

Office of the City Manager

City of Richland Hills, Texas

Memorandum

To: Honorable Mayor Bill Agan and members of the Richland Hills City Council
From: Eric Strong, City Manager
Date: March 3, 2015
Subject: Budget Process

Council Action Requested:

No Action – Discussion Only

Background Information:

We are nearing the time in which we start working on our annual budget process once again. Last year, we started the budget process with a “kickoff meeting” with the council. The purpose of the meeting was to get input from the City Council on types of items that you would like to see in the budget. We do this before staff starts working on the budget so that we can attempt to address council priorities up front, and not be left scrambling to fit them in once staff has already created the budget.

This process worked well last year, and I would like to do the same thing this year. I would like to discuss the best timing to conduct budget meetings with council. Since I have been here, they have generally occurred during the day. This may or may not work, and it might be more convenient for council to hold these meetings in the evenings. If so, we will need to discuss whether you are comfortable doing these meetings on regular council nights as part of a worksession, or if you would prefer entirely separate nights for these types of meetings.

I would like to conduct the first council kickoff meeting for some time in the next three to four weeks. We will discuss what works best for your schedules and try to figure out an appropriate time.

Included with this memo, for informational purposes only, is a budget schedule that we used last year. This will help you understand key dates and steps in the process this year. The schedule this year will be very similar. Also attached is a memo that summarized the main objectives and takeaways from last year’s budget kickoff meeting. The purpose of the memo was to recap the

council priorities, and explain whether or not they were ultimately included in the draft budget and if not, why they were left out. This might help you to start thinking about the types of suggestions and direction that we are looking for at the staff level.

Board/Citizen Input: N/A

Financial Impact: N/A

Staff Contacts:

Eric Strong
City Manager
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Attachments: Prior Year Budget Calendar
Prior Year Objectives Memo



CITY OF RICHLAND HILLS, TEXAS

MANAGER'S MEMO

Date: April 4, 2014
To: Department Heads
From: Eric Strong, City Manager

Outlined below is a proposed schedule for the budget process over the next several months.

April 8th – Kickoff meeting with Council at 3:00 p.m. Although not required, Department Heads are welcome to be in attendance.

April 11th – Budget paperwork and guidance distributed to Department Heads.

May 16th – Departmental Budgets due to Finance Office.

June 4-6th (TENTATIVE) – Department Heads and CM will meet **as a group** to go over departmental budgets. These meetings will occur from 9 a.m. to noon.

June – Draft budget prepared by CM and Finance Director

July 22 (TENTATIVE) – Draft budget presented to Council at a Council Worksession

August – Continued Council Worksessions

August 12 (PROPOSED) – Town Hall Meeting on Budget

September 16th (PROPOSED) – Budget Adoption



CITY OF RICHLAND HILLS, TEXAS

MANAGER'S MEMO

Date: July 9, 2014
To: Mayor and City Council
From: Eric Strong, City Manager

Attached to this memo is a draft copy of the FY 2014-2015 operating budget. We will have our first budget meeting to review this document on Tuesday, July 15th. The date and timing of any future meetings will be determined based on the progress we make at the first meeting. The remainder of this memo outlines various council initiatives that were identified at our budget worksession on April 8th and their respective status within the budget.

As staff has gone through the budget process this year, we have made a concerted effort to address as many of these items as possible. Listed below are the items that were discussed and their status within the draft budget that is being presented to you.

- **Code Enforcement:** Council identified a desire to see increased emphasis placed on Code Enforcement. In the Code Enforcement budget, a total of \$60,000 has been allocated to address this priority. This is a substantial increase over previous years, but it should help us to move forward with gaining compliance on Code Issues. Part of this funding might be dedicated to a program known as 6 Stones, which was also identified as something Council wanted to evaluate. The level of funding included will allow the Council to make a determination about whether or not 6 Stones is the right program for us, or whether we should be focusing on other Code related initiatives.
- **Senior Lunch:** Council wanted to ensure there was adequate funding for the Senior Lunch. After a review, it is believed that the current funding level of \$8,000 is sufficient for the program. \$8,000 allows for \$667 per month.
- **New Budget Software:** Currently staff uses several Excel spreadsheets to create and update the budget. This causes some difficulties in making quick changes and understanding the impact of those changes in an efficient timeframe. Staff has researched and found a program that is being purchased in the current year budget with some available funding. There will be a renewal for this program annually at a cost of \$7,500. This funding is in the Administration budget.
- **FD Equipment:** Council recognized the need to evaluate the effectiveness of the Quint. As you are aware, we have moved forward on this already by placing the Quint for sale to see what interest there is. If we are able to sell it for a worthwhile price, we will move forward with purchasing a new vehicle. Funding has not yet been allocated due to various unknowns. However, it is a project that is being worked on currently.
- **Street Improvements:** Staff has identified two funding streams to improve streets. In the Street Budget we have increased the amount we dedicate to street repairs by \$20,000



