budget. A positive impact to future operating costs are realized upon the completion of street, drainage, and water and wastewater improvements due to the upgrade or replacement of aged and sometimes malfunctioning infrastructure with newer more functional infrastructure.

In prior years, major debt-related CIP projects have been timed so that debt issuance would not increase the property tax rate. In other words, debt service costs are scheduled to have as little impact annually as possible on taxpayers. Operations and maintenance revenue is also stabilized as a result of not having to shift tax revenues to the City's interest and sinking funds to cover debt service payments. Again, CIP projects financed through property tax supported debt indirectly impact the operating budget through the payment of principal and interest on the incurred debt. Funding sources other than debt are utilized when possible to minimize debt-related operating impact.

Operating costs of projects such as additional utilities, maintenance costs, and additional staffing are given consideration in establishing project priorities. The City's financial policy for new programs prevails for all CIP projects as follows: "New projects/programs will not be budgeted (funded) and implemented until the full annual costs and financial impact of the programs are known." The projects most likely to have an operating impact are those completed with Section 4B, half-cent sales tax revenue, as explained below.

The approval of an additional half percent sales tax on taxable goods and services within the City by voter referendum on January 16, 1993, provided a funding source restricted to Community Services' CIP projects. These projects would have otherwise been financed by

property tax supported bonds or, if approved, through the General Fund budget. A corporation was formed to issue revenue bonds and authorize principal and interest payments from the Half-Cent Sales Tax proceeds. Importantly, the completed CIP projects will not impact General Fund operational costs. Maintenance and operation costs for the new facilities and improvements will instead be paid from sales tax proceeds as authorized by the State Legislature effective September 1, 1993. City of Hurst Officials were instrumental in communicating the need for an amendment to the Industrial Development Act of 1979, Article 5190.6, Section 4B, which now allows sales tax proceeds to not only construct major facilities and improvements but pay costs necessary to operate them. The City maintains a multi-year financial plan for the Half-Cent Community Services Fund to ensure all operating costs created by projects can continue to be absorbed by this special revenue fund.

### **CAPITAL IMPROVEMENTS PROGRAM FUNDING**

Due to the nature and total cost of approved projects, General Obligation Bonds, Certificates of Obligation and Revenue Bonds are major sources of funding. In an effort to reduce the issuance of future debt, for reasons previously discussed, the City pursues other sources of capital funding. This includes State & Federal grants, interlocal agreements, sales taxes, donations, and the use of excess operating revenues to finance projects on a pay-as-you-go basis. The following information provides a summary of past and future debt issuance and identifies the types of projects funded primarily through debt. Alternative sources of funding for capital projects are also discussed.

#### **2012 Bond Election (General Obligation)**

On May 12, 2012, voters approved \$16.5 million to construct a Justice Center and related parking facilities. The facility is approximately 61,000 square feet and includes the police department and municipal court. There is also a parking garage constructed to handle police, employee and visitor parking. The new center opened in February 2015.

#### **2019 Bond Election (General Obligation)**

In 2019, Voters approved \$7.5 million to construct a new Animal Control Center. The facility is approximately 8,300 square feet.

#### **Public Property Finance Contractual Obligations, Series 2020**

Issued to purchase a new Fire Engine.

#### **Certificates of Obligation**

In 2019, \$2 million in Certificates of Obligation were issued for miscellaneous streets and drainage. Certificate of Obligation funding allows the City to maintain the outstanding quality of its street, drainage, water and wastewater systems while remaining in line with the goals of the City's multi-year financial forecast.

All Certificate of Obligation projects currently funded are discussed in the Street Bond Fund, Drainage Bond Fund, Water and Sewer Bond Fund, Half-Cent Sales Tax Fund and Other Funding Sources sections of this document. The descriptions included on these pages provide the reader with a detailed explanation of each funded project.

### **Revenue Bonds**

In the past, the City has issued Revenue Bonds backed by sales taxes restricted to the Half-Cent Community Services Fund. The funding associated with these type revenue bonds has been exhausted and most Community Services projects are now being completed on a pay-as-you-go basis utilizing sales tax proceeds.

