



## Legislation Text

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**File #: 18-0522, Version: 1**

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Consider and take action on Ordinance 2018-27 adopting the Annual Budget for Governmental and Proprietary Funds for Fiscal Year 2019 - Second Reading (Director of Budget & Project Management)

Council approved first reading with amendments 7-1-0 on August 28, 2018.

Pursuant to City Charter and state law, adoption of this ordinance will establish the budget for the 2019 fiscal year. The budget ordinance is based on the proposed budget, as adjusted, and as described in Exhibit A, B and C.

The FY2019 Proposed Budget provided to City Council on July 10, 2018 included \$130,720,456 for operations and \$75,402,468 for capital projects for a total appropriation of \$206,122,924. The proposed budget included the following:

- Total estimated effective property tax rate of \$0.5638 per \$100 valuation.
- A personnel budget for 604.00 positions which is a net addition of 10.50 FTE:
  - Two (2) Full-Time Paramedics (2 FTE) in the EMS department,
  - Engineering Technician (1 FTE),
  - Land/ROW Specialist (1 FTE) and Senior Project Manager (1 FTE) in Project Management,
  - Heavy Equipment Operator Crewleader (1 FTE) in Streets/Stormwater,
  - Assistant City Attorney (1 FTE),
  - Web Content Specialist for the Communications Office to be partially funded with HOT Funds (0.75 FTE in General Fund, 0.25 FTE in HOT Fund),
  - GRID Support Specialist (1 FTE) in the Public Safety Technology Fund, and
  - 1.50 FTEs for a Parks Custodian (1 FTE) and a reclassification of a Part-Time Rec Aid to a Full-Time Office Support Specialist (0.50 FTE) for Parks Recreation at Hometown Heroes Park (funded through the 4B sales tax).
- Utility revenue estimated at the rates that have been in effect since November 1, 2015.
- Funding for 2% salary increases effective January 1, 2019 (\$403,162).
- Funding for 2% across-the-board Civil Service cost of living increase for civil service police officers beginning January 2019 (\$157,258).
- STEP raises for police officers based on the 2018 compensation study implementation (\$154,298).
- Funding for additional STEP increases added for police officers at 20 years of service (\$71,583).
- Funding for Superior Employee Performance merit at the City Manager's discretion beginning January 2019 (\$201,581).
- Funding for anticipated health insurance (\$442,000).
- Four (4) new vehicles added to the fleet include a Ford Explorer for the Sergeant position reclassification, Ford F250 ¾ Ton 4x4 Crew Cab Truck for the new Heavy Equipment Operator/Crewleader position, and funded through the Public Access Channel fund, a Ford Explorer and Ford Truck with lift gate for the Communications and IT departments.
- Funding for increased day and night crew staffing at fire stations to seven days a week to improve response times.
- Funding is included for enhanced service levels in the Communications department with programs such as: Annual Report, print material for implementation of Strategic Action Plan, additional funding for outreach to citizens through social media campaign and local even advertising, and training to improve efficiency of website content updates.
- Funding is included for the Project Management Department to contract services for CIP program management to improve training of project managers and increase efficiencies in project delivery.
- Funding for an Investment Advisor to maximize the interest income generated on portfolio assets and to

- pay for the cost of the investment management.
- Anticipated increases in fuel, property insurance, janitorial contract services, and uniform contract services.
- Funding to begin implementation of a program to obtain traffic counts at major intersections and roadways which will assist with planning of future capital projects.
- Funding is included for new initiatives to promote economic development including enhanced business prospecting, membership to Greater Houston Partnership, increased funding in advertising for marketing materials, and an increase in business attraction travel to enhance the City's presence in the market by attending national events.
- Funding in Human Resources to show appreciation for and invest in the City's workforce with programs such as: leadership training for new team leads, employee tent at League City's music festival and service awards.
- Funding for Police Staffing: Although, the FY 2019 budget does not provide for additional sworn police officer positions, the funding in the budget will allow for authorization to "hire over" the current number of authorized officers (124) by 6.
- Funding for the first year (FY 2019) of the 2019-2023 Capital Improvement Program as reviewed by City Council at \$75.40 million. A 2019 bond issue of \$13.64 million will be required to fund the capital program for FY2019.

