


FY 20-21 Budget Work Session

1. FY 19-20 Revised Budget.....Robert Myers
2. Economic Development Overview.....Craig Hulse
3. HR Discussion.....Patrick Hillis
4. FY 20-21 Revenue Overview (General Fund).....Robert Myers
5. FY 20-21 Significant Items
 - a. NRH20.....Vickie Loftice
 - b. Street Bond Program.....Paulette Hartman
6. FY 20-21 Proposed Budget
 - a. Special Revenue Funds.....Robert Myers
 - b. Parks Funds.....Vickie Loftice
 - i. Aquatic Park Fund
 - ii. Golf Course Fund
 - c. Internal Service Funds
 - i. Facilities Fund.....Mike Curtis
 - ii. Fleet Services Fund.....Mike Curtis
 - iii. Information Technology Fund.....Karen Manila
 - iv. Self-Insurance Fund.....Karen Manila
7. Preliminary Budget Overview.....Mark Hindman



FY 2019-20 Revised Budget

General Fund Overview

- ▶ General Fund revenues and expenditures are under the FY 2019-20 Adopted Budget
 - ▶ Revenues: -\$510,309
 - ▶ Expenditures: -\$858,673
 - ▶ Annual Encumbrance Roll: \$173,005
 - ▶ Interfund Loan NRH20 +\$2,309,693
- ▶ Currently forecasted to pull \$1,912,678 from reserves to to offset majority of NRH20 Interfund Loan
- ▶ Significant impacts this fiscal year from COVID-19 on City revenues and expenditures.

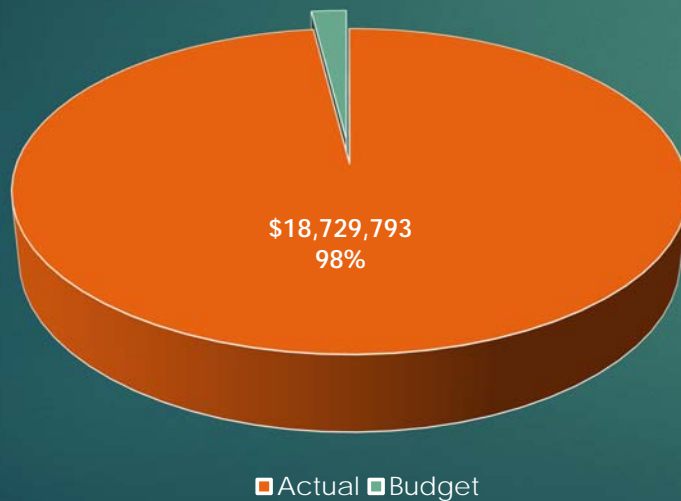
Property Tax

- ▶ Significant Impacts in Revenues

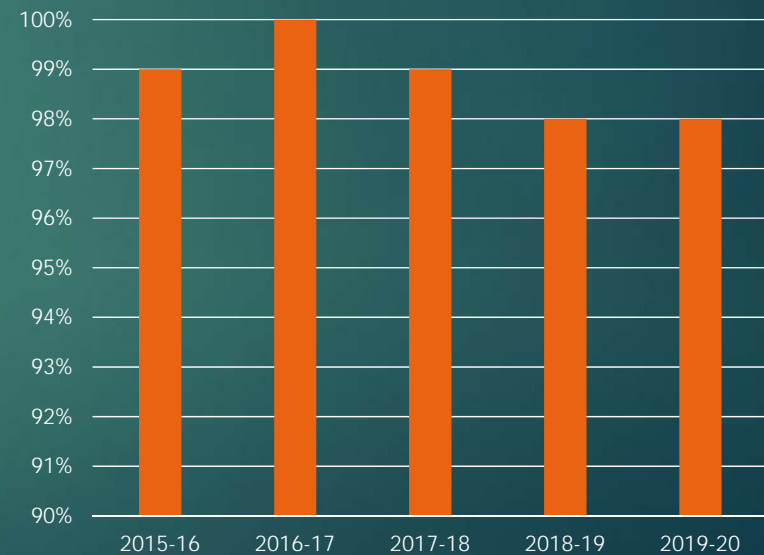
- ▶ Property Tax Collections overall at Adopted Budget

Property Tax Collections As of June 29th

FY 2019-20 Adopted Budget: \$19,099,518



Historical Collection Rate Through June

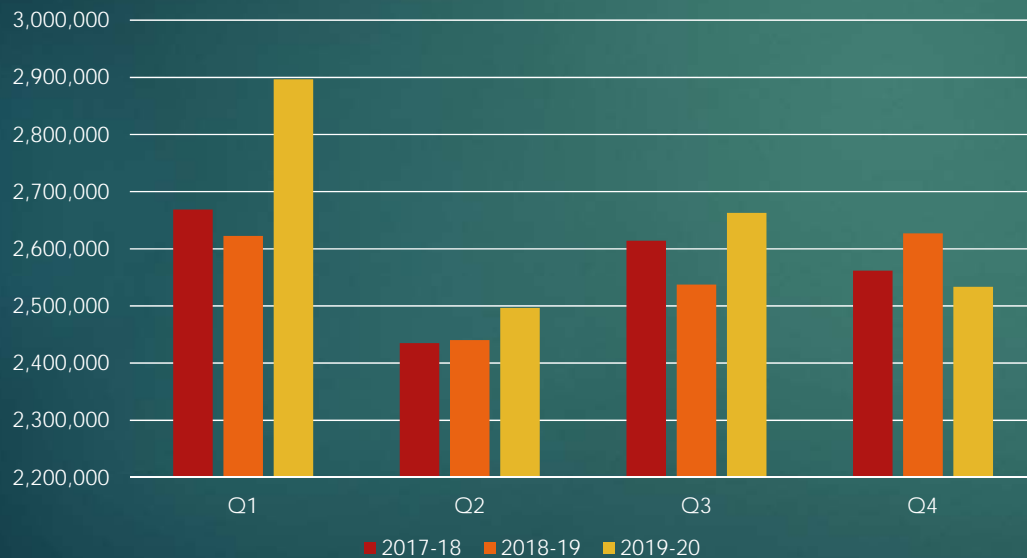


Sales Tax

▶ Significant Impacts in Revenues

▶ Sales Tax up +\$169,330 or +1.63%

Sales Tax Collections



Q3-Q4 for FY 2019-20 is forecasted estimate

12 Month Rolling Average



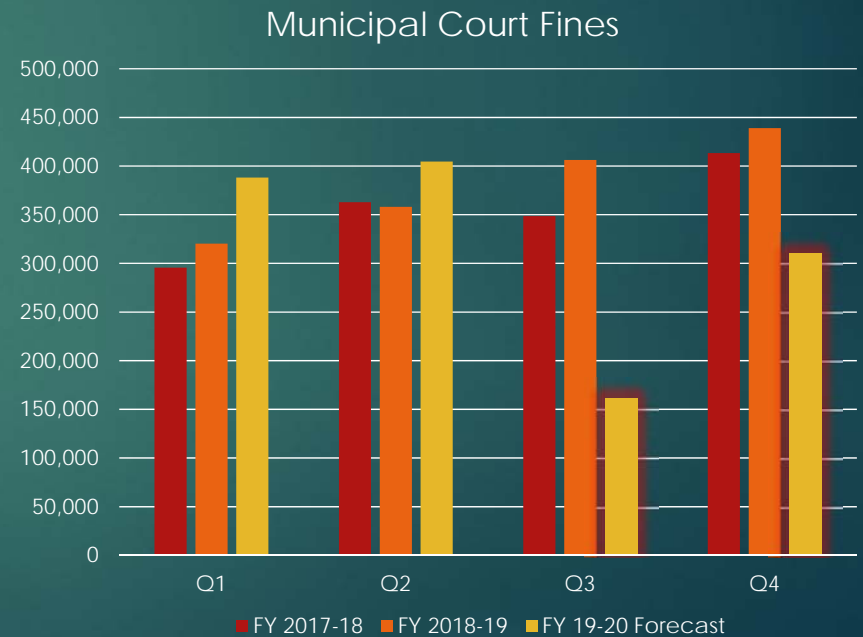
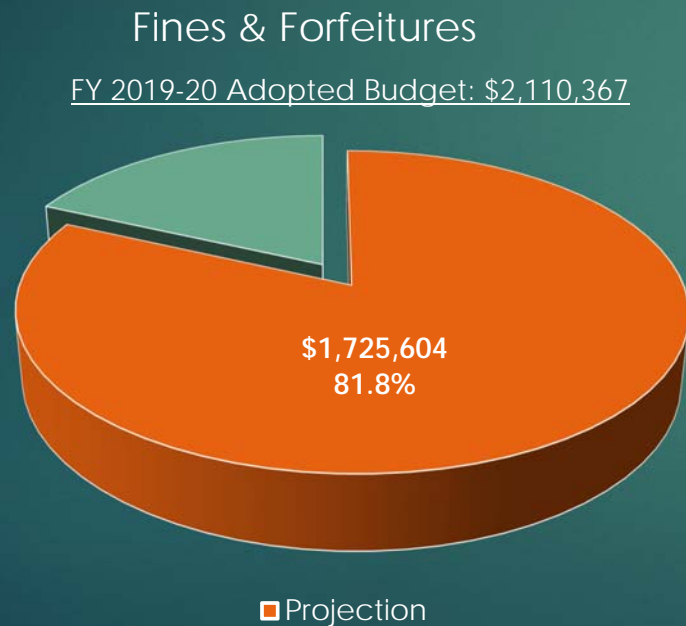
Franchise Fees

- ▶ Significant Impacts in Revenues
 - ▶ Franchise Fees down **-\$125,447** or **-2.5%**
 - ▶ Cable Franchise down -\$228,602
 - ▶ Telephone Franchise up +\$134,659

Fines & Forfeitures

▶ Significant Impacts in Revenues

- ▶ Fines & Forfeitures down -\$384,763 or -18.2%

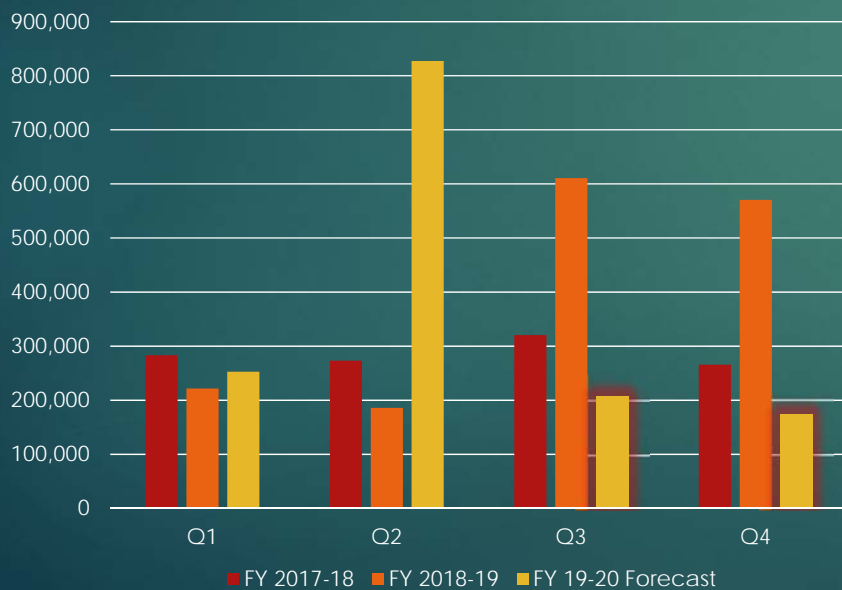


Licenses & Permits

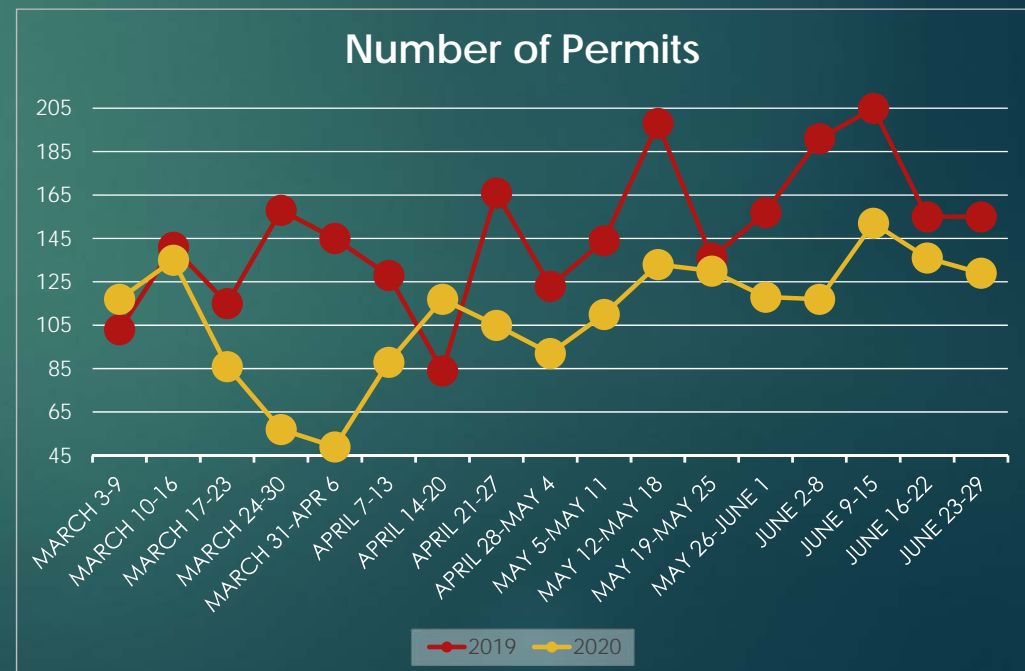
▶ Significant Impacts in Revenues

- ▶ Licenses & Permits up +\$145,770 or 6%
- ▶ Development Revenues Primary Driver

Building Permit Revenue



Number of Permits



Charges for Service / Intergovernmental

- ▶ Significant Impacts in Revenues

- ▶ Charges for Service down **-\$260,125** or **-9.2%**

- ▶ Ambulance Supplemental Program Revenue down **-\$276,000**

- ▶ Intergovernmental down **-\$69,036** or **-1.3%**

- ▶ Shared Service payments driver of the shortfall

Miscellaneous / Approp. Of Fund Balance

▶ Significant Impacts in Revenues

▶ Miscellaneous up \$46,762 or 2.2%

- ▶ HHS Grant for Ambulance Service +\$58,399
- ▶ Insurance Recovery payment for damage traffic equipment +\$25,450
- ▶ Radio Reimbursement down -\$20,379

▶ Appropriation of Fund Balance up +\$2,134,334

- ▶ Transfer to NRH20 +\$1,912,678
- ▶ Encumbrance Roll +\$173,005
- ▶ PEG Fee purchases +\$44,075

Significant Impacts in Expenditures

- ▶ Significant Impacts in Expenditures
 - ▶ Total Expenditures up +\$1,624,025
 - ▶ Encumbrance Roll +\$173,005
 - ▶ Departmental Reductions -\$884,484
 - ▶ 2.5% Salary Reduction (April 25 – Sept 30) -\$302,413
 - ▶ Operational & Training Reductions -\$286,217
 - ▶ Vacancy/Frozen Position Savings -\$295,854
 - ▶ Reserves & Other Expenditures up +\$2,335,504
 - ▶ NRH20 Loan to offset operational losses +\$2,309,693

Parks and Recreation Fund Overview

- ▶ Parks & Recreation Facilities Development Fund revenues and expenditures are over the FY 2019-20 Adopted Budget
 - ▶ Revenues: -\$857,936
 - ▶ Expenditures: -\$579,094
- ▶ Currently forecasted for a negative year end balance of -\$278,842

Significant Impacts in Revenues

- ▶ Significant Impacts in Revenues
 - ▶ Sales Tax up +\$84,749
 - ▶ Tennis Center down -\$127,007
 - ▶ NRH Centre down -\$1,043,656
 - ▶ Park Impact Fees up +\$105,000
 - ▶ Appropriation of FB up +\$120,000

Significant Impacts in Expenditures

- ▶ Significant Impacts in Expenditures
 - ▶ Expenditure Reductions totaling -\$579,094
 - ▶ Operational Reductions -\$572,052
 - ▶ Capital Transfers +\$125,000
 - ▶ Changes in Contributions to Reserves -\$132,042

Crime Control District Fund Overview

- ▶ Crime Control revenues and expenditures are under the FY 2019-20 Adopted Budget
 - ▶ Revenues: +\$76,167
 - ▶ Expenditures: -\$59,645
 - ▶ Annual encumbrance roll of \$25,291
- ▶ Currently forecasted for a positive year end balance of +\$135,812

Significant Impacts in Revenues & Expenditures

- ▶ **Significant Impacts in Revenues**
 - ▶ Sales Tax up +\$84,115
- ▶ **Significant Impacts in Expenditures**
 - ▶ Operational Reductions totaling -\$59,645

Utility Fund Overview

- ▶ Overall Utility Fund revenues and expenditures are slightly below the FY 2019-20 Adopted Budget
 - ▶ Revenues: -\$425,507
 - ▶ Expenditures: -\$425,507
 - ▶ Annual encumbrance roll of \$15,920
- ▶ Currently forecasted to end the year in balance.

Revenues

▶ Significant Impacts in Revenues

- ▶ Water Sales down -\$391,949 / Water settle-up +\$320,263
- ▶ Sewer Sales down -\$245,729 / Settle-up +\$33,699
- ▶ Late charges reduction by -\$101,889
- ▶ Interest Income reduction by -\$40,231

Significant Impacts in Expenditures

- ▶ Significant Impacts in Expenditures
 - ▶ Encumbrance Roll totaling \$15,920
 - ▶ Mid-Year Revisions totaling **-\$425,507**
 - ▶ Operational cuts/savings -\$123,103
 - ▶ Water Purchases down -\$453,654
 - ▶ Sewer Treatment up (FY 19 Settle-up) +\$216,715
 - ▶ Contribution to reserves down -\$65,465

Self Insurance Fund Overview

- ▶ Self Insurance Fund revenues and expenditures are projected for a n increase over the FY 2019-20 Adopted Budget
 - ▶ Revenues: +\$51
 - ▶ Expenditures: -\$2,007,435
 - ▶ Currently forecasted for a positive year end balance of \$2,007,486.

Significant Impacts in Revenues & Expenditures

- ▶ **Significant Impacts in Revenues**
 - ▶ No significant changes
- ▶ **Significant Impacts in Expenditures**
 - ▶ Health/Medical Expense down (\$1,996,532)



Questions?

