

AN ORDINANCE AMENDING THE FISCAL YEAR 2025 UTILITY FUND BUDGET OF THE CITY OF SEGUIN, TEXAS.

NOW, THEREFORE, BE IT ORDAINED THAT THE FISCAL YEAR 2025 UTILITY FUND BUDGET OF THE CITY OF SEGUIN, TEXAS, IS AMENDED AS FOLLOWS:

Utility Fund

Amount	Increase:	Increase:
\$ 8,000	Utility Fund Electric Distribution Travel and Lodging 002-4700-665000	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000
\$ 5,000	Utility Fund Electric Distribution Meals 002-4700-665500	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000
Reason requested:	To increase appropriation in order to send two apprentices to NLC training and two tree trimming staff to required safety training.	

Amount	Increase:	Increase:
\$ 10,000	Utility Fund Electric Distribution Public Relations 002-4700-671000	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000

Reason requested: To increase appropriation due to the Lineman's Rodeo Finals being in California this year.

Amount	Increase:	Increase:
\$ 10,000	Utility Fund Water Plant Overtime/On-Call 002-5600-112000	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000

Reason requested: To increase allocation due to the retirement of an employee. Until a new employee is hired, other operators must fill in to cover the staff shortage.

Amount	Increase:	Increase:
\$ 3,500	Utility Fund Water Plant Postage 002-5600-612000	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000

Reason requested: To increase the allocation for postage due to new EPA regulations regarding lead pipes in the water distribution system. The City was required to notify customers of certain situations regarding their private water service line.

Amount	Increase:	Increase:
\$ 15,000	Utility Fund Water Plant Chemicals 002-5600-613300	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000
Reason requested:	To increase appropriation due to an increase in water demand.	
Amount	Increase:	Increase:
\$ 75,000	Utility Fund Non-Departmental Insurance-Building/Auto Liability 002-9000-521000	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000
Reason requested:	To increase appropriation for higher insurance premiums than anticipated due to additions to the mobile and auto schedule, an increase in premiums in cybersecurity insurance and an increase in premiums across the board.	
Amount	Increase:	Increase:
\$ 928,578	Utility Fund Intragovernmental Transfers Transfers to Utility Fund Capital Projects 002-9800-822300	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000
Reason requested:	To transfer funds to Utility Fund Capital Projects to fund additional projects or additional funding towards current projects included in the individual amendment requests.	
Amount	Increase:	Increase:
\$1,900,000	Utility Fund Intragovernmental Transfers Transfers to Reserve Fund 002-9000-822600	Utility Fund Non-Departmental Use of Retained Earnings 002-9800-960000
Reason requested:	With the issuance of the final bonds through the Texas Water Development Board, we are required to put \$11,381,163.78 in a reserve fund. This is the average annual payments over the life of the bonds. We have sixty months to build this fund to the required level. This continues the process that we began in FY23 towards establishing this required amount. Currently, there is \$4,106,374.69 in the Reserve Fund.	

Utility Fund Capital Projects

Amount	Increase:	Increase:
\$ 27,135	Utility Fund Capital Projects Equipment Lease Enterprise Leases 038-9000-444000	Utility Fund Capital Projects Intragovernmental Transfers Transfers from Utility Fund 038-391020
Reason requested:	To allocate funds for the Utility Fund portion of the Enterprise leases of 25 vehicles for FY26.	

Amount	Increase:	Increase:
\$ 120,000	Utility Fund Capital Projects Small Business Grant Small Business Grant Program 038-9000-656300	Utility Fund Capital Projects Intragovernmental Transfers Transfers from Utility Fund 038-391020
Reason requested:	To provide additional funding for the Business Improvement Grant (BIG) program. The strong demand from our business community has resulted in all available BIG funding for FY 24-25 being fully allocated to approved projects, creating a waitlist for qualified applicants. This additional funding will enable us to fulfill pending applications and accommodate new requests through the end of the fiscal year.	