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with the intent of doing more localized, small repairs to various streets. We have also dedicated funding out of the Oil and Gas fund in the amount of \$200,000 to do some more major, inclusive street repairs. Staff has suggestions on various projects, but we will need to have a Committee Meeting with the Transportation Committee and have discussions with the full Council before determining exactly which streets we would apply this toward.

- Clean Up behind Fuel Station "AJ's": This was brought up, and is in progress currently. I think the bigger issue is really a comprehensive clean-up of the City as a whole. Staff has recently undertaken an initiative to conduct more comprehensive sweeps of the city using existing resources. No additional funding is required, apart from the previously mentioned additional funds for Code Enforcement.
- Historical Society: It was requested that we work with the Historical Society to ensure that funding was applied for again. Funding has been left in the budget to deal with any potential unknowns with the Historical Society; however, they are currently boxing up items for storage and preparing for their temporary move into storage.
- Building Demolition: The buildings north of the Community Center are scheduled to be demolished in the current budget year with available funds. As such, there is no funding set aside in the proposed budget.
- Mixed Use/TOD Project: The proposed budget has allocated \$65,000 for a consultant to help us refine our vision and establish a plan for how to quickly and appropriately transition the mixed use area around the TRE station into a true mixed use development. These funds are budgeted out of our Type B Economic Development Fund.
- Street Signs: \$8,000 is allocated in the budget for the replacement of street signs.
- Monument Signs: At this time, there is no funding in the budget for new Monument Signs. I debated this heavily, but I believe that we are going through a period of transition right now. As we plan our new Community Center, I think we are going to have an opportunity to use that facility as a major rebranding tool. As such, I would like to hold off on redesigning Monument Signs until the Community Center is designed, because I would like the new signs to match the architectural feel of the new building.
- Carpet in Council Chambers: This has been completed in the current year budget.
- Baker Blvd. Signals: Staff evaluated this and determined the appropriate time to address any signalization improvements are with the Baker Blvd. intersection improvements that are scheduled for the next budget year.



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- New Special Event: Staff evaluated this and determined that the timing is not appropriate to add a new event. If a new event is added, staff feels the more appropriate time to do it would be in conjunction with a new community center.
- Bonus/Raise for Employees: A 3% pay increase is budgeted as is a longevity program for employees. In addition, funds are budgeted to conduct quarterly all employee appreciation luncheons.

The above items that were funded, as well as other capital, personnel and program requests are included in the budget with each departmental budget. Each General Fund request has one of the following designations associated with it and marked on the request page:

- **Tier 1:** A Tier 1 Request, if funded by Council, will likely be implemented within the first quarter of the budget year. There is an extremely high level of confidence that these items will occur as currently planned. There is a total of \$51,213 from the General Fund in Tier 1 Requests in the proposed budget.
- **Tier 2:** A Tier 2 Request, if funded by Council, is a request that will likely begin during the first 3-4 months of the budget year. However, these are costs ongoing and phased in over the course of the year. The importance of this distinction is that if projected revenues appear to be falling short as the year progresses, these are costs that can be controlled and reduced. There is a total of \$172,000 from the General Fund in Tier 2 Requests in the proposed budget.
- **Tier 3:** A Tier 3 Request, if funded by Council, is a request that will not occur until the last 3-5 months of the budget year. Although included in the budget, departments will need approval from the City Manager to proceed with these projects, and they will not proceed until toward the end of the year if revenue projections meet expectations. There is a total of \$55,341 from the General Fund in Tier 3 Requests in the proposed budget.