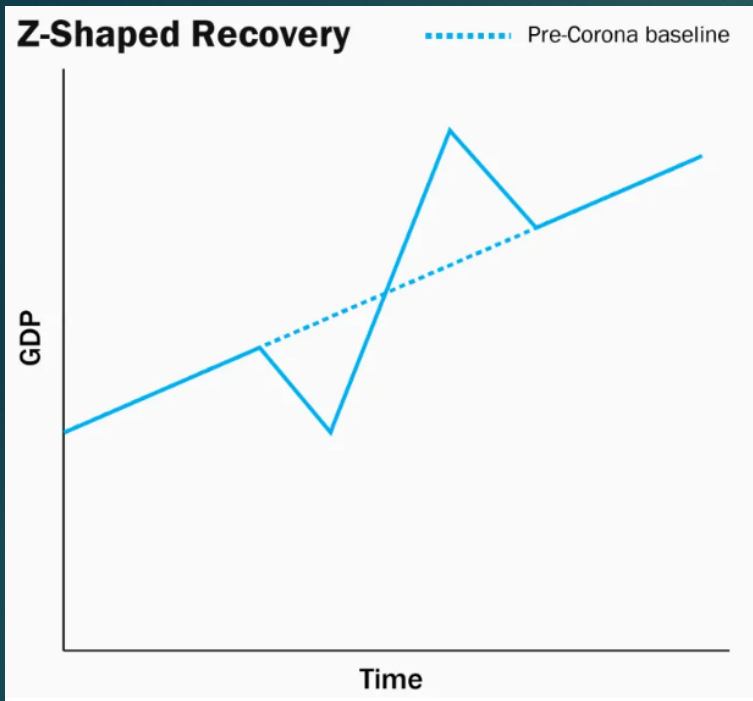
Economic Update

Key Economic Indicators

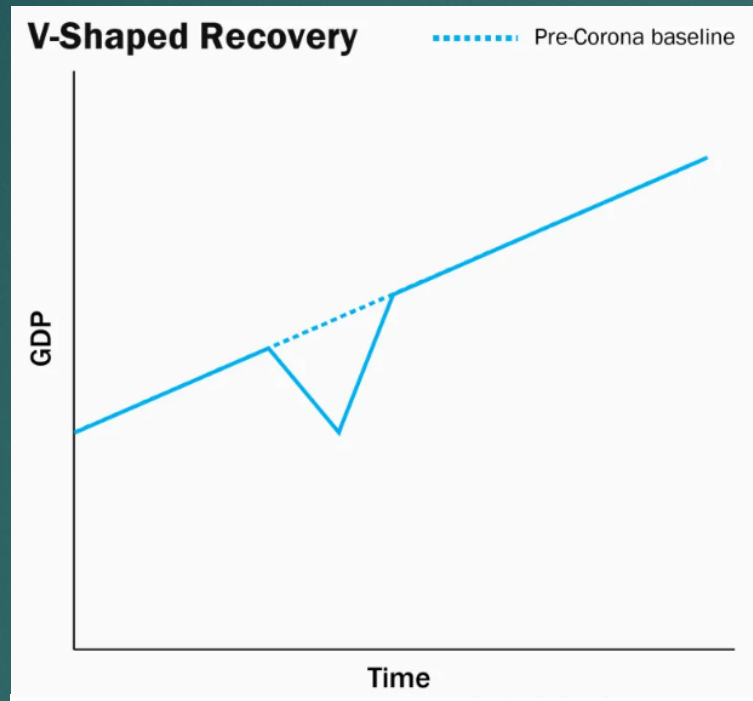
- ▶ Unemployment ↑
- ▶ Consumer Confidence ↓
- ▶ Interest Rates ↓
- ▶ Consumer Prices ↓
- ▶ Consumer & Business Spending ↓↑
- ▶ Rate of Recovery ?



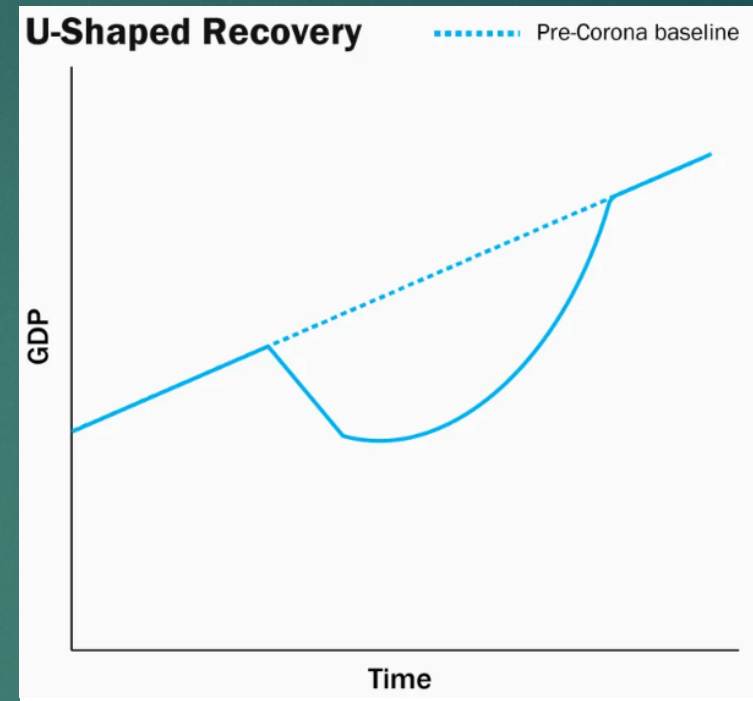
Recovery Scenarios



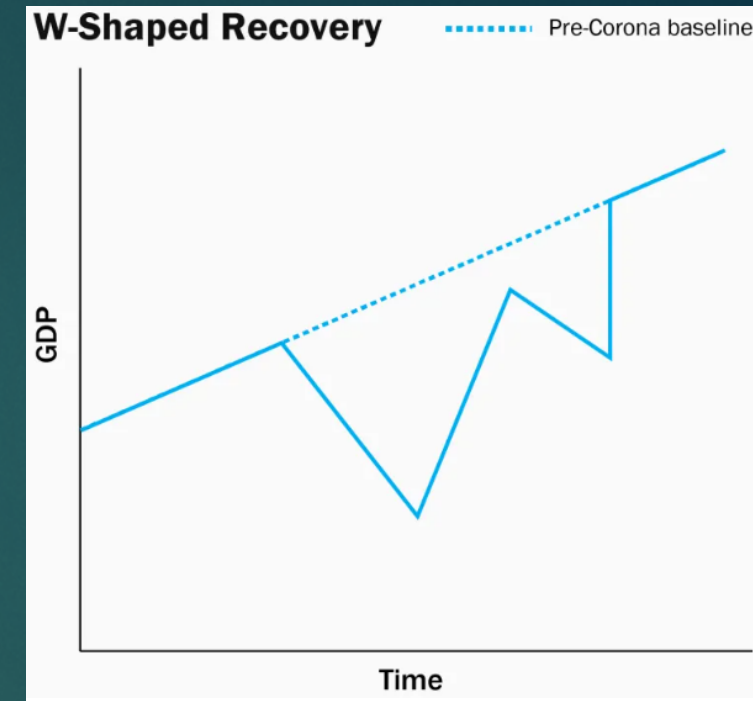
Quick return, above previous levels, due to pent up demand, making up for any losses



Quick return to previous levels, but unable to make up for losses



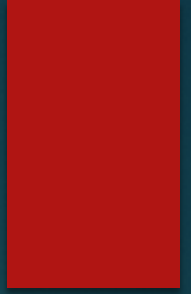
Slow return as some restrictions and hesitations remain, eventually approaching previous levels



Quick return, with a second surge in cases and round of restrictions



Local Trends



▶ Development

Development Trends



	FY 2017	FY 2018	FY 2019	FY 2020 (To Date)	FY 2020 (Projected Year End)
New Single Family Permits	233	223	211	122	~180
Single Family Remodel Permits	221	262	233	126	~190
Commercial Permits	110	174	124	71	~110

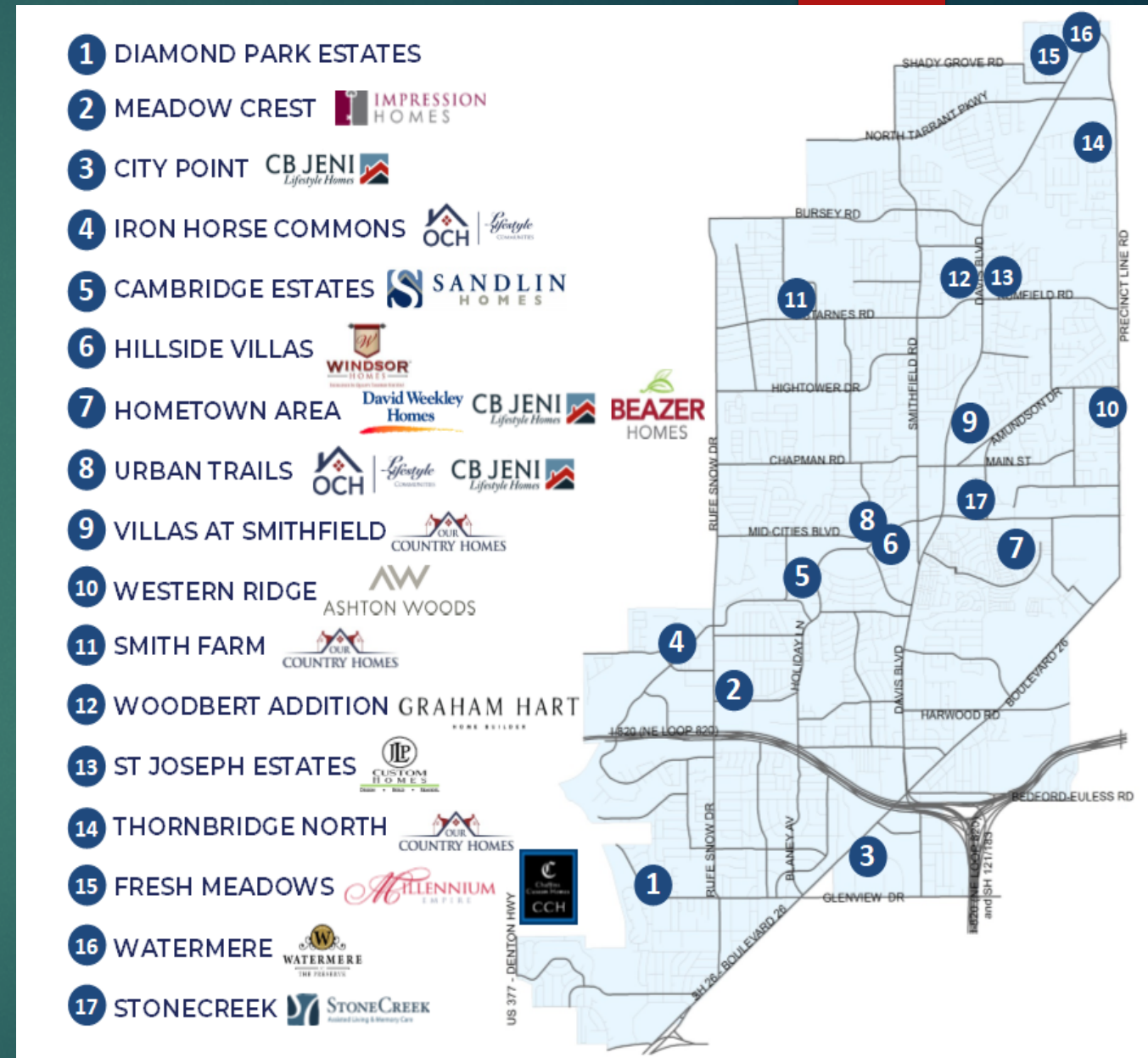
- Slightly down from previous years
- 80% of commercial permits are remodels or renovations
- Most single family starts in Northeast Tarrant County for the past 3 years

Development Trends

- Residential growth to continue
 - 15 subdivisions (not including multi-family projects)
 - All sectors of town

	Lots		
	Platted	Permitted	Remain
Single Family	844	267	577
Townhome	682	190	492
Total	1,526	457	1,069

As of December 2019



Local Trends

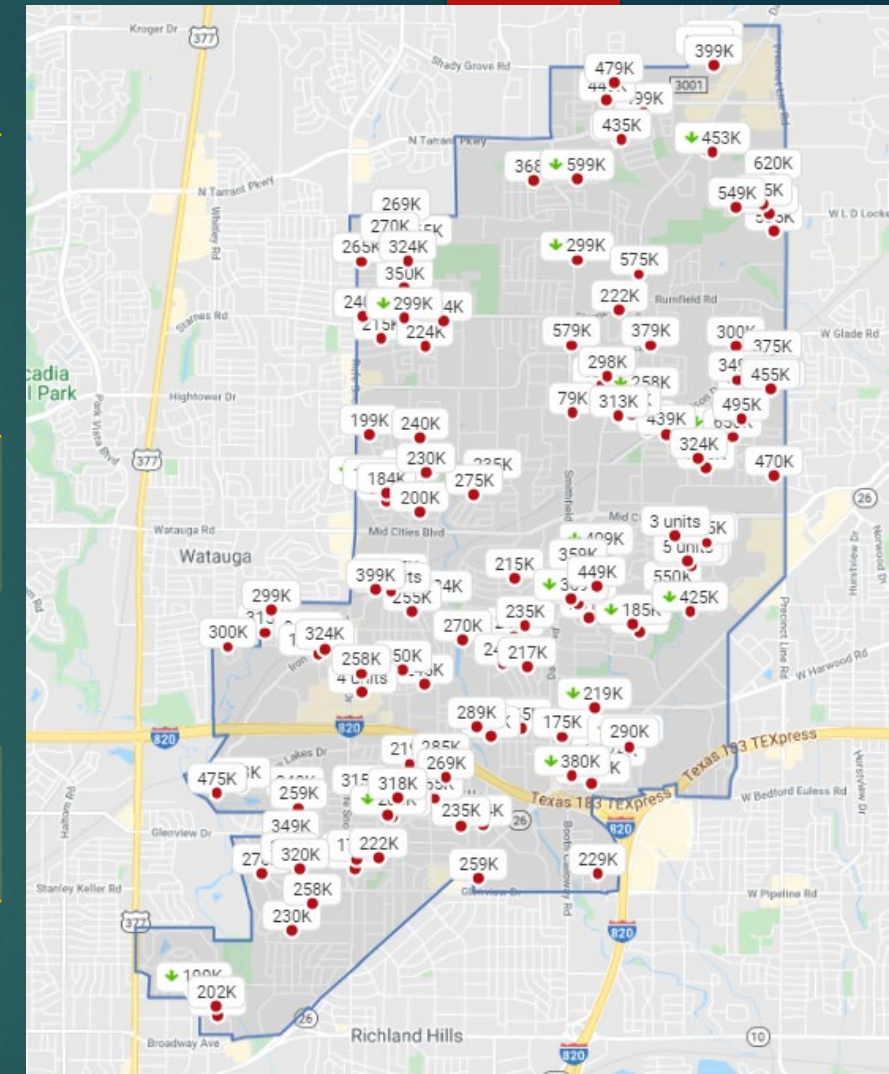
- ▶ Development
- ▶ Resale Property Values

Resale Property Values

June 2020 vs. June 2019

Area	Listing Count	Median List Price	Median List Price Per Square Foot	Days On Market
76180	106	\$327,000 (+3%)	\$141 (+2%)	44 (-2 days)
76182	122	\$425,050 (+2%)	\$158 (+8%)	52 (+19 days)
Tarrant		\$304,550 (-3%)	\$139 (+2%)	50 (+8 days)

Source: Realtor.com Analytics June 2020



- Historic low mortgage rates spur buying while preserving values
- Future is contingent upon pandemic and economy

Local Trends

- ▶ Development
- ▶ Resale Property Values
- ▶ Taxable Sales

Taxable Sales

Amazon

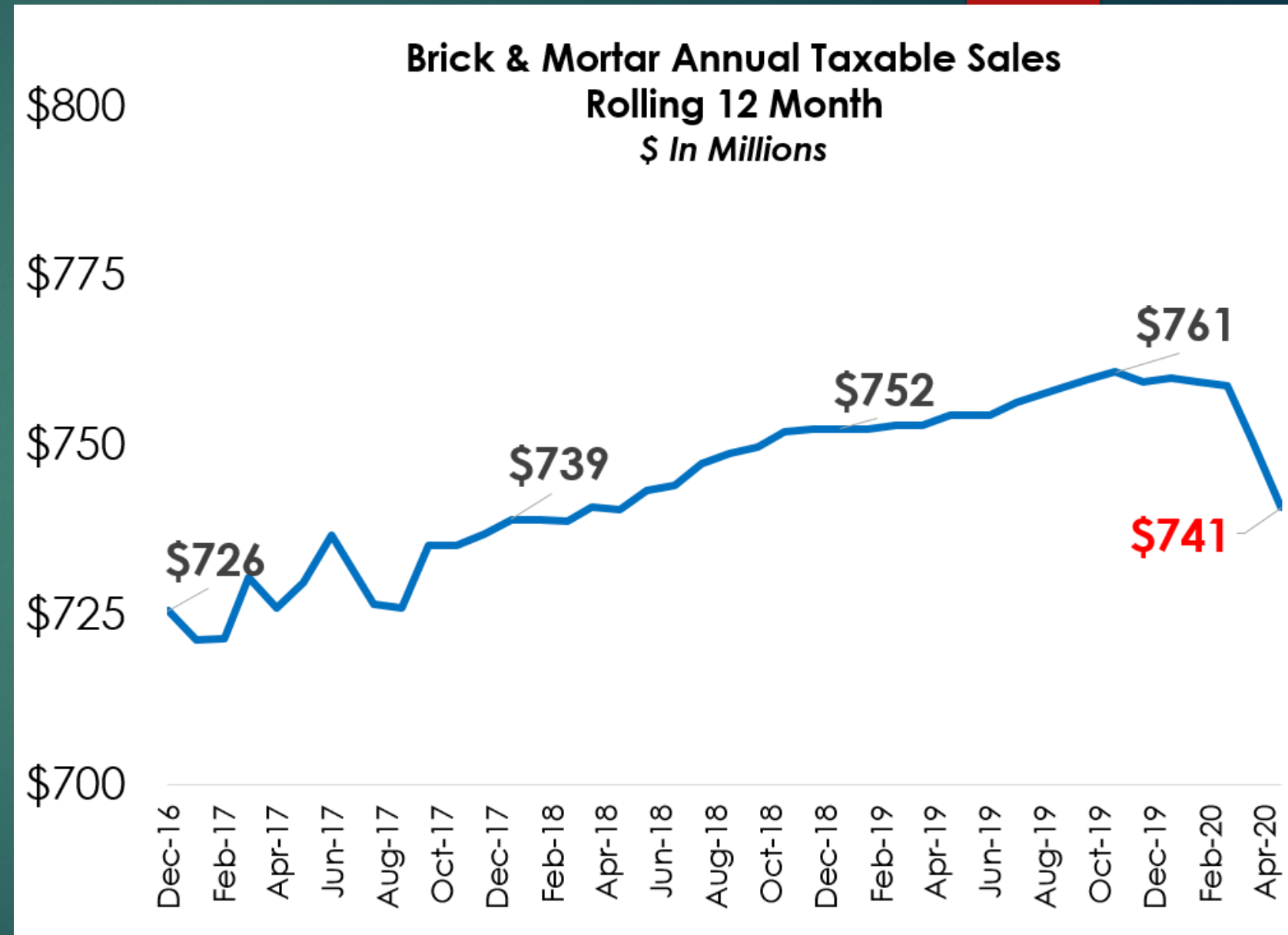
- 3rd Party Sellers
 - Effective October 2019
 - 3X increase
 - Annual equivalent to a new Sam's Club location
 - Roughly 2.5% of city's current taxable sales
 - Sharp increase in April due to pandemic & social distancing restrictions