Amount	Increase:	Increase:
\$ 25,000	Utility Fund Capital Projects Housing Initiatives Housing Initiative Program 038-9000-656500	Utility Fund Capital Projects Intragovernmental Transfers Transfers from Utility Fund 038-391020
Reason requested:	Several years ago, the City established a housing initiative program to encourage City employees to move to the city. Applicants must go through an eligibility process and can receive up to \$5,000 towards closing costs. This initiative is in the form of a forgivable loan. The employee must continue to work for the City for an additional five years. The loan is forgiven at 20% per year. We continue to have employees wanting to move into the city and are asking to increase the funding for the program. This is the Utility Fund's portion. A similar amendment will be proposed in the General Fund.	

Amount	Increase:	Increase:
\$ 20,000	Utility Fund Capital Projects Buildings Wells Fargo Building 038-9000-702000	Utility Fund Capital Projects Intragovernmental Transfers Transfers from Utility Fund 038-391020
Reason requested:	To increase allocation towards the Wells Fargo Building project to provide stipends to companies to complete the proposals for the Nolte Project.	

Amount	Increase:	Increase:
\$ 23,000	Utility Fund Capital Projects Improvements to Buildings City Hall Elevator Upgrade 038-9000-702500	Utility Fund Capital Projects Intragovernmental Transfers Transfers from Utility Fund 038-391020
Reason requested:	To increase appropriation for this project due to higher costs than anticipated. The increased costs will result in cost savings over the life of the elevator. Additional funding will come from General Fund Capital Projects.	

Amount	Increase:	Increase:
\$ 199,500	Utility Fund Capital Projects Capital Outlay Water Tank Maintenance Program 038-9000-703000	Utility Fund Capital Projects Intragovernmental Transfers Transfers from Utility Fund 038-391020
Reason requested:	To provide funding for the water tank maintenance program for FY25.	
Amount	Increase:	Increase:
\$ 200,000	Utility Fund Capital Projects Capital Outlay Water Asset Management Program 038-9000-706100	Utility Fund Capital Projects Intragovernmental Transfers Transfers from Utility Fund 038-391020
Reason requested:	To provide funding for the water asset management program for FY25.	
Amount	Increase:	Increase:
\$ 10,115	Utility Fund Capital Projects Mach. & Equipment-Office Equipment Cybersecurity Grant 038-9000-706100	Utility Fund Capital Projects Intragovernmental Transfers Transfers from Utility Fund 038-391020
Reason requested:	To allocate funds for matching funds for a cybersecurity grant received from the Office of the Governor. Additional matching funds as well as the grant revenue will be allocated from the General Fund. The original amount of the matching funds was \$8,032, but since the application was submitted, costs and needs have increased.	
Amount	Increase:	Increase:
\$ 2,452	Utility Fund Capital Projects Mach. & Equipment-Office Equipment Cybersecurity Assessment Grant 038-9000-706100	Utility Fund Capital Projects Intragovernmental Transfers Transfers from Utility Fund 038-391020
Reason requested:	To allocate funds for matching funds for a cybersecurity assessment grant received from the Office of the Governor-Homeland Security Grants Division. The matching funds come from the salary that is currently budgeted to pay the IT Security Manager. Additional matching funds are required since the cost has increased since the application was submitted, which half is from General Fund and the other half from Utility Fund.	
Amount	Increase:	Increase:
\$ 27,500	Utility Fund Capital Projects Transportation-Vehicles Project Inspector Truck 038-9000-707100	Utility Fund Capital Projects Intragovernmental Transfers Transfers from Utility Fund 038-391020
Reason requested:	To provide funding to purchase a vehicle for the Project Inspector. The current vehicle has been in the shop and is now in need of a new engine. The other half of the funding for this vehicle will come from the General Fund Capital Projects.	

Amount	Increase:	Increase:
\$ 75,000	Utility Fund Capital Projects Transportation-Vehicles Fleet Services Truck 038-9000-707100	Utility Fund Capital Projects Intragovernmental Transfers Transfers from Utility Fund 038-391020
Reason requested:	To appropriate funds for the replacement of the Fleet Services truck which is over twelve (12) years old. This truck is used to haul vehicles and equipment as well as make service calls. This truck was requested to be replaced in FY26, but major problems have arisen causing the replacement to be moved up sooner than expected. The other half of the funding for this vehicle will come from the General Fund Capital Projects.	

