



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** September 9, 2019
SUBJECT: Consider Ordinance No. 3600, adopting the 2019/2020 Proposed Budget and amending the 2018/2019 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 2019/2020 Annual Budget and Plan of Municipal Expenditures;
- Fiscal Year 2018/2019 Revised Annual Budget and Plan of Municipal Expenditures;
- Fiscal Year 2019/2020 Capital Projects Budget; and
- Fiscal Year 2018/2019 Capital Project Amendments.

GENERAL DESCRIPTION:

The proposed budget for Fiscal Year (FY) 2019/2020 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 public comment, a public hearing was held on Monday, August 26, 2019. This public hearing included the FY 2019/2020 Proposed Budget and FY 2018/2019 Revised Budget. Additionally, a comment form was included on the website seeking citizen input on the proposed budget.

The FY 2019/2020 General Fund budget is based on a \$0.572 tax rate. Of this \$0.572 tax rate, \$0.334938 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 \$0.237062.

Revisions have been made to the FY 2018/2019 revenues and expenditures to reflect the most current estimates. The FY 2018/2019 Revised Annual Operating Budget and FY 2019/2020 Proposed Operating Budget for all funds are:

Fund	2018/2019 Revised	2019/2020 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 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 2019/2020 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



Over the course of the 2018/2019 fiscal year, several projects were revised. Staff is requesting an amendment to the FY 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

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



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		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

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 Park and Recreation Facilities Development Corporation Board of Directors met on August 26, 2019 to hold public hearings on the FY 2018/2019 Revised and FY 2019/2020 Proposed Operating and Capital Budgets. The board approved the operating and capital budgets for both the FY 2018/2019 Revised and FY 2019/2020 Proposed Budget and recommended City Council adoption.

The City of North Richland Hills Crime Control and Prevention District Board of Directors conducted a budget work session on Friday, August 2, 2019 to review the FY 2018/2019 Revised Budget and the FY 2019/2020 Proposed Budget. The board met and held a public hearing on Monday, August 26, 2019 prior to the City Council meeting. The board adopted the FY 2018/2019 Revised Budget and the FY 2019/2020 Proposed Budget and recommended adoption by the City Council.

The North Richland Hills City Council conducted a budget work session on Friday, August 2, 2019 to review the FY 2018/2019 Revised Budget and the FY 2019/2020 Proposed Budget for all funds. The City Council met and held a public hearing on these budgets on Monday, August 26, 2019 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. 3600, adopting the Fiscal Year 2019/2020 Proposed Operating Budget, amending the 2018/2019 Operating Budget, adopting the Fiscal Year 2019/2020 Capital Projects Budget, and amending the 2018/2019 Capital Projects Budget.