Taxable Sales

Brick & Mortar Trends

- Slow growth, sharp drop
 - 1.5% annual increase pre-pandemic
 - 2 month decline
- Total share is in decline
 - Increase in online sales tax collections
 - Social distancing and business restrictions



Local Trends



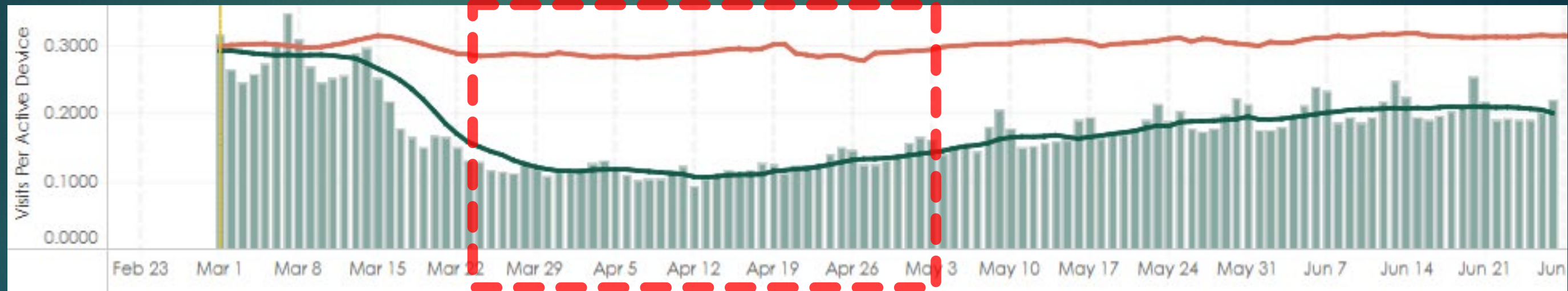
- ▶ Development
- ▶ Resale Property Values
- ▶ Taxable Sales
- ▶ Customer Traffic

Customer Traffic

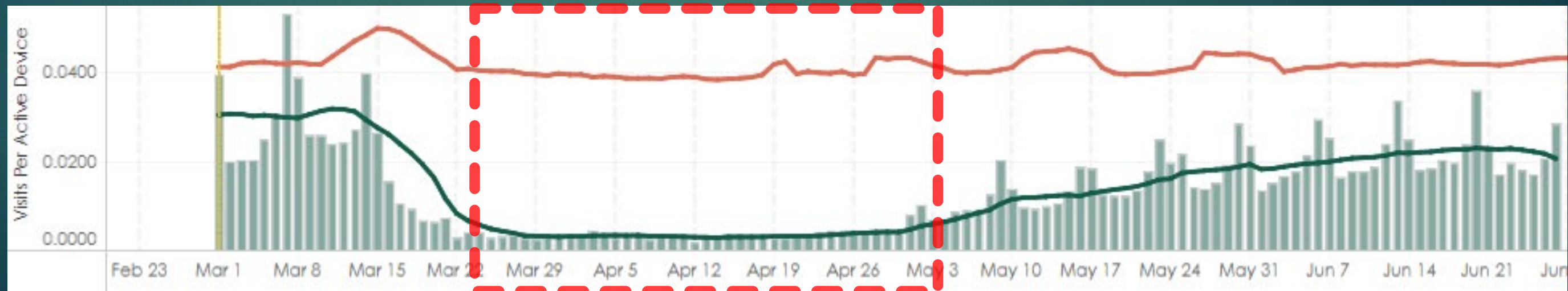
GPS movement within buildings

7 Day Avg. 2020 7 Day Avg. 2019

- Tarrant Food Service Establishments



- Tarrant Shopping Malls

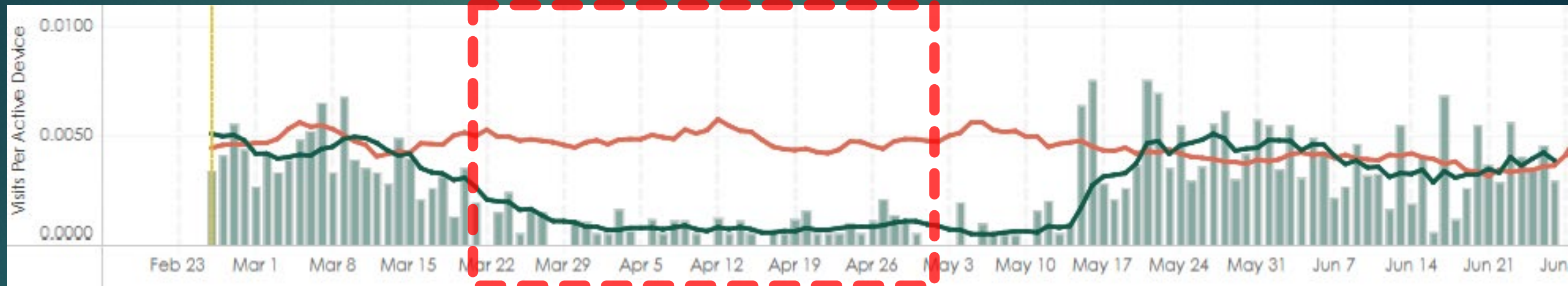


NRH Customer Traffic

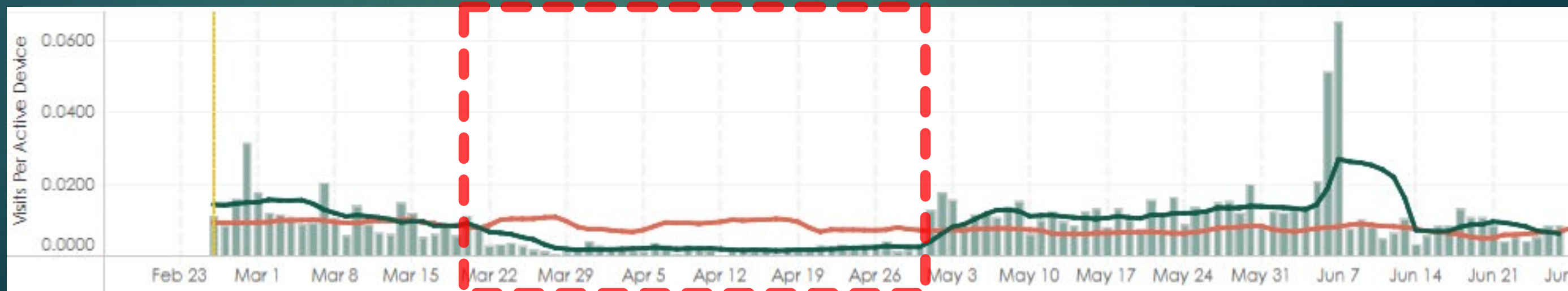
Non-Essential Business

7 Day Avg. 2020 7 Day Avg. 2019

- Apparel



- Sporting Goods



NRH Customer Traffic

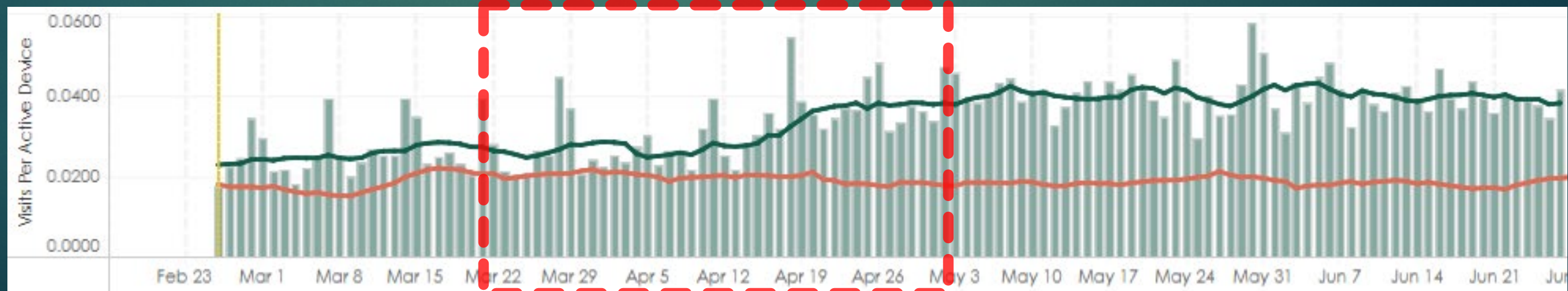
Essential Business

7 Day Avg. 2020 7 Day Avg. 2019

- Grocery



- Home Improvement



Local Trends



- ▶ Development
- ▶ Resale Property Values
- ▶ Taxable Sales
- ▶ Customer Traffic
- ▶ Local Businesses

Local Business



Summary



- ▶ Pandemic's impact, recovery taking shape
- ▶ Vast residential development pipeline, stable values
- ▶ Further emergence of online sales, and tax collections
- ▶ Continued pressure on brick and mortars, in specific retail and dining establishments

THANK YOU



Human Resources Overview

Patrick Hillis
Director of Human Resources

10 Year Turnover History

Annual Average 11%

<u>Year</u>	<u>Turnover Rate</u>
FY 10/11	7%
FY 11/12	13%
FY 12/13	9%
FY 13/14	12%
FY 14/15	11%
FY 15/16	13%
FY 16/17	13%
FY 17/18	15% (increase in # of retirements)
FY 18/19	13%
FY 19/20 (projected)	11%

According to the Bureau of Labor Statistics, turnover in 2019 for state and local government was 19%.

Separations

10/1/2019 to 06/5/2020



<u>Reason for leaving</u>	<u>Avg. Years of Service</u>
25 Resignations 19 Career Change/Other Opportunities (3 Public Safety)	2
12 Retirements (FY 18/19 16 retirements YTD) 7 Sworn public safety employees	21
4 Performance Related	1

Total 41

New Hires

10/1/2019 to 6/5/2020

<u>Job Title</u>	<u>No.</u>
▶ Animal Services Technician	1
▶ Athletic Program Coordinator	1
▶ Code Enforcement Officer	1
▶ Court Records Clerk	2
▶ Deputy City Marshal	2
▶ Detention Officer	4
▶ Dispatcher	3
▶ Firefighter/Paramedic	5
▶ Information Technology Director	1
▶ Landscape Horticulturist	1
▶ Police Officer	2
▶ Victim Assistance Specialist	1

Pay Plans

- ▶ General Government (Non-sworn)
 - ▶ General Services
 - ▶ Appointed
- ▶ Public Safety (Sworn)

Annual Survey

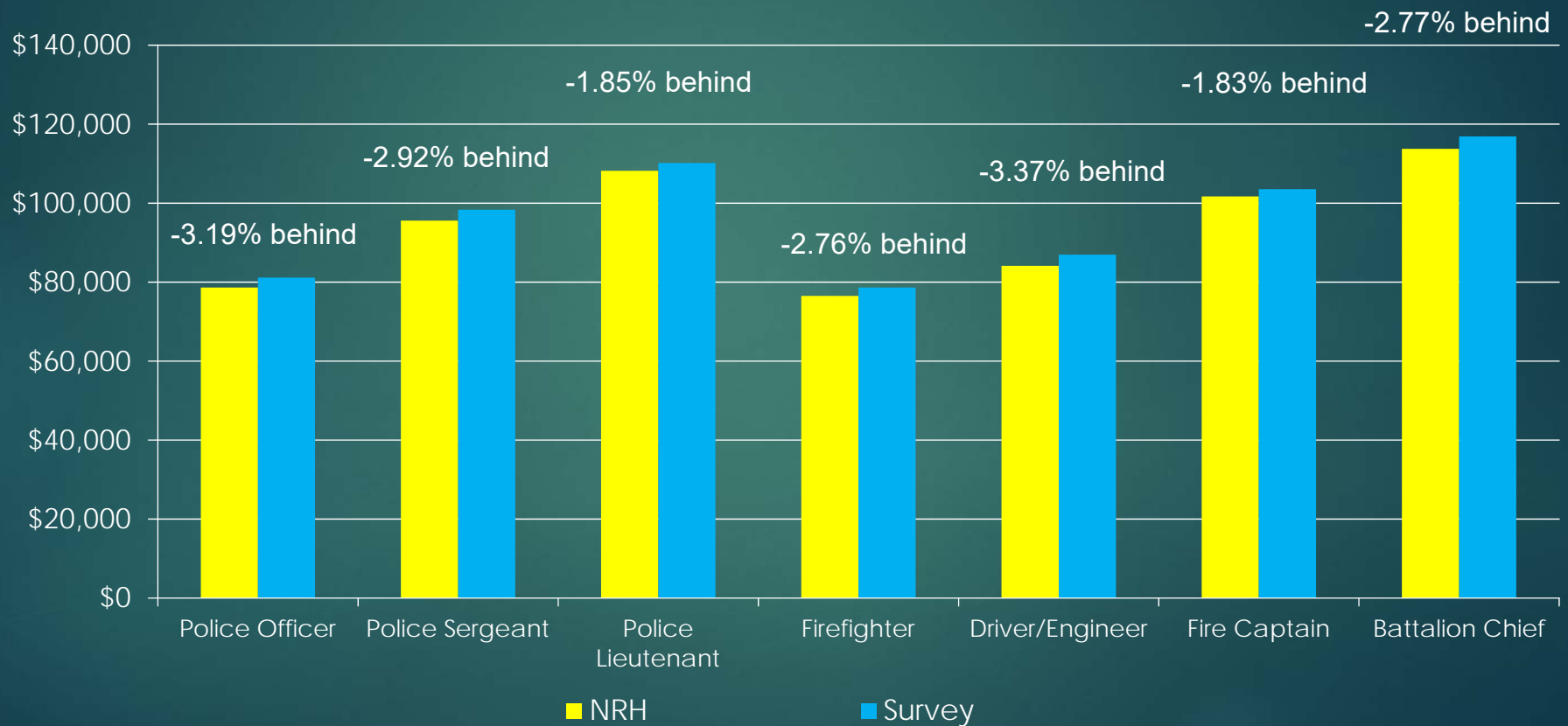
- ▶ Merit increases
- ▶ Pay range movement
- ▶ Allen, Bedford, Cedar Hill, Colleyville, The Colony, Coppell, Desoto, Duncanville, Euless, Flower Mound, Frisco, Grapevine, Hurst, Keller, Lewisville, Southlake, Richardson

General Government Pay Plans

- ▶ Survey results (February 2020)
 - ▶ Average salary increase approximately 3%
- ▶ FY 2019/20 budget
 - ▶ 2% merit increase
 - ▶ 2% range adjustment
 - ▶ 2.5% salary reduction April 25, 2020
- ▶ FY 2020/21 budget
 - ▶ Recommendation to City Council at the July 24th work session

Public Safety Pay Plan

Salary Analysis February 2020



Public Safety Pay Plans

- ▶ FY 2019/20 budget

- ▶ 2% range adjustment October 1, 2019
- ▶ 4% step increase April 1, 2020
- ▶ 2.5% salary reduction April 25, 2020

- ▶ FY 2020/2021 budget

- ▶ Recommendation to City Council at the July 24th work session

Health Insurance

Changes Effective Fiscal Year 2019/2020

- ▶ Increased City funding 5%
- ▶ Increased employee premiums 5%
- ▶ No other plan changes

Health Insurance

FY 2019/20 Year End

- ▶ Good claims year
- ▶ Third year in a row
 - ▶ Covid-19 impact on elective procedures and other visits to physicians
 - ▶ Expect some Covid-19 claims lag in FY 2020/21
- ▶ Anticipate ending FY 19/20 under budget
- ▶ Savings into fund balance

Health Insurance – Going Forward

- ▶ We'll continue to monitor claims experience
- ▶ Anticipate 0% increase to City budget
- ▶ Anticipate 0% employee premium increase
- ▶ We are not recommending any plan design changes for plan year 2021



