

CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** August 26, 2019
SUBJECT: Public hearing on Fiscal Year 2018/2019 revised budget and Fiscal Year 2019/2020 proposed budget.
PRESENTER: Robert Myers, Budget Director

SUMMARY:

The City Council is requested to open a public hearing and receive public comment on the 2018/2019 Revised Budget and the 2019/2020 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 2, 2019 to review the 2018/2019 Revised Budget and the 2019/2020 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, the recommended modifications have been incorporated into the 2019/2020 Proposed Budget. The 2019/2020 Proposed Budget is based on a tax rate of 0.572000 per \$100 valuation, a 0.013 reduction from the FY 2018/2019 tax rate.

The 2018/2019 Revised Annual Operating Budget and 2019/2020 Proposed Operating Budget for all funds are as follows:

Fund	2017/2018 Revised	2018/2019 Proposed
General Fund	\$48,379,814	\$50,307,203
Debt Service Fund	\$12,090,571	\$12,211,310
Tax Increment Financing Fund	\$2,344,711	\$2,175,789
Park & Rec Facilities Development Fund	\$9,507,055	\$9,479,683
Crime Control District Fund	\$5,709,184	\$5,727,125
Promotional Fund	\$290,000	\$290,000
Donations Fund	\$329,755	\$264,388
Special Investigations Fund	\$261,325	\$262,300
Drainage Utility Fund	\$920,000	\$1,657,000
Gas Development Fund	\$1,576,800	\$1,487,479
Traffic Safety Fund	\$843,129	\$86,726

Utility Fund	\$34,866,435	\$38,233,116
Aquatic Park Fund	\$4,183,593	\$4,506,323
Golf Course Fund	\$2,566,361	\$1,651,547
Facilities/Construction Mgmt. Fund ⁽¹⁾	\$3,083,460	\$2,982,718
Fleet Services Fund ⁽¹⁾	\$5,204,463	\$4,511,499
Information Services Fund ⁽¹⁾	\$3,992,770	\$3,941,622
Self Insurance Fund ⁽¹⁾	\$15,312,226	\$15,788,103

- ⁽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 \$13,804,443. The breakdown between project categories is as follows:

Category	2019/2020 Proposed
Street & Sidewalk Capital Projects	\$2,413,375
Drainage Capital Projects	\$575,000
Utility Capital Projects	\$4,205,000
Parks & Recreation Capital Projects	\$4,151,000
Aquatic Park Capital Projects	\$100,000
Facility Capital Projects	\$373,000
Major Capital Equipment Projects	\$1,650,411
Economic Development Projects	\$0
CIP Personnel	\$336,657
Other Capital Projects	\$0

In addition, over the course of Fiscal Year 2018/2019, several projects were revised. Staff will be requesting a formal amendment to the 2018/2019 Capital Projects Budget to include the changes summarized below.



STREET & SIDEWALK CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2018-19	Budget Revision 2018-19	2018-19 Revised Budget
STREET & SIDEWALK CAPITAL PROJECTS				
ST0102	Rufe Snow Improvements (Karen to 820)	\$1,475,950	(\$7,303)	\$1,468,647
ST0401	Davis Blvd/Mid-Cities Blvd Intersection	\$7,359,231	\$330,769	7,690,000
ST1701	Vance and Glenview Signal Upgrade	230,000	7,303	237,303
ST1201	Rufe Snow Drive & Glenview Drive Intersection Improvements	1,685,000	(4,389)	1,680,611
ST1701	Vance and Glenview Signal Upgrade	237,303	4,389	241,692
Sub-Total		\$10,987,484	\$330,769	\$11,318,253

DRAINAGE CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2018-19	Budget Revision 2018-19	2018-19 Revised Budget
DRAINAGE CAPITAL PROJECTS				
DR1701	Walker Branch Channel Repair	\$627,850	(\$320,000)	\$307,850
DR1503	Calloway Branch Channel Repair Project	1,126,258	320,000	1,446,258
Sub-Total		\$1,754,108	\$0	\$1,754,108

UTILITY CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2018-19	Budget Revision 2018-19	2018-19 Revised Budget
UTILITY CAPITAL PROJECTS				
CDBG18	Meadow Court Road Reconstruction (CDBG)	\$308,456	(\$10,878)	\$297,578
UT1804	Telemetric Water Meter Annual Maintenance (2018)	400,000	(64)	399,936
UT0201	Big Fossil Creek Wastewater Outfall	1,200,000	31,604	1,231,604
UT1704	Sanitary Sewer System Trunk Line Rehabilitation	125,000	(31,604)	93,396
UT1802	Miscellaneous Water/Sewer Main Replacements (2018)	420,000	50,886	470,886
UT1803	Small Water Main Replacements (2018)	420,000	(50,886)	369,114
UT1702	Small Water Main Replacements (2017)	420,000	(29,483)	390,517
UT1803	Small Water Main Replacements (2018)	369,114	27,049	396,163
UT1704	Sanitary Sewer System Trunk Line Rehabilitation	93,396	4,724	98,120
UT1604	Sanitary Sewer Line Replacements (Crabtree & Onyx N.)	125,000	(4,724)	120,276
Sub-Total		\$3,880,966	(\$13,376)	\$3,867,590

