RICHLAND HILLS CITY COUNCIL
REGULAR MEETING AGENDA
SEPTEMBER 13, 2021
CITY HALL, 3200 DIANA DRIVE

The Work Session and Regular Session are open to the public. If Executive Session is required, it will be held in the Council Conference Room, and is closed to the public. Please note that although the Council will generally consider the items on the agenda in the order shown below, they may elect to re-order items in order to accommodate the needs of the Council, city staff, presenters, or the public generally. Therefore, members of the public interested in any agenda item are encouraged to be in attendance at the start of the meeting.

A quorum of the City Council will be present at City Hall. However, some members of the Council may be unable to attend and will be participating by video conference. Like all City Council meetings, the Work Session and Regular Session will be broadcast live over the City of Richland Hills website for those who wish to watch from home.

CITY COUNCIL WORK SESSION – 6:00 PM

1. **Executive Session**: Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Sections 551.071, 551.072, 551.073, 551.074, 551.076, 551.087, 418.183(f) and 418.106(d) & (e). Refer to posted list attached hereto and incorporated herein. **Executive Session may be held, under these exceptions, at any time during the meeting that a need arises for the City Council to seek advice from the City Attorney as to the posted subject matter of this City Council meeting.**

2. 2021 Tarrant County Transportation Bond Program – Commissioner Gary Fickes

3. Richland Hills American Rescue Plan Funding

4. Discuss items listed on tonight’s City Council agenda. No action will be taken and each item will be considered during the Regular Session.

REGULAR SESSION – 7:00 PM

CALL TO ORDER

INVOCATION AND PLEDGES OF ALLEGIANCE

1. PRESENTATIONS

A. Fire Department Badge Pinning Ceremony

B. Employee Service Award

C. Citizen Appearances/Public Comments

Citizen comments emailed to Cathy Bourg (cbourg@richlandhills.com) on an item either listed on this agenda or not listed on this agenda will be heard at this time. Citizens in attendance at the meeting who have signed a card to speak to the City Council will also be heard at this time. In compliance with the Texas Open Meetings Act, unless the subject matter of the presentation is on the agenda, the city staff and City Council members are prevented from discussion of the subject and may respond only with statements of factual information or existing city policy. Public comment will not be taken on items that the Council has previously considered in a public hearing.

2. CONSENT AGENDA

All items listed below are considered to be routine by the City Council and will be enacted with one motion. There will be no separate discussion of the items unless a Councilmember or citizen so requests, in which event the item will be removed from the consent agenda and considered in its normal sequence. Approval of the consent agenda authorizes the City Manager to implement each item in accordance with staff recommendations.

A. Approve minutes from the August 23, 2021 City Council Regular Meeting

B. Review and affirm investment strategy of the City's Investment Policy

3. PUBLIC HEARINGS, MEETINGS, AND OTHER RELATED ITEMS

A. Consider approval and adoption of the Fiscal Year 2022 Crime Control and Prevention District Annual Budget **PUBLIC HEARING**

B. Consider Ordinance 1416-20A approving and adopting the Amended Fiscal Year 2021 Budget **PUBLIC HEARING**

C. Fiscal Year 2022 Tax Rate **PUBLIC HEARING**

D. Fiscal Year 2022 Annual Budget and Multi-Year Capital Improvement Program **PUBLIC HEARING**

E. Consider Ordinance 1434-21A amending Chapter 90 of the Comprehensive Zoning Ordinance of the City of Richland Hills by amending Article 3 to allow for Boarding Houses to be an authorized use by right within specified zoning districts and amending Chapter 91, Article V to establish development standards for Boarding Houses **PUBLIC HEARING**

4. ORDINANCES & RESOLUTIONS AND OTHER RELATED ITEMS

A. None

5. CONTRACTS, AGREEMENTS, BID AWARDS AND OTHER RELATED ITEMS

A. None

6. OTHER ITEMS FOR CONSIDERATION

A. Consider approval of Mental Health Leave Policy

B. Consider approval of Paid Quarantine Leave Policy

7. REPORTS & DISCUSSIONS

A. Library Summer Reading Club Recap

B. Fiesta De Herencia Event Update

C. Discuss proposed revisions to Chapter 70, Article IV. - Parks and Recreation Areas of the City Code of Ordinances

8. COMMUNITY INTEREST ITEMS

This is a standing item on the agenda of every regular meeting of the City Council. (The Texas Open Meetings Act effective September 1, 2009, provides that "*a quorum of the city council may receive from municipal staff, and a member of the governing body may make, a report regarding items of community interest during a council meeting without having given notice of the subject of the report, provided no action is taken or discussed.*" The Open Meetings Act does not allow Council to discuss an item concerning pending City Council business unless it is specifically, appropriately posted on the agenda.) An "item of community interest" includes the following:

- information regarding holiday schedules;
- honorary recognitions of city officials, employees, or other citizens;
- reminders about upcoming events sponsored by the city or other entity that is scheduled to be attended by a city official or city employee; and
- announcements involving imminent public health and safety threats to the city

9. EXECUTIVE SESSION

Executive Session: Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Sections 551.071, 551.072, 551.073, 551.074, 551.076, 551.087, 418.183(f) and 418.106(d) & (e). Refer to posted list attached hereto and incorporated herein. **Executive Session may be held, under these exceptions, at any time during the meeting that a need arises for the City Council to seek advice from the City Attorney as to the posted subject matter of this City Council meeting.**

Reconvene into open session for possible action resulting from any items posted and legally discussed in Executive Session.

10. ADJOURNMENT

CERTIFICATE

I hereby certify that the above agenda was posted on this the 9th day of September 2021 by 5:30 p.m., on the official bulletin board at the Richland Hills City Hall, 3200 Diana Drive, Richland Hills, Texas, pursuant to the Texas Government Code, Chapter 551.

Cathy Bourg
Cathy Bourg
City Secretary

ACCESSIBILITY STATEMENT

The Facility is wheelchair accessible. If you plan to attend this public meeting and have a disability that requires special arrangements, please notify the City Secretary 48 hours in advance at (817) 616-3810 and reasonable accommodations will be made to assist you.

EXECUTIVE SESSION

Section 551.071: Consultation with Attorney
The City Council may conduct a private consultation with its attorney when the City Council seeks the advice of its attorney concerning any item on this agenda, about pending and contemplated litigation, or a settlement offer, or on a matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Board of Texas clearly conflicts with Chapter 551.

Section 551.072: Deliberation regarding real property

The City Council may conduct a closed meeting to deliberate the purchase, exchange, lease or value of real property.

Section 551.073: Deliberation regarding Prospective Gift or Donation
The City Council may conduct a closed meeting to deliberate a negotiated contract for a prospective gift or donation to the City.

Section 551.074: Deliberation regarding Personnel Matters
The City Council may deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of public officers, including the City Manager, City Secretary, City Attorney, Municipal Judge, and non-advisory city boards and commission members. A complete list of the city boards and commissions and the membership of those boards and commissions is on file in the City Secretary's Office.

1. City Secretary Review

Section 551.076: Deliberation regarding Security Devices
The City Council may deliberate the deployment, or specific occasions for implementation of security personnel or devices.

Section 551.087: Deliberation regarding Economic Development Negotiations
The City Council may discuss or deliberate regarding commercial or financial information received from a business prospect that the city seeks to have locate, stay or expand in or near the city and which the City is conducting economic development negotiations or to deliberate the offer of a financial or other incentive to a business prospect; particularly, discussion with economic development specialist regarding potential economic incentive agreement for development of real property.

Section 418.183(f): Texas Disaster Act
The City Council may deliberate information: (1) for purposes of preventing, investigating, or responding to an act of terrorism or related criminal activity and involving emergency response providers, their staffing, contact information and tactical plans; (2) that relates to the risk or vulnerability of persons or property, including infrastructure, to an act of terrorism; (3) that relates to the assembly of an explosive weapon, the location of a material that may be used in a chemical, biological or radioactive weapon, or unpublished information pertaining to vaccines or devices to detect biological agents or toxins; (4) that relates to details of the encryption codes or security keys for a public communication system;(5) that relates to a terrorism-related report to an agency of the United States; (6) that relates to technical details of particular vulnerabilities of critical infrastructure to an act of terrorism; (7) that relates to information regarding security measures or security systems intended to protect public and private property from an act of terrorism; or (8) any other topic subject to discussion in closed session pursuant to the Texas Disaster Act.

Section 418.106(d) & (e): Local Meetings to Discuss Emergency Management Plans regarding Pipeline Safety
The City Council may discuss emergency management plans providing for disaster mitigation, preparedness, response and recovery in executive session when those plans

contain sensitive information relating to critical infrastructure or facilities, and the safety or security of the infrastructures or facilities could be jeopardized by disclosure of the emergency management plan.

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Candice Edmondson, City Manager

Date: September 13, 2021

Subject: 2021 Tarrant County Transportation Bond Program

Agenda Item:

2021 Tarrant County Transportation Bond Program – Commissioner Gary Fickes

Background Information:

Gary Fickes, Tarrant County Commissioner Precinct 3, will provide an update to City Council on the 2021 Tarrant County Transportation Bond Program.

Financial Considerations:

N/A

Legal Review:

N/A

Board/Citizen Input:

N/A

Attachments:

N/A

Council Action Requested:

Discussion Item Only

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Candice Edmondson, City Manager

Date: September 13, 2021

Subject: American Rescue Plan Funding

Agenda Item:

Richland Hills American Rescue Plan Funding

Background Information:

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (H.R. 1319) into law. The $1.9 trillion package is intended to combat the COVID-19 pandemic, including the public health and economic impacts.

The Act provides $362 Billion in state, local and fiscal recovery funds with $19.53 Billion allocated to non-entitlement units of local government (NEUs) which generally have populations below 50,000. As required in the Act, the Treasury will allocate fiscal recovery funds for NEUs to the States, which are then required to distribute the funds to NEUs based on population within 30 days of receipt. The funds will be distributed in two tranches of payments roughly one year apart.

Richland Hills is set to receive $1,970,642 in fiscal recovery funds. The City received its first payment in the amount of $985,321 on August 23rd. Per the requirements of the Act, NEUs may use the funds for the following eligible purposes:

- To respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

- To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the State, territory, or tribal government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;

- For the provision of government services to the extent of the reduction of revenue of such State, territory, or Tribal government due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the State, territory, or tribal government prior to the emergency; or

- To make necessary investments in water, sewer, or broadband infrastructure.

City staff will guide Council through an initial discussion of eligible purposes and proposed projects during the work session. Based on Council feedback, staff will come back at a later date with a more formal list of projects including proposed implementation timelines and cost estimates.

Financial Considerations:

N/A

Legal Review:

N/A

Board/Citizen Input:

N/A

Attachments:

N/A

Council Action Requested:

Discussion Item Only

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Russell Shelley, Fire Chief

Date: September 13, 2021

Subject: Fire Department Badge Pinning Ceremony

Agenda Item:

Fire Department Badge Pinning Ceremony - Firefighter/Paramedic Jaime Taylor

Background Information:

Jaime Taylor joined the fire service in 2009 as a volunteer firefighter. She began her paid career in 2013 with the Coppell Fire Department. After the completion of required training and some field experience, she spent a season as a Wildland Firefighter while also finishing her master's degree. She began working for the Richland Hills Fire Department in 2018 as a part time firefighter. She transitioned over to a full-time position in August 2020. Jaime loves wildland firefighting and hopes to return to it in the future.

Jaime has two adult children, daughter Kai, and son Cade who are her most favorite humans. Jaime enjoys the outdoors and training for triathlons in her free time. She will tell you Richland Hills FD is her home; the camaraderie with her crew and the other shifts is above reproach. We are fortunate to have her on our team in Richland Hills.

Financial Considerations:

N/A

Legal Review:

N/A

Board/Citizen Input:

N/A

Attachments:

N/A

Council Action Requested:

No Council Action

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Cathy Bourg, City Secretary

Date: September 13, 2021

Subject: Employee Service Award

Agenda Item:

Presentation of a 15-year Service Award to Officer Joseph Batchelder, Professional Standards Unit / Firearms Training Coordinator

Background Information:

Officer Joseph Batchelder has 15 years of experience as a Police Officer with the Richland Hills Police Department, beginning his career in September 2006. He has held various roles within the Department and in 2018 was assigned to the Professional Standards Unit, where he currently serves. Officer Batchelder was awarded a Life-Saving Award in 2008. Officer Batchelder is a Field Training Officer, Firearms Instructor, TCOLE Instructor, Stop Stick Tire Deflation Device Instructor, and Less Lethal Impact Munitions Instructor. He is the Department's Firearms Training Coordinator, and he holds a Master Peace Officer certification.

Officer Batchelder served in the United States Army as a paratrooper and was trained as a Psychological Operations Specialist with the US Army Special Operations Command. He is a combat veteran of Operation Enduring Freedom, having served in Afghanistan and elsewhere in the region from 2001-2002. He made 13 parachute jumps (8 plane, 5 helicopter), including a parachute jump in Uzbekistan. In his youth, Officer Batchelder was active in the Boy Scouts of America and earned the rank of Eagle Scout in 1997.He also was awarded a Master of Science in Criminal Justice degree from the University of North Texas in 2019.