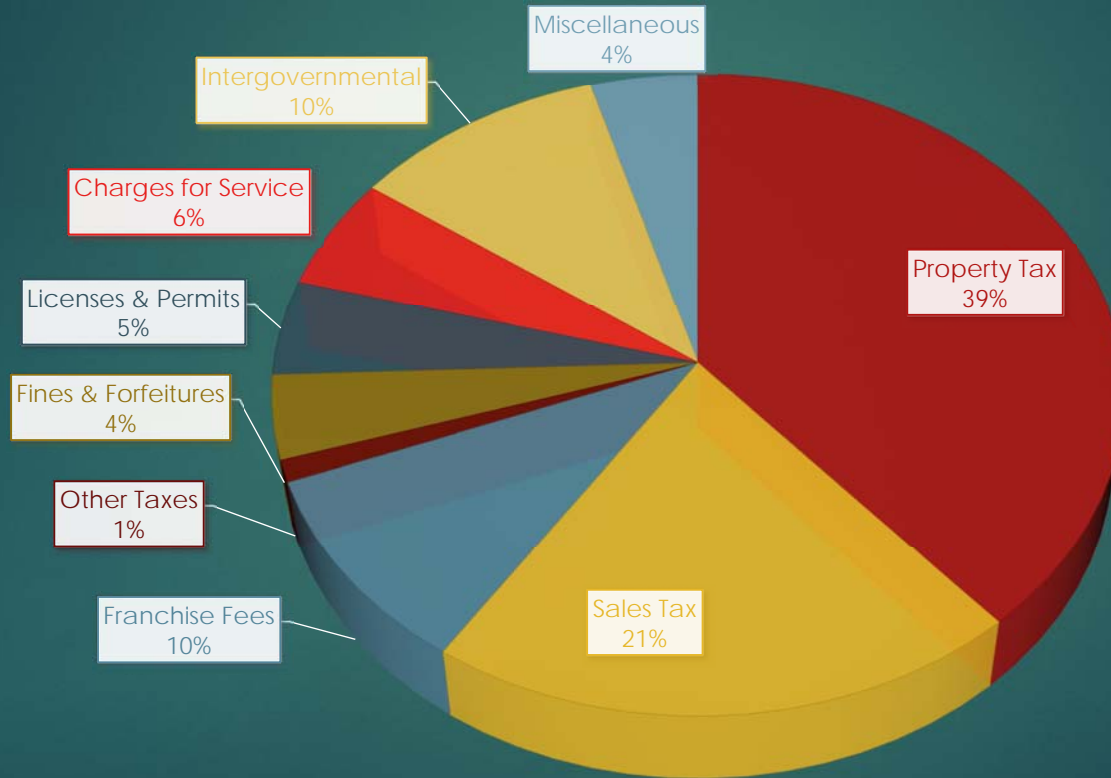
CONCLUSION



Revenue Overview

Robert Myers
Budget Director

General Fund Revenue Sources



Source: FY 2019-20 Adopted Budget

General Fund Revenue

FY 2020-21 Estimate vs. FY 2019-20 Adopted

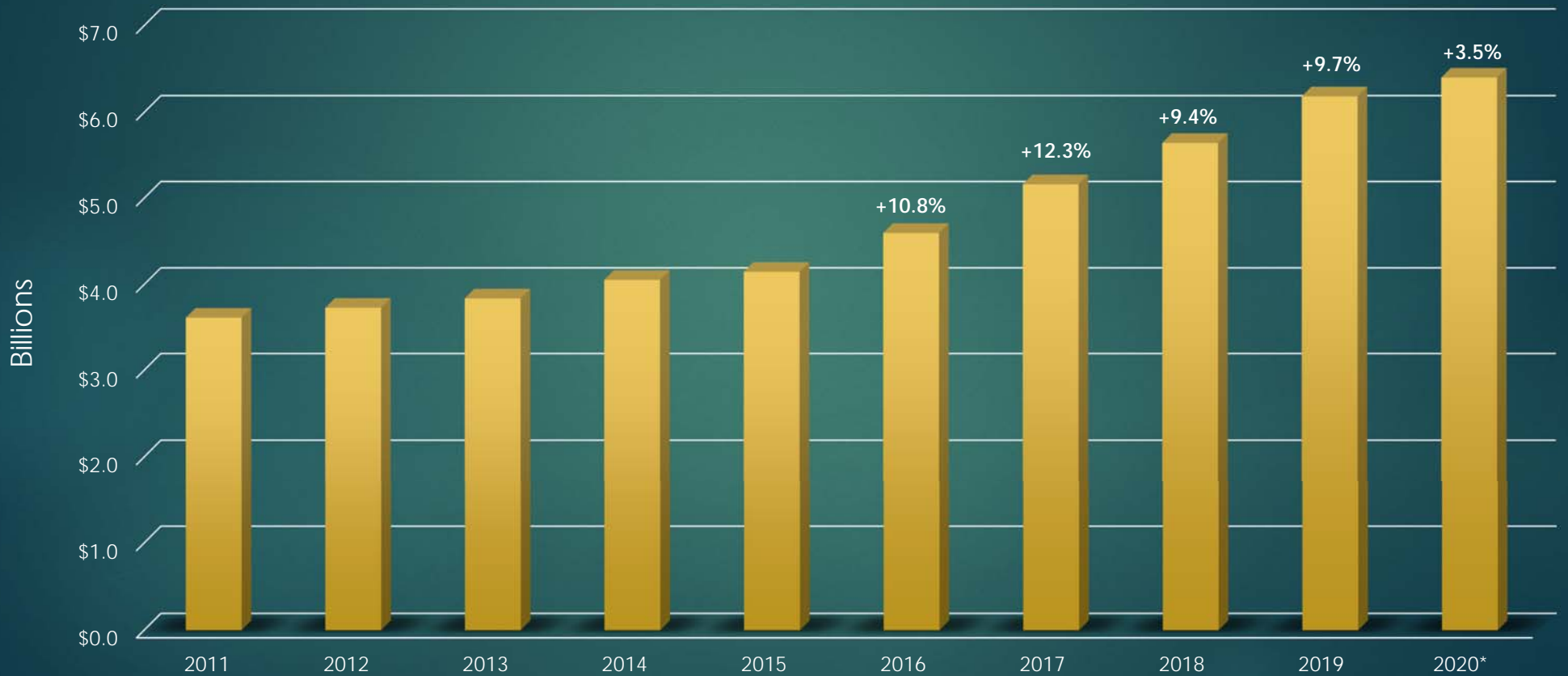
-\$257,845 Decrease over Adopted

- +\$809,038 Property Tax
- -\$165,154 Franchise Fees
- -\$336,382 Charges for Service
- -\$405,798 Miscellaneous
- -\$159,549 All Other Revenues



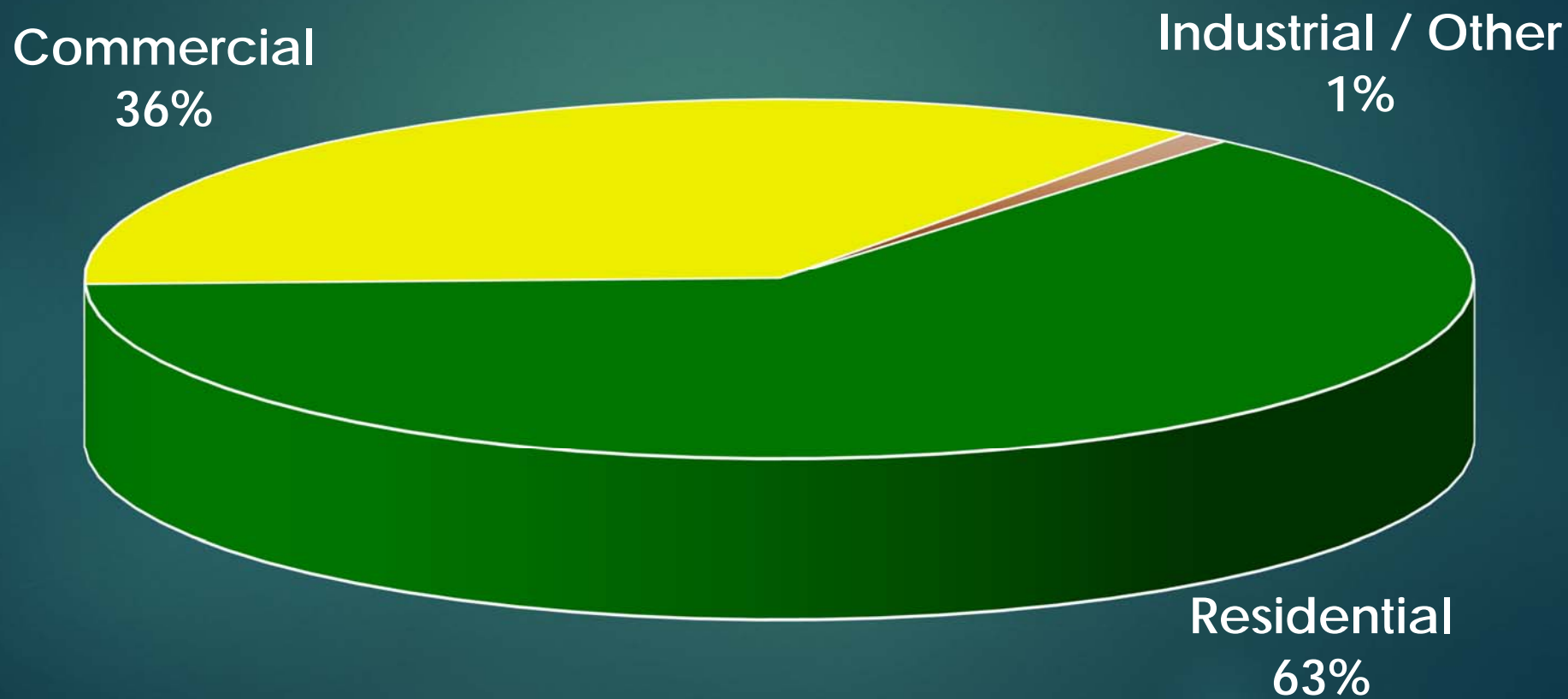
Property Tax

Net Taxable Value History



Tax Year 2020 is based on TAD's May Estimate and historical average change

Taxable Value Comparison



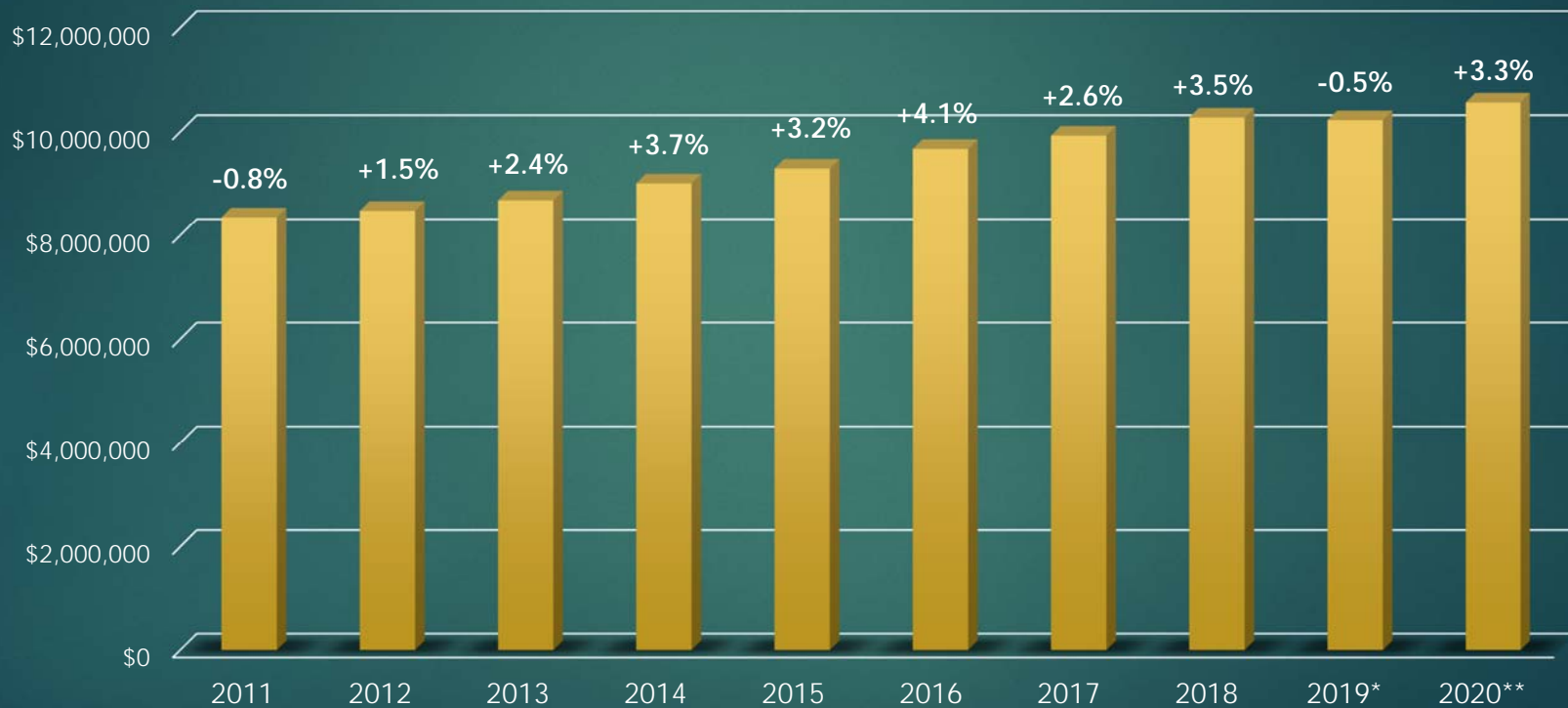
Source: Tarrant Appraisal District May Preliminary Tax Roll

Estimated Change in Net Taxable Value

TY 2019 Certified Net Taxable Value	\$6,187,263,434
TY 2020 New Construction	\$80,390,859
TY 2020 Estimated Change in Existing Property	\$136,163,361
TY 2020 Net Taxable Value (Estimated)	<hr/> <u>\$6,403,817,654</u>

Sales Tax

Sales Tax Collection History



**FY 2019 actuals reflected significant one-time audit adjustments*

***FY 2020 is based on current estimates*

Revenue Overview

FY 2020-21 Proposed to FY 2019-20 Adopted

Sales Tax

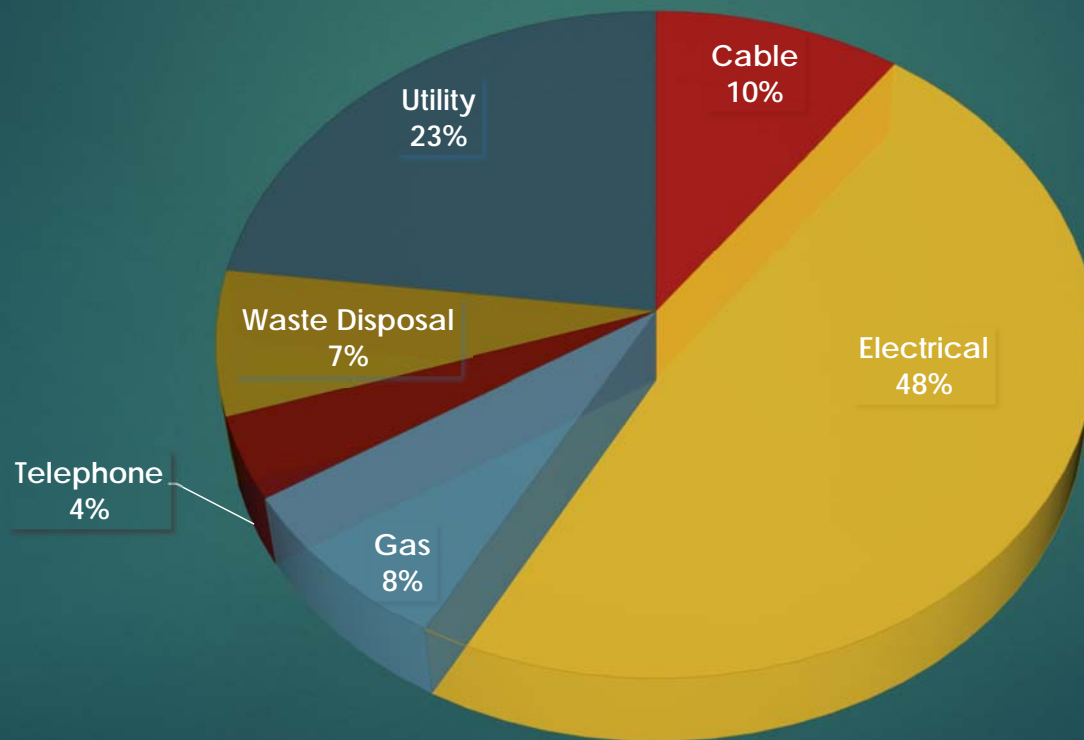
Flat: +0.3% / +\$33,310

- ▶ +2.0% from FY 19 Actual
 - ▶ Growth in online sales, grocery, and home improvement
 - ▶ Slower recovery in other brick & mortar



Franchise Fees

FY 2020-21 Franchise Fees



General Fund Revenue

FY 2020-21 Proposed to FY 2019-20 Adopted

Franchise Fees

Decrease: -3.3% / -\$165,154

- ▶ +122,659 Telephone Franchise
- ▶ -\$316,102 Cable Franchise



Other Revenues

General Fund Revenue

FY 2020-21 Proposed to FY 2019-20 Adopted

Fines & Forfeitures

Decrease: -1.4% / -\$30,444

- ▶ -\$20,000 Library Fines
- ▶ -\$14,217 Warrant & Arrest Fees

General Fund Revenue

FY 2020-21 Proposed to FY 2019-20 Adopted

Licenses & Permits

Decrease: -2.1% / -\$51,144

- ▶ -\$45,844 Development revenues

General Fund Revenue

FY 2020-21 Proposed to FY 2019-20 Adopted

Charges for Service

Decrease: -11.8% / -\$336,382

- ▶ -\$276,000 Ambulance Supplemental Program
- ▶ -112,600 Athletic revenues

General Fund Revenue

FY 2020-21 Proposed to FY 2019-20 Adopted

Intergovernmental

Decrease: -1.2% / -\$61,296

- ▶ -\$61,188 shared services

General Fund Revenue

FY 2020-21 Proposed to FY 2019-20 Adopted

Miscellaneous

Decrease: -18.9% / -\$405,798

- ▶ -\$234,056 City Hall funds
- ▶ -\$114,363 Interest Income
- ▶ -\$82,641 Fleet Debt Reimbursement



QUESTIONS?



COVID19 Impacts to NRH₂O

City of NRH Budget Work Session -July 13, 2020





COVID19 Impacts on 2020 Season

Loss of Operating Days

Opened June 15/Closed July 1

- 16 total operating days
- Lost 86 operational days
- Average of 102 operating days each season
- Biggest event cancelled - Music Festival cancelled in May resulting in with a net revenue loss of \$600,000.
- Subsidy required from several reserve accounts





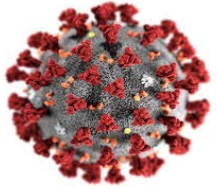
COVID19 Related –FY 20 Revenue and Expenses

	FY 2020	FY 2020	
REVENUE	ADOPTED	REVISED	DIFF
Operating Revenue	\$4,506,323	\$594,395	-\$3,911,928
Loan from General Fund	\$0	\$2,309,693	\$2,309,693
Total Revenue	\$4,506,323	\$2,904,088	-\$1,602,235
EXPENDITURES	ADOPTED	REVISED	DIFF
Operating Expenses	\$3,239,052	\$1,996,779	-\$1,242,273
Debt Service	\$753,029	\$753,029	\$0
Other & Reserves	\$514,242	\$154,280	-\$359,962
Total Expenditures	\$4,506,323	\$2,904,088	-\$1,602,235

COVID19 Impacts on 2020 Season

Total Amount of Assistance from Reserve Accounts	
General Fund Loan	\$2,309,693
Total	\$2,309,693

*Debt funded from the GF debt service fund for FY20



State of Industry with COVID-19

Current and Future Realities

- The Amusement industry, like all other industries, has been hit hard.
- Industry as a whole is expected to recover slowly over the next 3-4 years.
- Consumer confidence is expected to slowly recover.
- What will 2021 and beyond look like for the entertainment industry?

Future Focus of the Park

1. Grow Revenue

- *Marketing, group sales, consignment tickets, private parties, enhanced pass sales and reserved seating*
- *Continue to increase per capita capital spending in the park*
- *Explore off season events*



2. Point of Sale System replacement needed for efficient services
3. Infrastructure and attractions
4. Continue to have a high standard of safety and cleanliness in order to ensure guests feel safe while visiting the park in the future.

Priorities of the Park



1st

Green Extreme (est. 1998)

- **Current**
 - 22 year old slide
 - Increased maintenance
 - Electricity costs alone average 1/3 of electrical budget annually (\$80,000 - \$100,000)
 - Replace ride with similar ride - \$6M
- **Options**
 - Reuse existing steel and towers to remake existing slide, estimated cost of \$2-\$3M
 - Reuse existing steel and towers to reimagine a smaller attraction with a smaller footprint that allows for new features and a group experience. Estimated cost of \$2-\$3M
- **Benefits**
 - Allows the park to still have a big ticket attraction in a cost effective package that would increase guest satisfaction, as well as greatly lowering annual operational costs

First uphill water rollercoaster in North America



Kiddie Slide Area

- Reasonably priced option for a new attraction that will increase guest attendance and revenue (estimated \$1,000,000 cost to build)
- Lower priced/ Better ROI
- Fills a niche market for younger families and would be the only one in the Metroplex
- Replaces an underutilized area in the center of the park
- Allows the park to add cabanas/reserved seating around the attraction to increase revenue and guest satisfaction

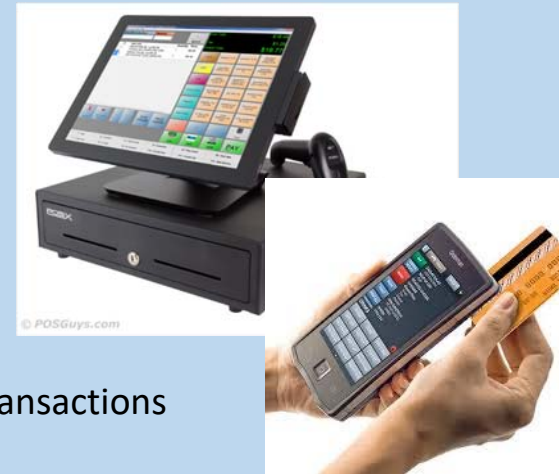


The Kiddie Slide Area would replace the existing children's open water pool with something similar to photo above with a large expanded shallow pool, interactive sprays features and 6-8 slides.

