



2017-2018 ADOPTED OPERATIONAL BUDGET

The 2017-2018 City of River Oaks Fiscal Year Budget is a financial plan for 12-months of operations that matches all planned revenues and expenditures with the services provided to the residents of the City of River Oaks based on established budgetary policies.

THIS BUDGET WILL RAISE MORE REVENUE FROM PROPERTY TAXES THAN LAST YEAR'S BUDGET BY \$125,063 DOLLARS WHICH IS A 2.73 PERCENT INCREASE FROM LAST YEAR'S BUDGET.

THE PROPERTY TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR IS \$21,187 DOLLARS.

2017 PROPERTY TAX RATES IN CITY OF RIVER OAKS

THIS YEAR'S PROJECTED PROPERTY TAX REVENUE AT A 98% COLLECTION RATE INCLUDING TAX CEILINGS FROM PREVIOUS YEARS IS \$2,116,132.00 BASED ON ADOPTING THE TAX RATE OF \$0.780000 PER \$100 OF VALUE.

TAX RATE COMPARISON

Last Year (2016-2017 Fiscal Year):

- Effective Maintenance and Operations Tax Rate = \$0.772843 per \$100 of property value
- Rollback Maintenance and Operations Tax Rate = \$0.834670 per \$100 of property value
- Debt Rate = \$0.00
- *Adopted 2016 Maintenance and Operations Tax Rate = \$0.794444 per \$100 of property value*

This Year (2017-2018 Fiscal Year):

- Effective Maintenance and Operations Tax Rate = \$0.734025 per \$100 of property value
- Rollback Maintenance and Operations Tax Rate = \$0.792748 per \$100 of property value
- Debt Rate: \$0.00
- *Adopted 2017 Maintenance and Operations Tax Rate = \$0.780000 per \$100 of property value*

Effective Tax Rate/Effective Maintenance and Operations Tax Rate: the rate that will produce last year's total tax levy as adjusted from this year's total taxable values.

Rollback Tax Rate: the rate that will produce last year's maintenance and operations tax levy as adjusted from this year's value multiplied by 1.08.

Debt Rate: The only city debt obligation secured by property tax is a combination tax and revenue refunding bond paid out of Water Fund; not General Fund so a debt rate is not levied.

PUBLIC HEARING

THE CITY COUNCIL VOTED FOLLOWING THE PUBLIC HEARING LEGALLY PUBLISHED IN ACCORDANCE TO LAW HELD ON SEPTEMBER 5, 2017 AT RIVER OAKS CITY HALL, 4900 RIVER OAKS BLVD. AT 7:00 P.M. TO APPROVE THE ADOPTION OF THE 2017-2018 FISCAL YEAR BUDGET BY A RECORD VOTE OF THE CITY COUNCIL NAMED BELOW:

Councilwoman JoAnn Butler, Place 1, voted "Aye"
Councilman Steve Holland, Place 2, voted "Aye"
Council Member Bruce Scott, Place 3 voted "Aye"
Councilman Joe Ashton, Place 4, voted "Aye"
Councilman Dan Chisholm, Place 5 voted "Aye"

FROM THE OFFICE OF THE RIVER OAKS CITY SECRETARY & TREASURER

2017-2018 FISCAL YEAR CITY OPERATIONAL BUDGETS

To Mayor, City Council and Citizens:

SUMMARY

The budget is a financial plan for 12-months of operations that matches all planned revenues and expenditures with the services provided to the residents of the City based on established budgetary policies. The City Charter as amended establishes the City of River Oaks' fiscal year as being October 1st through September 30th beginning on October 1, 2010.

BUDGET PREPARATION

The City Secretary's Office performs the functions of **preparing and analyzing the 2017-2018 budget**. The budget process is initiated in June with distribution of budget preparation packages to department heads and directors. In July, the City Secretary prepares back-up information for **both the City's Financial Committee and the City Council by scheduling** work sessions to discuss the direction of the budget for the upcoming fiscal year. Work sessions begin in July with the department supervisor to review line items for both the current budget and the proposed budget to determine if service levels were to be maintained, improved, or reduced. Revenues are projected as accurately as possible in order to set priorities for proposed expenditures.

BUDGET BASIS

The City uses a modified zero-based budgeting approach in developing its annual budget. The City Secretary and Department Heads must identify and prioritize programs, projects, and equipment necessary to accomplish their goals and objectives plus those established by City Council. The budget must be developed within the limitations of available resources. Each Department Head is responsible for divisions that are under their scope of authority. Each line item of maintenance and operations are justified on budget worksheets. All capital items are separately identified and justified. The City Council retains final authority on the budget.