Officer Batchelder was born in Portsmouth, Virginia, but got to Texas as fast as he could. He grew up in Hurst, Texas, and currently lives in Fort Worth, Texas. He and his wife Megan have been married for 6 awesome years. They have two sons, Logan (4) and Henry (2), and a trio of dogs.

Financial Considerations:

N/A

Legal Review:

N/A

Board/Citizen Input:

N/A

Attachments:

N/A

Council Action Requested:

No Council Action

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Cathy Bourg, City Secretary

Date: September 13, 2021

Subject: Minutes from the August 23, 2021 Regular City Council Meeting

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Agenda Item:

Approval of minutes from the August 23, 2021 City Council Regular Meeting

Background Information:

N/A

Financial Considerations:

N/A

Legal Review:

N/A

Board/Citizen Input:

N/A

Attachments:

August 23, 2021 Draft Minutes

Council Action Requested:

Motion to approve the minutes from the August 23, 2021 Regular City Council Meeting

RICHLAND HILLS CITY COUNCIL
REGULAR MEETING
AUGUST 23, 2021
DRAFT MINUTES

Roll Call:

Council present	Council absent
Edward Lopez, Mayor	
	Douglas Knowlton, Place 1
Stacey L. Morse, Place 2	
	Curtis A Bergthold, Mayor Pro Tem
Javier Alvarez, Place 4	
G.W. Estep, Place 5	

Staff present
Candice Edmondson, City Manager
Cathy Bourg, City Secretary
Fritz Quast, City Attorney

CITY COUNCIL WORK SESSION – 6:00 PM

1. Executive Session: Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Sections 551.071, 551.072, 551.073, 551.074, 551.076, 551.087, 418.183(f) and 418.106(d) & (e). Refer to posted list attached hereto and incorporated herein. **Executive Session may be held, under these exceptions, at any time during the meeting that a need arises for the City Council to seek advice from the City Attorney as to the posted subject matter of this City Council meeting.**

None

2. FY 2022 Budget Overview: Special Revenue Funds & Debt Service

Candice Edmondson, City Manager gave a presentation on the Special Revenue Fund and Debt Service for the FY 2022 Annual Budget.

3. Discuss items and presentations listed on tonight's City Council Agenda. No action will be taken and each item will be considered during the Regular Session.

Candice Edmondson presented the Employee Compensation Plan.

6A. Consider approval and adoption of Employee Compensation Plan

During the FY 2020 budget process, City Council approved the funding of a compensation study to better understand the city's market position for public safety and civilian positions and to consider possible pay plan recommendations designed to attract and retain qualified employees. After completing the RFQ process, the city engaged Public Sector Personnel Consultants (PSPC) to complete the study.

The results of the compensation study were presented to City Council on June 22, 2020. The study showed that the city's current civilian salary ranges are below market for 74% of the survey sample (20 surrounding comparative cities). The city's current salary schedules for Police and Fire classifications are also trending -10% or more below the market for most ranks, at pay range entry and top out. In addition, while the city is offering a competitive number, type and level of benefits for some areas surveyed, the city is not competitive in health insurance allowances offered for family coverage, and certification pay offerings for Police, Fire and Utility classifications.

The study recommended the city adopt new pay tables and place all employees on new tables representing 95% of market average and provide a 1% adjustment for all employees. Council approved the 1% adjustment for all employees in the FY 2021 Budget; however, after further analysis it was determined that moving all positions to 95% of market average would be too costly for the city in one fiscal year.

In considering the city's financial position and desire to be competitive in hiring and retaining, staff developed a pay plan that places all positions at 90% of market average. Staff also created a step pay plan for public safety personnel with a proposed 3% annual step increase.

In addition to implementation of the new pay plans, the Compensation Plan recommends the city evaluate opportunities to offer other compensation benefits such as certification pay and contributions to employee dependent health coverage as funding allows.

Mayor Lopez called for a break at 6:43 p.m.

REGULAR SESSION – Mayor Lopez Called to Order – Time 7:00 p.m.

Invocation – Mayor Lopez

PRESENTATIONS

A. Presentation of Library Card Sign-up Month Proclamation

Mayor Lopez presented the Library Card Sign-up Month Proclamation to Chantel Hancock, Library Director.

B. Citizen Appearances/Public Comments
Citizen comments emailed to Cathy Bourg (cbourg@richlandhills.com) on an item either listed on this agenda or not listed on this agenda will be heard at this time. Citizens in attendance at the meeting who have signed a card to speak to

the City Council will also be heard at this time. In compliance with the Texas Open Meetings Act, unless the subject matter of the presentation is on the agenda, the city staff and City Council members are prevented from discussion of the subject and may respond only with statements of factual information or existing city policy. Public comment will not be taken on items that the Council has previously considered in a public hearing.

None

CONSENT AGENDA

2A. Approve minutes from the August 9, 2021 City Council Regular Meeting

2B. Approve Resolution 544-21 approving a negotiated settlement between the Atmos Cities Steering Committee (ACSC) and Atmos Energy Corp., Mid-Tex Division regarding the Company's 2021 Rate Review Mechanism Filing

Motion: Motion was made by Councilmember Morse and seconded by Councilmember Estep to approve the consent agenda.

Motion carried by a vote of 3-0. Councilmember Knowlton and Mayor Pro-Tem Bergthold absent.

PUBLIC HEARINGS, MEETINGS, AND OTHER RELATED ITEMS

3A. None

ORDINANCES & RESOLUTIONS AND OTHER RELATED ITEMS

4A. None

CONTRACTS, AGREEMENTS, BID AWARDS AND OTHER RELATED ITEMS

5A. None

OTHER ITEMS FOR CONSIDERATION

6A. Consider approval and adoption of Employee Compensation Plan

Candice Edmondson, City Manager presented the proposed Employee Compensation Plan during the Work Session under item #3.

Motion: Motion was made by Councilmember Estep and seconded by Councilmember Morse to approve and adopt the proposed Employee Compensation Plan.

Motion carried by a vote of 3-0. Councilmember Knowlton and Mayor Pro-Tem Bergthold absent.

REPORTS & DISCUSSIONS

7A. Fire Station Project Update

Russel Shelley, Fire Chief presented a construction update on the Fire Station Project.

Recent Progress
- Working through punch list items
- Building demolition and debris removal is complete
- Site grading is complete
- Sand/oil separator for wastewater line is installed and operational
- Utility pole removal

This Week
- Finish site cleanup from fire hydrant move
- Trenching for storm drain installation
- Storm drain installation

Next Steps (August/September)
- Complete storm drain installation
- Set forms for back drive and apparatus pad
- Set forms for employee parking area
- Install electrical for security gate operator

Project Budget
- The pay application for July totaled: $132,589
- To date, we have paid out: $4,331,550
- This is 79.5% of the Guaranteed Maximum Price of $5,445,843

7B. Street Improvement Projects Update

Scott Mitchell, Director of Neighborhood Services presented a Street Improvement Project update.

FY 20-21 Street Projects
- Vance Road – Underground complete, binder complete, final paving this week
- Dreeben Drive – Complete except for signage
- Chaffin Drive – Water services have been lowered, ATMOS verifying no conflicts
- Rosebud Lane – Survey and locates being completed, stockpile set-up, flyers distributed to residents, traffic management signage to go up this week

7C. Discuss proposed FY 2022 Street Improvement Projects

Candice Edmondson, City Manager presented proposed FY 2022 Street Improvement Projects.

In November 2018, voters approved the reallocation of sales tax to a dedicated street improvement fund which generates around $1.2 million annually. To date, 4 street improvement projects have been completed and 3 are currently under construction. Streets are recommended on an annual basis based on analysis provided in the 2017 Pavement Management Study conducted by Data Transfer Solutions, LLC. Recommendations also incorporate water, wastewater and drainage improvements as needed for the proposed road segments.

There is a potential for Tarrant County to call a $400 million Transportation Bond Election in November to fund regional transportation projects. During the March 22nd City Council meeting, Council requested staff prepare proposals for Glenview Drive, Booth Calloway Road and Midway Road. We have received an initial response from Tarrant County that the Glenview Drive Project will be included.

The Finance Committee met on August 20th to discuss the funding options for street projects which included the current sales tax of $1.2 million and the possibility of full or partial debt issuance for Glenview Drive, if the Tarrant County Bond Program passes. Based on the list of the next 10 streets from the study and the Glenview Drive Project, below is the list of proposed FY 2022 Street Improvement Projects:

- Rufe Snow Drive (Baker Blvd to Park Place Dr.) = $990,000*
- Magnolia Park Drive (Mimosa Park Dr. to Scruggs Park Dr.) = $600,000
- Dover Lane (Scruggs Dr. to Vance Rd.) *Design Only* = $260,000
- Annual Repair & Maintenance = $100,000
- Total FY 2022 = $1,950,000

7D. July Department Reports

Candice Edmondson, City Manager highlighted the following July Department Reports:

- Library – Summer Reading Program, Farm Animal Storytime and Free Concert by Taikodelic Japanese Drummers.
- Municipal Court – Great job with fee collections.
- Police Department – Increases in service calls and criminal investigations.
- Parks and Recreation – July was a great revenue month for The Link. The Camp Connect and Link Learner's Academy is continuing to grow. Performance Enhancement has begun youth volleyball at The Link. There is also an increase in personal training under PE guidance. Pickleball continues to be very popular with 72 players in July. Richland Hills Red, White and YOU was a great success as well as the Grand Opening for the Richland Hills Hike and Bike Trail.

8. COMMUNITY INTEREST ITEMS

- Richland Hills Literary Club – Tuesday, September 14th; 6:30 p.m.; Library
- Senior Lunch Bunch – Indoor Seating & To Go Orders - Thursday, September 9th; 12 noon – 1 PM; The Link

- Tarrant County Food Pantry - Thursday, September 9th; 5:30 PM – 7PM; The Link Parking Lot
- Fiesta de Herencia - Saturday, September 18th; 4:00 PM – 9:00 PM; The Link Plaza -Mark your calendars for this celebration of Hispanic Heritage Month. Attractions including a mechanical bull, entertainment with a live DJ and bands, food from numerous Hispanic vendors and other activities for those of all ages to enjoy.
- Cheney Hills Elementary Ribbon Cutting – Event was August 16th
- Richland Middle School Ribbon Cutting – August 31st; 5:00 p.m.

9. Executive Session: Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Sec. 551.071, Sec. 551.072, Sec. 551.073, Sec. 551.074, Sec. 551.076, Sec. 551.087 and Sec. 418.0183 (f) and 418.106 (d) & (e) of the Texas Government Code (Texas Disaster Act).

None

10. A motion was made by Councilmember Morse and seconded by Councilmember Estep to adjourn.

Motion carried by a vote of 3-0.

There being no further business to come before the City Council, Mayor Lopez declared the meeting adjourned at 7:45 p.m.

ATTEST | **APPROVED**

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Cathy Bourg, City Secretary

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Edward Lopez, Mayor

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Patricia Albrecht, Director of Finance and Administrative Services

Date: September 13, 2021

Subject: Annual Review of Investment Policy

Agenda Item:

Review and affirm investment strategy of the City's Investment Policy

Background Information:

The Public Funds Investment Act, Government Code 2256, requires that public entities have an investment policy and have several provisions regarding permissible investments, diversification, ethics, training and reporting. There is a requirement in the Public Funds Investment Act, Government Code 2256.005 that the governing body review and affirm the investment strategy annually. Below is the investment strategy by fund type (General Fund, Debt Service Funds, Special Revenue Funds and Proprietary Funds) as contained in the City's Investment Policy adopted by City Council on September 24, 2018 for the Council's annual review and affirmation of the investment strategy. Additionally, there are no proposed changes to the City's Investment Policy.

INVESTMENT STRATEGIES:

A. General. The City will group investment instruments into a number of "pool investment groups". These groups will reflect characteristics of maturity limits, diversity and liquidity, commensurate with the underlying purpose for which investments are intended to ultimately fund. Under this approach various individual investment instruments will comprise the total pool type. Individual funds will share equity interest in the assets and earnings of each pool (or pools), equal to their proportionate contributions to the pool (or pools). A pooled investment approach should provide several advantages including yield enhancement, improved diversity and improved liquidity, over a system that seeks to procure specific investment instruments for specific fund types and financial resources.