Point of Sale System

Concerns with Current POS

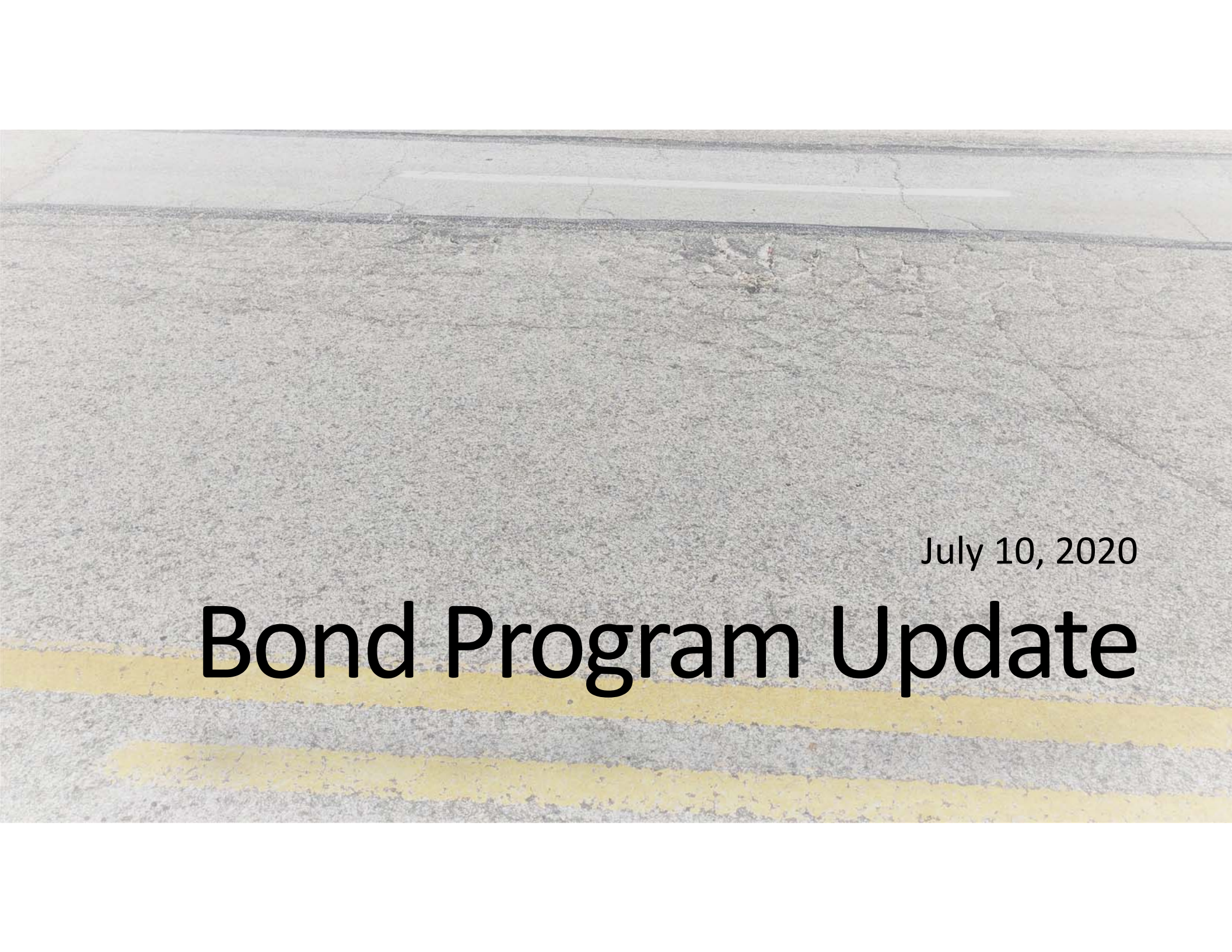
- Cannot use dynamic pricing in-house without a third party and significant investment
- Slow response to necessary changes due to COVID-19
- Lack of mobile ordering and overall mobile experience for guests
- NRH₂O is considered a large client – difficulty keeping up with large number of daily transactions



Pros with New POS

- System designed for waterparks – knows the industry, anticipates changes and can handle the traffic volume
- Increased guest satisfaction and online/mobile sales resulting in increased revenue
- In-house dynamic pricing

Estimated costs for new system are \$100,000 - \$150,000 depending on need for new hardware

A photograph of a cracked asphalt road surface. The road is grey and shows numerous small cracks and larger, irregular fissures. In the foreground, there are two parallel yellow painted lines. The background shows a continuation of the road surface, slightly out of focus.

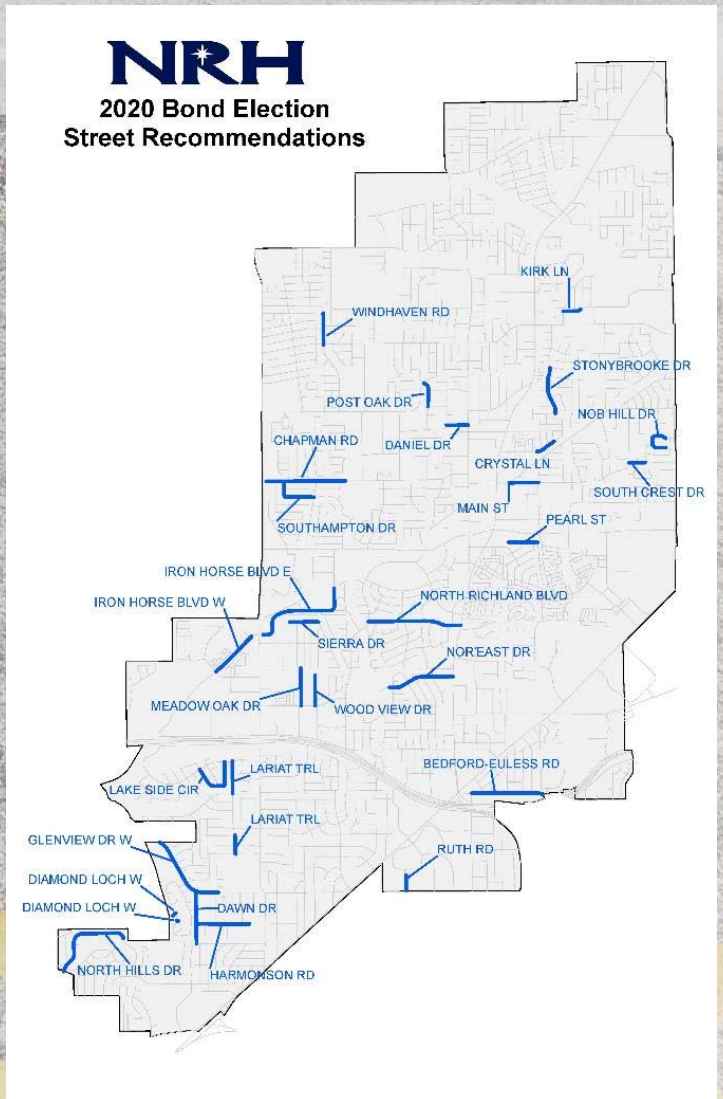
July 10, 2020

Bond Program Update

2020 Bond Program

27 Streets prioritized by the Capital Program Advisory Committee based on:

- Pavement condition
- Traffic volumes
- Maintenance records
- Citizen input
- Construction costs



Major Streets

Bedford-Eules Road	\$ 3,415,000
Glenview Drive	\$ 4,515,000
Iron Horse Boulevard	\$ 9,120,000
Lariat Trail	\$ 2,362,800
Main Street	\$ 1,397,000
Windhaven Road	\$ 1,366,000
Harmonson Road	\$ 2,326,000
North Richland Boulevard	\$ 4,418,000
Chapman Road	\$ 3,785,000

Residential Streets

Nor'East Drive	\$1,527,000	Nob Hill Drive	\$819,000
Ruth Road	\$249,600	Kirk Lane	\$418,800
North Hills Drive	\$2,122,200	Wood View Drive	\$697,200
Meadow Oak Drive	\$547,200	South Crest Drive	\$373,800
Diamond Loch W. Courts	\$130,200	Sierra Drive	\$658,800
Pearl Street	\$663,000	Crystal Lane	\$493,200
Southampton Drive	\$1,039,200	Daniel Drive	\$497,400
Stonybrooke Drive	\$868,000	Lake Side Circle	\$1,324,200
Dawn Drive	\$1,222,800	Post Oak Drive	\$590,400

Glenview Drive East Project

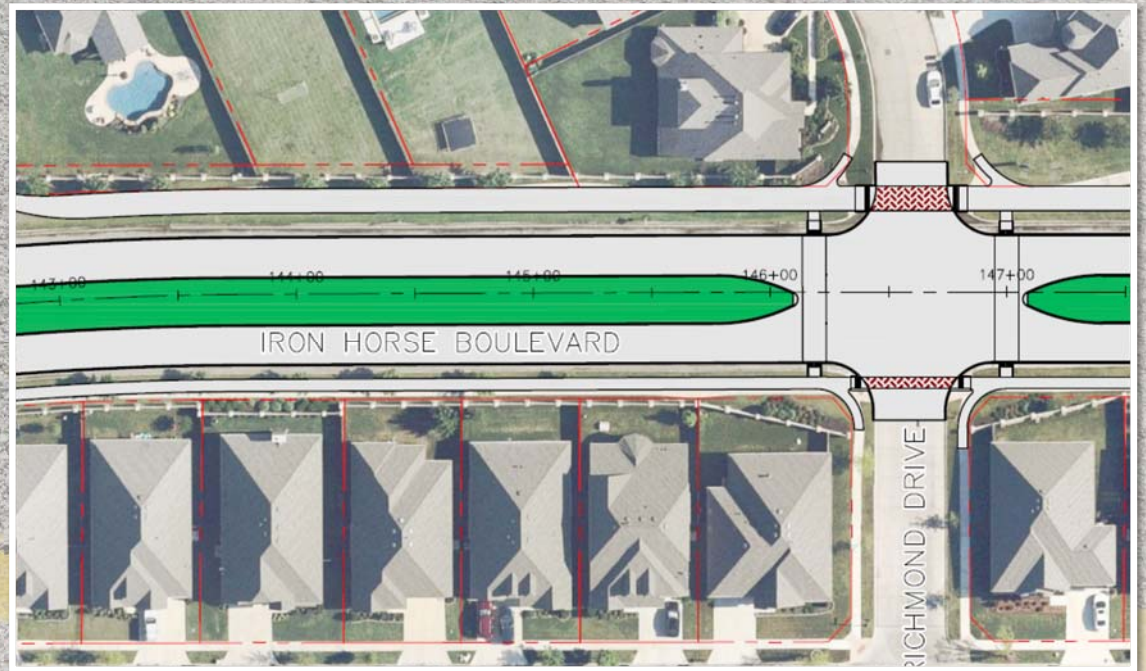
(Flory to Boulevard 26)

- Project Scope: Reconstruct existing 4-lane asphalt roadway with concrete (no expansion)
- Funding: Remaining 2003 GO Bond authority (issue in September)
- Current Status: Consultant selection
- Anticipated Design Contract Award: July 2020
- Schedule
 - Design Phase July 2020 – May 2021
 - Construction August 2021 – May 2022

Iron Horse Boulevard Project

Browning - York

- Pursuing EDA Grant with possible 80/20 match
- Preliminary Engineering and Environmental studies underway with consultant support
- Design based on Transportation Plan recommendation, including a raised median east of Rufe Snow



Schedule

- Year 1: Bedford-Euless, Glenview, North Hills, Nor'East and Meadow Oak
- Year 2: Iron Horse, Diamond Loch Courts, Pearl, and Southampton
- Year 3: Lariat, Main, Windhaven, Ruth, Stonybrooke, Dawn, and Nob Hill
- Year 4: Harmonson, North Richland, Kirk, Wood View, South Crest and Sierra
- Year 5: Chapman, Crystal, Daniel, Lake Side, and Post Oak

Updated Election Timeline

- Election Day: November 3, 2020
- Early Voting: October 19 – 30
- Last Day to register to vote: October 5
- Posting requirements:
 - Election Notice, sample ballot, voter information document
 - Posting on web site and electronic bulletin board at city hall: October 13 (21 days before election)
 - Posting at 3 public locations within the City: October 13 (21 days before election)
- Publication requirements:
 - 1st notice in paper: October 4 (30 days before election)
 - 2nd notice in paper: October 20 (14 days before election)

Voter Information Document

- New requirement by HB 477 effective September 1, 2019
- Must be posted on the website, 3 public places within the City, and at each polling location
- Must contain the following information:
 - Ballot language
 - Financial information i.e. principal and interest on the proposed bonds, and outstanding debt obligations
 - Information regarding any increase in taxes that may result from issuance
 - Other necessary and relevant information to explain the issuance

Ballot Language

PROPOSITION A:

FOR or AGAINST

“THE ISSUANCE OF NOT TO EXCEED \$49,875,000 OF CITY OF NORTH RICHLAND HILLS, TEXAS GENERAL OBLIGATION BONDS FOR STREETS, ROADS, SIDEWALKS, TRAILS AND RELATED UTILITY AND DRAINAGE IMPROVEMENTS, THE ACQUISITION OF REAL PROPERTY NECESSARY OR INCIDENTAL FOR SUCH PURPOSES AND THE LEVYING OF A TAX IN PAYMENT THEREOF”

NORTH RICHLAND HILLS

VOTER INFORMATION

November 3, 2020 Bond Election for Street Improvements

Snapshot: 4 Things to Know

1 Voters will decide if the city should issue \$49,875,000 in bonds for street improvements.

2 Reconstruction of 27 streets is proposed including Glenview, Iron Horse, Bedford-Eules, Chapman, Lariat and others.

3 No increase in property tax rate is projected, as the city continues to pay down its debt.

4 Early voting is October 19 - 30 and Election Day is November 3.



INTENDED PURPOSES



Street Reconstruction Projects

If approved by voters, plans are for all or portions of 27 streets to be reconstructed. A map of the proposed projects can be found on the next page. They include:

- **Bedford-Eules Road**
- **Glenview Drive** (Honey Lane to west city limit)
- **Iron Horse Boulevard** (2 segments: Browning Drive to Rufe Snow Drive; Rufe Snow Drive to York Street)
- **Lariat Trail** (2 segments: Meadow Lakes Drive to Riviera Drive; Circleview Drive to dead end)
- **Main Street** (Amundson Drive to Amundson Road)
- **Windhaven Road** (Starnes Road to Overton Park)
- **Harmonson Road** (Dawn Drive to drainage channel)
- **North Richland Boulevard**
- **Chapman Road** (Rufe Snow Drive to Brookshire Trail)
- **Noreast Drive**
- **Ruth Road**
- **North Hills Drive**
- **Meadow Oak Drive**
- **Diamond Loch West** (2 cul-de-sacs: from 3840 to 3900; from 3857 to 3901)
- **Pearl Street** (Freda Lane to alley)
- **Southampton Drive**
- **Stonybrooke Drive** (Stephanie Drive to Crestview Drive)
- **Dawn Drive** (Onyx Drive N to Glenview Drive)
- **Nob Hill Drive** (West of High Oaks to dead end)
- **Kirk Lane** (Northfield to Kirk Court)
- **Wood View Drive**
- **South Crest Drive**
- **Sierra Drive**
- **Crystal Lane** (Northeast Parkway to Kara Place)
- **Daniel Drive**
- **Lake Side Circle**
- **Post Oak Drive** (Briarwood Drive to Hightower Drive)

2020 Capital Program Advisory Committee

35 North Richland Hills Citizens serving on the 2020 Capital Program Advisory Committee recommended the street reconstruction projects. They looked at several factors including existing pavement conditions, traffic volumes, maintenance records, input from citizen surveys and estimated costs. While there are additional streets in need of reconstruction, the committee limited its recommendation to what the city can afford without increasing the property tax rate.

INTENDED PURPOSES



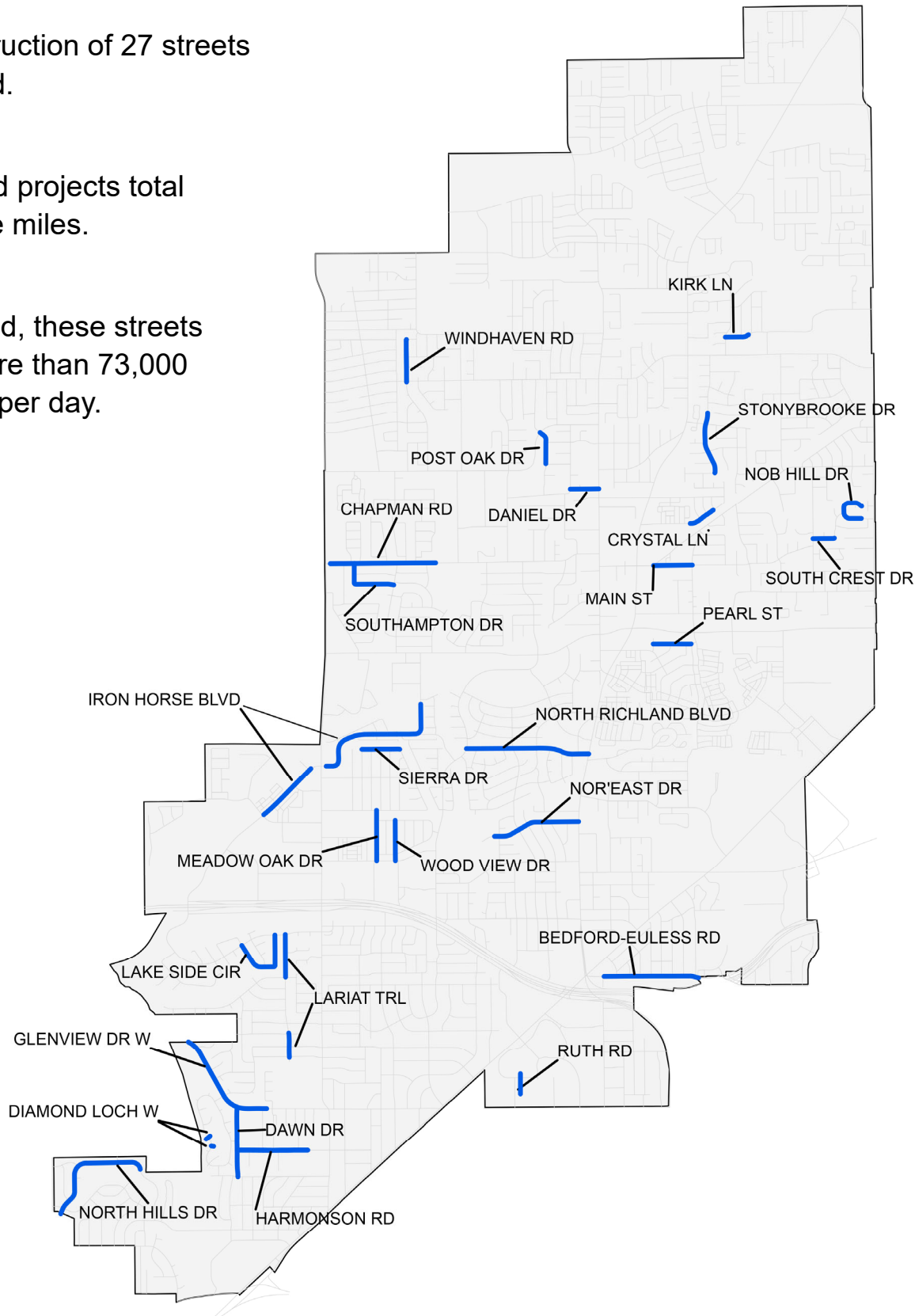
Reconstruction of 27 streets proposed.



