

AGENDA STATEMENT

City of Bellaire

MEETING: City Council - Aug 07 2023

PREPARED BY: Todd Gross

DEPARTMENT: Finance

ITEM TITLE:

Public hearing regarding the proposed budget for the City of Bellaire, Texas, for the fiscal year beginning October 1, 2023, and ending September 30, 2024 (FY 2024 Budget) - Submitted by Sharon Citino, City Manager.

RECOMMENDATION:

Sharon Citino, Citino Manager, recommends that City Council conduct the public Hearing.

BACKGROUND/SUMMARY:

On July 17, 2023, City Council adopted Ordinance No. 23-054 calling a public hearing before the City Council of the City of Bellaire, Texas to receive written and oral comments on the City's proposed budget for the fiscal year beginning October 1, 2023, and ending September 30, 2024 (FY 2024 Budget). The hearing was scheduled for Monday, August 7, 2023, at 6:00 p.m., in the City Council Chamber, First Floor of City Hall, 7008 South Rice Avenue, Bellaire, Texas 77401.

PREVIOUS COUNCIL ACTION:

On July 17, 2023, Ordinance No. 23-054 was approved, calling the public hearing on the FY 2024 proposed budget

CITY ATTORNEY REVIEW:

Yes No

Proposed FY 2024 Budget Public Hearing

Sharon Citino, City Manager
Terrence Beaman, Chief Financial Officer
August 7, 2023

Proposed FY 2024 Budget

Objectives:

- Advance City Council's strategic goals
- Meet legal requirements
- Hold nominal tax rate flat
- Maintain structural balance and reserve requirements

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Proposed FY 2024 Budget

Projected Impacts:

- Increased property tax revenue
- Increased sales tax revenue
- Inflation
- Increased pension benefit costs
- Increased medical benefit costs

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Proposed FY 2024 Budget

Additional Impacts:

- Public Works facility lease
- Position pay for Fire Department personnel

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Proposed FY 2024 Budget

Appropriation:

• General Fund	\$27,068,550
• Enterprise Fund	\$11,669,200
• Debt Service Fund	\$9,599,554
• VET Fund	\$664,400
• Capital improvement funds	\$11,011,926
• Special Revenue Fund	\$668,060
Total	\$60,681,690

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Proposed FY 2024 Budget

Includes:

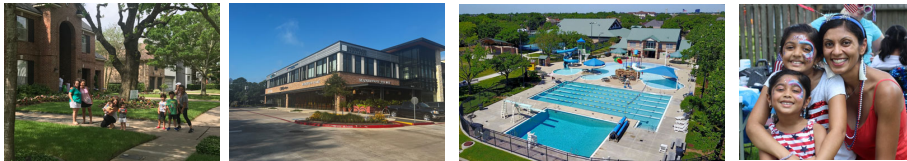
- Supplemental Requests – General Fund of \$87,950
- Supplemental Requests – VET Fund of \$488,900
- 10% increase in water rates
- 10% increase in wastewater rates
- 7% increase in solid waste rates
- 4% COLA
- No Step

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Proposed FY 2024 Budget

Big Picture: Our Purpose

To enhance the quality of life for our citizens by providing services and amenities that make Bellaire a great place to live, work, play, and raise a family



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Proposed FY 2024 Budget

Strategic Goals:

- Community
- Governance
- Infrastructure & Asset Management
- Public Safety
- Land Use & Zoning

www.bellairetx.gov/strategicplan



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Proposed FY 2024 Budget

Legal Requirements:

- Federal laws & regulations
- State laws & regulations
- Local regulations
- Permitting

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Proposed FY 2024 Budget

Tax Rate:

	FY 2023 Actual	FY 2024 Proposed
Tax Rate	\$0.4473	\$0.4473
Voter-Approved Rate	\$0.4505	\$0.4554
No-New Revenue Rate	\$0.4346	\$0.4304

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Proposed FY 2024 Budget

Structural Balance:

- Recurring revenues \geq recurring expenditures
- Meet minimum reserve requirements

Reserve Requirements:

- 60 days of normal operating expenditures

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Proposed FY 2024 Budget

Personnel Considerations:

- Reduced FTEs from 190 to 189
- Pension benefit cost increase by 9%
- Medical benefit cost increase of up to 13%
- 4% COLA
- No Step

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Proposed FY 2024 Budget

General Fund Revenues:

	FY 2022 Actual	FY 2023 Amended	FY 2023 Projected	FY 2024 Proposed
Property Taxes	\$ 14,639,525	\$ 15,488,500	\$ 15,542,600	\$ 16,500,000
Franchise Fees	1,259,710	1,205,000	1,241,600	1,199,000
Sales Tax	3,251,880	3,173,000	3,489,500	3,525,000
Permits and Licenses	1,352,029	1,394,200	1,601,600	1,535,800
Fines	407,081	445,000	387,405	381,000
Recreation Fees	945,073	936,450	952,850	1,174,150
Investment Income	71,748	390,000	400,500	410,000
Public Safety	406,673	423,812	406,355	406,900
Miscellaneous	49,997	17,455	46,255	30,950
Business Enterprise Transfer	1,073,000	1,111,000	1,111,000	1,167,000
Recurring Revenues	23,456,716	24,584,417	25,179,665	26,329,800
Insurance Reimbursements	-	-	-	-
Reimbursement of Disaster Expenditures	4,912,561	-	-	-
Non-Recurring Revenues	4,912,561	-	-	-
Total Revenues	\$ 28,369,277	\$ 24,584,417	\$ 25,179,665	\$ 26,329,800

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Proposed FY 2024 Budget

General Fund Expenditures:

	FY 2022 Actual	FY 2023 Amended	FY 2023 Projected	FY 2024 Proposed
City Manager's Office	\$ 2,346,723	\$ 3,504,738	\$ 3,297,628	\$ 3,553,081
Finance and Courts	1,739,142	1,994,800	1,870,095	2,145,607
Legal Service	94,713	105,000	135,000	166,000
Development Services	1,131,245	1,526,420	1,413,196	1,490,105
Fire	3,670,845	3,616,075	3,755,692	4,124,686
Police	6,588,435	7,285,325	7,524,159	7,939,391
Library	715,370	841,853	783,370	883,290
Public Works	1,167,333	1,387,494	1,206,173	1,385,838
Parks, Recreation, and Facilities	3,981,531	4,178,869	4,345,187	4,516,102
Non-Departmental: Vacancy Savings	-	(200,000)	-	(300,000)
Recurring Expenditures	21,435,337	24,240,574	24,330,500	25,904,100

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Proposed FY 2024 Budget

General Fund Expenditures:

	FY 2022 Actual	FY 2023 Amended	FY 2023 Projected	FY 2024 Proposed
Human Resources - Compensation Study	\$ -	\$ 60,000	\$ -	\$ 60,000
Human Resources - Staff Model Study	-	40,000	-	40,000
Development Services - Services Supplement	-	100,000	-	-
Fire - Rescue Bags	-	24,800	-	-
Police - Body Worn Camera System	-	252,000	-	-
Non-Departmental: Disaster Recovery	27,902	-	7,000	-
Non-Recurring Expenditures	27,902	476,800	7,000	100,000
Capital Improvement Fund	150,000	3,670,000	3,670,000	175,000
Vehicle, Equipment, and Technology Fund	635,060	1,030,000	1,030,000	801,500
Transfers	785,060	4,700,000	4,700,000	976,500
Supplemental Expenditure Requests				87,950
Total Expenditures and Transfers Out	\$ 22,248,299	\$ 29,417,374	\$ 29,037,500	\$ 27,068,550

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Proposed FY 2024 Budget

Enterprise Fund Revenues:

	FY 2022 Actual	FY 2023 Amended	FY 2023 Projected	FY 2024 Proposed
Water Sales	\$ 5,430,075	\$ 5,663,950	\$ 5,700,900	\$ 6,251,300
Wastewater Services	3,240,336	3,289,650	3,279,300	3,617,600
Solid Waste - Garbage and Brush Pickup	1,779,612	1,867,800	1,879,300	1,999,800
Miscellaneous	155,541	141,640	154,700	130,800
Operating Revenues	10,605,564	10,963,040	11,014,200	11,999,500
Investment Income	3,135	20,500	6,000	20,500
Non-Operating Revenues	3,135	20,500	6,000	20,500
Total Revenues	\$ 10,608,699	\$ 10,983,540	\$ 11,020,200	\$ 12,020,000

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Proposed FY 2024 Budget

Enterprise Fund Expenses:

	FY 2022 Actual	FY 2023 Amended	FY 2023 Projected	FY 2024 Proposed
Water Production	\$ 375,750	\$ 434,419	\$ 426,550	\$ 428,305
Water Distribution	505,999	633,960	521,655	567,791
Utility Billing	286,146	347,086	320,178	375,572
Surface Water	3,050,179	2,428,300	3,042,155	2,827,300
Wastewater Collection	514,655	630,321	579,600	706,817
Wastewater Treatment	815,067	897,913	858,895	1,003,909
Solid Waste - Garbage & Brush Pickup	1,571,490	1,777,254	1,763,437	1,746,250
Non-Departmental: Vacancy Savings	-	(75,000)	-	(150,000)
Non-Departmental: Banking Fees	-	-	700	-
Non-Departmental: Credit Card Fees	106,074	100,000	130,000	135,000
Non-Departmental: Transfer to General Fund	1,073,000	1,111,000	1,111,000	1,167,000
Operating Expenses	8,298,360	8,285,253	8,754,170	8,807,944

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Proposed FY 2024 Budget

Enterprise Fund Expenses:

	FY 2022 Actual	FY 2023 Amended	FY 2023 Projected	FY 2024 Proposed
Transfer to Debt Service Fund	\$ 2,133,946	\$ 2,115,830	\$ 2,115,830	\$ 2,111,256
Transfer to Capital Improvement Program	200,000	660,000	660,000	750,000
Transfer to Vehicle and Equipment Replacement Fund	46,300	-	-	-
Transfers	2,380,246	2,775,830	2,775,830	2,861,256
Supplemental Expense Requests				-
Total Expenses and Transfers Out	\$ 10,678,606	\$ 11,061,083	\$ 11,530,000	\$ 11,669,200

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Proposed FY 2024 Budget

Supplemental Requests – General Fund (Included):

• Maintenance of 10 Flock cameras	\$25,000
• Reclassification of 4 COs to Lead COs	\$25,300
• New Forerunner floodplain management software	\$30,000
• New Library mobile application	\$7,650
Total	\$87,950

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Proposed FY 2024 Budget

Supplemental Requests – VET Fund (Included):

• Replacement of 10 Police radios	\$50,000
• Replacement of 5 Fire ballistic vests & helmets	\$7,500
• New equipment for second EMS unit	\$121,400
• New ADA-compliant Library door	\$20,000
• New bedliners, racks, locking toolboxes for Public Works	\$20,000
• Replacement garbage truck	\$270,000
Total	\$488,900

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Proposed FY 2024 Budget

Funding for Capital Improvement Projects:

- Cypress Ditch improvements
- Water line, valve, and hydrant replacements
- Wastewater line replacements
- Wastewater treatment plant improvements
- Building plans and improvements
- Park improvements
- Traffic, street, and sidewalk improvements

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Proposed FY 2024 Budget

Previous Steps:

- July 17 – Budget presented

Next Steps:

- Aug 7 – Workshop
- Aug 14 – Workshop #2 (if needed)
- Sep 18 – Budget adoption
- Oct 2 – Public hearing on tax rate, tax rate adoption

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Thank You

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