



## CITY COUNCIL MEMORANDUM

**FROM:** The Office of the City Manager **DATE:** August 27, 2018

**SUBJECT:** Fiscal Year 2018/2019 Proposed and Fiscal Year 2017/2018 Revised Budget Public Hearing.

**PRESENTER:** Robert Myers, Budget Director

### **SUMMARY:**

The City Council is requested to open a public hearing and receive public comment on the 2018/2019 Proposed Budget and the 2017/2018 Revised 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 3, 2018 to review the 2017/2018 Revised Budget and the 2018/2019 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. Subsequent to the work session, the recommended modifications have been incorporated into the 2018/2019 Proposed Budget. The 2018/2019 Proposed Budget is based on a tax rate of 0.585¢ per \$100 valuation, a 0.005¢ reduction from the FY 2017/2018 tax rate.

The 2017/2018 Revised Annual Operating Budget and 2018/2019 Proposed Operating Budget for all funds are as follows:

<b>Fund</b>	<b>2017/2018 Revised</b>	<b>2018/2019 Proposed</b>
General Fund	\$47,565,387	\$48,363,805
Debt Service Fund	\$11,762,764	\$12,187,902
Tax Increment Financing Fund	\$2,951,968	\$2,344,711
Park & Rec Facilities Development Fund	\$9,091,172	\$8,949,141
Crime Control District Fund	\$5,426,880	\$5,567,958
Promotional Fund	\$287,939	\$285,500
Donations Fund	\$406,547	\$298,388

Special Investigations Fund	\$265,600	\$261,325
Drainage Utility Fund	\$1,340,858	\$1,649,755
Gas Development Fund	\$528,300	\$528,300
Traffic Safety Fund	\$1,061,792	\$1,096,015
Utility Fund	\$36,130,719	\$35,364,459
Aquatic Park Fund	\$4,581,259	\$4,568,509
Golf Course Fund	\$2,491,415	\$2,601,454
Facilities/Construction Mgmt. Fund <sup>(1)</sup>	\$3,014,120	\$2,985,340
Fleet Services Fund <sup>(1)</sup>	\$4,849,611	\$4,591,313
Information Services Fund <sup>(1)</sup>	\$3,541,735	\$3,641,821
Self Insurance Fund <sup>(1)</sup>	\$14,252,255	\$15,058,070

- <sup>(1)</sup> 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 \$11,442,157. The breakdown between project categories is as follows:

<b>Category</b>	<b>2018/2019 Proposed</b>
Street & Sidewalk Capital Projects	\$2,865,000
Drainage Capital Projects	\$230,000
Utility Capital Projects	\$1,755,000
Parks & Recreation Capital Projects	\$658,000
Aquatic Park Capital Projects	\$100,000
Facility Capital Projects	\$212,000
Major Capital Equipment Projects	\$4,441,500
Economic Development Projects	\$750,000
CIP Personnel	\$336,657
Other Capital Projects	\$94,000

In addition, over the course of Fiscal Year 2017/2018, several projects were revised. Staff will be requesting a formal amendment to the 2017/2018 Capital Projects Budget to include the changes summarized below. Detailed revision forms have been included in the attachment to this agenda item.



## STREET & SIDEWALK CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2017-18	Budget Revision 2017-18	2017-18 Revised Budget
CDBG16	Lynda Court (CDBG)	\$261,821	(\$35,000)	\$226,821
CDBG18	Meadow Court Road Reconstruction	247,837	60,619	308,456
CDBG19	Reconstruction of Schiller Drive (CDBG)	0	35,000	35,000
PW1602	Meadow Lakes Drive & Rufe Snow Drive Intersection	1,315,000	(250,000)	1,065,000
ST0102	Rufe Snow Dr. Street & Utility Imp. (Karen Drive to I.H. 820)	1,535,950	(60,000)	1,475,950
ST0401	Davis Blvd / Mid-Cities Blvd Intersection	6,702,744	656,487	7,359,231
ST1101	Main Street Streetscaping Project	66,000	(66,000)	0
ST1102	Main St. Streetscaping & Snider St. Extension Project	2,800,050	66,000	2,866,050
ST1201	Rufe Snow Drive & Glenview Drive Intersection Improvements	2,185,000	(500,000)	1,685,000
ST1203	Smithfield Road / Davis Boulevard Intersection Improvements	70,000	(33,640)	36,360
ST1304	Smithfield Road (Davis to Mid-Cities Blvd.)	2,200,000	1,143,640	3,343,640
<b>Sub-Total</b>		<b>\$17,384,402</b>	<b>\$1,017,106</b>	<b>\$18,401,508</b>