Amount	Increase:	Increase:
\$ 55,638	Utility Fund Capital Projects Principal Payments Vactor 2100i Payments 038-9300-930000	Utility Fund Capital Projects Intragovernmental Transfers Transfers from Utility Fund 038-391020
\$ 27,243	Utility Fund Capital Projects Interest Payments Vactor 2100i Payments 038-9300-940000	Utility Fund Capital Projects Intragovernmental Transfers Transfers from Utility Fund 038-391020
\$ 12,000	Utility Fund Capital Projects Mach. & Equip.-Heavy Equipment Vactor 2100i Payments 038-9300-706200	Utility Fund Capital Projects Intragovernmental Transfers Transfers from Utility Fund 038-391020
Reason requested:	To provide funding for the principal, interest and service payments for all leased equipment for FY26.	

Amount	Increase:	Increase:
\$ 69,469	Utility Fund Capital Projects Principal Payments TV Van/Data Asset Management Payments 038-9300-930000	Utility Fund Capital Projects Intragovernmental Transfers Transfers from Utility Fund 038-391020
\$ 18,526	Utility Fund Capital Projects Interest Payments TV Van/Data Asset Management Payments 038-9300-940000	Utility Fund Capital Projects Intragovernmental Transfers Transfers from Utility Fund 038-391020
\$ 16,000	Utility Fund Capital Projects Mach. & Equip.-Heavy Equipment TV Van/Data Asset Management Payments 038-9300-706200	Utility Fund Capital Projects Intragovernmental Transfers Transfers from Utility Fund 038-391020
Reason requested:	To provide funding for the principal, interest and service payments for all leased equipment for FY26.	

Utility Reserve Fund

Amount	Increase:	Increase:
\$1,900,000	Utility Reserve Fund Intragovernmental Transfers Transfers from Utility Fund 040-391020	Utility Reserve Fund Fund Balance 040-297020
Reason requested:	With the issuance of the final bonds through the Texas Water Development Board, we are required to put \$11,381,163.78 in a reserve fund. This is the average annual payments over the life of the bonds. We have sixty months to build this fund to the required level. This continues the process that we began in FY23 towards establishing this required amount. Currently, there is \$4,106,374.69 in the Reserve Fund.	

Utility I&S Fund

Amount	Increase:	Increase:
\$3,626,813	Utility I&S Fund Long Term Debt Proceeds Bond Proceeds 041-393000	Utility I&S Fund Interest Payments 2025 Certificates of Obligation Bonds 041-9200-902200
Reason requested:	To appropriate funds for the first Utility Fund payment on the 2025 Certificate of Obligation Bonds.	

Stormwater Drainage Utility Fund

Amount	Increase:	Increase:
\$ 410,000	Stormwater Drainage Utility Fund Professional Services Stormwater Drainage Master Plan 043-4300-320500	Stormwater Drainage Utility Fund Non-Departmental Use of Retained Earnings 043-9800-960000
Reason requested:	To reallocate funds approved in prior fiscal years of \$380,000 for a drainage master plan. In addition, City Council approved a change order in the amount of \$30,000 in February for additional services in order to submit a Notice of Intent to develop a Stormwater Management Program to TCEQ.	

2025 Certificates of Obligation Bonds – Utility Fund

\$ 550,000	2025 Certificates of Obligation-UF Improvements other than Buildings 123 Bypass/IH 10 New Electric Line 171-9000-703000	2025 Certificates of Obligation-UF Long-Term Debt Proceeds Bond Proceeds 171-393000
\$19,000,000	2025 Certificates of Obligation-UF Improvements other than Buildings Geronimo Creek Interceptor Ph. I 171-9000-703000	2025 Certificates of Obligation-UF Long-Term Debt Proceeds Bond Proceeds 171-393000