Proposed projects total 24.7 lane miles.



Combined, these streets carry more than 73,000 vehicles per day.



VOTING INFORMATION



EARLY VOTING

- Early voting is October 19 - 30.
- This section will be updated with early voting hours and locations as soon as the information is available.



ELECTION DAY

- Tuesday, November 3, 7 a.m. to 7 p.m.
- This section will be updated with polling locations as soon as the information is available.



VOTE BY MAIL

Voters who are 65 or older, out of the country during the election, disabled or confined in jail but eligible to vote may apply to vote by mail. Applications must be received no later than October 23. Contact Tarrant County Elections Administration at 817-831-8683 to request an application.

BALLOT LANGUAGE

FOR or AGAINST

THE ISSUANCE OF NOT TO EXCEED \$49,875,000 OF CITY OF NORTH RICHLAND HILLS, TEXAS GENERAL OBLIGATION BONDS FOR STREETS, ROADS, SIDEWALKS, TRAILS AND RELATED UTILITY AND DRAINAGE IMPROVEMENTS, THE ACQUISITION OF REAL PROPERTY NECESSARY OR INCIDENTAL FOR SUCH PURPOSES AND THE LEVYING OF A TAX IN PAYMENT THEREOF.

FINANCIAL INFORMATION



Principal of debt obligations to be authorized.	\$ 49,875,000.00
Estimated interest for the bonds to be authorized assuming an interest rate range of 3.5% to 5.00%.	\$ 24,052,650.00
Estimated combined principal and interest required to pay on time and in full the bonds to be authorized, issued over a 5-year period and amortized over 20 years.	\$ 73,927,650.00
As of the date the election was ordered, principal amount of all outstanding debt obligations.	\$130,180,000.00
As of the date the election was ordered, the estimated remaining interest on all outstanding debt obligations.	\$ 31,112,114.81
As of the date the election was ordered, estimated combined principal and interest required to pay on time and in full all outstanding debt obligations.	\$161,292,114.81
<p>Estimated maximum annual increase in the amount of taxes on a residence homestead with an appraised value of \$100,000 to repay the debt obligations to be authorized, if approved.*</p> <p>* This calculation assumes (i) the city's proposed bonds shall be issued over a 5-year period, (ii) each bond issue issuance will be amortized over 20 years, (iii) the city will issue any other previously voted but unissued bonds over a three year period, (iv) a 3% increase in the estimated future appraised values within the city for the first 5 years and 0% estimated increase for the years thereafter; and (v) assumes an interest rate range on the proposed bonds of 3.5% to 5%. Scheduled interest and principal payments of the city's currently outstanding debt were also factored into this calculation.</p>	<p>\$ 0.00*</p> <p>No increase to the city's interest and sinking fund tax rate is projected in connection with this bond authorization.</p>

FREQUENTLY ASKED QUESTIONS



What is a general obligation bond?

A general obligation bond is a form of borrowing that provides government entities with funds to finance large capital improvements. This debt can be compared to a home mortgage that is repaid over time. The bonds are repaid with property taxes and therefore require voter approval. The city's good credit ratings (AA+ from Standards & Poor's and Aa2 from Moody's) allow the city to pay lower interest rates on bonds.



Why issue bonds, rather than paying for projects with cash?

Whenever possible, the city pays cash for capital improvements. However, more costly improvement projects are financed. This allows the city to complete the improvements sooner. If the city did not finance more expensive projects, the improvements would be deferred for several years during which time costs are likely to go up.



How will the bond proposition impact the city's property tax rate?

The city projects that property owners will not see a tax rate increase to pay for the bonds. As existing debt is paid down, the city is able to take on new debt and stay within its budget. Similar to your own budget, when you pay a loan off, the monthly payment can be shifted to another priority.



How much was the city's last bond election?

In 2012, voters approved the issuance of \$48 million in bonds and a 4-cent increase to the property tax rate to fund construction of the new city hall, which opened in 2016. As property values have increased and new properties have been added to the tax rolls, the city has been able to pay down the debt while decreasing the property tax rate by 3.8 cents.



When was the last bond election for street improvements?

In February 2003, the voters authorized \$37,210,000 for street and other improvements. The bonds were issued with no increase to the property tax rate. All of the 2003 bond-funded projects were completed as planned except for the widening of Boulevard 26, which was a joint project with TxDOT. Unfortunately, due to statewide funding shortfalls and other priorities, TxDOT has been unable to proceed with the project. The city's

FREQUENTLY ASKED QUESTIONS



\$3 million for the project remains unspent. In addition, there was \$860,000 in savings from other 2003 bond projects.

The city is planning to use the \$3,860,000 in remaining 2003 bonds to reconstruct **Glenview Drive East** (Boulevard 26 to Flory). In addition to having a poor pavement condition rating, Glenview Drive was identified as the street most in need of improvement in recent citizen surveys. Reconstruction of **Glenview Drive West** (Honey Lane to the city limit) is one of 27 street projects proposed for the 2020 bond election.



How were proposed projects for the 2020 bond election selected?

In September 2019, the North Richland Hills City Council established a 2020 Capital Program Advisory Committee to review street and other infrastructure needs and make recommendations for necessary improvements. The committee included 35 residents from across North Richland Hills. The committee met from October to February to review and prioritize projects. They considered more than 100 streets that are in poor condition, the estimated cost for reconstruction and how much the city can afford without a tax rate increase. Committee members felt that a majority of proposed bond funding should be dedicated to improving heavily traveled streets such as Glenview, Iron Horse and Bedford-Eules, and the remaining to residential streets that carry less traffic. To stretch the funding further and improve more residential streets, the committee recommended that residential streets which are currently asphalt be reconstructed with asphalt, rather than more expensive and time-consuming concrete construction.

To prioritize the improvements, the committee considered numerous factors such as existing pavement conditions, traffic volumes, maintenance records, input from citizen surveys, whether or not the roadway is a primary public safety response route and estimated costs. While there are additional streets in need of reconstruction, the committee limited its recommendation to what the city can afford without increasing the property tax rate. The committee's recommendation was presented to the City Council on January 27 and the City Council called for a May bond election at its February 10 meeting. Because of the coronavirus pandemic, the May election was postponed to November.



If the bond proposition is approved, when will construction begin?

The 2020 Capital Improvement Advisory Committee and City Council have indicated the desire for a rapid implementation of voter-approved bond-funded projects. It is anticipated that engineering and design work would begin immediately after the election and construction of the first projects would begin in 2021.

FREQUENTLY ASKED QUESTIONS

**Which streets will be reconstructed first?**

The committee ranked major streets and residential streets in order of priority. To the greatest extent possible, construction will take place in that order. In some cases, projects in close geographic proximity to each other may be bid and constructed together for cost savings.

**How objective was the ranking?**

The biggest factor considered in ranking streets was pavement condition, followed by traffic volume. In 2019, the city contracted with Fugro, a geo-data collection firm, to independently and objectively assess the condition of every street in the city. Fugro used an Automatic Road Analyzer Vehicle with high tech sensors and imaging to collect pavement and subgrade conditions for each NRH street. Using this data, Fugro assigned each street a condition rating from 100 (best) to 0 (worst). This is the first time the city has utilized an independent, in-depth and objective assessment of street conditions. In previous years, city staff visually inspected streets and assigned condition ratings.

**Some of proposed projects include all of the street, while others don't. How were project limits determined?**

Project limits were determined by pavement condition rating. On Lariat Trail for example, two segments are rated in poor condition and proposed for reconstruction, while another segment (Riviera to Circleview) is in good condition and does not need improving.

**If the bond proposal passes, what type of pavement will be used?**

High-traffic streets like Glenview, Iron Horse and Bedford Euless Road will be reconstructed as new concrete streets. Residential streets will be reconstructed as new asphalt streets. Curb and gutter will also be repaired where needed.

**Will sidewalks be added?**

On high traffic streets, plans are for sidewalks to be added to any sections where there are none. In order to stretch dollars further and improve more streets, plans for residential streets are to focus only on repaving the roadway.

FREQUENTLY ASKED QUESTIONS



How long will each project take?

Project durations will vary depending on the scope and complexity of the reconstruction. If the bond is successful, the city will keep the public informed via the city's website, newsletter and social media as each project progresses from design through construction.



How will you make sure construction does not take months or years longer than expected?

Steps will be taken to ensure that the city has legal recourse through the construction contracts to prevent a contractor from failing to complete the work in a timely manner.



How many miles of streets does NRH have and how does the proposed bond program impact their maintenance?

The NRH Public Works Department maintains more than 543 lane miles of city streets. Through the department's ongoing Preventive Street Maintenance Program, pavement sealing, patching and overlaying is performed on numerous streets each year to preserve and extend the life of the streets. 163 streets are included in the Preventive Street Maintenance Program this year. You can find a map and more information about the maintenance program at www.nrhtx.com/streets.

The city plans to continue annual funding for the Preventive Street Maintenance Program whether or not the 2020 bond proposal passes.



When will other streets be reconstructed?

If the 2020 bond proposal is approved and costs come in lower than anticipated, any remaining funding could be used to reconstruct additional streets.

As the city continues to pay down its debt, it is anticipated that another bond election for street reconstruction could be held in 5 to 7 years.

FREQUENTLY ASKED QUESTIONS**Who served on the 2020 Capital Program Advisory Committee?**

Committee members appointed by the City Council included:

Scott Turnage, Chair
Suzy Compton, Vice Chair
George Acosta
Carol Anderson
Jeanne Arnold
Bryan Beck
Lauren Birkes
Kit Buschman
Jennifer Childs
Greg Clifton
John Cope
Robert Copeland
Bobby (Robert) Coulson
Cole Coulson
Tracey Driver
Patrick Faram
Leslie Garvis
Gayle Hale

Greg Hoffa
Kathy Hudson
Scott Maze
Russell Mitchell
Mindy Monroe
David Newhouse
Sarah Olvey
Jim Schooler
Henry Seal
Amy Steele
Tracye Tipps
Marc Trevino
Jeremy Vaughan
Len Wade
Justin Welborn
Jason Winans
Bonnie Woody

**I have more questions, who should I contact?**

Questions related to the 2020 Bond Election may be directed to the NRH City Manager's Office at 817-427-6003 or nrhadmin@nrhtx.com.



Special Revenue Funds

Robert Myers
Budget Director

Revised 2019-2020 Special Revenue Funds

SUMMARY	FY20 ADOPTED	FY20 REVISED	DIFF
<u>Promotional Fund</u>			
Revenue	\$290,000	\$201,254	(\$88,746)
Expenditures	\$290,000	\$260,077	(\$29,923)
Balance	\$0	(\$58,823)	(\$58,823)
<u>Donations Fund</u>			
Revenue	\$301,164	\$296,274	(\$4,890)
Expenditures	\$264,388	\$266,828	\$2,440
Balance	\$36,776	\$29,446	(\$7,330)
<u>Special Investigations Fund</u>			
Revenue	\$262,300	\$192,300	(\$70,000)
Expenditures	\$262,300	\$262,300	\$0
Balance	\$0	(\$70,000)	(\$70,000)

Revised 2019-2020 Special Revenue Funds

SUMMARY	FY20 ADOPTED	FY20 REVISED	DIFF
<u>Gas Development Fund</u>			
Revenue	\$1,487,479	\$2,864,788	\$1,377,309
Expenditures	\$1,487,479	\$3,041,989	\$1,554,510
Balance	\$0	(\$177,201)	(\$177,201)
<u>Traffic Safety Fund</u>			
Revenue	\$86,726	\$134,294	\$47,568
Expenditures	\$86,726	\$91,714	\$4,988
Balance	\$0	\$42,580	\$42,580

Revised 2019-2020 Special Revenue Funds

SUMMARY	FY20 ADOPTED	FY20 REVISED	DIFF
<u>Drainage Utility Fund</u>			
Revenue	\$1,657,000	\$1,657,000	\$0
Expenditures	<u>\$1,657,000</u>	<u>\$1,626,582</u>	<u>(\$30,418)</u>
Balance	\$0	\$30,418	\$30,418

Proposed 2020-2021 Special Revenue Funds

SUMMARY	FY20 ADOPTED	FY21 PROPOSED	DIFF
<u>Promotional Fund</u>			
Revenue	\$290,000	\$180,982	(\$109,018)
Expenditures	\$290,000	\$276,808	(\$13,192)
Balance	\$0	(\$95,826)	(\$95,826)
<u>Donations Fund</u>			
Revenue	\$301,164	\$296,464	(\$4,700)
Expenditures	\$264,388	\$262,388	(\$2,000)
Balance	\$36,776	\$34,076	(\$2,700)

Proposed 2020-2021 Special Revenue Funds

SUMMARY	FY20 ADOPTED	FY21 PROPOSED	DIFF
<u>Special Investigations Fund</u>			
Revenue	\$262,300	\$84,500	(\$177,800)
Expenditures	\$262,300	\$267,300	\$5,000
Balance	\$0	(\$182,800)	(\$182,800)
<u>Gas Development Fund</u>			
Revenue	\$1,487,479	\$322,600	(\$1,164,879)
Expenditures	\$1,487,479	\$0	(\$1,487,479)
Balance	\$0	\$322,600	\$322,600

Proposed 2020-2021 Special Revenue Funds

SUMMARY	FY20 ADOPTED	FY21 PROPOSED	DIFF
<u>Traffic Safety Fund</u>			
Revenue	\$86,726	\$6,300	(\$80,426)
Expenditures	\$86,726	\$56,911	(\$29,815)
Balance	\$0	(\$50,611)	(\$50,611)
<u>Drainage Utility Fund</u>			
Revenue	\$1,657,000	\$1,651,700	(\$5,300)
Expenditures	\$1,657,000	\$820,258	(\$836,742)
Balance	\$0	\$831,442	\$831,442



QUESTIONS?



Aquatic Park Fund

Vickie Loftice
Managing Director

Revised 2019/2020 Aquatic Revenue

SUMMARY	FY20 ADOPTED	FY19 REVISED	DIFF
<u>Revenue</u>			
Admissions	\$3,259,118	\$500,000	(\$2,759,118)
Food & Beverage	848,811	66,200	(782,611)
Merchandise	150,087	8,400	(141,687)
Rentals	180,105	6,000	(174,105)
Programs / Events	0	0	0
Other	68,132	13,795	(54,337)
Reserves	0	0	0
Sub-Total	<u>\$4,506,253</u>	<u>\$594,395</u>	<u>(\$3,911,858)</u>
General Fund Loan	\$0	\$2,309,693	\$2,309,693
Total Revenue	<u>\$4,506,253</u>	<u>\$2,904,088</u>	<u>(\$1,602,165)</u>

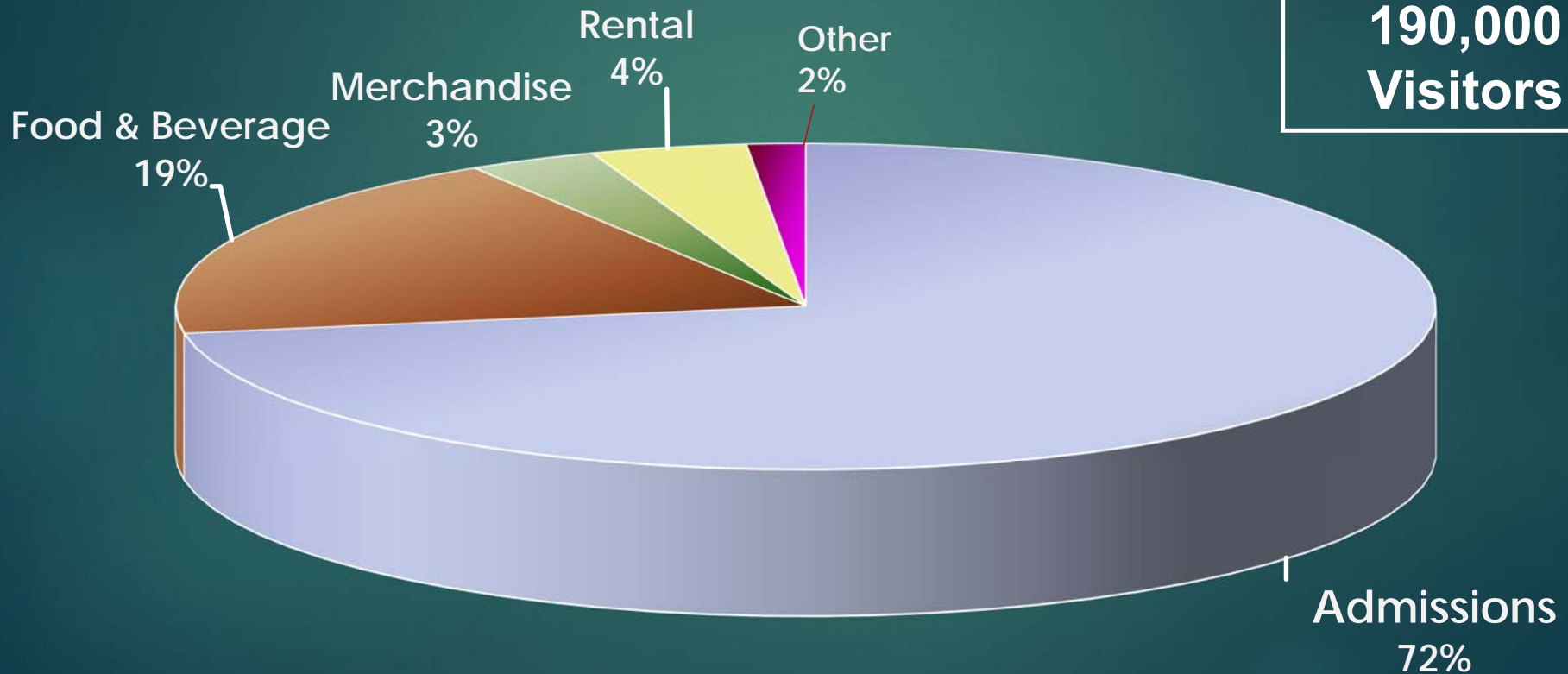
Revised 2019/2020 Aquatic Expenses

SUMMARY	FY20 ADOPTED	FY20 REVISED	DIFF
General Svs & Utility	\$673,365	\$552,299	(\$121,066)
Grounds/Aquatic/Mnt.	1,130,995	783,994	(347,001)
Business & Office Admin	516,070	225,292	(290,778)
Gift Shop / Concession	601,103	233,582	(367,521)
Sales/Events/Admissions	317,519	201,612	(115,907)
Debt Service	753,029	753,029	0
Other	56,573	54,280	(2,293)
Transfer to Capital Projects	100,000	100,000	0
Contribution to Reserves	357,669	0	(357,669)
Sub-Total	<u>\$4,506,323</u>	<u>\$2,904,088</u>	<u>(\$1,602,235)</u>