B. Basic Pool Requirements. The City requires the following basic types of pools:
   a. Short Term/Operating Funds – Most of the City's fund types contain operating capital required to finance the particular activities for which the fund is

responsible. Cash flows are reasonably predictable but occasional circumstances may require unforeseen or unpredicted cash requirements. Financial resources for this category should be maintained at relatively short levels. The weighted average maturity of operating funds may not exceed one (1) year. This pooled investment group includes the total of cash and investment available for current operations plus all required operating reserves of the following fund types:

- General Fund
- Debt Service Funds
- Special Revenue Funds
- Proprietary Funds

A key investment strategy for operating funds is to assure that anticipated cash flows are matched with adequate investment liquidity. Diversification among authorized investment options is not restricted and will be determined and approved by the Investment Officers in light of existing market conditions.

b. Long term/Non-Operating Funds – Various fund types may contain financial assets in excess of the amounts necessary to fund the sum of operating costs and operating reserves. Other financial assets may be designated for projects schedule to be implemented beyond the current operating period. The pool structured to invest these assets will require longer maximum maturity limit than the operating pool. The size of the pool may vary widely over time. The pool will expand rapidly with the receipt of bond fund proceeds and contract as the capital is used for project construction. The primary revenue source of this pooled investment group is bond proceeds (which are typically subject to arbitrage yield limitations). This category also includes any amount of cash and investments in excess of the estimated required operating reserves in the general fund, enterprise funds or debt service funds. The maximum weighted average maturity of the portfolio shall not exceed two (2) years. Diversification among authorized investment options is not restricted and will be determined and approved by the Investment Officers in light of existing market conditions.

c. Yield/Restricted Funds – Proceeds from bond issuances subject to arbitrage restrictions may necessitate yield restrictions under some market conditions. Length of investment maturity may be dependent on market conditions as well as cash flow needs. The Investment strategy for these funds is to limit investment yields to arbitrage ceilings. The maximum weighted average maturity of an individual investment shall not exceed two (2) years. Diversification among authorized investment options is not restricted and will be determined and approved by the Investment Officers in light of existing market conditions.

d. Debt Service Reserve Funds – These reserves are usually specifically defined in terms of amount and size. Bond covenants typically require that reserve balances be maintained with a third party financial institution or paying agent. These institutions invest deposited reserves on behalf of the City and indirectly on the behalf of investors in whose interest the reserves are established. In such instances, the City may contract with such parties who will operate in the capacity of an investment advisor. These relationships will be approved by the City Council. The Investment advisors will be confined to the particular instruments and parameters specified as appropriate for this pool of funds. A primary investment strategy for debt service funds is to provide income to the reserve portions of revenue bonds. Because investments may be subject to arbitrage yield restrictions, the secondary investment strategy is to attempt to invest at a yield equal to the arbitrage limit applicable to the reserves. Diversification among authorized investment options is not restricted and will be determined and approved by the Investment Officers in light of existing market conditions.

e. Interest and Sinking Fund Reserve – These funds are usually specifically defined in terms of amount and size. The primary investment strategy for debt service sinking funds is to match investment maturities with debt service payment requirements. Diversification among authorized investment options is not restricted and will be determined and approved by the Investment Officers in light of existing market conditions.

Financial Considerations:

The investment strategy provides guidelines for the City to meet the two primary tenets of the Public Funds Investment Act: Safety and Liquidity

Legal Review:

The City's Investment Policy was previously reviewed by the City Attorney.

Board/Citizen Input:

N/A

Attachments:

City of Richland Hills Investment Policy

Council Action Requested:

Motion to affirm the investment strategy contained in the City's Investment Policy

CITY OF RICHLAND HILLS

INVESTMENT POLICY AND STRATEGIES

REVISED:

September 24, 2018

CITY OF RICHLAND HILLS

INVESTMENT POLICY AND STRATEGIES

I. POLICY STATEMENT

It is the Policy of the City of Richland Hills that the administration of its funds and the investment of those funds shall be handled at its highest public trust. Investments shall be made in a manner which will provide the maximum security of the principal through established limitations and diversification while meeting the daily cash flow needs of the City and conforming to all applicable state statutes governing the investment of public funds.

This Policy serves to satisfy the statutory requirements of defining and adopting a formal investment policy. The policy and investment strategies shall be reviewed annually by the City Council who will formally approve any modifications and legislative changes. This Investment Policy, as approved, is in compliance with all state laws and statutes which govern the investments of public funds, including but not by way of limitation, the Public Funds Investment Act (PFIA), Chapter 2256, Texas Government Code.

II. SCOPE

A. The Investment Policy applies to all the financial assets of the City of Richland Hills. These funds are accounted for in the City's Comprehensive Annual Financial Report (CAFR) and include:

- General Fund – used to account for resources traditionally associated with government, which are not required to be accounted for in another fund.
- Special Revenue Funds – used to account for the proceeds from specific revenue sources which are restricted to expenditures for specific purposes.
- Debt Service Funds – including reserves and sinking funds to the extent not required by law or existing contract to be kept segregated and managed separately and used to account for resources to be used for the payment of principal, interest and related costs on general obligation debt.
- Capital Projects Funds – used to account for resources to enable the acquisition or construction of major capital facilities which are not financed by enterprise funds, internal service funds, or trust funds.
- Proprietary Funds – used to account for operations that are financed and operated in a manner similar to private business enterprises.
- All Other Funds. Any new funds created by the City unless specifically exempted from this policy by the City or the law.

III. GENERAL OBJECTIVES

It is the policy of the City that, giving due regard to the safety and risk investments, all available funds shall be invested in conformance with State and Federal Regulations, applicable Bond Ordinance requirements, adopted Investment Policy and adopted Investment Strategies. In accordance with the Public Funds Investment Act Section 2256.005(d), the following prioritized objectives (in order of importance) apply to each of the City's investment strategies:

A. Suitability – Understanding the suitability of the investment to the financial requirements of the City is important. Any investment eligible in the Investment Policy is suitable for all City funds.

B. Preservation and Safety of Principal – Preservation and safety of principal are the foremost objective of the City. Investments of the City shall be undertaken in a manner that seeks to insure preservation of capital in the overall portfolio.

C. Liquidity – The City's investment portfolio will be based on a cash flow analysis of cash needs and will remain sufficiently liquid to enable it to meet all operating requirements which might be reasonably anticipated. Liquidity shall be achieved by matching investment maturities with estimated cash flow requirements and by investing in securities with active secondary markets.

D. Marketability – Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement. Historical market "spreads" between the bid and offer prices of a particular security type or less than a quarter of a percentage point shall define an efficient secondary market.

E. Diversification – Diversification of the portfolio will include diversification by maturity and market sector to protect against credit and market risk. The City will diversify its investments in an effort to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions.

F. Yield – Attaining a competitive market yield, commensurate with the City's investment risk constraints and the cash flow characteristics of the portfolio, is the desired objective. The goal of the City's investment portfolio is to regularly meet or exceed the average rate of return on U.S. Treasury Bills at a maturity level comparable to the portfolio's weighted average in days. The yield of an equally weighted, six month Treasury Bill portfolio shall be the minimum yield objective or "benchmark". A secondary objective will be to obtain a yield equal to or in excess of a local government investment pool or money market mutual fund.

   Applicable tax exempt debt proceeds shall attempt to achieve a return equal to the above unless that return exceeds applicable arbitrage yield limit on the debt. In certain interest rate environments the City may need to restrict yields in order not to exceed arbitrage limits.

IV. STANDARDS OF CARE

A. Prudent Person Rule. The City's Investment Officers will follow the "Prudent Person" statement relating to the standard of care that must be exercised when investing public funds as expressed in PFIA Sec. 2256.006(a-b):

"Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived".

Investment of funds shall be governed by the following investment objectives, in order of priority:

1. Preservation and safety of principal;
2. Liquidity; and
3. Yield.

The Investment Officers and those delegated investment authority under this Policy shall seek to act responsibly as custodians of the public trust. Investment participants shall avoid any transactions that might impair public confidence in the City's ability to govern effectively. The governing body recognizes that in a diversified portfolio, occasional measured losses due to market volatility are inevitable and must be considered within the context of the overall portfolio's investment rate of return, provided that adequate diversification has been implemented.

In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

1. The investment of all funds, or funds under the entity's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
2. Whether the investment decision was consistent with the written investment policy of the City.

The Investment Officers, when acting in accordance with the written procedures and due diligence, shall not be held personally responsible for market price changes, provided that deviations from expectations are reported in a timely manner and that appropriate action is taken to control adverse market effects. The governing body of the investing entity retains ultimate responsibility as fiduciaries of the assets of the entity.

B. Delegation of Investment Authority

The City Manager, or designated employee, and Director of Finance, acting on behalf of the City, are designated as the Investment Officers of the City and are responsible for investment management decisions and activities. The Investment Officers are also responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures.

The Investment Officers shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with this Investment Policy. The Investment Officers shall also designate a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officers are not available.

The Investment Officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and staff. No officer or designee, shall engage in an investment transaction except as provided under the terms of this policy, the procedures established by the Finance Director and the explicit authorization by the City Manager to withdraw, transfer, deposit and invest the City's funds.

C. Internal Controls

The Investment Officers shall establish a system of written internal controls which will be reviewed annually with the City's independent auditors. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions by employees. Controls deemed most important include: control of collusion, separation of duties, third party custodial safekeeping, avoidance of bearer-form securities, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, and documentation and rationale for investment transactions.

D. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. Investment Officers involved shall disclose in writing to the City Council any financial interest in financial institutions that conduct business with the City or any personal financial/investment position that could be related to the performance of the City.

The Investment policy requires the investment officers to file a disclosure statement with the Texas Ethics Commission and the governing body if the investment officer has a personal business relationship or is related within the second degree of affinity or consanguinity to an individual or organization seeking to sell an investment to the City. For purposes of this section, an investment officer has a personal relationship with a business organization if and as defined in PFIA 2256.005(i)(1-3):

1. The Investment officer owns 10% or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization;

2. Funds received by the investment officer from the business organization exceed 10% of the investment officer's gross income for the previous year; or

3. The Investment officer has acquired from the business organization during the previous year investments with a book value of $2,500 or more for the personal account of the investment officer.

E. <u>Investment Training Requirements</u>

The City of Richland Hills shall provide periodic training in investments for the investment personnel through courses and seminars offered by professional organizations and associations in order to ensure the quality and capability of the City's investment personnel making investment decisions in compliance with the PFIA 2256.008.

All Investment Officers shall attend ten (10) hours of training within twelve (12) months of taking office or assuming duties and eight (8) hours in each succeeding two year period as defined by PFIA. The training provider must be an independent source.

For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institute or higher learning or any other sponsor other than a business organization with whom the City of Richland Hills may engage in an investment transaction. Such training shall include education in investment controls, credit risk, market risk, investment strategies, and compliance with investment laws, including the State of Texas Public Funds Investment Act.

V. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

All investments made by the City will be made through either the City's banking services or an authorized broker/dealer.

A. <u>*Depository*</u> – The City Council shall, by ordinance, "select and designate one or more banking institutions as the depository for the monies and funds of the City" in accordance with PFIA. At least every five years a depository shall be selected through the City's banking services procurement process, which shall include a formal request for proposal (RFP). The selection of the depository will be determined by a competitive process and evaluated on the following criteria:
    1. Qualified as a depository for public funds in accordance with state and local laws.
    2. Provided requested information or financial statements for the periods specified.

3. Complied with all requirements in the banking RFP.
4. Completed responses to all required items on the proposal form.
5. Offered lowest net banking service cost, consistent with the ability to provide an appropriate level of service.
6. Met credit worthiness and financial standards.

a *Investment Broker/Dealers* – When applicable, the City Council will, at least annually, review, revise and approve a list of authorized/qualified broker/dealers along with this investment policy. These firms may include:

1. All primary government securities dealers; and
2. Those regional broker/dealers who qualify under Securities and Exchange Commission rule 15C3 (Uniform Net Capital Rule), and who meet other financial criteria standards in the industry.

These firms will be selected based on their competitiveness, participation in agency selling groups, and experience and background of the salesperson handling the account.

B. Signed Investment Policy Certification Form.

A written copy of the investment policy shall be presented to any business organization offering to engage in an investment transaction with an investing entity. For purposes of this subsection and Subsection (l), "business organization" means an investment pool or investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio that has accepted authority granted by the entity under the contract to exercise investment discretion in regard to the investing entity's funds.

Nothing in this subsection relieves the investing entity of the responsibility for monitoring the investments made by the investing entity to determine that they are in compliance with the investment policy. The qualified representative of the business organization offering to engage in an investment transaction with an investing entity shall execute a written instrument in a form acceptable to the investing entity and the business organization substantially to the effect that the business organization has:

(1) received and reviewed the investment policy of the entity; and
(2) acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the entity and the organization that are not authorized by the entity's investment policy, except to the extent that this authorization:

(A) is dependent on an analysis of the makeup of the entity's entire portfolio;
(B) requires an interpretation of subjective investment standards; or
(C) relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

The investment officer of an entity may not acquire or otherwise obtain any authorized investment described in the investment policy of the investing entity from a business organization that has not delivered to the entity the instrument required. (PFIA 2256.005(k)-(l)).

C. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the investment officers with the following:
   1. Audited financial statements;
   2. Proof of National Association of Securities Dealers (NASD) certification, unless it is a bank;
   3. Resumes of all sales representatives who will represent the financial institution or broker/dealer firm in dealings with the City, and
   4. Any other document that should help evaluate the financial institution's and broker/dealers' soundness such as rating agency reports, review of call reports and analysis of management profitability, capitalization and assets quality.