\$2,500,000	2025 Certificates of Obligation-UF Improvements other than Buildings Caterpillar Lift Station & Gravity Main 171-9000-703000	2025 Certificates of Obligation-UF Long-Term Debt Proceeds Bond Proceeds 171-393000
\$5,000,000	2025 Certificates of Obligation-UF Improvements other than Buildings Guadalupe River Dr. Lift Station Decomm. 171-9000-703000	2025 Certificates of Obligation-UF Long-Term Debt Proceeds Bond Proceeds 171-393000
\$43,000,000	2025 Certificates of Obligation-UF Improvements other than Buildings WB Lift Station & Force Main to GCWWTP 171-9000-703000	2025 Certificates of Obligation-UF Long-Term Debt Proceeds Bond Proceeds 171-393000
\$2,000,000	2025 Certificates of Obligation-UF Improvements other than Buildings River Oak/Tor Dr/Pecan Orchard Lift St. 171-9000-703000	2025 Certificates of Obligation-UF Long-Term Debt Proceeds Bond Proceeds 171-393000
\$2,750,000	2025 Certificates of Obligation-UF Improvements other than Buildings 24" SH46 Western Transmission Main 171-9000-703000	2025 Certificates of Obligation-UF Long-Term Debt Proceeds Bond Proceeds 171-393000
\$2,500,000	2025 Certificates of Obligation-UF Improvements other than Buildings Surface Water/Ground Water Interconnect 171-9000-703000	2025 Certificates of Obligation-UF Long-Term Debt Proceeds Bond Proceeds 171-393000
\$7,000,000	2025 Certificates of Obligation-UF Improvements other than Buildings 73 Ft. Upflow Clarifier SCADA & Offices 171-9000-703000	2025 Certificates of Obligation-UF Long-Term Debt Proceeds Bond Proceeds 171-393000
\$3,500,000	2025 Certificates of Obligation-UF Improvements other than Buildings Prexy Water Main Rehab 171-9000-703000	2025 Certificates of Obligation-UF Long-Term Debt Proceeds Bond Proceeds 171-393000
\$2,500,000	2025 Certificates of Obligation-UF Improvements other than Buildings Pump/Motor Replacements @ Water Plant 171-9000-703000	2025 Certificates of Obligation-UF Long-Term Debt Proceeds Bond Proceeds 171-393000
\$1,000,000	2025 Certificates of Obligation-UF Improvements other than Buildings Strempel Gate Reconstruction 171-9000-703000	2025 Certificates of Obligation-UF Long-Term Debt Proceeds Bond Proceeds 171-393000

\$2,000,000	2025 Certificates of Obligation-UF Improvements other than Buildings 8" Spring Street Water Line 171-9000-703000	2025 Certificates of Obligation-UF Long-Term Debt Proceeds Bond Proceeds 171-393000
\$2,000,000	2025 Certificates of Obligation-UF Improvements other than Buildings 12" Hannah Heights/FM20 Water Line 171-9000-703000	2025 Certificates of Obligation-UF Long-Term Debt Proceeds Bond Proceeds 171-393000
\$ 662,998	2025 Certificates of Obligation-UF Improvements other than Buildings Lawson Street Utilities 171-9000-703000	2025 Certificates of Obligation-UF Long-Term Debt Proceeds Bond Proceeds 171-393000
\$4,390,000	2025 Certificates of Obligation-UF Improvements other than Buildings SH123 Utility Relocate 171-9000-703000	2025 Certificates of Obligation-UF Long-Term Debt Proceeds Bond Proceeds 171-393000
\$2,750,000	2025 Certificates of Obligation-UF Improvements other than Buildings FM 466 Utility Relocate 171-9000-703000	2025 Certificates of Obligation-UF Long-Term Debt Proceeds Bond Proceeds 171-393000
\$ 397,002	2025 Certificates of Obligation-UF Improvements other than Buildings Contingency Funds 171-9000-703000	2025 Certificates of Obligation-UF Long-Term Debt Proceeds Bond Proceeds 171-393000

Reason requested: To appropriate funds to the various projects from the certificate of obligation proceeds from the 2025 Certificates of Obligation Bonds we received in February.

The Council finds that these budget adjustments are required because of changes and unforeseen conditions that could not have been anticipated in the original budget.

This ordinance shall become effective and applicable on the date of its approval and passage.

PASSED ON FIRST READING BY THE CITY COUNCIL OF THE CITY OF SEGUIN, TEXAS, on this the 18th day of March, 2025.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF SEGUIN, TEXAS, on this the 1st day of April, 2025.

ATTEST:

DONNA DODGEN
MAYOR

Kristin Mueller, City Secretary