Proposed 2020/21 Aquatic Park

Revenue: \$4,292,723

190,000
Visitors

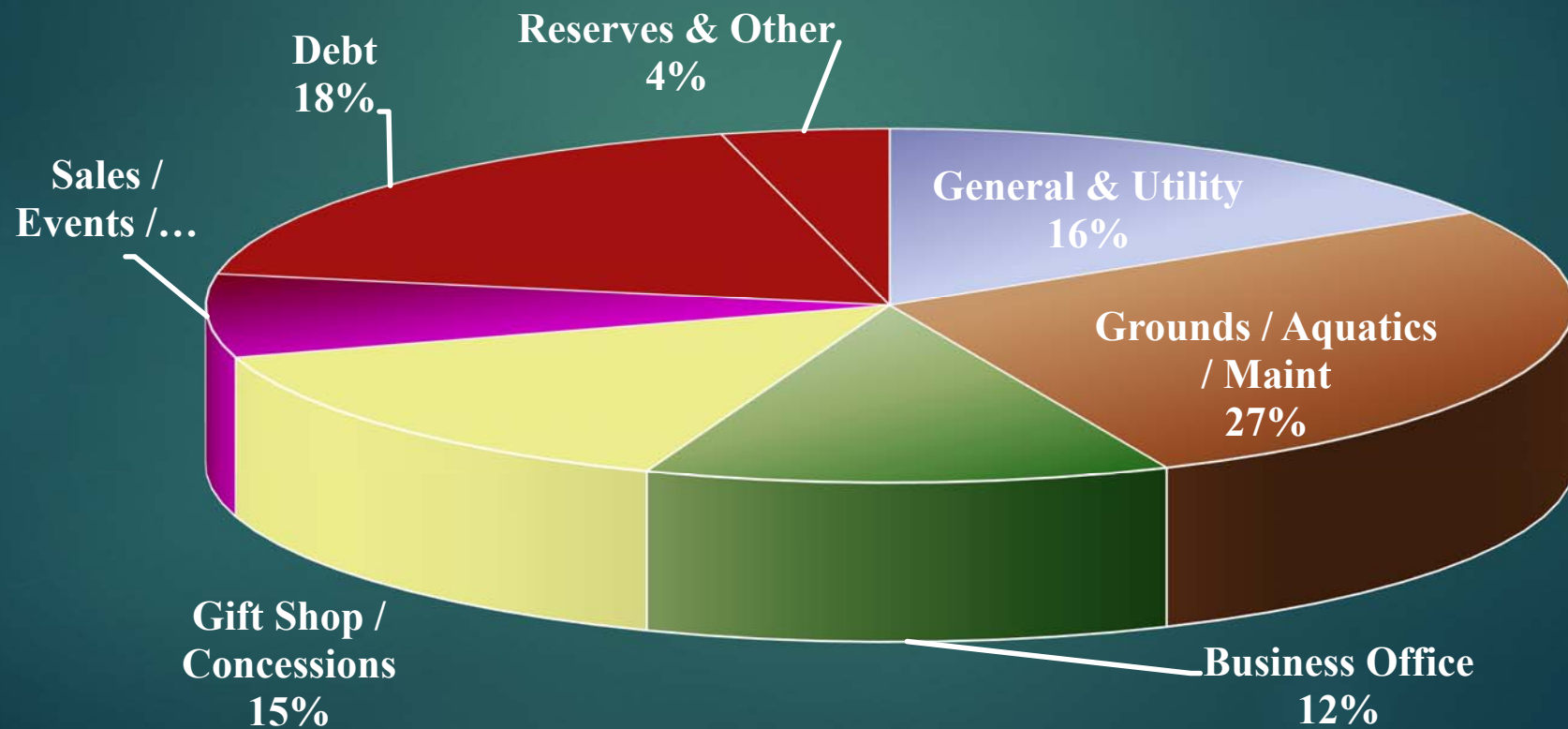


Proposed 2020/2021 Aquatic Revenue

SUMMARY	FY20 ADOPTED	FY21 PROPOSED	DIFF
<u>Revenue</u>			
Admissions	\$3,259,118	\$3,096,162	(\$162,956)
Food & Beverage	848,881	806,437	(42,444)
Merchandise	150,087	142,583	(7,504)
Rentals	180,105	171,100	(9,005)
Programs / Events	0	0	0
Other	68,132	76,441	8,309
Reserves	0	0	0
	<hr/>	<hr/>	<hr/>
Sub-Total	\$4,506,323	\$4,292,723	(\$213,600)

Proposed 2020/2021 Aquatic Park

Expenses: \$4,189,251



Proposed 2020/2021 Aquatic Expenses

SUMMARY	FY20 ADOPTED	FY21 PROPOSED	DIFF
General Svs & Utility	\$673,365	\$709,605	\$36,240
Grounds/Aquatic/Mnt.	1,130,995	1,134,721	3,726
Business & Office Admin	516,070	524,056	7,986
Gift Shop / Concessions	601,103	601,894	791
Sales/Events/Admissions	317,519	319,327	1,808
Debt Service	753,029	735,408	(17,621)
Other	56,573	64,240	7,667
Transfer to Capital	100,000	100,000	0
Contribution to Reserves	357,669	0	(357,669)
Total	<u>4,506,323</u>	<u>4,189,251</u>	<u>(317,072)</u>



QUESTIONS?



Golf Course Fund

Vickie Loftice
Managing Director

Renovation Update

- Project on Schedule - approx. 40 rain days however the contractor hasn't yet asked for an extension of the contract deadline.
- Pro Shop Renovation is complete. New furnishings revealed at Grand Reopening.
- Driving Range and Holes 1-6 currently open.
- City of Fort Worth is finishing up their sewer line project through the park.
- New drainage system has worked well during rain events.
- Good use of project contingency to add additional value to the project.
- Grand Re-Opening – Thursday, September 3
- The course will close completely 10-14 days leading up to Grand Re-opening



Revised 2019/2020 Golf Revenue



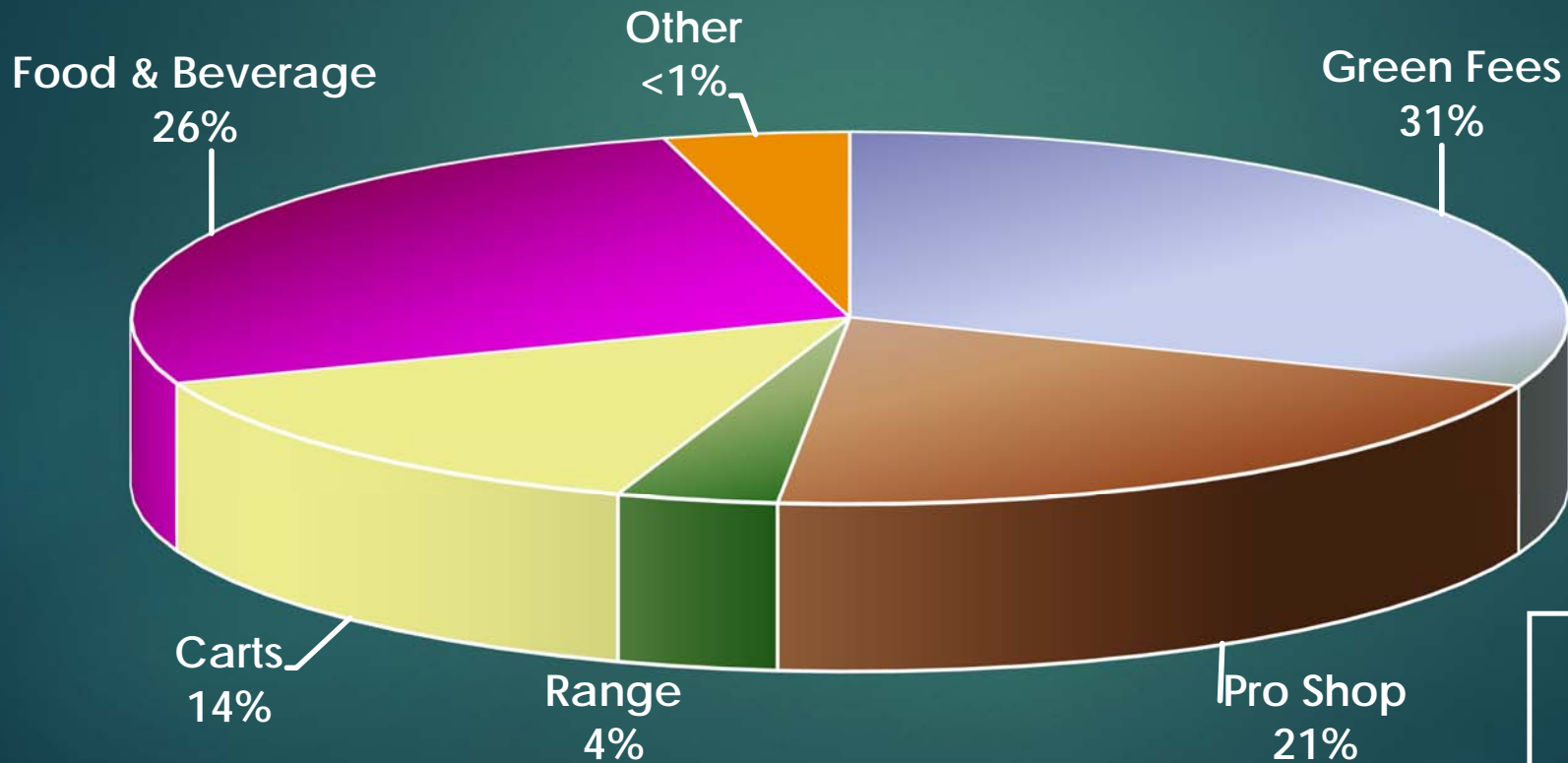
SUMMARY	FY20 ADOPTED	FY20 REVISED	DIFF
<u>Revenue</u>			
Green Fees	\$295,900	\$318,000	\$22,100
Pro Shop	196,400	244,000	47,600
Driving Range	34,500	34,500	0
Carts	133,900	114,000	(19,900)
Food & Beverage	253,600	267,773	14,173
Other	39,768	36,307	(3,461)
Interfund Loan	\$697,479	\$751,989	\$54,510
Appr of Fund Balance	0	97,521	97,521
Sub-Total	\$1,651,547	\$1,864,090	\$212,543

Revised 2019/2020 Golf Expenses

SUMMARY	FY20 ADOPTED	FY20 REVISED	DIFF
<u>Expenses</u>			
Operating Expenses	\$1,460,393	\$1,492,282	\$31,889
Cost of Good Sold	139,280	153,900	14,620
Debt Service	51,874	117,908	66,034
Interdepartmental Loans	0	0	0
Transfer to Captial	0	100,000	100,000
	<hr/>	<hr/>	<hr/>
Sub-Total	1,651,547	1,864,090	212,543
	<hr/>	<hr/>	<hr/>
Balance	0	0	0
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Proposed 2020/21 Golf

Revenue: \$2,727,072



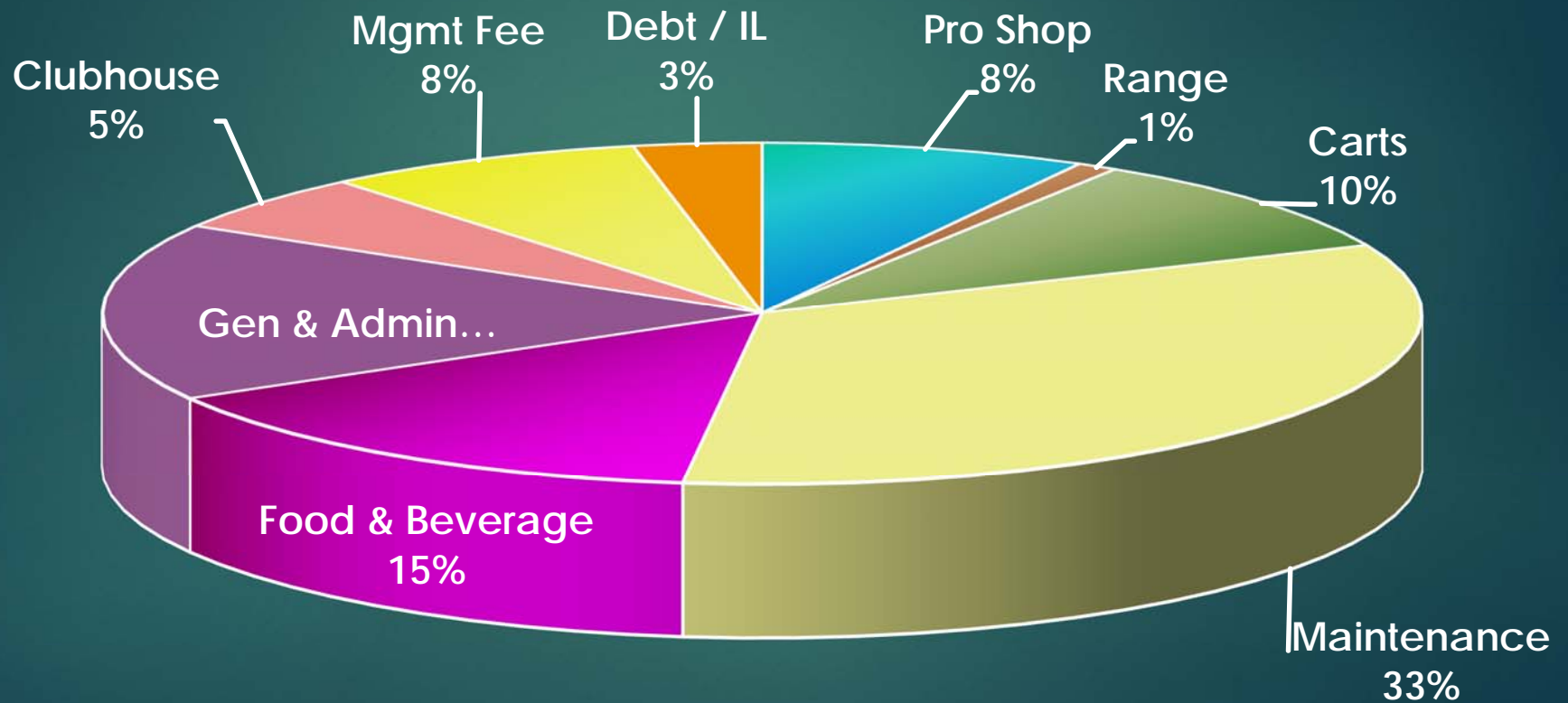
**47,000
Rounds**

Proposed 2020/2021 Golf Revenue

SUMMARY	FY20 ADOPTED	FY21 PROPOSED	DIFF
<u>Revenue</u>			
Green Fees	\$295,900	\$1,092,000	\$796,100
Pro Shop	196,400	393,000	196,600
Driving Range	34,500	75,000	40,500
Carts	133,900	415,000	281,100
Food & Beverage	253,600	744,500	490,900
Other	39,768	7,572	(32,196)
Sub-Total	\$954,068	\$2,727,072	\$1,773,004
Interfund Loan	\$697,479	\$0	(\$697,479)
Total	\$1,651,547	\$2,727,072	\$1,075,525

Proposed 2020/21 Golf

Expenses: \$2,727,072



Proposed 2020/2021 Golf Expenses

SUMMARY	FY20 ADOPTED	FY21 PROPOSED	DIFF
<u>Expenses</u>			
Operating Expenses	\$1,460,393	\$2,032,720	\$572,327
Cost of Good Sold	139,280	365,900	226,620
Debt Service	51,874	328,452	276,578
Interdepartmental Loans	0	0	0
Transfer to Captial	0	0	0
	<hr/>	<hr/>	<hr/>
Sub-Total	\$1,651,547	\$2,727,072	\$1,075,525
	<hr/>	<hr/>	<hr/>
Balance	\$0	\$0	\$0
	<hr/>	<hr/>	<hr/>



QUESTIONS?