D. *Financial/Investment Advisor* – The City may retain the services of an investment advisory firm registered under the Investment Advisers Act of 1940 or with the State Securities Board to assist in the review of cash flow requirements, the formulation of investment strategies, and the execution of security purchases, sales and deliveries. The investment advisory contract with the City may not be for a term longer than two (2) years and its renewal or extension must be approved by the City Council by ordinance or resolution as required by PFIA 2256.003(b). If the City has contracted with an investment advisor, the advisor shall be responsible for performing financial due diligence on the City's behalf. On an annual basis, the advisor will provide the City with a list of its authorized broker/dealers as well as the written instrument above.

VI. SAFEKEEPING AND CUSTODY OF INVESTMENT ASSETS

A. As specified in PFIA 2256.005(b)(4)(E), the laws of the State of Texas and prudent treasury management require that all purchased securities be bought on a delivery versus payment (DVP) basis and be held in safekeeping by an independent third party financial institution, or the City's designated banking services depository. Funds shall not be wired or paid until verification has been made that the correct security was received by the safekeeping bank. The only exception to DVP settlement shall be wire transactions for money market funds and government investment pools. The safekeeping or custody bank is responsible for matching up instructions from the City's investment officers or an investment settlement with what is wired from the broker/dealer, prior to releasing the City's designated fund for a given purchase.

B. All safekeeping arrangements shall be approved by the Investment Officers and an agreement of the terms executed in writing. The third party custodian shall be required to issue safekeeping receipts to the City or its agent a listing of each specific security, rate, description, maturity, par value amount, CUSIP number and other pertinent information. Each safekeeping receipt will be clearly marked that the security is held for the City or pledge to the City.

C. All securities pledged to the City for certificates of deposit or demand deposits shall be held by an independent third party bank doing business in the State of Texas. The safekeeping bank may not be within the same holding company as the bank from whim the securities are pledged.

VII. SUITABLE AND AUTHORIZED INVESTMENTS

A. Acceptable investments under this policy shall be limited to the investments authorized by PFIA listed in Sections 2256.009-2256.016 and as shown below:

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;

2. Direct obligations of the State of Texas or its agencies and instrumentalities;

3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;

4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;

5. Obligations of states, agencies, counties, cities and other political subdivisions of any state rated not less than A or its equivalent;

6. Bonds issued, assumed, or guaranteed by the State of Israel;

7. Interest-bearing banking deposits that are guaranteed or insured by:
   a. The Federal Deposit Insurance Corporation or its successor; or
   b. The National Credit Union Share Insurance Fund or its successor; and

8. Interest-bearing banking deposits other than those described by Subdivision (7) if:
   (A) the funds invested in the banking deposits are invested through:
      (i) a broker with a main office or branch office in this state that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025; or
      (ii) a depository institution with a main office or branch office in this state that the investing entity selects;
   (B) the broker or depository institution selected as described by Paragraph (A) arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account;
   (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and
   (D) the investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account:
      (i) the depository institution selected as described by Paragraph (A);

(ii) an entity described by Section 2257.041(d); or
(iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3.

If additional types of securities are approved for investment by public funds by state statue, they will not be eligible for investment by the City until this policy has been amended and the amended version approved by the City Council.

B. Investment instruments **not** authorized for purchase by the City of Richland Hills, including those specifically prohibited by PFIA 2256.009(b)(1-4), include:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and bears no interest, such as banker's acceptances;
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest, such as mutual funds;
3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in the market index.

C. ***Authorized Investments***:

1. Certificates of Deposit and Share Certificates – authorized investment if the certificate is issued by a depository institution that has its main office or a branch office in the State of Texas and is (1) guaranteed or insured, (2) collateralized, or (3) secured in accordance with Chapter 2257 (The Public Funds Collateral Act) or in any other manner and amount provided by law for deposits of the investing entity. (PFIA 2256.010)

   In addition, an investment in certificates of deposit made in accordance with the following conditions is an authorized investment: (1) the funds are invested through a broker/depository institution that has its main office or a branch office in the state of Texas and (2) the broker/depository institution arranges for the deposit of funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the City's account.

2. Repurchase agreements – authorized investment as defined in Section 2256.11 if (1) has a defined termination date, (2) is secured by obligations in Section 2256.009(a)(1) and (3) requires third-party safekeeping and (4) is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State of Texas.
   - Repurchase agreement means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date.
   - Reverse security repurchase agreement may not exceed 90 days.

- Investments acquired must mature no later than the expiration in the reverse security repurchase agreement.

3. Securities Lending Program – to qualify as an authorized investment under PFIA 2256-015:
   - The value of the securities loaned under the program must not be less than 100% collateralized, including accrued income;
   - A loan under this program must allow for termination at any time;
   - Must be secured by cash, letters of credit or securities described in PFIA 2256.009(a)(1);
   - Collateral must be (1) pledge, (2) held in the City's name and (3) be deposited with a third party.
   - A loan made under this program must be placed through a primary dealer or a financial institution doing business in the State of Texas.
   - An agreement to lend securities executed under this section must have a term of one (1) year or less.

4. Bankers' Acceptances – authorized investment under PFIA 2256.012 if it has a stated maturity of 270 days or fewer; will be liquidated in full at maturity; is eligible for collateral for borrowing from a Federal Reserve Bank; and is accepted by a U.S. bank rated no less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating.

5. Commercial Paper – authorized investment under PFIA 2256.013 if the commercial paper has a stated maturity of 270 days or fewer and is rated not less than A-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies, or one credit rating agency and an irrevocable bank letter of credit.

6. Mutual Funds
   a. A *no-load money market mutual fund* is an authorized investment under PFIA 2256.014 **if**:
      1. It is registered with and regulated by the Securities Exchange Commission (SEC);
      2. Provides a prospectus and other information required by the SEC Act of 1934 or the Investment Company Act of 1940;
      3. Complies with the federal Securities Exchange Commission Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940
   b. In addition, to a no-load money market mutual fund permitted as an authorized investment in sub-section (a), a *no-load mutual fund* is an authorized investment under this subchapter **if**:
      1. It is registered with the SEC;
      2. Has an average weighted maturity of less than two years; and
      3. Either:
      - Has a duration of one year or more and is invested exclusively in obligations approved this subchapter; or

- Has a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities.

c. An entity is **<u>not</u>** authorized by this section to:
    1. Invest in the aggregate more than 15 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in mutual funds described above;
    2. Invest any portion of bond proceeds, reserves and funds held for debt service, in mutual funds described above; or
    3. Investing entity may not own more than 10 percent of the mutual fund's total net assets.

7. <u>Guaranteed Investment Contracts</u> – authorized investment for bond proceeds under PFIA 2256.015 if the guaranteed investment contract:
    - It has a defined termination date;
    - Is secured by obligations described in PFIA 2256.009(a)(1);
    - Is pledged to the entity and deposited with the entity or with a third-party selected and approved by the entity;
    - Term may not exceed 5 years from date of bond issuance, excluding reserves and debt service funds;
    - To be eligible as an authorized investment: (1) it must be specifically authorized when authorizing bond, (2) requires at least 3 bids from separate providers, (3) the entity must purchase the highest yielding guaranteed investment contract for which a qualifying bid is received, (4) must take into account the reasonably expected drawdown schedule for the bond proceeds to be invested, and (5) must have reasonable administrative costs expected to be paid to third parties in connection with the guaranteed investment contract.

8. <u>Investment Pools</u> – An entity may invest its funds and funds under its control through an eligible investment pool if the governing body of the entity by rule, order, ordinance, or resolution, as appropriate, authorizes investment in that particular pool. A pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service. A public funds investment pool created to function as a money market mutual fund must mark to market daily and stabilize at a $1 net asset value. (PFIA 2256.016 and 2256.019)

The City shall take all prudent measures consistent with this Investment Policy to liquidate an investment that no longer meets the required minimum rating standards, as per PFIA 2256.021. The City is not required to liquidate investments that were authorized investments at the time of purchase. (PFIA 2256.017)

VIII. COLLATERALIZATION

A. Market Value

In order to anticipate market changes and provide a level of additional security for all funds, the market value of collateral will be maintained at 102% of total principal and accrued interest for cash balances in excess of the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF) insurance coverage. The City's depository will be contractually liable for monitoring and maintaining the collateral and margins at all times. The depository or custodian will also provide monthly reports to the City detailing the collateral and including current market values. Only an authorized City representative will approve and release all pledged collateral.

Collateral will be pledged under the terms of a written third-party depository agreement executed under the terms of the Financial Institutions Resource and Recovery Enforcement Act (if the custodian is the Federal Reserve the City will execute a Circular 7 form). The agreement will be approved by resolution of the bank's board or loan committee.

B. Collateral Substitution

Collateralized investments often require substitution of collateral. The safekeeping bank must contact the City for approval and settlement. The substitution will be approved if its value is equal to or greater than the required collateral value.

C. Collateral Reduction

Should the collateral's market value exceed the required amount, the Safekeeping bank may request approval from the City to reduce collateral. Collateral reductions may be permitted only if the collateral's market value exceeds the required amount.

D. Letters of Credit

Letters of credit are acceptable collateral for Certificates of Deposit. Upon the discretion of the City, a letter of credit can be acceptable collateral for City funds held by the City's bank depository.

E. Subject to Audit – All collateral shall be subject to inspection and audit by the City Manager, or designee, as well as the City's independent auditors.

IX. INVESTMENT PARAMETERS

A. Bidding Process for Investments

It is the Policy of the City of Richland Hills to require at least three (3) competitive bids or offers for all investment transactions (securities and CD's) except for:

1. Transactions with money market mutual funds and local government investment pools (which are deemed to be made at prevailing market rates); and
2. Treasury and agency securities purchased at issue through an approved broker/dealer.

B. Maximum Maturities

The maximum maturity for each fund group and instrument is set forth in the investment strategies under the Investment Strategies section of this Policy.

C. Maximum Dollar-Weighted Average Maturity

Under most market conditions, the composite portfolio will be managed to achieve a one (1) year or less dollar-weighted average maturity. However, under certain market conditions investment officers may need to shorten or lengthen the average life or duration of the portfolio to protect the City. The maximum dollar-weighted average maturity based on the stated final maturity, authorized by this investment policy for the composite portfolio of the City is two (2) years.

D. Diversification

It is the policy of the City to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss resulting from over-concentration of assets in a specific maturity, specific issuers, or specific class of securities. Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

Security Type	Max % of Portfolio
U.S. Treasury obligations	100%
U.S. Government agencies and instrumentalities	not to exceed 75%
Fully insured or collateralized CDs	not to exceed 30%
Limitation by individual bank	not to exceed 15%
Repurchase agreements	100%
Money market funds	not to exceed 75%
Local government Investment Pools	100%
Maximum percent ownership of Investment Pool	10%

The Investment Officer shall be required to diversify maturities. The Investment Officers, to the extent possible, will attempt to match investment with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk.

Investments in eligible investment pools are “diversified” by the very nature of their inclusion in a very large and active pool of investments. Consequently, concentrations of investment pools represent a lower risk than concentrations in such individual instrument as agency discount notes or certificates of deposit.

The Investment officers shall review diversification strategies and establish or confirm guidelines on at least an annual basis regarding the percentages of the total portfolio that may be invested in securities other than U.S. Government obligations.

X. INVESTMENT STRATEGIES

A. General. The City will group investment instruments into a number of "pool investment groups". These groups will reflect characteristics of maturity limits, diversity and liquidity, commensurate with the underlying purpose for which investments are intended to ultimately fund. Under this approach various individual investment instruments will comprise the total pool type. Individual funds will share equity interest in the assets and earnings of each pool (or pools), equal to their proportionate contributions to the pool (or pools). A pooled investment approach should provide several advantages including yield enhancement, improved diversity and improved liquidity, over a system that seeks to procure specific investment instruments for specific fund types and financial resources.

B. Basic Pool Requirements. The City requires the following basic types of pools:

a. Short Term/Operating Funds – Most of the City's fund types contain operating capital required to finance the particular activities for which the fund is responsible. Cash flows are reasonably predictable but occasional circumstances may require unforeseen or unpredicted cash requirements. Financial resources for this category should be maintained at relatively short levels. The weighted average maturity of operating funds may not exceed one (1) year.

This pooled investment group includes the total of cash and investment available for current operations plus all required operating reserves of the following fund types:

- General Fund
- Debt Service Funds
- Special Revenue Funds
- Proprietary Funds

A key investment strategy for operating funds is to assure that anticipated cash flows are matched with adequate investment liquidity. Diversification among authorized investment options is not restricted and will be determined and approved by the Investment Officers in light of existing market conditions.

b. Long term/Non-Operating Funds – Various fund types may contain financial assets in excess of the amounts necessary to fund the sum of operating costs and operating reserves. Other financial assets may be designated for projects schedule to be implemented beyond the current operating period. The pool structured to invest these assets will require longer maximum maturity limit than the operating pool. The size of the pool may vary widely over time. The pool will expand rapidly with the receipt of bond fund proceeds and contract as the capital is used for project construction.

