



Legislation Text

File #: DIS 16-144, **Version:** 1

Discussion of issues relating to the Fiscal Year 2016-2017 Final Budget.

Summary:

The key dates in the development of the FY 2016-2017 Budget were as follows:

- March 28, 2016: Staff budget kick-off meeting.
- March 28 - May 2, 2016: Preparation of departmental budget requests.
- May 2 - May 20, 2016: City Manager/Assistant City Manager/Finance Director Meetings with Department Heads to discuss FY 2015-2016 budget estimates and FY 2016-2017 budget requests.
- July 6, 2016: City Council budget workshop.
- July 28, 2016: City Manager submitted the Proposed FY 2016-2017 Budget. Council called a public hearing.
- August 9, 2016: Council conducted public hearing on the proposed FY 2016-2017 Budget.

The City Charter states that the budget shall, by ordinance, be adopted no later than the last regular meeting in September of each year. Therefore, it's now time for Council to adopt the Final FY 2016-2017 Budget. Subsequent to the public hearing on the budget, it has become necessary to include certain changes in the Final budget document. These changes are primarily items that were budgeted, but not completed in FY 2015-2016. The City Charter states that after the public hearing, but before final adoption of the proposed budget, the Council may delete or insert items of expenditure or may increase or decrease the amount of any item of expenditure, except those fixed by law. The following are changes from the Proposed FY 2016-2017 Budget presented to Council on July 30, 2016:

General Fund: The total increase of \$999,644 represents a \$721,148 a transfer to the Capital Improvements Fund for street projects (being funded by the increase in current tax revenue); \$256,125 for capital expenditures, including \$200,000 for the completion of the "ring road" at the maintenance facility that is currently budgeted but will not be completed in the current fiscal year; \$15,171 for additional personnel costs, and \$7,200 for other administrative costs.

Special Revenue Funds: The total increase of \$15,171 represents the increased transfer to the General Fund for reimbursement of personnel costs funded by (1) the Hotel/Motel Tax for additional marketing efforts and (2) the Municipal Court Fund for overtime related to an additional bailiff when court is in session.

Water/Sewer Fund: The total increase of \$1,291,110 represents \$1,141,110 for capital expenditures on projects funded in the current budget that will not be completed during the current fiscal year and \$150,000 for a cost share with Harris County for a generator that, while funded by a grant received by Harris County, will exceed the total amount of the grant.

Storm Water Fund: The net decrease of \$23,812 results from the reclassification of drainage projects to the Capital Improvements Fund. With that reclassification, this budget now includes a contingency amount for current or future drainage projects.

Capital Improvements Fund: The total increase of \$851,148 represents the additional \$721,148 for street projects (being funded by a transfer from the General Fund) and \$130,000 for drainage projects that are currently budgeted but will not be completed in the current fiscal year.

With these changes, the final proposed budgeted expenditure totals by fund are summarized below:

General Fund - \$38,524,072

Special Revenue Fund - \$1,738,594 (includes \$535,500 for grants)

Debt Service Fund - \$6,689,214

Water & Sewer Fund - \$12,189,299

Storm Water Utility Fund - \$351,000

Golf Course Lease Fund - \$120,000

Capital Improvements Fund - \$3,198,148

TOTAL ALL FUNDS - \$62,810,327

It should be noted that the FY 2016-2017 budgets for the Crime Control and Prevention District ("CCPD"), the Fire Control, Prevention, and EMS District ("FCPEMSD"), and the Deer Park Community Development Corporation ("DPCDC") were adopted pursuant to applicable laws and are in addition to the amounts above. These budgets, which reflect total expenditures of \$1,320,000 for CCPD, \$1,636,312 for FCPEMSD, and \$3,296,596 for DPCDC, are included in the City's budget document as "component units."

Fiscal/Budgetary Impact:

Discussion only during Workshop. A proposed ordinance adopting the FY 2016-2017 Budget is included on the September 20, 2016 Regular Council Meeting Agenda.