Facilities Services Fund

Mike Curtis
Managing Director

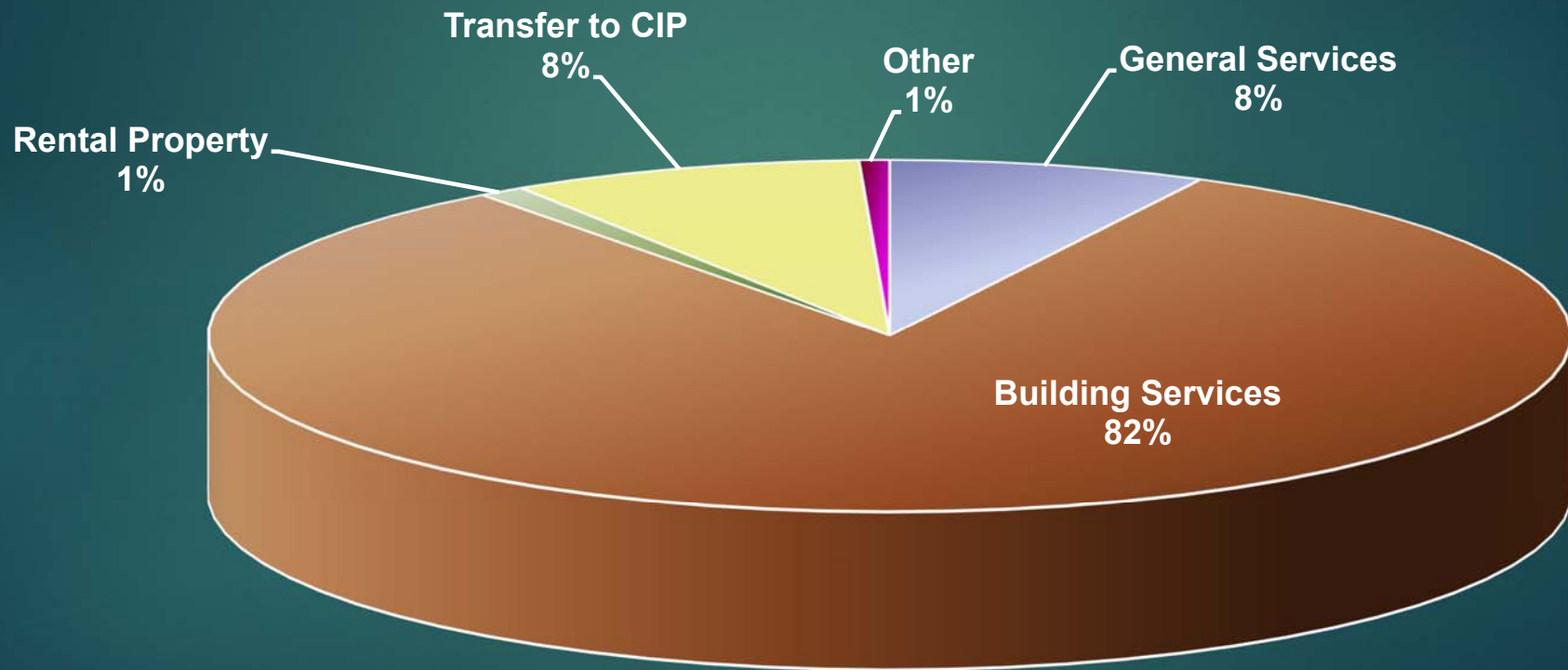
Revised FY 2019/20

 \$37,300

- Reduction due to COVID-19

Proposed 2020/21 Facilities

Expenditures: \$3,268,190






Fleet Services Fund

Mike Curtis
Managing Director

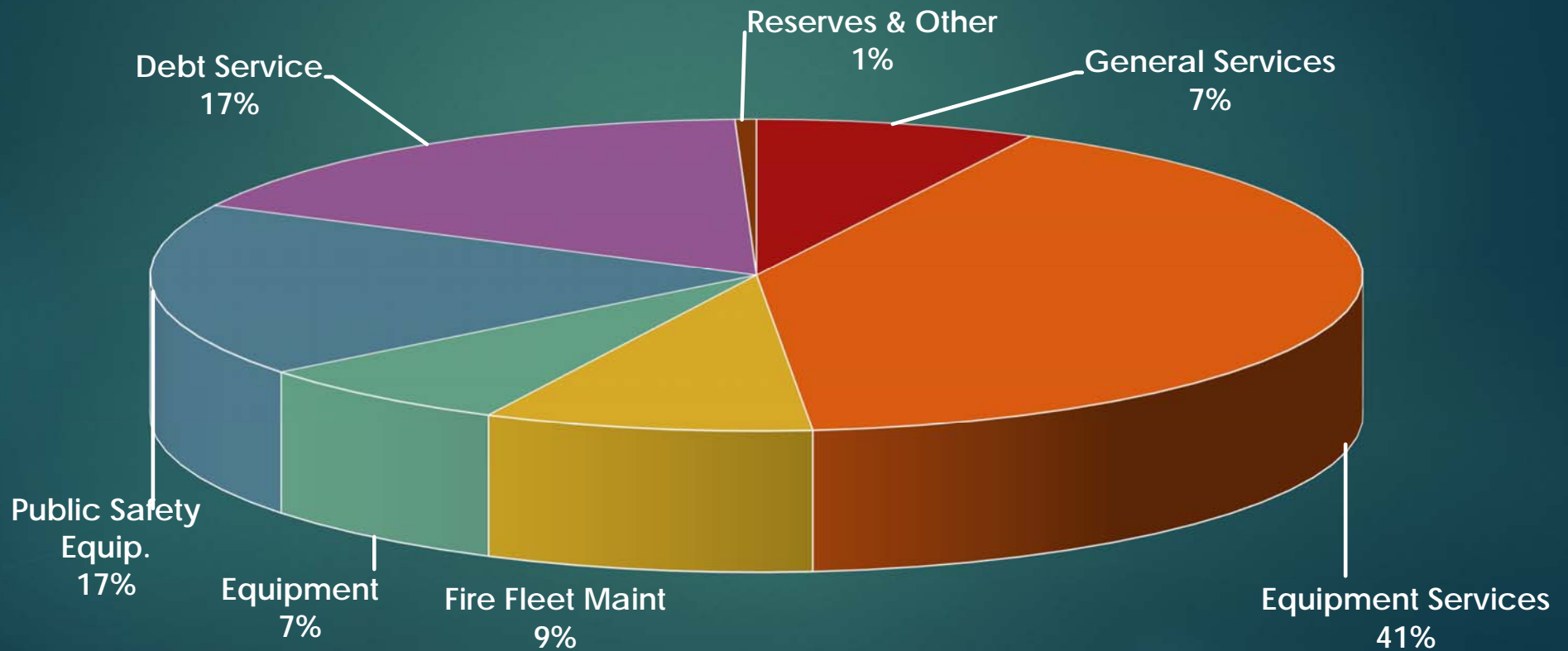
Revised FY 2019/20

 \$427,964

- Ambulance Replacement
- Encumbrances-equip/vehicles

Proposed 2020/21 Fleet Services

Expenditures: \$3,949,160



Proposed 2020/2021 Fleet Replacement

- Facilities (2 vehicles) \$74,200
- Planning (1 vehicle) \$35,750
- Public Works (2 vehicles/3 equipment) \$120,750
- Parks & Rec (1 vehicle) \$44,550
- Police (11 vehicles) \$713,774



Information Technology Fund

*Karen Manila
Assistant City Manager*

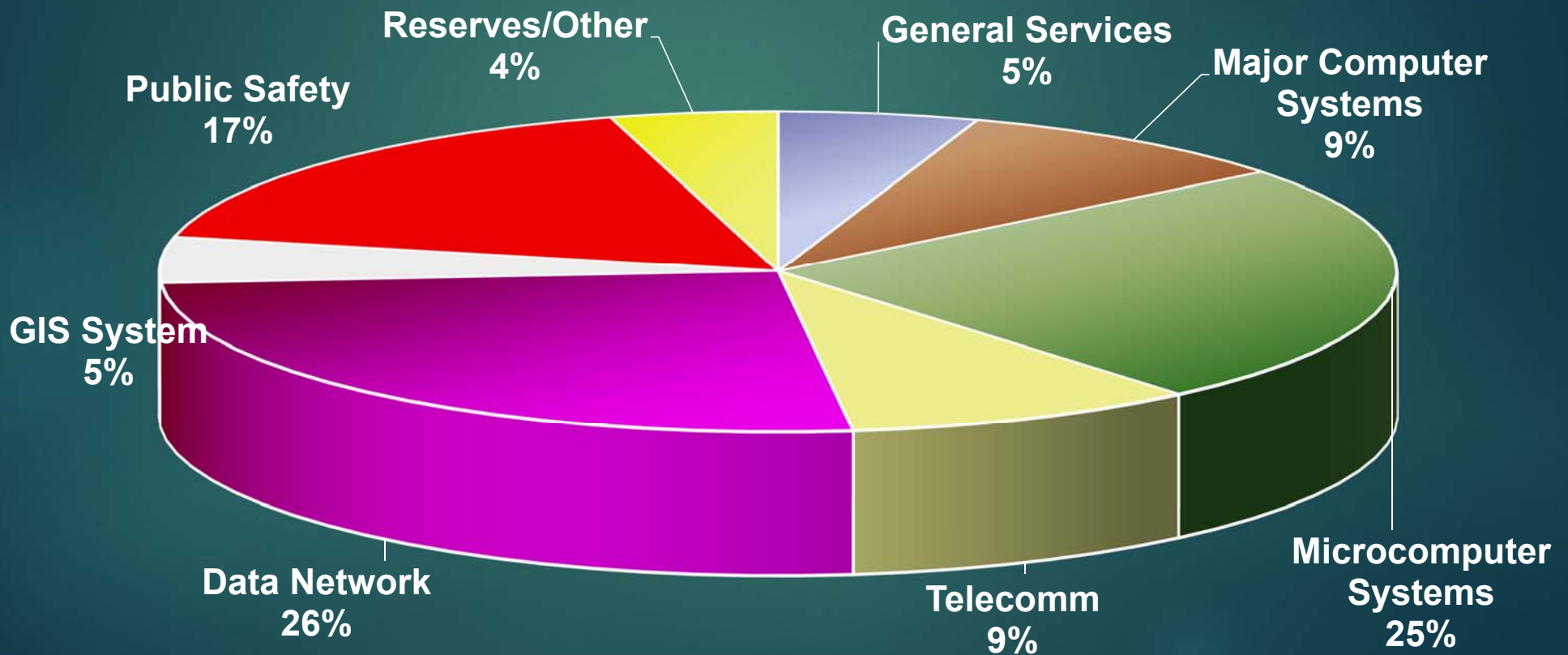
Revised FY 2019/20

↑ \$233,426

- \$137,500 CIP Revision
- Encumbrances

Proposed 2020/21 Info Tech

Expenditures: \$4,008,357





Self Insurance Fund

Karen Manila
Assistant City Manager

Revised FY 2019/20

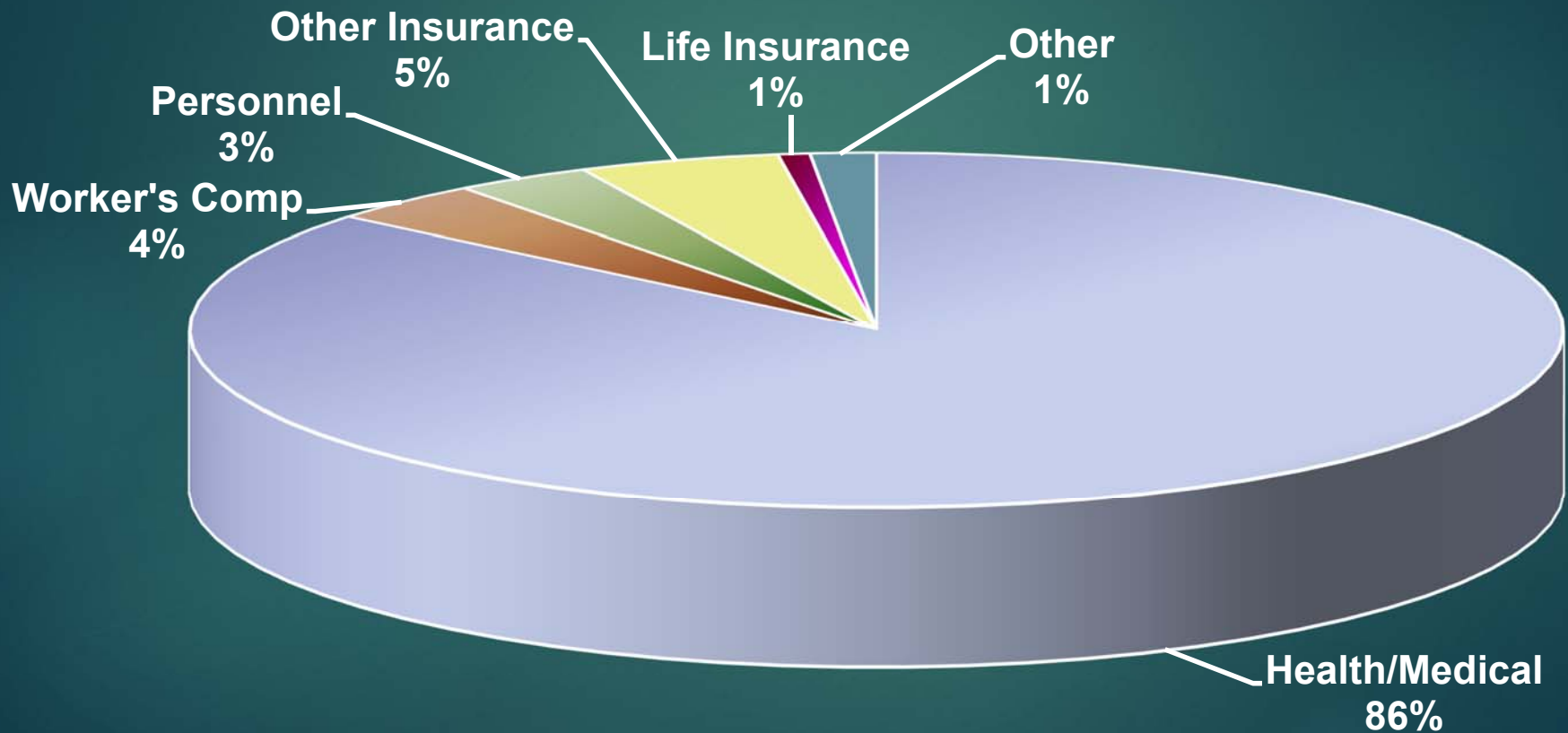
- Revised claims reduced by \$2 million

Large Claim Analysis

	FY 16-17	FY 17-18	FY 18-19	FY 19-20 Through May
Claimants Exceeding 175k	8	5	6	0
Claimants Exceeding 100K	17	10	13	5
Claimants Exceeding 50K	37	40	34	16
Claimants Exceeding 25K	77	74	61	47
Total	\$5,928,059	\$5,662,778	\$4,728,125	\$2,448,920
Average Cost Per Claimant	\$76,987	\$76,524	\$77,510	\$54,420

Proposed 2020/21 Self Insurance

Expenditures: \$15,873,644



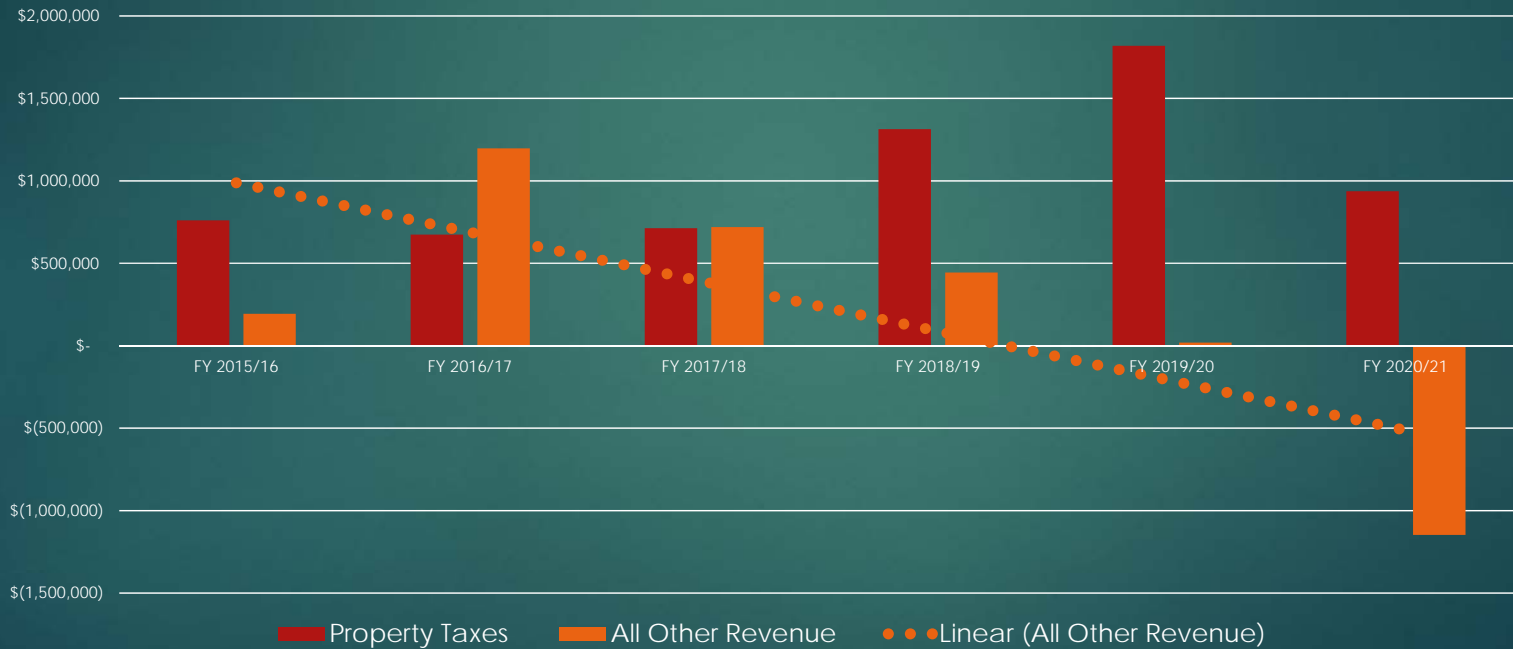


Preliminary Budget Overview

Mark Hindman
City Manager

Annual Revenue Growth

Property Tax v. All Other Revenue



General Fund Revenue

- ▶ Non-Property Tax Revenue Drops (\$1,066,883)
 - -\$165,154 Franchise Fees
 - -\$336,382 Charges for Service
 - -\$405,798 Miscellaneous
 - -\$159,549 All Other Revenues

Preliminary Property Tax Estimates

- ▶ TAD Official Values provided on July 24
- ▶ TAD Preliminary Value Growth of 3% - 5%
- ▶ \$80 million in new construction
- ▶ Property Taxes from New Construction = +\$267,951
- ▶ Preliminary Budget includes 3.5% value increase - \$668,483
- ▶ Debt Service will remain the same as 2019-20

SB 2 “Disaster”

- ▶ Section 26.07 (b) of **SB 2** notes that cities and counties that need more money to deal with a **disaster** may raise property tax revenue at the previous limit, which was 8%, without an election, if the governor has declared that area a **disaster**.
- ▶ Is COVID-19 a “disaster”
 - ▶ No Governor, Lt. Gov., Attorney General
 - ▶ Yes TML

Is 8% Even a Consideration

- ▶ Risk a court ruling
- ▶ Impact on November Bond Election
- ▶ Local political fallout

SB 2 allows “Banking” of Increase <3.5%

- ▶ Example: 2.0% in 2020/21 then up to 5.0% in 2021/22
- ▶ Challenges
 - ▶ Current year funding
 - ▶ Deeper cuts
 - ▶ Fund balance to “buy down” increase
 - ▶ Taxable Values may not grow 5%
 - ▶ 5% in 2021-22 could require tax rate increase

Preliminary Budget

- ▶ All Other Revenue drops - (\$1,066,000)
- ▶ Budget includes 3.5% property tax revenue increase - \$668,883
- ▶ \$80 million in new construction - \$267,000
- ▶ Less total revenue than 2019-20 – (\$257,000)
- ▶ Balanced through reduced operating expenditures

NRH2O

- ▶ Open only 2 weeks in 2020
 - ▶ Full-Time staff
 - ▶ Park preparation
 - ▶ Debt Service
 - ▶ Concession items not returnable
 - ▶ PT Staff training
 - ▶ Minimal revenue
- ▶ Operating deficit of \$2,309,693
- ▶ Deficit covered by Interfund Loan from General Fund

CARES Act Funding

- ▶ Federal funding passed through State and County
- ▶ Covers additional and unanticipated expenses for COVID-19
- ▶ NRH received \$3,738,900
- ▶ CARES Act enables positive ending balance.

General Fund Overview

- ▶ 2019-20 Budget balanced – good news
- ▶ 2020-21 Budget not assuming a recession
- ▶ Non-Property tax revenue trend concerning
- ▶ Preliminary Budget projects 3.5% increase in values
- ▶ Other Funds positive for 2020-21



Preliminary Budget Overview