The primary revenue source of this pooled investment group is bond proceeds (which are typically subject to arbitrage yield limitations). This category also includes any amount of cash and investments in excess of the estimated required operating reserves in the general fund, enterprise funds or debt service funds. The maximum weighted average maturity of the portfolio shall not exceed two (2) years. Diversification among authorized investment options is not restricted and will be determined and approved by the Investment Officers in light of existing market conditions.

c. Yield/Restricted Funds – Proceeds from bond issuances subject to arbitrage restrictions may necessitate yield restrictions under some market conditions. Length of investment maturity may be dependent on market conditions as well as cash flow needs.

The Investment strategy for these funds is to limit investment yields to arbitrage ceilings. The maximum weighted average maturity of an individual investment shall not exceed two (2) years. Diversification among authorized investment options is not restricted and will be determined and approved by the Investment Officers in light of existing market conditions.

d. Debt Service Reserve Funds – These reserves are usually specifically defined in terms of amount and size. Bond covenants typically require that reserve balances be maintained with a third party financial institution or paying agent. These institutions invest deposited reserves on behalf of the City and indirectly on the behalf of investors in whose interest the reserves are established. In such instances, the City may contract with such parties who will operate in the capacity of an investment advisor. These relationships will be approved by the City Council. The Investment advisors will be confined to the particular instruments and parameters specified as appropriate for this pool of funds.

A primary investment strategy for debt service funds is to provide income to the reserve portions of revenue bonds. Because investments may be subject to arbitrage yield restrictions, the secondary investment strategy is to attempt to invest at a yield equal to the arbitrage limit applicable to the reserves. Diversification among authorized investment options is not restricted and will be determined and approved by the Investment Officers in light of existing market conditions.

e. Interest and Sinking Fund Reserve – These funds are usually specifically defined in terms of amount and size. The primary investment strategy for debt service sinking funds is to match investment maturities with debt service payment requirements. Diversification among authorized investment options is not restricted and will be determined and approved by the Investment Officers in light of existing market conditions.

XI. PERFORMANCE EVALUATION AND REPORTING

A. Reporting. The Investment Officers shall submit an investment report at least quarterly to the City Council (PFIA 2256.023) containing sufficient information to permit and informed outside readers to evaluate the performance of the investment program and consistent with the Act's statutory requirements. All reports shall be in compliance with the Act. At a minimum the report shall include:

1. Description of each investment and depository position;
2. Book and market values at the end of the reporting period;
3. Be signed by all investment officers of the entity;
4. Changes to the market value and accrued interest during the period;
5. The maturity date of each separately invested asset;
6. The account, fund, or pooled group fund for which investment was acquired;
7. The earnings for the period; and
8. The overall yield for the portfolio in comparison to its benchmark yield for the period.

B. Marking to Market. The market value of the portfolio must be determined at least quarterly and included in the quarterly investment reports. Market prices for all public fund investments will be obtained and monitored through the use of a third party independent pricing source or by means of an on-line financial data service.

C. Annual Compliance Audit. If the City invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the Investment Officers under this section shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the governing body by that auditor.

The City shall, in conjunction with its annual financial audit, perform a compliance audit of management controls on investments and adherence to the City's Investment Policy.

D. Monitoring. The Investment officers shall monitor, on no less than a weekly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency and/or approved broker/dealer. If any security falls below the minimum rating required by Policy, the investment officers shall immediately solicit bids for and sell the security, if possible, regardless of a loss of principal.

E. Policy Considerations. The City's Investment Policy and Strategies shall be reviewed, revised and adopted annually by the City Council. A written resolution approving that review will be passed and recorded by the City Council.

GLOSSARY OF INVESTMENT POLICY TERMS

Accrued Interest – The accumulated interest due on a bond as of the last interest payment made by the issuer.

Agency – A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government.

Arbitrage – The simultaneous purchase and sale of an asset in order to profit from a difference in the price (profiting from the mispricing in the market). Arbitrage exists as a result of market inefficiencies; it provides a mechanism to ensure prices do not deviate substantially from fair value for long periods of time.

Banker's Acceptance – A short-term debt instrument issued by a firm that is guaranteed by a commercial bank. Banker's acceptances are issued by firms as part of a commercial transaction. These instruments are similar to T-Bills and are frequently used in money market funds. Banker's acceptances are traded at a discount from face value on a secondary market, which can be an advantage because the banker's acceptance does not need to be held until maturity. The date of maturity typically ranges from between 30 and 180 days from the date of issue. Banker's acceptances are considered to be relatively safe investments, since the bank and the borrower are liable for the amount that is due when the instrument matures.

Bid – The anticipated price at which a buyer is willing to purchase a security or commodity.

Bond covenant – A legally binding term of an agreement between a bond issuer and a bond holder. Bond covenants are designed to protect the interest of both parties. Bond covenants may include restrictions on the issuer's ability to take on additional debt, requirements that the issuer provide audited financial statement to bond holders and limitations on the issuer's ability to make new capital investments. A common penalty for violating a bond covenant is the downgrading of a bond's rating, which could make it less attractive to investors and increase the issuer's borrowing costs.

Book value – The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Certificate of Deposit (CD) – A savings certificate entitling the bearer to receive interest; a promissory note issued by a bank. It is a time deposit that restricts holders from withdrawing funds on demand. Although it is still possible to withdraw the money, this action will often incur a penalty. A CD bears a maturity date, a specified fixed interest rate and can be issued in any denomination. CDs are generally issued by commercial banks and are insured by the FDIC. The term of a CD generally ranges from one month to five years.

Collateralization – Process by which a borrower pledges securities, property or other deposits for the purpose of securing the repayment of a loan and/or security.

Collateralized Mortgage Obligations (CMO's) – A type of mortgage backed security in which principal repayments are organized according to their maturities and into different classes based on risk. A collateralized mortgage obligation is a special purpose entity that receives the mortgage repayments and owns the mortgages it receives cash flows from (called a pool). The mortgages serve as collateral, and are organized into classes based on their risk profile. Income received from the mortgages is passed to investors based on a predetermined set of rules, and investors receive money based on the specified slice of mortgages invested in.

Commercial paper – An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

Coupon rate – The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the “interest rate.”

Delivery Versus Payment (DVP) – A type of securities transaction in which the purchaser pays for the securities when they delivered either to the purchaser or his/her custodian.

Discount – The amount by which the par value of a security exceeds the price paid for the security.

Diversification – A process of investing assets among a range of security types by sector, maturity, and quality rating.

Fair value – The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Federal Funds (Fed Funds) – Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

Government Securities – An obligation of the U.S. government backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See “Treasury Bills, Notes and Bonds.”

Guaranteed Investment Contract – Insurance contract that guarantees the owner principal repayment and a fixed or floating interest rate for a predetermined period of time. Guaranteed investment contracts are typically issued by insurance companies and marketed to institutions that qualify for favorable tax status under federal laws. These products provide institutions with guaranteed returns.

Interest rate – See “Coupon Rate.”

Internal Controls – An internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgment by management. Internal controls should address the following points:

1. Control of collusion – Collusion is a situation where two or more employees are working in conjunction to defraud their employer.

2. Separation of duties – By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
3. Custodial safekeeping – Securities purchased by any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. Avoidance of physical delivery securities – Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. Clear delegation of authority to subordinate staff members – Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. Written confirmation of transactions for investments and wire transfers – Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
7. Development of a wire transfer agreement with the lead bank and third party custodian – The designated official should ensure that an agreement will be entered into and will address the following points: control, security provisions, and responsibilities of each party making and receiving wire transfers.

Investment Policy – A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Letter of Credit – A letter from a bank guaranteeing that a buyer’s payment to a seller will be received on time and for the correct amount. In the event that the buyer is unable to make payment on the purchase, the bank will be required to cover the full or remaining amount of the purchase.

Liquidity – An asset that can be converted easily and quickly into cash.

Local Government Investment Pool (LGIP) – An investment by local governments in which their money is pooled as a method for managing local funds.

Mark-to-market – The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market risk – The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market value – Current market price of a security.

Maturity – The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See “Weighted Average Maturity.”

Money Market Mutual Fund – Mutual funds that invest solely in money market instruments (short-term instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos, and federal funds).

Mutual Fund – An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance, management and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator, or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sells SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus which is updated and filed by the SEC annually.

National Association of Securities Dealers (NASD) – A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Net Asset Value – The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued interest earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price of each security in the fund's portfolio. (Total assets – liabilities/Number of shares outstanding)

No Load Fund – A mutual fund which does not levy a sales charge on the purchase of its shares.

Nominal Yield – The states rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

Offer – An indicated price at which market participants are willing to sell a security or commodity. Also refer to as the "Ask price."

Par – Face value or principal value of a bond, typically $1,000 per bond.

Premium – The amount by which the price paid for a security exceeds the security's par value.

Primary Market – A market that issues new securities on an exchange. Companies, governments and other groups obtain financing through debt or equity based securities. Primary markets are facilitated by underwriting groups, which consists of investment banks that will set a beginning price range for a given security and then oversee its sale directly to investors. Also known as “New Issue Market” (NIM).

Prime rate – A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

Principal – The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Prospectus – A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer’s business, the proposed used of proceeds, the experience of the issuer’s management and certain certified financial statements.

Prudent Person Rule – An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

Repurchase Agreement (Repo) – An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

Reverse Repurchase Agreement (Reverse Repo) - An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Safekeeping – Holding of assets, such as securities, by a financial institution.

Secondary Market – A market where investors purchase securities or assets from other investors, rather than from issuing companies themselves. The national exchanges, such as the New York Exchange and the NASDAQ are secondary markets. In any secondary market trade, the cash proceeds go to an investor rather than to the underlying company/entity directly. In the primary market prices are often set beforehand, whereas in the secondary market only basic forces like supply and demand determine the price of the security.

Security – A financial instrument that represents: an ownership position in a publicly traded corporation (stock), a creditor relationship with a governmental body or a corporation (bond), or rights to ownership as represented by an option. A security is a fungible, negotiable instrument that represents some type of financial value.

Securities Lending – The act of loaning a stock, derivative, other security to an investor firm. Securities lending requires the borrower to put up collateral, whether cash, security or a letter of credit. When a security is loaned, the title and the ownership is also transferred to the borrower. The borrower hopes to profit by selling the security and buying it back at a lower price. Since ownership has been transferred temporarily to the borrower, the borrower is liable to pay any dividends out to the lender.

Serial Bond – A bond issue, usually a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

Share Certificates – A share certificate is a written document signed on behalf of a corporation, and serves a legal proof of ownership of the number of share indicated. Also refer to as “stock certificate.”

Sinking Fund – Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

Treasury Bills – Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of $10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

Treasury Notes – Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from $1,000 to $1 million or more.

Treasury Bonds (T-bills) – Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of $1,000. Currently the longest outstanding maturity for such securities is 30 years.

Uniform Net Capital Rule – SEC Rule 15C3-1 outlining capital requirements for broker/dealers.

Weighted Average Maturity (WAM) – The average maturity of all the securities that comprise a portfolio. According to the SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 90 days and no one security may have a maturity that exceeds 397 days.

Yield – The current rate of return on an investment security generally expressed as a percentage of the security’s current price.

Yield-to-call (YTC) – The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

Yield-to-maturity – The rate of return yielded by a debt security held to maturity when both interest payments and the investor’s potential capital gain or loss are included in the calculation of return.

Zero-coupon Securities – Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Candice Edmondson, City Manager

Date: September 13, 2021

Subject: FY 2022 Crime Control and Prevention District Annual Budget

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Agenda Item:

Consider approval and adoption of the Fiscal Year 2022 Crime Control and Prevention District Annual Budget **PUBLIC HEARING**

Background Information:

The FY 2022 Crime Control and Prevention District (CCPD) Annual Budget includes estimated revenues in the amount of $1,512,000 and estimated expenses in the amount of $1,382,508. The FY 2022 CCPD Annual Budget includes funding for the following:

- Communication equipment
- Protective gear
- Ammunition
- Crime prevention
- Criminal investigation
- Public safety equipment
- Shared services
- General administrative costs

The budget also includes implementation of a compensation plan with a proposed 3% annual step increase for sworn police personnel, $8,000 for contributions to the Tarrant County Mental Health Diversion Facility and $106,860 in transfers for capital expenditures ($16,860 for outfitting of patrol vehicles and $90,000 for covered parking at the Police Department). At the end of Fiscal Year 2022, staff projects an ending fund balance of $515,281.

