



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** August 28, 2017

SUBJECT: Public Hearing on Fiscal Year 2016/2017 Revised Budget and Fiscal Year 2017/2018 Proposed Budget.

PRESENTER: Robert Myers, Budget Director

SUMMARY:

The City Council is requested to open a public hearing and receive public comment on the 2016/2017 Revised Budget and the 2017/2018 Proposed Budget. No action is required at this hearing, as this hearing is held for the purpose of receiving public comment.

GENERAL DESCRIPTION:

The City Council held a budget work session on Friday, August 4, 2017 to review the 2016/2017 Revised Budget and the 2017/2018 Proposed Budget. At this work session, City 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. Subsequent to the work session, the recommended modifications have been incorporated into the 2017/2018 Proposed Budget. The 2017/2018 Proposed Budget is based on a tax rate of 0.59¢ per \$100 valuation, a 0.02¢ reduction from the FY 2016/2017 tax rate.

The 2016/2017 Revised Annual Operating Budget and 2017/2018 Proposed Operating Budget for all funds are as follows:

Fund	2016/2017 Revised	2017/2018 Proposed
General Fund	\$46,505,450	\$46,606,612
Debt Service Fund	\$11,622,481	\$11,762,764
Tax Increment Financing Fund	\$3,010,380	\$2,951,968
Park & Rec Facilities Development Fund	\$10,097,529	\$9,000,504
Crime Control District Fund	\$6,504,812	\$5,380,595
Promotional Fund	\$258,089	\$259,022
Donations Fund	\$323,062	\$311,099

Special Investigations Fund	\$308,531	\$252,300
Drainage Utility Fund	\$1,172,197	\$1,190,524
Gas Development Fund	\$407,650	\$312,673
Traffic Safety Fund	\$1,197,543	\$1,008,016
Utility Fund	\$34,487,996	\$34,336,777
Aquatic Park Fund	\$5,346,671	5,268,439
Golf Course Fund	\$2,606,977	\$2,575,071
Facilities/Construction Mgmt. Fund ⁽¹⁾	\$3,157,108	\$3,014,282
Fleet Services Fund ⁽¹⁾	\$4,091,478	\$3,653,429
Information Services Fund ⁽¹⁾	\$3,389,421	\$3,525,482
Self Insurance Fund ⁽¹⁾	\$13,935,724	\$13,910,020

- ⁽¹⁾ Each of these funds are Internal Service Funds. They receive revenue in the form of allocations from the other operating funds, which are used to cover the majority of expenses within each Internal Service Fund. While necessary to appropriate the funds in the manner above, it should be noted that the majority of expenses funded within each Internal Service Fund are also reflected as expenditures/expenses (the allocation) within the contributing funds. In addition, resources such as interest income, other income and fund balance are also used to offset any expenses in excess of these allocations.

The Proposed Capital Improvements Budget totals \$13,657,149. The breakdown between project categories is as follows:

Category	2017/2018 Proposed
Street & Sidewalk Capital Projects	\$3,063,776
Drainage Capital Projects	\$797,850
Utility Capital Projects	\$6,140,000
Parks & Recreation Capital Projects	\$1,652,018
Aquatic Park Capital Projects	\$700,000
Facility Capital Projects	\$60,000
Major Capital Equipment Projects	\$707,232
Other Capital Projects	\$536,273

In addition, over the course of Fiscal Year 2016/2017, several projects were revised. Staff will be requesting a formal amendment to the 2016/2017 Capital Projects Budget to include the changes summarized below. Detailed revision forms have been included in the attachment to this agenda item. Only revisions altering the dollar amount of the project have been included in the summary below. Projects with a net change of \$0 resulting from the reallocation of funds within a project are included in the detailed attachment, but are not reflected on the summary below.

