



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** September 9, 2024
SUBJECT: Conduct a Public Hearing and Consider Ordinance No. 3867, adopting the Fiscal Year 2024/2025 Operating and Capital Budget, and ratify the increased property tax revenues reflected in the Fiscal Year 2024/2025 adopted budget.

PRESENTER: Chase Fosse, Director of Budget & Research

SUMMARY:

The City Council is requested to conduct a public hearing and receive public comment on the FY 2024/2025 Proposed Budget and then consider the approval of an ordinance adopting the Fiscal Year 2024/2025 Operating and Capital Budget. Following adoption of the budget, State law requires a separate vote ratifying the property tax increase reflected in the budget.

GENERAL DESCRIPTION:

The City Council held a budget work session on Friday, August 2, 2024, to review the 2024/2025 Proposed Budget. At this work session, Council reviewed the budgets for all operating funds, capital project funds, and the budgets for the Crime Control and Prevention District and the Park and Recreation Facilities Development Corporation. Following the work session, Council’s feedback has been incorporated into the FY 2024/2025 Proposed Budget.

The proposed budget for Fiscal Year (FY) 2024/2025 was filed with the City Secretary’s Office and also made available at the NRH Public Library and on the City’s website. The City has posted all required publications. Public hearings for the budget were set for Monday, August 26, 2024, and on Monday, September 9, 2024.

The FY 2024/2025 Proposed Operating Budget for all funds are as follows:

Fund	2024-2025 Proposed
General Fund	\$63,772,947
Debt Service Fund	\$14,128,507
Tax Increment Financing Fund	\$188,019
Park & Rec Facilities Development Fund	\$14,002,865



Crime Control District Fund	\$8,959,579
Court Special Revenue Fund	\$209,645
Public Educational and Government Access Fund	\$240,886
Promotional Fund	\$469,991
Donations Fund	\$314,866
Special Investigations Fund	\$261,000
Drainage Utility Fund	\$1,853,442
Economic Development Fund	\$322,000
Gas Development Fund	\$536,100
Traffic Safety Fund	\$409,428
Utility Fund	\$45,769,294
Aquatic Park Fund	\$6,558,750
Golf Course Fund	\$3,544,142
Facilities/Construction Mgmt. Fund	\$4,262,757
Fleet Services Fund	\$4,723,138
Information Services Fund	\$6,233,607
Self-Insurance Fund	\$15,169,533

The Facilities/Construction Mgmt. Fund, Fleet Services Fund, Information Services Fund and Self Insurance Fund are Internal Service Funds. As such, the expenditures in these funds are already included in the expenditures of other funds and should not be included in any calculation of total budgeted expenditures. Total budgeted expenditures in the FY 2024/2025 Proposed Operating Budget are \$161,541,461.

The Proposed Capital Improvements Budget totals \$18,389,888. The detail by project categories is as follows:

Category	2024-2025 Proposed
Street & Sidewalk Capital Projects	\$4,402,225
Drainage Capital Projects	\$100,000
Utility Capital Projects	\$1,735,000
Parks & Recreation Capital Projects	\$1,249,000
Aquatic Park Capital Projects	\$2,360,000
Facility Capital Projects	\$4,590,944
Major Capital Equipment Projects	\$3,888,719
Economic Development Projects	\$0
Other Capital Projects	\$64,000

The notice of public hearing was published in the Star Telegram, the city’s website, through Citicable, and on www.tarranttaxinfo.com in accordance with State law and the City Charter. The proposed budget was filed with the City Secretary, placed at the North



Richland Hills Public Library, and made available online at the City's website, www.nrhtx.com for public inspection.

The Parks & Recreation Facilities Development Corporation Board conducted a public hearing on the FY 2024/2025 Proposed Budget on Monday, September 9, 2024, at 5:00pm.

The Crime Control District (CCD) Board reviewed the FY 2024/2025 Proposed Budget at the August 2, 2024, budget work session. The CCD Board conducted a public hearing on the budget on Monday, September 9, 2024, at 5:30pm.

The City Council conducted the first public hearing on the FY 2024/2025 Proposed Budget on August 26, 2024, during the regularly scheduled 7:00pm City Council meeting.

The City has welcomed public input regarding the proposed budget and property tax rate through the City's website, tarranttaxinfo.com, e-mail, at budget road shows and social media. All written comments received through 4:00pm on September 9, 2024, will be provided to City Council during the September 9, 2024, City Council meeting.

When adopting a budget that generates more revenue from property taxes than in the previous year, state law requires the City to state the increase in property tax revenue, no matter what the cause; whether the increase is based on increased property values, new construction or an increased tax rate. The Fiscal Year 2024-2025 Budget includes a tax rate of \$0.489389 per \$100 of valuation, which is the same rate from the prior fiscal year and below the No New Revenue rate of \$0.489837 per \$100 of valuation. An increase in certified taxable values resulted in increased total property tax revenues for the City. The language required to appear as a cover page to the budget document by state law is as follows:

This budget will raise more total property taxes than last year's budget by \$1,531,672 or 3.78%, and of that amount \$553,691 is tax revenue to be raised from new property added to the tax roll this year.

As a result of the additional total property tax revenue, the aforementioned legislation requires the governing body to ratify the property tax revenue increase reflected in the adopted budget. The vote to ratify this property tax revenue increase must be a record vote and separate from the vote to adopt the budget and the vote to set the tax rate.

RECOMMENDATION:

Conduct a public hearing and approve Ordinance No. 3867, adopting the Fiscal Year 2024/2025 Operating Budget and Capital Projects Budget. Ratify the increase in property tax revenues reflected in the Fiscal Year 2024/2025 adopted budget.