### **Alternate Funding Sources**

The City of Hurst performs projects on a pay-as-you-go basis when possible. Pay-as-you-go funding is provided largely through special revenue funds. The City has legally created special revenue funds to account for the collection of sales taxes, hotel/motel occupancy taxes, court technology and security fees, commercial vehicle fines, peg fees and park donations. The City adopted storm water drainage fees in 2009, which are available to fund future capital projects. Each project manager within the City is responsible for identifying grant dollars for project completion and other needs. Aside from sales taxes, the most often used alternative funding source is the Special Projects Fund. At the end of each fiscal year, a certain percentage of budget savings from the General and/or Enterprise Funds are transferred to the Special Projects Fund through the City Manager's ordained authority. Through Council and City Manager approval, projects are subsequently created utilizing Special Projects Fund reserves.



# CAPITAL IMPROVEMENT PROJECT PLANNING LIST

## Streets, Drainage, Parks and Facility Projects

Project Name	Prior Years	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027 Planning Years	Total Project Costs
<b>Street Projects</b>									
2020 CDBG Street Project (46th Year CDBG Project)		40,000	210,000						250,000
2022 CDBG Street Project			40,000	290,000					330,000
2024 CDBG Street Project					40,000	290,000			330,000
2026 CDBG Street Project							40,000	290,000	330,000
Pipeline Rd. Phase 3		2,276,821	1,210,247	3,158,942					6,646,010
Pipeline Rd. Phase 4			380,000	2,118,735	2,248,735				4,747,470
2020 Miscellaneous Street Reconstruction Project	1,400,000								1,400,000
2022 Street Replacement Project			650,000						650,000
2023 Street Replacement Project				800,000					800,000
2024 Street Replacement Project					800,000				800,000
2025 Street Replacement Project						800,000			800,000
Harwood Rd (Campus to Precinct Line)					1,859,106				1,859,106
Harwood Rd (Precinct to Eastern Limits)								5,234,044	5,234,044
Brown Trail (Queens Way to Northern Limits)								1,977,630	1,977,630
Bedford-Eules Rd (Melbourne to Precinct)								3,291,079	3,291,079
Pipeline Rd - Brown Trl to Arwine Cemetary								2,350,007	2,350,007
Precinct Line - Pipeline to West Cheryl								2,145,000	2,145,000
Precinct Line from Pipeline to Cedar St.								878,000	878,000
2700 Block Hurstview Dr.								550,000	550,000
Pipeline Rd - Melbourne to Billie Ruth Ln								4,534,000	4,534,000
Hurstview from Pipeline to West Cheryl								2,100,000	2,100,000
Melbourne Rd - Bedford Eules to West Cheryl								4,125,000	4,125,000
<b>Subtotal</b>	<b>1,400,000</b>	<b>2,316,821</b>	<b>2,490,247</b>	<b>6,367,677</b>	<b>4,947,841</b>	<b>1,090,000</b>	<b>40,000</b>	<b>27,474,760</b>	<b>46,127,346</b>
<b>Drainage Projects</b>									
Hurstview Dr Bridge	543,943								543,943
Norwood North Storm Drain Arch Pipe Phase 1	95,000		740,000						835,000
Norwood North Storm Drain Arch Pipe Phase 2				50,000	600,000				650,000
Norwood North Storm Drain Arch Pipe Phase 3						50,000	1,600,000		1,650,000
Bedford Court West Bridge	10,150	50,000							60,150
Forrest Oak Drainage	13,000	122,000							135,000
Rickel Park Channel Bank Stabilization Improvements						1,870,000			1,870,000
Calloway Br. Bank Stab. Project Melbourne Rd.					500,000				500,000
<b>Subtotal</b>	<b>662,093</b>	<b>172,000</b>	<b>740,000</b>	<b>50,000</b>	<b>1,100,000</b>	<b>1,920,000</b>	<b>1,600,000</b>	<b>-</b>	<b>6,244,093</b>
<b>Park Projects</b>									
Central Park Expansion	100,000								100,000
Vivagene Copeland Park Improvements	335,000								335,000
Cityworks Management System	77,190								77,190
Library FF&E/LED Sign	30,000								30,000
Chisholm Playground Replacement			150,000						150,000
Green Ribbion Phase V			75,000						75,000
Storm Uri Park Improvements			150,000						150,000
Playground Replacement Program Phase VIII				250,000					250,000
Playground Replacement Program Phase IX					250,000				250,000
Playground Replacement Program Phase X						250,000			250,000
Rec Center Track Surface Replacement							50,000		50,000
Wan-Ka-Kani Cleanup								80,000	80,000
Playground Replacement Program XI								250,000	250,000
Playground Replacement Program XII								300,000	300,000
Library Automated Material Handler Replacement								75,000	75,000
<b>Subtotal</b>	<b>542,190</b>	<b>-</b>	<b>375,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>50,000</b>	<b>705,000</b>	<b>2,422,190</b>
<b>Facility Projects</b>									
Tennis Center Renovation	386,500								386,500
Recreation Center Repairs	231,269								231,269
Old Animal Shelter Demo		25,190							25,190
City Hall Reception Desk		12,000							12,000
Recreation Center Expansion								6,500,000	6,500,000
CAC Redevelopment - Park and Splash Pad								4,500,000	4,500,000
Trail System Development Phase 1								3,000,000	3,000,000
<b>Subtotal</b>	<b>617,769</b>	<b>37,190</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,000,000</b>	<b>14,654,959</b>