Per Local Government Code Section 363.203, the following financial information for the Crime Control and Prevention District should be presented to the Board as part of your review and consideration of the proposed FY 2022 CCPD Annual Budget:

- The outstanding obligations of the district - $0

- The amount of cash on hand to the credit of each fund of the district as of August 31, 2021 is $266,602

- The amount of money received by the district from all sources during the previous year – Fiscal Year 2020 = $1,307,117

- The estimated amount of money available to the district from all sources during the current fiscal year- Revenue – Fiscal Year 2021 = $1,337,661 sales tax

- The amount of money needed to fund programs approved for funding by the board - $1,382,508

- The amount of money requested for programs that were not approved for funding by the board - $0

- The tax rate for the next fiscal year – Sales tax rate is $0.375 of one cent

- The amount of the balances expected at the end of the year in which the budget is being prepared is $515,281

- The estimated amount of revenues and balances available to cover the proposed budget is Revenue $1,512,000

Financial Considerations:

The FY 2022 CCPD Budget will go into effect on October 1, 2021 if approved by the Crime Control and Prevention District Board and City Council.

Legal Review:

N/A

Board/Citizen Input:

The Crime Control and Prevention District Board approved the FY 2022 CCPD Annual Budget 5-0 at their August 9, 2021 meeting.

Attachments:

FY 2022 CCPD Proposed Budget and Fund Summary

City Council Action Requested:

Motion to approve and adopt the Fiscal Year 2022 Crime Control and Prevention District Annual Budget

CITY OF RICHLAND HILLS - CRIME CONTROL DISTRICT FUND (FUND 065) DEPARTMENT 60/61 CRIME CONTROL DISTRICT					
DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
SALES & USE TAX	1,302,122	1,151,805	1,500,000	348,195	30.2%
GRANTS & TRANSFERS	4,995	12,000	12,000	-	0.0%
TOTAL REVENUE	**$ 1,307,117**	**$ 1,163,805**	**$ 1,512,000**	**$ 348,195**	**29.9%**
PERSONNEL	**$ 661,074**	**$ 690,590**	**$ 716,585**	**$ 25,995**	**3.8%**
SUPPLIES AND MAINTENANCE	**$ 80,288**	**$ 92,570**	**$ 70,859**	**$ (21,711)**	**-23.5%**
OTHER OPERATING	**$ 349,684**	**$ 395,569**	**$ 438,400**	**$ 42,831**	**10.8%**
CAPITAL	**$ 185,246**	**$ 59,909**	**$ 49,804**	**$ (10,105)**	**-16.9%**
TRANSFERS OUT			**$ 106,860**	**$ 106,860**	**100.0%**
TOTAL EXPENDITURES	**$ 1,276,292**	**$ 1,238,638**	**$ 1,382,508**	**$ 143,870**	**11.6%**
BEGINNING FUND BALANCE	**$ 346,755**	**377,580**	**385,789**		
ENDING FUND BALANCE	**$ 377,580**	**$ 302,747**	**$ 515,281**		

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Patricia Albrecht, Director of Finance and Administrative Services

Date: September 13, 2021

Subject: Amended FY 2021 Budget

Agenda Item:

Consider Ordinance 1416-20A approving and adopting the Amended Fiscal Year 2021 Budget **PUBLIC HEARING**

Background Information:

On September 28, 2020 the City Council adopted the Fiscal Year 2020-2021 (FY 2021) budget for the City. During FY 2021, there were revenues and expenditures that necessitate revisions to the budget. The revisions include the receipt of the first disbursement to the City of the American Rescue Plan Act funds. The total revisions are as follows:

	FY 2021 Adopted	FY 2021 Amended	% Change
Revenues			
General Fund	$7,141,493	$8,481,276	19% increase
Debt Service Fund	$914,227	$966,560	6% increase
Utility Fund	$4,040,826	$4,655,893	15% increase
Drainage Fund	$929,300	$938,945	1% increase
Link Fund	$478,020	$527,153	10% increase
Special Revenue Funds	$1,511,879	$1,750,905	16% increase
Capital Funds	$2,704,109	$3,162,771	17% increase
Richland Hills Dev. Corp.	$770,536	$889,355	15% increase
Total Revenues	$18,490,390	$21,372,858	16% increase

	FY 2021 Adopted	FY 2021 Amended	% Change
Expenditures			
General Fund	$7,471,418	$7,404,660	-1% decrease
Debt Service Fund	$928,546	$909,665	2% decrease
Utility Fund	$3,978,460	$4,231,639	6% increase
Drainage Fund	$929,704	$865,341	7% decrease
Link Fund	$482,204	$527,153	9% increase
Special Revenue Funds	$1,891,561	$2,057,720	9% increase
Capital Funds	$2,887,501	$9,028,956	213 % increase

Richland Hills Dev. Corp.	$805,143	$772,795	4% decrease
Total Expenditures	$19,374,537	$25,211,614	30% increase

Financial Considerations:

There is adequate funding for the proposed FY 2021 budget amendments.

Legal Review:

N/A

Board/Citizen Input:

N/A

Attachments:

Ordinance 1416-20A
FY 2021 Amended Budget

Council Action Requested:

Motion to approve Ordinance 1416-20A approving and adopting the Amended Fiscal Year 2021 Budget

ORDINANCE NO. 1416-20A

AN ORDINANCE OF THE CITY OF RICHLAND HILLS, TEXAS, APPROVING AND ADOPTING AN AMENDED BUDGET FOR THE CITY FOR FISCAL YEAR OCTOBER 1, 2020 THROUGH SEPTEMBER 30, 2021, PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council, after notice and a public hearing, adopted the budget for the fiscal year of October 1, 2020 to September 30, 2021; and

WHEREAS, the City Council, in accordance with Section 102.010, TEX. LOC. GOV'T CODE, desires to make certain changes in the budget for unanticipated municipal projects and purposes; and

WHEREAS, the City Council finds that the amended budget is in the best interest of the municipal taxpayers;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS:

SECTION 1.

That the budget, as amended and approved by the City Council, which is attached to this ordinance as Exhibit A, and made a part thereof for all purposes, is hereby adopted and approved by the City Council. All aspects of the budget for the fiscal period beginning October 1, 2020 and ending September 30, 2021 not amended pursuant to this Ordinance are hereby ratified.

SECTION 2.

This Ordinance shall be in full force and effect from and after its adoption.

PASSED AND APPROVED ON THIS 13th DAY OF SEPTEMBER, 2021.

CITY OF RICHLAND HILLS, TEXAS

____
THE HONORABLE MAYOR EDWARD LOPEZ

ATTEST:

____
CATHY BOURG, CITY SECRETARY

APPROVED AS TO FORM AND LEGALITY:

____
CITY ATTORNEY

CITY OF RICHLAND HILLS

FY 2020-2021 AMENDED BUDGET

(Creek Trail Park Playground)

Adopted September 13, 2021

Ordinance No.

CITY OF RICHLAND HILLS

SUMMARY OF FUNDS **FY 2021 AMENDED BUDGET**

GOVERNMENTAL FUNDS	FUND NO.	BEGINNING FUND BALANCE	REVENUES	EXPENDITURES	TRANSERS IN/(OUT)	ENDING FUND BALANCE
GENERAL FUND	01	$ 3,912,570	8,481,276	7,032,457	(372,203)	$ 4,989,186
SPECIAL REVENUE FUNDS						
COURT SECURITY	24	17,943	5,375	-	-	23,318
COURT TECHNOLOGY	39	-	4,685	-	-	4,685
CRIME CONTROL DISTRICT	65	377,580	1,337,661	1,329,452	-	385,789
HOTEL OCCUPANCY TAX FUND	77	161,301	161,040	176,568	-	145,773
TAX INCREMENT FINANCING FUND- TIF	89	944,685	167,144	337,587	75,000	849,242
*LINK OPERATIONS FUND**	98	0	372,220	527,153	154,933	-
COMPONENT UNIT						
RICHLAND HILLS ECONOMIC DEV. FUND	26	801,108	889,355	772,795	-	917,668
DEBT SERVICE FUND	10	385,295	966,560	909,665	-	442,190
CAPITAL PROJECTS FUNDS						-
OIL AND GAS FUND	12	256,207	53,000	102,630	-	206,577
CAPITAL PROJECTS FUND	20	245,398	1,375,489	1,439,021	142,270	324,136
ROAD & STREET FUND	25	1,125,837	1,335,030	1,335,030	-	1,125,837
2019 GO CIP FUND-FIRE STATION	27	5,302,015	1,800	5,223,815		80,000
2019 TAX NOTE FUND-POLICE RENOV.	28	673,380	240,691	914,071		-
VEHICLE REPLACEMENT FUND	30	22,885	14,491	14,390	-	22,986
TOTAL GOVERNMENTAL FUNDS		**$ 14,226,204**	**$ 15,405,817**	**$ 20,114,634**	**$ -**	**$ 9,517,387**

ENTERPRISE FUNDS	FUND NO.	BEGINNING FUND BALANCE	REVENUES	EXPENSES	TRANSERS IN/(OUT)	ENDING FUND BALANCE
WATER/SEWER FUND	2	$ 2,356,497	4,655,893	4,231,639		$ 2,780,751
DRAINAGE FUND	22	572,322	938,945	865,341		645,926
TOTAL ENTERPRISE FUNDS		**$ 2,928,819**	**$ 5,594,838**	**$ 5,096,980**	**$ -**	**$ 3,426,677**

**LINK FUND fund balance is reported with the General Fund at end of year.*

FY 2021 AMENDED BUDGET

GENERAL FUND REVENUES SUMMARY	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PROPERTY TAXES	$ 2,624,551	$ 2,630,568	$ 2,640,000	$ 9,432	0.4%
SALES TAXES	3,367,227	3,012,045	3,400,000	387,955	12.9%
LIQUOR TAXES	1,640	1,750	2,500	750	42.9%
FRANCHISE FEES	566,748	520,000	520,000	-	0.0%
FINES & FORFEITURES	405,410	465,150	327,850	(137,300)	-29.5%
LICENSES & PERMITS	383,037	148,130	169,050	20,920	14.1%
CHARGES FOR SERVICES	456,088	306,850	311,950	5,100	1.7%
MISCELLANEOUS REVENUES	857,746	57,000	1,109,926	1,052,926	1847.2%
TOTAL REVENUES	**$ 8,662,447**	**$ 7,141,493**	**$ 8,481,276**	**$ 1,339,783**	**18.8%**

GENERAL FUND EXPENDITURES SUMMARY	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
MUNICIPAL COURT	$ 248,936	$ 260,667	$ 262,769	2,102.00	0.8%
ADMINISTRATION	497,501	610,611	571,293	(39,318.00)	-6.4%
POLICE	1,696,307	1,905,782	1,909,482	3,700.00	0.2%
FIRE	2,383,508	1,850,255	1,884,055	33,800.00	1.8%
STREETS	158,081	224,470	252,470	28,000.00	12.5%
LIBRARY	342,273	386,248	386,038	(210.00)	-0.1%
RECREATION	179,574	198,410	233,000	34,590.00	17.4%
PARKS & GROUNDS	162,926	256,546	140,915	(115,631.00)	-45.1%
COMMUNITY DEVELOPMENT	461,422	353,968	411,833	57,865.00	16.3%
ANIMAL CONTROL	163,586	174,125	170,125	(4,000.00)	-2.3%
LEGISLATIVE (CITY SECRETARY)	168,891	185,722	165,635	(20,087)	-10.8%
NON-DEPT	$ 547,726	$ 684,924	$ 644,842	(40,082.00)	-5.9%
TOTAL EXPENDITURES	**$ 7,010,731**	**$ 7,091,728**	**$ 7,032,457**	**$ (59,271)**	**-0.84%**
Transfers Out	**$ 711,404**	**$ 379,690**	**$ 372,203**	**(7,487)**	
BEGINNING FUND BALANCE	**$ 2,966,213**	**$ 3,912,570**	**$ 3,912,570**		
ENDING FUND BALANCE	**$ 3,912,570**	**$ 3,582,645**	**$ 4,989,186**		
90 DAYS RESERVE AMOUNT	*$ 2,041,219*	*$ 1,748,645*	*$ 1,734,030*		
AMOUNT OVER/(UNDER) RESERVE REQUIREMENTS	*$ 1,871,351*	*$ 1,834,000*	*$ 3,255,156*		

**FY 2020 ACTUALS ARE AUDITED NUMBERS*

FY 2021 Amended Budget

CITY OF RICHLAND HILLS - GENERAL FUND (FUND 001) DEPARTMENT 04 REVENUE - TAXES					
DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
CURRENT PROPERTY TAX	$ 2,553,958	$ 2,582,568	$ 2,767,144	$ 184,576	7.1%
TIF TRANSFER (PROPERTY TAX)			(167,144)	$ (167,144)	100%
DELINQUENT PROPERTY TAX	36,922	27,000	15,000	$ (12,000)	-44.4%
INTEREST & PENALTY TAXES	33,670	21,000	25,000	$ 4,000	19.0%
SALES & USE TAX	3,367,227	3,012,045	3,400,000	$ 387,955	12.9%
LIQUOR & ENTERTAINMENT	1,640	1,750	2,500	$ 750	42.9%
ELECTRIC FRANCHISE	270,336	262,000	262,000	$ -	0.0%
GAS FRANCHISE	84,276	80,000	80,000	$ -	0.0%
TELEPHONE FRANCHISE	35,753	19,000	19,000	$ -	0.0%
SOLID WASTE FRANCHISE	109,873	105,000	105,000	$ -	0.0%
CABLE TV FRANCHISE	66,509	54,000	54,000	$ -	0.0%
REVENUE-TAXES	**$ 6,560,166**	**$ 6,164,363**	**$ 6,562,500**	**$ 398,137**	**6.5%**