## DRAINAGE CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2017-18	Budget Revision 2017-18	2017-18 Revised Budget
DR1503	Calloway Branch Channel Repair Project	\$980,314	\$145,944	\$1,126,258
DR1601	Drainage Improvements	10,944	(10,944)	0
DR1701	Walker Branch Channel Repair (200 ft South of Hardwood Rd.)	892,850	(265,000)	627,850
DR1801	Snow Heights Drainage Improvements Project	0	150,000	150,000
<b>Sub-Total</b>		<b>\$1,884,108</b>	<b>\$20,000</b>	<b>\$1,904,108</b>

## UTILITY CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2017-18	Budget Revision 2017-18	2017-18 Revised Budget
CDBG17	Harmonson Road Sanitary Sewer Improvements	\$771,000	(\$170,000)	\$601,000
UT1307	Sanitary Sewer System Rehabilitation of Main Lines (Phase II)	1,125,000	(110,000)	1,015,000
UT1607	Walker Branch	4,816,525	1,200,000	6,016,525
<b>Sub-Total</b>		<b>\$6,712,525</b>	<b>\$920,000</b>	<b>\$7,632,525</b>

## PARKS & RECREATION CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2017-18	Budget Revision 2017-18	2017-18 Revised Budget
PK9602	Little Bear Creek Trail Development (John Barfield Trail Dev)	\$2,731,342	(\$239,102)	\$2,492,240
PK9601	Calloway Branch Trail Development	\$1,484,311	(\$82,848)	1,401,463
PK1507	Richland Tennis Center Infrastructure Maintenance (2015)	\$59,900	(\$8,226)	51,674
PK1607	Richland Tennis Center Infrastructure Maintenance (2016)	\$30,000	(\$448)	29,552
PK1704	Richland Tennis Center Infrastructure Maintenance (2017)	\$18,000	(\$831)	17,169
PK1804	Park Infrastructure Maintenance (2018)	\$292,400	\$9,505	301,905
PK1603	Northfield Park Renovation	6,083,521	33,138	6,116,659
PK1806	Trail and On-Road Safety Projects	\$771,618	(\$41,075)	730,543
<b>Sub-Total</b>		<b>\$11,471,092</b>	<b>(\$329,887)</b>	<b>\$11,141,205</b>



## MAJOR CAPITAL EQUIPMENT

Project Number	Project Name	Adopted Through 2017-18	Budget Revision 2017-18	2017-18 Revised Budget
IS1402	Replacement of the Fuel Management Software System	\$90,000	\$45,025	\$135,025
IT1702	Public Safety Technology	1,306,000	0	1,306,000
Sub-Total		<u>\$1,396,000</u>	<u>\$45,025</u>	<u>\$1,441,025</u>

## OTHER CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2017-18	Budget Revision 2017-18	2017-18 Revised Budget
ES0901	Neighborhood Initiative Program	\$252,158	\$61,000	\$313,158
Sub-Total		<u>\$252,158</u>	<u>\$61,000</u>	<u>\$313,158</u>

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 27, 2018 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 on the city website, [www.nrhtx.com](http://www.nrhtx.com). It will be presented for adoption at the City Council meeting on Monday, September 10, 2018.

A Parks & Recreation Facilities Development Corporation Board meeting is also scheduled for Monday, August 27, 2018. During this meeting the Board will conduct a public hearing on the Park & Recreation Facilities Development Corporation budget, beginning at 6:30 p.m. in the City Council Chamber.

At the August 3, 2018 budget work session, the Crime Control District (CCD) Board reviewed the proposed 2018/2019 Crime Control and Prevention District Budget. The CCD Board is scheduled to conduct a public hearing on Monday, August 27, 2018 at 6:40 p.m. in the City Council Chamber.

## **RECOMMENDATION:**

Open a Public Hearing, receive comments on the 2018/2019 Proposed and 2017/2018 Revised budgets, and close the public hearing.