# CAPITAL IMPROVEMENT PROJECT PLANNING LIST CONT.

## Streets, Drainage, Parks and Facility Projects

General Debt	Enterprise Debt	HCDC Debt	Hotel Debt	Special Proj Fund	4b 1/2 Cent Sales Fund	Anti-Crime Fund	Grant Funded	Storm Water Mgmt Fund	Total Funding
	80,000						170,000		250,000
	170,000						160,000		330,000
	170,000						160,000		330,000
	170,000						160,000		330,000
3,064,954	720,604			780,000			2,080,452		6,646,010
	2,498,735						2,248,735		4,747,470
1,400,000									1,400,000
	650,000								650,000
	800,000								800,000
	800,000								800,000
	800,000								800,000
	1,859,106								1,859,106
	5,234,044								5,234,044
	1,977,630								1,977,630
	3,291,079								3,291,079
	2,350,007								2,350,007
	2,145,000								2,145,000
	878,000								878,000
	550,000								550,000
	4,534,000								4,534,000
	2,100,000								2,100,000
	4,125,000								4,125,000
<b>4,464,954</b>	<b>35,903,205</b>	-	-	<b>780,000</b>	-	-	-	-	<b>46,127,346</b>
								543,943	543,943
								835,000	835,000
								650,000	650,000
								1,650,000	1,650,000
10,150								50,000	60,150
13,000				2,000				120,000	135,000
								1,870,000	1,870,000
								500,000	500,000
<b>23,150</b>	-	-	-	<b>2,000</b>	-	-	-	<b>6,218,943</b>	<b>6,244,093</b>
					100,000				100,000
					300,000		35,000		335,000
					77,190				77,190
30,000									30,000
							150,000		150,000
					75,000				75,000
					150,000				150,000
					250,000				250,000
					250,000				250,000
					250,000				250,000
					50,000				50,000
					80,000				80,000
					250,000				250,000
					300,000				300,000
					75,000				75,000
<b>30,000</b>	-	-	-	-	<b>2,207,190</b>	-	<b>185,000</b>	-	<b>2,422,190</b>
									386,500
									231,269
				25,190					25,190
				12,000					12,000
		6,500,000							6,500,000
		4,500,000							4,500,000
		3,000,000							3,000,000
-	-	<b>14,000,000</b>	-	<b>37,190</b>	<b>617,769</b>	-	-	-	<b>14,654,959</b>

