FY 2023 Proposed Budget Public Hearing

PUBLIC HEARING PRESENTATION

AUGUST 15, 2022

Budget Calendar

May 5	City Council Pre-Budget Planning Workshop
July 18	Initial Proposed Budget Presented
Aug. 1	Budget Workshop #1
Aug. 15	**Public Hearing - Budget**
Aug. 15	**Budget Workshop #2**
Aug. 16	**Budget Workshop #3**
Sept. 19	**Budget Adoption / Propose Tax Rate**
Oct. 3	**Public Hearing - Tax Rate (if necessary)**
Oct. 3	**Adopt Tax Rate**

Budget Themes

Navigating the Waves of Change

- Address challenges
- Provide solutions to identified needs
- Hold nominal tax rate flat
- Maintain structural balance and reserve requirements now and in the future
- Employee Retention
- Discuss budget topics and receive Council direction in budget workshops
- Q&A through email: FY2023Budget@bellairetx.gov

General Fund Overview

Forecast Category (Figures shown in millions)	FY 2021 Actuals	FY 2022 Amended	FY 2022 Projected	FY 2023 Proposed
Beginning Fund Balance	$ 5.56	$ 5.26	$ 6.05	$ 11.64
Recurring Revenue	$ 21.33	$ 23.16	$ 23.30	$ 23.93
Non-Recurring Revenue	$ 1.08	$ 0.01	$ 4.90	$ 0.00
Recurring Expenditures	$ 20.62	$ 22.27	$ 21.73	$ 23.70
Transfer - Vehicle/Equipment Replacement	$ 0.42	$ 0.64	$ 0.64	$ 1.03
Transfer - CIP Contribution	$ 0.00	$ 0.15	$ 0.15	$ 3.67
Non-Recurring Expenditures	$ 0.89	$ 0.00	$ 0.00	$ 0.00
Ending Fund Balance	$ 6.04	$ 5.37	$ 11.74	$ 7.28
60-Day Balance Requirement	$ 3.44	$ 3.71	$ 3.62	$ 3.95
Over/(Under) 60-Day Requirement	$ 2.60	$ 1.66	$ 8.12	$ 3.33

General Fund – Department Summaries

Department	FY 2022 Amended	FY 2023 Proposed	Increase / (Decrease)	Increase / (Decrease)
CMO (Admin, IT, HR, City Clerk)	$ 2,877,196	$ 3,106,760	$ 229,564	8%
Finance and Courts	$ 1,862,112	$ 1,991,260	$ 129,148	7%
Legal	$ 105,000	$ 105,000	$ 0	0%
Development Services	$ 1,250,871	$ 1,532,802	$ 281,931	23%
Fire	$ 3,501,127	$ 3,565,053	$ 63,926	2%
Police	$ 6,720,580	$ 7,235,657	$ 515,077	8%
Parks, Recreation, and Facilities	$ 3,979,011	$ 4,083,430	$ 104,419	3%
Library	$ 796,655	$ 837,702	$ 41,047	5%
Public Works-Streets	$ 1,324,442	$ 1,388,570	$ 64,128	5%
Non-Departmental	$ (150,000)	$ (150,000)	$ 0	0%
Total	**$ 22,266,994**	**$ 23,696,234**	**$ 1,429,240**	**6%**

Enterprise Fund Overview

Forecast Category (Figures shown in millions)	FY 2021 Actuals	FY 2022 Amended	FY 2023 Projected	FY 2023 Proposed
Beginning Working Capital Balance	$ 2.09	$ 1.56	$ 1.71	$ 1.76
Recurring Revenue	$ 9.39	$ 10.41	$ 10.50	$ 10.97
Recurring Expenses	$ 6.71	$ 7.98	$ 8.07	$ 8.30
Transfer - Debt Service Fund	$ 2.21	$ 2.13	$ 2.13	$ 2.12
Transfer - CIP Contribution	$ 0.50	$ 0.20	$ 0.20	$ 0.66
Transfer - Vehicle/Equipment Replacement	$ 0.36	$ 0.05	$ 0.05	$ -
Non-Recurring Expenditure	$ 0.02	$ -	$ -	$ -
Ending Working Capital Balance	$ 1.71	$ 1.61	$ 1.76	$ 1.65
60-Day Balance Requirement	$ 1.19	$ 1.33	$ 1.34	$ 1.38
Over/(Under) 60-Day Requirement	$ 0.59	$ 0.28	$ 0.42	$ 0.26

Enterprise Fund – Department Summaries

Department	FY 2022 Adopted	FY 2023 Proposed	Increase / (Decrease)	Increase / (Decrease)
Utility Billing	$ 330,921	$ 346,695	$ 15,774	5%
Water Production	$ 417,011	$ 423,166	$ 6,155	1%
Water Distribution	$ 564,340	$ 641,818	$ 77,478	14%
Surface Water	$ 2,340,300	$ 2,428,300	$ 88,000	4%
Wastewater Collection	$ 691,342	$ 630,118	$ (61,224)	(9%)
Wastewater Treatment	$ 793,617	$ 892,041	$ 98,424	12%
Solid Waste	$ 1,681,717	$ 1,731,164	$ 49,447	3%
Non-Departmental	$ 1,159,125	$ 1,211,000	$ 51,875	4%
Total Operating Expenses	**$ 7,978,373**	**$ 8,304,302**	**$ 325,929**	**4%**