PUBLIC HEARING AND BUDGET ADOPTION

A public hearing on the budget is conducted according to state and local laws. Upon receipt of the proposed operational budget for the next 12-months, the City Council set the date for the Public Hearing on September 5, 2017 at 7:00 P.M. for public input on all city operational budgets. *Following that public hearing action was taken to consider adopting the budget under Ordinance # 1162-2017.*

At the hearing, the Council will give all interested persons an opportunity to be heard for, or against, any expenditure account or revenue estimate.

GENERAL FUND PROPOSAL: The General Fund refers to the expenditures and revenues associated with the delivery of services by the city relating to streets, sanitation, fire and police emergency services, inspection services, municipal court, building maintenance, Library, parks and recreation and is funded with property taxes, franchise taxes, consumer taxes, charges & fees and fines and bonds. This year's proposed General Fund budget proposal includes:

- City Operations and Maintenance
- Re-organization of the Fire Department
- Contractual agreements for landfill, commercial garbage collection, liability, property and medical insurance, Computer IT Service, ordinance codification, equipment leases and contract labor
- Other council approved items includes equipment upgrades and events.

This year's general fund expenditures are \$4,739,023 and the revenues are \$4,712,559 which results in a budget in the red by \$26,464.00. This budget does not include any rate increases for residential garbage, permit fees or commercial bulk collection. This budget does not include any additional employees. It does reflect salary adjustments in the amount of \$21,200.66 and a 2% increase for the employees outside of those whose salary was adjusted impacting the budget \$26,462.00. It also reflects an increase in contract labor used for the sanitation trucks and for mowing right of ways, park lands and code work orders.

PROPERTY TAX RATE

This 12-month operational budget must be adopted prior to setting a tax rate. Normally, a property tax rate is proposed by the City Council. The tax rate consists of two components: a rate for funding maintenance and operations expenditures and a rate for debt service. State Property Tax law dictates certain procedures that must be followed when proposing and adopting a tax rate. The City must annually calculate and publicize its "effective tax rate" and "rollback tax rate." The City Council may not adopt a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate until it has held a public hearing on the proposed increase following notice to the taxpayers. The effective tax rate is the rate that will produce last year's total tax levy as adjusted from this year's total taxable values. The rollback tax rate is the rate that will produce last year's maintenance and operations tax levy as adjusted from this year's value multiplied by 1.08 plus a rate that will produce this year's debt service from this year's values divided by the anticipated tax collection rate.

This year's projected revenue is calculated at \$2,116,132 based on a proposal to adopt a tax rate of \$0.780000 per \$100 of value for the next year on a 98% collection rate.

This year's Effective Tax Rate from the 2017 tax rate worksheet is \$0.734025 /\$100 (which would provide approximately \$22,310 more in revenues than last year at a tax rate of \$0.794444/\$100). An average net taxable value per residence this year is \$85,215

compared to \$78,615 in 2016. **The amount of taxes imposed this year on an average home would be \$625.50 at the effective tax rate of \$0.734025.**

Since the City is proposing a tax rate in excess of the effective tax rate at \$0.780000/\$100, the Tax Code does require public hearings since there is a proposed tax revenue increase associated with that rate. The Council can adopt a rate lower but not higher than \$0.780000/\$100. The public hearings were held on August 15th and August 22nd in Council Room at 7:00 P.M.

WATER FUND 2017-2018 FISCAL YEAR BUDGET

The Water Fund refers to the revenues and expenditures allocated to the maintenance, operation and administration of the City's Water and Sewer System and is funded primarily by water and sewer sales. Staff has prepared a **Water Fund Budget** with projected total revenues of **\$3,446,965** and projected total expenditures in the amount of **\$3,442,942** resulting in a **budget balance in the black by \$4,023.00.**

In the Water Fund, after meetings with all department heads, Finance Committee and with the City Council, the enclosed Water Fund budget proposal includes:

- The annual bond payments this year at \$ 815,353 of which \$165,450 will drop off after this year;
- Commence with both water and sewer system improvements funded on a low interest loan from TWDB plus another \$30,000 for sewer line replacement under the 43rd year CDBG program.
- Capital Improvements in the amount of \$83,500
- No increase in Fort Worth wastewater treatment costs as provided for in the wholesale wastewater contract with the City of Fort Worth.
- \$6.63 base rate increase to water rates for the 2017-2018 fiscal year based on a financial study from TWDB that concluded the city only receives 82% of the needed revenues to offset the 2017-2018 expenditures. On a \$100 water bill; the increase would be to \$106.63 amounting to a 6.63% revenue rate increase.

This budget proposal does include a prior year fund balance transfer from Reserves in the amount of \$262,307 to offset the cost of the additional \$649,903 bond payment this year.