### **Changes to the Proposed Budget**

The City Council held a series of work sessions on July 23, July 30, July 31, and August 7, and a Public Hearing on August 14. As a result of these discussions, the proposed budget has been adjusted. The revised appropriation of \$207,889,007 is \$1,766,083 more than the July 10 proposed budget of \$206,122,924.

	<b>July 10, 2018</b>	<b>August 28, 2018</b>	<b>Difference</b>
<b>OPERATING BUDGET</b>	<b>\$ 130,720,456</b>	<b>\$ 131,058,539</b>	<b>\$ 338,083</b>
<b>CAPITAL BUDGET</b>	<b>\$ 75,402,468</b>	<b>\$ 76,830,468</b>	<b>\$1,428,000</b>
<b>GRAND TOTAL</b>	<b>\$ 206,122,924</b>	<b>\$ 207,889,007</b>	<b>\$1,766,083</b>

Exhibit A to the ordinance outlines the operating budget which includes funding for:

·	two (2) new Street Maintenance Workers (Streets)	\$68,436	
·	reclassification for a Public Works Supervisor (Streets)	\$12,059	
·	reclassification for a Public Works Supervisor w/vehicle (Streets)	\$50,485	
·	a new Library Circulation Clerk (Library)	\$40,052	
·	a new Library Volunteer Coordinator (Library)		\$54,183
·	a new Library Technical Service Clerk (Library)	\$42,511	
·	a new Human Resources Senior Risk Analyst (HR)	\$70,357	

The changes above represent a personnel budget for 610.00 positions which is a net addition of 14.50 FTE from FY2018 year-end estimated 595.50 FTE.

Exhibit B to the ordinance outlines the capital budget which includes funding for:

·	I-45 Frontage Road to Hobbs Connector	\$53,000
·	Clear Creek/Dickinson Bayou Drainage	\$500,000
·	Harvey Mitigation Projects	
	\$500,000	
·	East Side Dog Park	
	\$200,000	
·	Ghirardi House Renovation	
	\$175,000	

### **First Reading Changes**

City Council held a first reading of the budget ordinance on August 28, 2018. The proposed ordinance was amended to maintain the current tax rate of \$0.5638. The budget ordinance was adjusted as follow:

Exhibit A to the budget ordinance reflects no additional changes to the proposed budget presented to council on August 28, 2018.

Exhibit B to the budget ordinance outlines the capital budget which includes changes from the August 28<sup>th</sup> meeting. City Council voted to remove phase 2 of the dog pond from the Dog Park located on 3.5 acres of the former Countryside Wastewater Treatment Plant. The removal of the dog pond from FY2019 Capital Budget is a net decrease of \$130,000. The changes to FY2019 Capital Budget are reflected in the table below:

	<b>Proposed Budget</b>	<b>1st Reading Changes</b>	<b>Budget Ordinance</b>
<b>OPERATING BUDGET</b>	<b>\$ 131,058,539</b>	<b>\$ 0</b>	<b>\$ 131,058,539</b>
<b>CAPITAL BUDGET</b>	<b>\$ 76,830,468</b>	<b>\$ &lt;130,000&gt;</b>	<b>\$ 76,700,468</b>
<b>GRAND TOTAL</b>	<b>\$ 207,889,077</b>	<b>\$ &lt;130,000&gt;</b>	<b>\$ 207,759,007</b>

### **Second Reading and approval of the Budget**

Council approved the first reading with amendments 7-1-0 on August 28, 2018. The Charter requires the budget to be approved by at least ten (10) days before the beginning of the fiscal year, which is September 20th.

#### **ATTACHMENTS**

1. Data Sheet
2. Proposed Ordinance with Exhibits A, B and C

#### **STRATEGIC PLANNING**

{X} Addresses Strategic Planning Critical Success Factor #2 and Initiative #3E