CITY OF RICHLAND HILLS - GENERAL FUND (FUND 001) DEPARTMENT 05 FINES & FORFEITURES					
DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
MUNICIPAL COURT FINES	$ 300,404	$ 300,000	$ 218,000	$ (82,000)	-27.3%
LIBRARY	20	750	50	(700)	-93.3%
DLQ MUNICIPAL CT FINES	70,316	110,000	40,000	(70,000)	-63.6%
JUDICIAL EFFICIENCY FINES	428	700	300	(400)	-57.1%
WARRANTS	18,924	25,000	10,000	(15,000)	-60.0%
MC DLQ COLLECTIONS	784	-	40,000	40,000	100.0%
ANIMAL CONTROL	13,258	26,700	18,000	(8,700)	-32.6%
SCHOOL CROSSING GUARD	1,276	2,000	1,500	(500)	-25.0%
FINES & FORFEITURES	**$ 405,410**	**$ 465,150**	**$ 327,850**	**$ (137,300)**	**-29.5%**

FY 2021 Amended Budget

DEPARTMENT
06 LICENSES & PERMITS

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
CONTRACTOR REGISTRATION FEES	$ 26,355	$ 10,000	$ 25,000	$ 15,000	150.0%
ELECTRICAL PERMITS	12,080	28,000	15,000	(13,000)	-46.4%
ANIMAL LICENSE	-	425	350	(75)	-17.6%
BUILDING PERMITS	292,696	77,000	90,000	13,000	16.9%
PLUMBING PERMITS	22,820	14,000	25,000	11,000	78.6%
LIQUOR SALE PERMIT	350	705	200	(505)	-71.6%
GARAGE SALE PERMITS	3,410	8,000	5,000	(3,000)	-37.5%
FIRE CODE PERMITS	25,326	10,000	8,500	(1,500)	-15.0%
LICENSES & PERMITS	**$ 383,037**	**$ 148,130**	**$ 169,050**	**$ 20,920**	**14.1%**

DEPARTMENT
07 SERVICE CHARGES

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PLAN REVIEW	$ 180,589	$ 22,000	$ 30,000	$ 8,000	36.4%
COPY MACHINE	1,568	2,600	1,600	(1,000)	-38.5%
EMERGENCY MEDICAL SERVICE	273,841	280,000	280,000	-	0.0%
ANIMAL VACCINATIONS	90	2,250	350	(1,900)	-84.4%
SERVICE CHARGES	**$ 456,088**	**$ 306,850**	**$ 311,950**	**$ 5,100**	**1.7%**

DEPARTMENT
08 MISCELLANEOUS REVENUE

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
OTHER FINANCIAL SOURCES	$ 719,733			$ -	
INVESTMENT INCOME	14,930	7,000	850	(6,150)	-87.9%
GRANTS/ARPA FUNDS	3,167		985,321	985,321	100.0%
MISCELLANEOUS	44,247	10,000	78,105	68,105	681.1%
BISD/SRO REIMBURSEMENT	75,669	40,000	45,650	5,650	14.1%
MISC. REVENUE	**$ 857,746**	**$ 57,000**	**$ 1,109,926**	**$ 1,052,926**	**1847.2%**
TOTAL FUND 001 GENERAL FUND REVENUE	**$ 8,662,447**	**$ 7,141,493**	**$ 8,481,276**	**$ 1,339,783**	**18.8%**

EXPENDITURES

DEPARTMENT
11 MUNICIPAL COURT

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PERSONNEL	$ 226,721	$ 240,507	$ 228,254	$ (12,253)	-5.1%
SUPPLIES AND MAINTENANCE	$ 19,250	$ 17,674	$ 32,010	$ 14,336	81.1%
OTHER OPERATING	$ 2,965	$ 2,486	$ 2,505	$ 19	0.8%
TOTAL - MUNICIPAL COURT	$ 248,936	$ 260,667	$ 262,769	$ 2,102	0.8%

DEPARTMENT
12 ADMINISTRATION

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PERSONNEL	$ 433,613	$ 528,058	$ 340,618	$ (187,440)	-35.5%
SUPPLIES AND MAINTENANCE	$ 48,062	$ 62,788	$ 216,500	$ 153,712	244.8%
OTHER OPERATING/TRANSFERS OUT	$ 15,826	$ 19,765	$ 14,175	$ (5,590)	-28.3%
TOTAL - ADMINISTRATION	$ 497,501	$ 610,611	$ 571,293	$ (39,318)	-6.4%

CITY OF RICHLAND HILLS - GENERAL FUND (FUND 001)

DEPARTMENT
13 POLICE

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PERSONNEL	$ 1,442,936	$ 1,466,655	$ 1,466,164	$ (491)	0.0%
SUPPLIES AND MAINTENANCE	$ 180,037	$ 350,248	$ 364,132	$ 13,884	4.0%
OTHER OPERATING	$ 73,334	$ 88,879	$ 79,186	$ (9,693)	-10.9%
TOTAL - POLICE DEPARTMENT	$ 1,696,307	$ 1,905,782	$ 1,909,482	$ 3,700	0.2%

***Police department had a budget amendment approved in January 2021.*

DEPARTMENT
14 FIRE

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PERSONNEL	$ 1,413,886	$ 1,533,303	$ 1,589,491	$ 56,188	3.7%
SUPPLIES AND MAINTENANCE	$ 208,227	$ 229,277	$ 205,995	$ (23,282)	-10.2%
OTHER OPERATING	$ 41,662	$ 48,175	$ 49,069	$ 894	1.9%
CAPITAL	$ 719,733	$ 39,500	$ 39,500	$ -	0.0%
TOTAL - FIRE DEPARTMENT	$ 2,383,508	$ 1,850,255	$ 1,884,055	$ 33,800	1.8%

FY 2021 Amended Budget

DEPARTMENT
16 STREET DEPARTMENT

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PERSONNEL	$ 141,975	$ 192,220	$ 125,065	$ (67,155)	-34.9%
SUPPLIES AND MAINTENANCE	$ 16,106	$ 30,850	$ 27,475	$ (3,375)	-10.9%
OTHER OPERATING	$ -	$ 1,400	$ 1,200	$ (200)	-14.3%
STREET REPAIRS & MAINT	$ -	$ -	$ 98,730	$ 98,730	0.0%
TOTAL - STREET DEPARTMENT	$ 158,081	$ 224,470	$ 252,470	$ 28,000	12.5%

DEPARTMENT
17 LIBRARY

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PERSONNEL	$ 284,784	$ 320,318	$ 319,808	$ (510)	-0.2%
SUPPLIES AND MAINTENANCE	$ 43,172	$ 53,600	$ 53,900	$ 300	0.6%
OTHER OPERATING	$ 14,317	$ 12,330	$ 12,330	$ -	0.0%
CAPITAL	$ -	$ -		$ -	
TOTAL - LIBRARY	$ 342,273	$ 386,248	$ 386,038	$ (210)	-0.1%

DEPARTMENT
18 RECREATION

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PERSONNEL	$ 120,742	$ 122,742	$ 162,800	$ 40,058	32.6%
SUPPLIES AND MAINTENANCE	$ 28,922	$ 40,668	$ 34,200	$ (6,468)	-15.9%
OTHER OPERATING	$ 29,910	$ 35,000	$ 36,000	$ 1,000	2.9%
TOTAL - RECREATION	$ 179,574	$ 198,410	$ 233,000	$ 34,590	17.4%

DEPARTMENT
19 PARKS

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PERSONNEL	$ 54,250	$ 113,706	$ 22,985	$ (90,721)	-79.8%
SUPPLIES AND MAINTENANCE	$ 108,656	$ 133,700	$ 108,900	$ (24,800)	-18.5%
OTHER OPERATING	$ 20	$ 9,140	$ 9,030	$ (110)	-1.2%
TOTAL - PARKS DEPARTMENT	$ 162,926	$ 256,546	$ 140,915	$ (115,631)	-45.1%

DEPARTMENT
20 COMMUNITY DEVELOPMENT

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PERSONNEL	$ 442,842	$ 321,107	$ 153,637	$ (167,470)	-52.2%
SUPPLIES AND MAINTENANCE	$ 13,153	$ 21,450	$ 246,420	$ 224,970	1048.8%
OTHER OPERATING	$ 5,427	$ 11,411	$ 11,776	$ 365	3.2%
TOTAL - COMMUNITY DEVELOPMENT	$ 461,422	$ 353,968	$ 411,833	$ 57,865	16.3%

DEPARTMENT
21 ANIMAL CONTROL

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PERSONNEL	$ 118,160	$ 130,475	$ 121,320	$ (9,155)	-7.0%
SUPPLIES AND MAINTENANCE	$ 42,280	$ 40,050	$ 46,500	$ 6,450	16.1%
OTHER OPERATING	$ 3,146	$ 3,600	$ 2,305	$ (1,295)	-36.0%
TOTAL - ANIMAL CONTROL	$ 163,586	$ 174,125	$ 170,125	$ (4,000)	-2.3%

DEPARTMENT
23 LEGISLATIVE

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PERSONNEL	$ 72,132	$ 75,602	$ 70,025	$ (5,577)	-7.4%
SUPPLIES AND MAINTENANCE	$ 17,848	$ 30,475	$ 16,725	$ (13,750)	-45.1%
OTHER OPERATING	$ 78,911	$ 79,645	$ 78,885	$ (760)	-1.0%
TOTAL - LEGISLATIVE	$ 168,891	$ 185,722	$ 165,635	$ (20,087)	-10.8%

FY 2021 Amended Budget

DEPARTMENT
30 SHARED SERVICES

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PERSONNEL	$ 94,410	$ 92,778	$ 86,320	$ (6,458)	-7.0%
SUPPLIES AND MAINTENANCE	$ 196,056	$ 293,665	$ 224,566	$ (69,099)	-23.5%
OTHER OPERATING	$ 257,260	$ 298,481	$ 333,956	$ 35,475	11.9%
TOTAL - SHARED SERVICES	$ 547,726	$ 684,924	$ 644,842	$ (40,082)	-5.9%

***Department 30 had a budget amendment approved in January 2021.*

DEPARTMENT
001-32/00 NON-DEPARTMENTAL TRANSFERS OUT

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
TRANSFER TO CAPITAL PROJECTS	$ 291,844	$ 142,270	$ 142,270	$ -	0.0%
TRANSFER TO CAP PROJECTS- FUND BAL APPROP		-			0.0%
TRANSFER TO TIF SALES TAX		-	75,000	$ 75,000	100.0%
TRANSFER TO LINK FUND	419,560	237,420	154,933	$ (82,487)	-34.7%
TOTAL - NON DEPARTMENTAL TRANSFERS OUT	$ 711,404	$ 379,690	$ 372,203	$ (7,487)	-2.0%
TOTAL EXPENDITURES	$ 7,722,135	$ 7,471,418	$ 7,404,660	$ (66,758)	-0.9%
Transfers out from Fund Balance					

FY 2021 Amended Budget

DEPARTMENT
098-60 LINK REVENUES

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
TRANSFER FROM THE GENERAL FUND	$ 419,560	$ 237,420	$ 154,933	(82,487)	-34.7%
LATE FEES & PENALTIES	370	-	440	440	100.0%
ONE TIME CLASSES (NOT4SENIORS)	12,211	10,000	12,000	2,000	20.0%
LINK MEMBERSHIPS	62,161	50,000	61,000	11,000	22.0%
ONE DAY PASSES	4,135	3,000	3,400	400	13.3%
FITNESS CLASSES	6,683	3,600	4,800	1,200	33.3%
PERSONAL TRAINING	850	1,000	7,000	6,000	600.0%
ATHLETICS	11,432	6,000	17,500	11,500	191.7%
ALL DAY CAMPS	32,609	30,000	68,000	38,000	126.7%
AFTER SCHOOL PROGRAM	42,939	45,000	66,000	21,000	46.7%
SPECIAL EVENTS	1,370	-	2,300	2,300	100.0%
SENIOR PROGRAMS	1,431	-	1,600	1,600	100.0%
CONCESSIONS	3,977	3,000	3,600	600	20.0%
INDOOR/OUTDOOR RENTALS	72,603	80,000	113,000	33,000	41.3%
ADVERTISING CONTRIBUTIONS		-			
SILVER PROGRAMS	12,716	8,000	11,050	3,050	38.1%
MISCELLANEOUS REVENUE	193	-	815	815	100.0%
LINK-EMPLOYEE MEMBERSHIPS	2,806	1,000	1,850	850	85.0%
CONTRA REV-MEMBER DISCOUNTS			(1,420)	(1,420)	100.0%
CONTRA REV-CITY DISCOUNTS	(8,991)	-	(715)	(715)	100.0%
LINK REVENUES	**$ 679,055**	**$ 478,020**	**$ 527,153**	**$ 49,133**	**10.3%**