ECONOMIC DEVELOPMENT CORPORATION 2017-2018 FISCAL YEAR BUDGET:

The River Oaks Citizens voted in 1995 to create the Economic Development Corporation (EDC) for the purpose of promoting and expanding economic development in the City.

The EDC Board of Directors has submitted a proposed budget for Fiscal Year 2018 with projected total **revenues of \$171,000** and projected **total expenditures in the amount of \$195,750** resulting in a **budget in the red by \$24,750.**

FY 18 budget proposal includes projects as supported from a ½ cent sales tax that have been qualified by the Board of Directors regarding \$ 50,000 in boulevard enhancements, \$100,000 in property and business incentives, \$6,600 in city promotional and another \$1,500 in promotional supplies, \$15,500 in consultant services and \$15,000 for transit service. The remainder of the expenditures are for website maintenance, training, banner maintenance and other miscellaneous costs.

Pursuant to their By-Laws the E.D.C. held a public hearing for Tuesday, August 29th at 6:00 P.M. in the City Council Chambers located at 4900 River Oaks Blvd. for any citizen comments. Following that public hearing, the Board recommended to the city council as the governing body by City Charter to adopt the EDC Budget as presented at the September 5th final public hearing.

CRIME CONTROL AND PREVENTION DISTRICT 2017-2018 FISCAL YEAR BUDGET:

The Crime Control and Prevention District (CCPD) on May 13, 2006 was approved by the voters to be continued for another 20-years supported by ½ cent sales tax for crime reduction within the city and the CCPD has submitted a proposed budget with projected **total revenues of \$172,600 and projected total expenditures of \$169,169** resulting in a **budget IN THE BLACK BY \$3,431.**

FY 18 budget proposal includes as supported from a ½ cent sales tax; the purchase of a new police car package estimated at \$50,000, another \$16,500 for crime software, and \$12,000 for purchasing vests, flairs, body cameras and Tasers. The remainder of the expenditures are for training, insurance, employee costs and other professional services.

The CCPD held a public hearing on Tuesday, August 29th at 6:30 P.M. in the City Council Chambers located at 4900 River Oaks Blvd. for any citizen comments. Following that public hearing, the Board recommended to the city council as the governing body by City Charter to adopt the CCPD Budget as presented at the September 5th final public hearing.

STORM WATER FUND 2017-2018 FISCAL YEAR BUDGET:

The City adopted the Municipal Drainage Utility Systems Act, the same being Subchapter C of Chapter 552 of the Texas Local Government Code by amending the River Oaks Code of Ordinances under Chapter 13 "Utilities" by incorporating Article 13.12 "Storm Water Utility System" that once adopted did establish the River Oaks Municipal Storm Water Utility System establishing storm water charges and monthly storm water Utility System Fees for Residential and Non-Residential customers.

The revenue is projected at \$254,200 in drainage fees for both residential and commercial properties. Revenues total \$ 254,200 and the expenditures are projected at \$254,200 for a balanced budget. The revenues by state statute limit use of these funds to qualified storm water maintenance and improvements.

The Storm Water Task Force (SWTF) has budgeted \$23,950 in labor costs, \$138,160 in drainage maintenance, \$15,000 in supplies, another \$50,000 in consultant fees, \$12,500 in capital improvements, \$ 10,000 in easement acquisitions and the remaining is for publications and other fees.

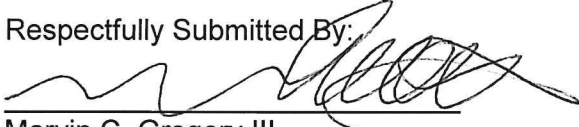
The SWTF held a public hearing for Tuesday, August 22nd at 6:00 P.M. in the City Council Chambers located at 4900 River Oaks Blvd. for any citizen comments. Following that public hearing, the Board recommended to the city council as the governing body by City Charter to adopt the Storm Water Fund Budget as presented at the September 5th final public hearing.

APPROVAL OF ALL CITY BUDGETS:

First, the City Secretary/Treasurer files the proposed budget with the City Council, which was done on August 8, 2017. The City Council then sets the public hearing date of September 5, 2017 for the date to consider approval of all city operational budgets prior to the city council making its 2017 tax levy. The budget draft proposal from the City Secretary/City Treasurer is the final draft of all city budgets following the September 1, 2017 Finance Committee Meeting on Friday.

Following the Public Hearing on September 5, 2017 the City Council took official action on the adoption of the 2017-2018 Operational Budget by adopting Ordinance # 1162-2017 approving all city budgets (General Fund, Water & Sewer Fund, Economic Development Corporation, Crime Control & Prevention District and the Storm Water Fund) as are submitted for the period beginning October 1, 2017 and ending September 30, 2018.

Respectfully Submitted By:


Marvin C. Gregory III
City Secretary/City Treasurer
City of River Oaks