STREET & SIDEWALK CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2016/2017	Budget Revision 2016/2017	2016/2017 Revised Budget
SM 1501	Preventive Street Maintenance 2015	\$ 700,000	\$ (45,100)	\$ 654,900
	Sub-Total	\$ 700,000	\$ (45,100)	\$ 654,900

DRAINAGE CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2016/2017	Budget Revision 2016/2017	2016/2017 Revised Budget
DR1503	Calloway Branch Channel Repair Projects	\$ 698,500	\$ 281,814	\$ 980,314
DR 1401	Concrete Lined Channel Rehabilitation Project	131,500	(83,815)	47,685
DR 1601	Drainage Improvements	95,000	(84,056)	10,944
DR 1501	Main Street Drainage Improvements	1,020,000	45,100	1,065,100
DR 1004	Meadowview Estates Channel Drainage Improvements	1,743,222	(113,943)	1,629,279
	Sub-Total	\$ 3,688,222	\$ 45,100	\$ 3,733,322

UTILITY CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2016/2017	Budget Revision 2016/2017	2016/2017 Revised Budget
CDBG17	Harmonson Road Sanitary Sewer	\$ 396,000	\$ 375,000	\$ 771,000
UT 1307	Sanitary Sewer Systems Rehabilitation of Main Lines Phase II	1,500,000	(375,000)	1,125,000
	Sub-Total	\$ 1,896,000	\$ -	\$ 1,896,000

PARKS & RECREATION CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2016/2017	Budget Revision 2016/2017	2016/2017 Revised Budget
PK9602	Little Bear Creek Trail Development	\$ 2,830,420	\$ (99,078)	\$ 2,731,342
PK 1603	Northfield Park Renovation	4,305,500	1,778,021	6,083,521
PK 1402	Park Pond and Drainage	255,000	-	255,000
PK1606	Park System Signage	273,000	33,486	306,486
PK1705	Trail Identification and 9-1-1 Emergency Response Signage	35,000	(33,486)	1,514
PK 1609	Unforeseen Park Damage	61,535	5,008	66,543
	Sub-Total	\$ 7,760,455	\$ 1,683,951	\$ 9,444,406

AQUATIC PARK CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2016/2017	Budget Revision 2016/2017	2016/2017 Revised Budget
WP1701	Beachside Bay Cabana Project	\$ 196,000	\$ 108,694	\$ 304,694
WP1702	Endless River Bridge Replacement	235,000	(108,694)	126,306
	Sub-Total	\$ 431,000	\$ -	\$ 431,000

FACILITIES CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2016/2017	Budget Revision 2016/2017	2016/2017 Revised Budget
FC1602	Building ACM Abatement and Site Demolition	\$ 630,000	\$ (20,000)	\$ 610,000
	Sub-Total	\$ 630,000	\$ (20,000)	\$ 610,000

MAJOR CAPITAL EQUIPMENT

Project Number	Project Name	Adopted Through 2016/2017	Budget Revision 2016/2017	2016/2017 Revised Budget
FS1701	Aerial Fire Apparatus 1	\$ 931,000	\$ (225,162)	\$ 705,838
FS1702	Aerial Fire Apparatus 2	931,000	(225,162)	705,838
FS1703	Fire Engine	556,000	34,860	590,860
IS1502	Replacement of CAD/RMS	3,000,000	20,000	3,020,000
	Sub-Total	\$ 5,418,000	\$ (395,464)	\$ 5,022,536

OTHER CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2016/2017	Budget Revision 2016/2017	2016/2017 Revised Budget
ES 0901	Neighborhood Initiative Program	\$ 247,158	\$ 5,000	\$ 252,158
	Sub-Total	\$ 247,158	\$ 5,000	\$ 252,158

The notice of public hearing was published in the Star Telegram newspaper in accordance with state law and the City Charter. The public hearing for the Annual Budget was advertised to be held August 28, 2017 during the regular 7:00 p.m. City Council meeting. The proposed budget document was filed with the City Secretary and was also placed at the North Richland Hills Public Library for easy public access. The document was also made available online at the City website, www.nrhtx.com. The proposed budget will be presented for adoption at the City Council meeting on Monday, September 11, 2017.



At the August 4, 2017 budget work session, the Crime Control District (CCD) Board reviewed the proposed 2017/2018 Crime Control and Prevention District Budget. The CCD Board is scheduled to conduct a public hearing on Monday, August 28, 2017 at 6:30 p.m. in the City Council Chamber.

A Parks & Recreation Facilities Development Corporation Board meeting is also scheduled for Monday, August 28, 2017. During this meeting the Board will conduct a public hearing on the Park & Recreation Facilities Development Corporation budget, beginning at 6:40 p.m. This meeting will also be held in the City Council Chamber.

RECOMMENDATION:

Open a public hearing, receive comments on the 2016/2017 Revised and 2017/2018 Proposed Budgets, and close the public hearing.