Debt Service Fund Overview

(in millions, except tax rate)	FY 2021 Actuals	FY 2022 Adopted	FY 2022 Projected	FY 2023 Proposed
Beginning Fund Balance	$ 0.56	$ 0.63	$ 0.66	$ 0.67
Property Tax Revenue	$ 7.50	$ 7.46	$ 7.47	$ 7.48
Transfer from Utility Fund	$ 2.21	$ 2.13	$ 2.13	$ 2.12
Principal Payment Expenditures	$ 5.68	$ 6.00	$ 6.08	$ 6.25
Interest Payment Expenditures	$ 3.92	$ 3.63	$ 3.51	$ 3.33
Other Expenditures	$ 0.01	$ 0.01	$ 0.02	$ 0.02
Net Refunding Activity	$ 0.00	$ -	$ 0.01	$ -
Ending Fund Balance	$ 0.66	$ 0.59	$ 0.67	$ 0.67
Year-End General Obligation Bond Debt*	$ 110.8	$ 110.8	$ 104.9	$ 104.7
Debt Tax Rate (per $100)	$ 0.1558	$ 0.1514	$ 0.1514	$ 0.1505

* Assumes a FY 2023 issuance of $6 million of remaining BBB 2016 bond authority for streets/drainage projects.

Potential Tax Rate Scenarios

Tax Rate Scenario	Rate	Assessed Value	Tax Revenue (a)	Additional Revenue Over Proposed Rate	Impact on Average Bellaire Home (b)
Proposed Tax Rate	$0.4473	$5,138,167,772	$22,983,024	$0	$0
No New Revenue Tax Rate	$0.4341	$5,138,167,772	$22,304,786	($678,238)	($98)
Voter-Approval Tax Rate (Includes Increment Rate)	$0.4809	$5,138,167,772	$24,709,449	$1,726,424	$249
De Minimis Tax Rate (Authorized for Small Cities-$500k increase)	$0.4483	$5,138,167,772	$23,034,406	$51,382	$7

(a) These revenue estimates reflect only a very minor reduction for non-collection. Actual revenues realized using these tax rates might be lower.
(b) Impact of statutory rates as compared to the proposed tax rate of $0.4473. Assumes $928,035 valued home with a standard homestead exemption (taxable value after exemption = $742,428).

Proposed Tax Rate Breakout

Tax Rate Component/Measure	FY 2022 Certified	FY 2023 Certified Estimate	Increase / (Decrease)	Increase / (Decrease)
Assessed Taxable Value	$4,977,622,968	$5,138,167,772	$160,544,804	3.23%
O&M Rate	$0.2959	$0.3015	$0.0056	1.89%
O&M Revenue	$14,434,211	$15,181,744	$747,534	5.18%
Debt Service Rate	$0.1514	$0.1458	($0.0056)	(3.70%)
Debt Service Revenue	$7,385,399	$7,341,620	($43,799)	(0.59%)
Total Rate	$0.4473	$0.4473	$0.0000	0.00%

FY 2023 Budget Consideration Items

Non-Recurring Items – General Fund

Description	Impact Amount
Finance	
Laptops	6,000
Human Resources	
Compensation Study	60,000
Staff Model Study	40,000
Parks, Recreation & Facilities	
Exterior of Evelyn's Park Building	23,000
Police	
Body Worn Camera System	335,207
Total Proposed Non-Recurring Expenditures	**$464,207**

FY 2023 Budget Consideration Items

Recurring Non-Personnel Items – General Fund

Description	Impact Amount
City Manager's Office	
Civic Plus Virtual Webmaster	$5,700
Civic Plus Mobile Smartphone App	7,132
Recollect Recycling Smartphone App	20,000
Library	
Overdrive Advantage	4,000
Development Services	
Professional Services Supp Request	100,000
Fire	
Staffing of 2nd Medic Unit	354,155
Firefighter Bunker Gear	28,812
Rescue Bags	24,800

FY 2023 Budget Consideration Items

Recurring Non-Personnel Items – General Fund

Description	Impact Amount
Human Resources	
Workshield	$7,560
Information Technology	
Cybersecurity Tools	15,000
Business Continuity	120,000
Business Intelligence	85,000
Hardware Replacement	75,000
PD Voice Recording - Additional Switch	9,000
Mobile Device Management	15,000
Parks, Recreation & Facilities	
Spring Youth Volleyball	5,000
Spring Break Camp Paseo	7,600
BLIFE Bus Trips	18,000

FY 2023 Budget Consideration Items

Recurring Non-Personnel Items – General Fund

Description	Impact Amount
Police	
Flock Camera - Phase 2	$25,000
Replace Active Shooter Plate Carriers	19,000
Total Proposed Recurring Expenditures	**$945,759**

FY 2023 Budget Consideration Items

Recurring Personnel Items – General Fund

Description	Impact Amount
City Manager's Office Recommends Council Approval	
Fire	
Part Time Fire Marshall/Fire Inspector	$25,000
Human Resources	
New Position - Senior Human Resources Coordinator	112,184
Reclassification - HR Coordinator to Senior HR Coordinator	4,836
Information Technology	
Staff Increase	83,502
Total	**$225,522**

FY 2023 Budget Consideration Items

Recurring Personnel Items – General Fund

Description		Impact Amount
City Manager's Office Recommends Addressing During Compensation Study		
Parks, Recreation & Facilities		
Reclassify Recreation Supervisor BLIFE/Special Events		$5,000
Police		
Police Supervision Formalization & Addition		24,560
CID Sergeant		3,650
Addition of One New Telecommunicator		54,890
Creation of Lead Telecommunicators		16,810
	Total	**$104,910**

Total Proposed Personnel General Fund Expenditures	**$330,432**

FY 2023 Budget Consideration Items

Recurring Personnel Items – Enterprise Fund

Description	Impact Amount
City Manager's Office Recommends Council Approval	
Public Works - Solid Waste	
Additional Staffing - two laborers	$117,000

Total Proposed Personnel General Fund Expenditures	**$117,000**