



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** September 11, 2017

SUBJECT: Consider Ordinance No. 3475, adopting the 2017/2018 Proposed Budget and amending the 2016/2017 Revised Budget

PRESENTER: Robert Myers, Budget Director

SUMMARY:

The City Council is requested to consider the approval of an ordinance adopting the following:

- Fiscal Year 2017/2018 Annual Budget and Plan of Municipal Expenditures;
- Fiscal Year 2016/2017 Revised Annual Budget and Plan of Municipal Expenditures;
- Fiscal Year 2017/2018 Capital Projects Budget; and
- Fiscal Year 2016/2017 Capital Project Amendments.

GENERAL DESCRIPTION:

The proposed budget for Fiscal Year (FY) 2017/2018 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. In order to receive additional public comment, a public hearing was held on Monday, August 28, 2017. This public hearing included the FY 2017/2018 Proposed Budget and FY 2016/2017 Revised Budget.

The FY 2017/2018 General Fund budget is based on a \$0.59 tax rate. Of this \$0.59 tax rate, \$0.328640 is dedicated for General Fund maintenance and operations. The interest and sinking portion of the tax rate, which is used to pay principal and interest on tax supported debt issued by the city, is \$0.261360.

Revisions have been made to the FY 2016/2017 revenues and expenditures to reflect the most current estimates. The FY 2016/2017 Revised Annual Operating Budget and FY 2017/2018 Proposed Operating Budget for all funds are:



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 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 FY 2017/2018 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



Over the course of the 2016/2017 fiscal year, several projects were revised. Staff is requesting an amendment to the FY 2016/2017 Capital Projects Budget to include the changes summarized below. Detailed revision forms have been included in the attachment to this agenda item. Projects with a change of \$0 were the result of funds being reallocated within that project, with no additional funding required.

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 City of North Richland Hills Crime Control and Prevention District Board of Directors conducted a budget work session on Friday, August 4, 2017 to review the FY 2016/2017 Revised Budget and the FY 2017/2018 Proposed Budget. The Board met and held a public hearing on Monday, August 28, 2017 prior to the City Council meeting. The Board adopted the FY 2016/2017 Revised Budget and the FY 2017/2018 Proposed Budget and recommended adoption by the City Council.

The Park and Recreation Facilities Development Corporation Board of Directors met on August 28, 2017 to hold public hearings on the FY 2016/2017 Revised and FY 2017/2018 Proposed Operating and Capital Budgets. The Board approved the Operating and Capital Budgets for both the FY 2016/2017 Revised and FY 2017/2018 Proposed Budget and recommended City Council adoption.

The North Richland Hills City Council conducted a budget work session on Friday, August 4, 2017 to review the FY 2016/2017 Revised Budget and the FY 2017/2018 Proposed Budget for all funds. The City Council met and held a public hearing on these budgets on Monday, August 28, 2017 at the regular City Council meeting for the purpose of receiving public comment.

Copies of the revised and proposed budget were filed with the City Secretary's Office and are also available at the NRH Public Library and on the city's website. All of these sources are still available for public inspection.

RECOMMENDATION:

Approve Ordinance No. 3475, Adopting the Fiscal Year 2017/2018 Proposed Operating Budget, Amending the 2016/2017 Operating Budget, Adopting the Fiscal Year 2017/2018 Capital Projects Budget, and Amending the 2016/2017 Capital Projects Budget.