# CAPITAL IMPROVEMENT PROJECT PLANNING LIST CONT.

## Water and Wastewater Projects

Project Name	Prior Years	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027 Planning Years	Total Project Costs
<b>Water Projects</b>									
IH 820 Utility Relocation	50,000								50,000
Precinct Line Elevated Storage Tank Repaint	1,277,900								1,277,900
2020 Water Main Replacements	479,246								479,246
2021 Water Main Replacements		487,453							487,453
2022 Water Main Replacements			600,000						600,000
2023 Water Main Replacements				600,000					600,000
2024 Water Main Replacements					600,000				600,000
2025 Water Main Replacements						600,000			600,000
2026 Water Main Replacements							600,000		600,000
Pump Station No. 3 Generator			80,000	1,120,000					1,200,000
Pump Station No. 5 Repaint Ground Storage Tanks				90,000	1,510,000				1,600,000
Pump Station No. 6 Ground Storage Tank							500,000		500,000
Pump Station No. 4 Ground Storage Tank/Generator						800,000			800,000
Pump Station No. 2 Storage Tank & Pump								700,000	700,000
Valentine Elevated Storage Tank Repainting								1,300,000	1,300,000
SH 26 Widening Utility Relocations	199,371						940,629		1,140,000
<b>Subtotal</b>	<b>2,006,517</b>	<b>487,453</b>	<b>680,000</b>	<b>1,810,000</b>	<b>2,110,000</b>	<b>1,400,000</b>	<b>2,040,629</b>	<b>2,000,000</b>	<b>12,534,599</b>
<b>Wastewater Projects</b>									
2020 Sewer Replacements	468,522								468,522
2021 Sewer Replacements		600,000							600,000
2022 Sewer Replacements			450,000						450,000
2023 Sewer Replacements				600,000					600,000
2024 Sewer Replacements					600,000				600,000
2025 Sewer Replacements						600,000			600,000
2026 Sewer Replacements							600,000		600,000
Valley View SS Outfall Replacement Phase 2			250,000	1,500,000					1,750,000
12-inch Sanitary Sewer Aerial Crossing Valley View			150,000						150,000
<b>Subtotal</b>	<b>468,522</b>	<b>600,000</b>	<b>850,000</b>	<b>2,100,000</b>	<b>600,000</b>	<b>600,000</b>	<b>600,000</b>	<b>-</b>	<b>5,818,522</b>
<b>Capital Improvement Planning Total</b>	<b>5,697,091</b>	<b>3,613,464</b>	<b>5,135,247</b>	<b>10,577,677</b>	<b>9,007,841</b>	<b>5,260,000</b>	<b>4,330,629</b>	<b>44,179,760</b>	<b>87,801,709</b>





# CAPITAL IMPROVEMENT PROJECT PLANNING LIST CONT.

## Water and Wastewater Projects

General Debt	Enterprise Debt	HCDC Debt	Hotel Debt	Special Proj Fund	4b 1/2 Cent Sales Fund	Anti-Crime Fund	Grant Funded	Storm Water Mgmt Fund	Total Funding
	50,000								50,000
							1,277,900		1,277,900
255,063	224,184								479,247
	487,453								487,453
	600,000								600,000
	600,000								600,000
	600,000								600,000
	600,000								600,000
	600,000								600,000
	1,200,000								1,200,000
	1,600,000								1,600,000
	500,000								500,000
	800,000								800,000
	700,000								700,000
	1,300,000								1,300,000
	1,140,000								1,140,000
255,063	11,001,637	-	-	-	-	-	1,277,900	-	12,534,600
								468,522	468,522
								600,000	600,000
								450,000	450,000
								600,000	600,000
								600,000	600,000
								600,000	600,000
								600,000	600,000
								1,750,000	1,750,000
								150,000	150,000
-	-	-	-	-	-	-	-	5,818,522	5,818,522
4,773,167	46,904,842	14,000,000	-	819,190	2,824,959	-	1,462,900	12,037,465	87,801,710



