



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** September 10, 2018
SUBJECT: Consider Ordinance No. 3531, adopting the 2018/2019 Proposed Budget and amending the 2017/2018 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 2018/2019 Annual Budget and Plan of Municipal Expenditures;
- Fiscal Year 2017/2018 Revised Annual Budget and Plan of Municipal Expenditures;
- Fiscal Year 2018/2019 Capital Projects Budget; and
- Fiscal Year 2017/2018 Capital Project Amendments.

GENERAL DESCRIPTION:

The proposed budget for Fiscal Year (FY) 2018/2019 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 27, 2018. This public hearing included the FY 2018/2019 Proposed Budget and FY 2017/2018 Revised Budget.

The FY 2018/2019 General Fund budget is based on a \$0.585000 tax rate. Of this \$0.585000 tax rate, \$0.327088 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 \$0.257912.

Revisions have been made to the FY 2017/2018 revenues and expenditures to reflect the most current estimates. The FY 2017/2018 Revised Annual Operating Budget and FY 2018/2019 Proposed Operating Budget for all funds are:

Fund	2017/2018 Revised	2018/2019 Proposed
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 ⁽¹⁾	\$3,014,120	\$2,985,340
Fleet Services Fund ⁽¹⁾	\$4,849,611	\$4,591,313
Information Services Fund ⁽¹⁾	\$3,541,735	\$3,641,821
Self Insurance Fund ⁽¹⁾	\$14,252,255	\$15,058,070

⁽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 2018/2019 Proposed Capital Improvements Budget totals \$11,442,157. The breakdown between project categories is as follows:

Category	2018/2019 Proposed
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



Over the course of the 2017/2018 fiscal year, several projects were revised. Staff is requesting an amendment to the FY 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
Sub-Total		\$17,384,402	\$1,017,106	\$18,401,508

DRAINAGE 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
Sub-Total		\$17,384,402	\$1,017,106	\$18,401,508

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
Sub-Total		\$6,712,525	\$920,000	\$7,632,525



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
Sub-Total		\$11,471,092	(\$329,887)	\$11,141,205

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		\$1,396,000	\$45,025	\$1,441,025

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		\$252,158	\$61,000	\$313,158

The City of North Richland Hills Crime Control and Prevention District Board of Directors conducted a budget work session on Friday, August 3, 2018 to review the FY 2017/2018 Revised Budget and the FY 2018/2019 Proposed Budget. The Board met and held a public hearing on Monday, August 27, 2018 prior to the City Council meeting. The Board adopted the FY 2017/2018 Revised Budget and the FY 2018/2019 Proposed Budget and recommended adoption by the City Council.

The Park and Recreation Facilities Development Corporation Board of Directors met on August 27, 2018 to hold public hearings on the FY 2017/2018 Revised and FY 2018/2019 Proposed Operating and Capital Budgets. The Board approved the Operating and Capital Budgets for both the FY 2017/2018 Revised and FY 2018/2019 Proposed Budget and recommended City Council adoption.

The North Richland Hills City Council conducted a budget work session on Friday, August 3, 2018 to review the FY 2017/2018 Revised Budget and the FY 2018/2019 Proposed Budget for all funds. The City Council met and held a public hearing on these budgets on Monday, August 27, 2018 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. 3531, adopting the Fiscal Year 2018/2019 Proposed Operating Budget, amending the 2017/2018 Operating Budget, adopting the Fiscal Year 2018/2019 Capital Projects Budget, and amending the 2017/2018 Capital Projects Budget.