PARKS & RECREATION CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2018-19	Budget Revision 2018-19	2018-19 Revised Budget
PARKS & RECREATION CAPITAL PROJECTS				
PK1603	Northfield Park Renovation	\$6,116,659	\$8,653	\$6,125,312
PK1504	Northfield Park Security Lights/Electrical System	\$35,000	(\$8,653)	26,347
PK1201	Adventure World Playground Renovation	\$653,239	(\$667)	652,572
PK1401	Barfield/Cotton Belt Trail Connector	\$65,000	(\$932)	64,068
PK1805	Iron Horse Pump House A	\$100,000	(\$2,116)	97,884
PK1703	Park Infrastructure Maintenance 2017	\$257,000	(\$308)	256,692
PK1904	Park Infrastructure Maintenance 2019	284,000	1,907	285,907
PK1701	Barfield Family Foundation Grant Program	50,000	(30,717)	19,283
PK1801	Green Valley Raceway Historical Area	30,000	30,717	60,717
Sub-Total		\$7,590,898	(\$2,116)	\$7,588,782

MAJOR CAPITAL EQUIPMENT

Project Number	Project Name	Adopted Through 2018-19	Budget Revision 2018-19	2018-19 Revised Budget
MAJOR CAPITAL EQUIPMENT				
FS1802	Backhoe Replacement (Unit #479)	\$125,000	(\$34,655)	\$90,345
FS1903	Dump Truck Replacement (Unit 6617)	\$120,000	\$412	120,412
FS1904	Pothole Patcher Replacement (Unit 6609)	\$210,000	(\$412)	209,588
FS1803	Bucket Truck Replacement Unit 602	\$220,000	(\$85,243)	134,757
FS1801	Ambulance Replacement Unit 973	\$362,232	(\$2,681)	359,551
FS1907	Skid Steer Loader Replacement Unit 6630	\$90,000	(\$10,550)	79,450
FS1908	Street Sweeper Replacement Unit 6613	\$70,000	(\$18,000)	52,000
FS1905	NRH/Senior Centre Accessible Van	\$62,000	(\$1,021)	60,979
FS1906	NRH/Senior Centre Accessible Van	\$62,000	(\$1,021)	60,979
FS1904	Pothole Patcher Replacement (Unit 6609)	\$209,588	(\$7,000)	202,588
FS1911	Vac-con Replacement (Unit 5522)	\$395,000	\$7,000	402,000
IS1402	Replacement of Fuel Management Software System	\$135,025	(\$4,289)	130,736
IT1701	Enterprise Computer System Replacement	\$3,000,000	\$173,980	3,173,980
Sub-Total		\$5,060,845	\$16,520	\$5,077,365

AQUATIC CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2018-19	Budget Revision 2018-19	2018-19 Revised Budget
AQUATIC CAPITAL PROJECTS				
WP1801	General Facility Improvements (2018)	\$100,000	(\$2,661)	\$97,339
WP1802	Main Filtration Replacement	600,000	(8,513)	591,487
Sub-Total		\$700,000	(\$11,174)	\$688,826

FACILITY CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2018-19	Budget Revision 2018-19	2018-19 Revised Budget
FACILITY CAPITAL PROJECTS				
FC1803	Fire Maintenance Awning	\$60,000	(\$250)	\$59,750
Sub-Total		\$60,000	(\$250)	\$59,750

ECONOMIC DEVELOPMENT CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2018-19	Budget Revision 2018-19	2018-19 Revised Budget
ECONOMIC DEVELOPMENT PROJECTS				
ED1901	Davis Boulevard Development 2019	\$0	\$450,000	\$450,000
Sub-Total		\$0	\$450,000	\$450,000



OTHER CAPITAL PROJECTS

Project Number	Project Name	Adopted Through 2018-19	Budget Revision 2018-19	2018-19 Revised Budget
OTHER CAPITAL PROJECTS				
PL1501	Strategic Plan	\$150,000	\$18,638	\$168,638
	Sub-Total	\$150,000	\$18,638	\$168,638

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 26, 2019 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 and made available online at the city's website, www.nrhtx.com. The Fiscal Year 2018/2019 revised and Fiscal Year 2019/2020 proposed budgets will be presented for adoption at the City Council meeting on Monday, September 9, 2019.

A Parks & Recreation Facilities Development Corporation Board meeting is also scheduled for Monday, August 26, 2019. During this meeting the board will conduct a public hearing on the Park & Recreation Facilities Development Corporation budget, beginning at 6:30 p.m. This meeting will also be held in the City Council Chamber.

At the August 2, 2019 budget work session, the Crime Control District (CCD) Board reviewed the proposed 2019/2020 Crime Control and Prevention District Budget. The CCD Board is scheduled to conduct a public hearing on Monday, August 26, 2019 at 6:40 p.m. in the City Council Chamber.

RECOMMENDATION:

Open a public hearing, receive comments on the Fiscal Year 2018/2019 revised budget and 2019/2020 proposed budget, and close the public hearing.