DEPARTMENT
098-61 LINK EXPENDITURES

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PERSONNEL	**$ 350,209**	**$ 324,380**	**$ 329,963**	**$ 5,583**	**1.7%**
SUPPLIES & MAINTENANCE	**$ 89,149**	**$ 86,624**	**$ 130,150**	**$ 43,526**	**50.2%**
OTHER OPERATING	**$ 86,553**	**$ 71,200**	**$ 67,040**	**$ (4,160)**	**-5.8%**
LINK EXPENDITURES	**$ 525,911**	**$ 482,204**	**$ 527,153**	**$ 44,949**	**9.3%**

FY 2021 AMENDED BUDGET

WATER & SEWER FUND REVENUES SUMMARY		FY 2020 ACTUAL		FY 2021 ADOPTED		FY 2021 AMENDED		AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
WATER SALES	$	2,412,769	$	2,100,000	$	2,275,110	$	175,110	8.3%
WASTEWATER SALES		1,725,875		1,800,000		1,800,000		-	0.0%
MISCELLANEOUS INCOME		112,265		140,826		580,783		439,957	312.4%
TOTAL INCOME	**$**	**4,250,909**	**$**	**4,040,826**	**$**	**4,655,893**	**$**	**615,067**	**15.2%**
Transfers In	**$**	**17,666**							

WATER & SEWER FUND EXPENSES SUMMARY		FY 2020 ACTUAL		FY 2021 ADOPTED		FY 2021 AMENDED		AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
SHARED SERVICES	$	275,893	$	330,011	$	315,082	$	(14,929)	-4.5%
ADMINISTRATION		464,519		512,787		409,258		(103,529)	-20.2%
DEBT SERVICE/NON DEPT.		493,921		472,937		937,372		464,435	98.2%
WATER PRODUCTION & DISTRIBUTION		1,222,219		1,246,857		1,300,050		53,193	4.3%
WASTEWATER SERVICES		1,133,748		1,415,868		1,269,877		(145,991)	-10.3%
								-	
								-	
TOTAL EXPENSES	**$**	**3,590,300**	**$**	**3,978,460**	**$**	**4,231,639**	**$**	**253,179**	**6.4%**
Transfers Out		**14,511**						**-**	
BEGINNING (UNRESTRICTED) NET POSITION	**$**	**1,847,158**	**$**	**2,356,497**	**$**	**2,356,497**			
ENDING (UNRESTRICTED) NET POSITION	**$**	**2,356,497**	**$**	**2,418,863**	**$**	**2,780,751**			
60 DAYS RESERVE AMOUNT	*$*	*463,951*	$	653,993	$	695,612			
AMOUNT OVER/(UNDER) RESERVE REQUIREMENTS	*$*	*1,892,546*	*$*	*1,764,870*	*$*	*2,085,139*			

*FY 2020 ACTUALS ARE AUDITED NUMBERS

CITY OF RICHLAND HILLS - UTILITY FUND (FUND 002)

DEPARTMENT
54 WATER REVENUES

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PENALTY & INTEREST	$ 34,023	$ 80,200	$ 71,960	$ (8,240)	-10.3%
SALE OF WATER	2,412,769	2,100,000	$ 2,186,150	86,150	4.1%
TAP FEES	3,605	626	$ 17,000	16,374	2615.7%
R. HLS. IMPACT FEES	-	-			
WATER REVENUES	**$ 2,450,397**	**$ 2,180,826**	**$ 2,275,110**	**$ 94,284**	**4.3%**

CITY OF RICHLAND HILLS - UTILITY FUND (FUND 002)

DEPARTMENT
55 SEWER REVENUES

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
SEWER BILLING	$ 1,725,875	$ 1,800,000	$ 1,800,000	$ -	0.0%
R. HLS. IMPACT FEES		-		-	
TOTAL - SEWER REVENUES	**$ 1,725,875**	**$ 1,800,000**	**$ 1,800,000**	**$ -**	**0.0%**

CITY OF RICHLAND HILLS - UTILITY FUND (FUND 002)

DEPARTMENT
56 MISC REVENUES

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
USE OF LINES	$ 5,636	$ 10,000	6,200	$ (3,800)	-38.0%
SERVICE CHARGES	1,056	2,650	2,800	150	5.7%
INVESTMENT INCOME	11,687	1,400	620	(780)	-55.7%
GARBAGE BILLING			445,478	445,478	100.0%
WASTE DISP. PROCESS. FEE	35,923	32,000	31,000	(1,000)	-3.1%
MISC. REVENUE	15,254	7,500	91,305	83,805	1117.4%
GARBAGE ADMIN FEE BILLING	5,081	6,450	3,380	(3,070)	-47.6%
TOTAL - MISC. REVENUES	**$ 74,637**	**$ 60,000**	**$ 580,783**	**$ 520,783**	**868.0%**
TOTAL REVENUE	**$ 4,250,909**	**$ 4,040,826**	**$ 4,655,893**	**615,067**	**15.2%**

CITY OF RICHLAND HILLS - UTILITY FUND (FUND 002)

DEPARTMENT
30 SHARED SERVICES

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PERSONNEL	$ -	$ 8,804	$ -	$ (8,804)	-100.0%
SUPPLIES AND MAINTENANCE	$ 82,831	$ 103,963	$ 87,320	$ (16,643)	-16.0%
OTHER OPERATING	$ 193,062	$ 217,244	$ 227,762	$ 10,518	4.8%
TOTAL - SHARED SERVICES	$ 275,893	$ 330,011	$ 315,082	$ (14,929)	-4.5%

CITY OF RICHLAND HILLS - UTILITY FUND (FUND 002)

DEPARTMENT
62 ADMINISTRATION

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PERSONNEL	$ 288,600	$ 369,592	$ 224,788	$ (144,804)	-39.2%
SUPPLIES AND MAINTENANCE	$ 116,354	$ 121,695	$ 164,350	$ 42,655	35.1%
OTHER OPERATING	$ 59,565	$ 21,500	$ 20,120	$ (1,380)	-6.4%
TOTAL - ADMINISTRATION	$ 464,519	$ 512,787	$ 409,258	$ (103,529)	-20.2%

CITY OF RICHLAND HILLS - UTILITY FUND (FUND 002)

DEPARTMENT
64/00 TRANSFERS/DEBT SERVICE/NON-DEPT.

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PRINCIPAL PAYMENT	383,750	370,000	370,000	-	0.0%
INTEREST PAYMENT	110,171	101,437	101,437	-	0.0%
PAYING AGENT FEES	-	1,500	1,500	-	0.0%
GARBAGE BILLING EXPENSE		-	464,435	464,435	100.0%
TOTAL - TRANSFERS/DEBT SERVICE	$ 493,921	$ 472,937	$ 937,372	$ 464,435	98.2%

CITY OF RICHLAND HILLS - UTILITY FUND (FUND 002)

DEPARTMENT
66 WATER PRODUCTION& DISTRIBUTION

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PERSONNEL	$ 182,116	$ 279,362	$ 148,750	$ (130,612)	-46.8%
SUPPLIES AND MAINTENANCE	235,787	166,750	287,800	121,050	72.6%
OTHER OPERATING	533,185	662,035	577,000	(85,035)	-12.8%
CAPITAL	271,131	138,710	286,500	147,790	106.5%
TOTAL - WATER PRODUCTION & DIST.	$ 1,222,219	$ 1,246,857	$ 1,300,050	$ 53,193	4.3%

CITY OF RICHLAND HILLS - UTILITY FUND (FUND 002)

DEPARTMENT
67 WASTEWATER

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PERSONNEL	$ 275,626	$ 314,383	$ 263,407	$ (50,976)	-16.2%
SUPPLIES AND MAINTENANCE	163,941	126,050	137,300	$ 11,250	8.9%
OTHER OPERATING	694,181	827,035	591,670	$ (235,365)	-28.5%
CAPITAL		148,400	277,500	$ 129,100	87.0%
TOTAL - WASTEWATER	$ 1,133,748	$ 1,415,868	$ 1,269,877	$ (145,991)	-10.3%

TOTAL EXPENSES	$ 3,590,300	$ 3,978,460	$ 4,231,639	$ 253,179	6.4%

DRAINAGE UTILITY FUND (FUND 022)
DEPARTMENT
68 DRAINAGE REVENUE

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
CUSTOMER BILLING	$ 928,500	$ 928,800	$ 930,840	$ 2,040	0.220%
INVESTMENT INCOME	1,022	500	55	$ (445)	-89.000%
MISC. INCOME	-	-	8,050	$ 8,050	100.000%
TOTAL - INCOME	**$ 929,522**	**$ 929,300**	**$ 938,945**	**$ 9,645**	**1.04%**

DRAINAGE UTILITY FUND (FUND 022)
DEPARTMENT
69 DRAINAGE EXPENSE

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PERSONNEL	**$ 113,431**	**$ 174,374**	**$ 130,721**	**$ (43,653)**	**-25.0%**
SUPPLIES AND MAINTENANCE	**$ 89,392**	**$ 263,610**	**$ 262,900**	**$ (710)**	**-0.3%**
OTHER OPERATING	**$ 13,776**	**$ 1,000**	**$ -**	**$ (1,000)**	**-100.0%**
CAPITAL		**$ -**		**$ -**	**0.0%**
DEBT SERVICE		**$ 490,720**	**$ 471,720**	**$ (19,000)**	**-3.9%**
TOTAL EXPENSE	**$ 216,599**	**$ 929,704**	**$ 865,341**	**$ (64,363)**	**-6.9%**
BEGINNING (UNRESTRICTED) NET POSITION	**$ 383,015**	**$ 572,322**	**$ 572,322**		
ENDING (UNRESTRICTED) NET POSITION	**$ 572,322**	**$ 571,918**	**$ 645,926**		

DEPARTMENT
60/61 GENERAL DEBT SERVICE

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
CURRENT PROPERTY TAX	$ 900,761	$ 906,727	$ 956,500	$ 49,773	5.5%
DELINQUENT PROPERTY TAX	7,103	4,000	4,200	$ 200	5.0%
INTEREST & PENALTIES	6,021	3,500	5,860	$ 2,360	67.4%
TOTAL REVENUE	**$ 913,885**	**$ 914,227**	**$ 966,560**	**$ 52,333**	**5.7%**
PAYMENT OF PRINCIPAL	$ 401,250	$ 435,000	$ 415,500	$ (19,500)	-4.5%
AGENT FEES	3,500	6,900	6,900	$ -	0.0%
PAYMENT OF INTEREST	487,174	486,646	487,265	$ 619	0.1%
TOTAL EXPENDITURES	**$ 891,924**	**$ 928,546**	**$ 909,665**	**$ (18,881)**	**-2.0%**
BEGINNING FUND BALANCE	**$ 363,334**	**385,295**	**385,295**		
ENDING FUND BALANCE	**$ 385,295**	**$ 370,976**	**$ 442,190**		

DEPARTMENT
42/43 MUNICIPAL COURT BLDG SECURITY FUND

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
REVENUE - BLDG. SECURITY	$ 7,157	$ 6,800	$ 5,375	$ (1,425)	-21.0%
TOTAL REVENUE	**$ 7,157**	**$ 6,800**	**$ 5,375**	**$ (1,425)**	**-21.0%**
PERSONNEL	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
SUPPLIES AND MAINTENANCE	**$ 1,422**	**$ -**		**$ -**	**100%**
OTHER OPERATING	**$ -**	**$ 6,800**	**$ -**	**$ (6,800)**	**-100.0%**
TOTAL EXPENDITURES	**$ 1,422**	**$ 6,800**	**$ -**	**$ (6,800)**	**-100.0%**
BEGINNING FUND BALANCE	**$ 12,208**	**17,943**	**17,943**		
ENDING FUND BALANCE	**$ 17,943**	**$ 17,943**	**$ 23,318**		

RICHLAND HILLS ECONOMIC DEVELOPMENT CORP (FUND 26)
DEPARTMENT
38/39 RH ECONOMIC DEVELOPMENT CORP

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
INVESTMENT INCOME		$ -		$ -	0.0%
4B SALES TAX REVENUE	861,952	770,536	889,355	$ 118,819	15.4%
TOTAL REVENUE	**$ 861,952**	**$ 770,536**	**$ 889,355**	**$ 118,819**	**15.4%**
PERSONNEL	**$ 66,976**	**$ 93,132**	**$ 47,393**	**$ (45,739)**	**-49.1%**
SUPPLIES AND MAINTENANCE	**$ -**	**$ 15,000**	**$ 15,000**	**$ -**	**0.0%**
OTHER OPERATING	**$ 250,758**	**$ 466,448**	**$ 95,221**	**$ (371,227)**	**-79.6%**
TRANSFER TO FUND 20			**$ 385,268**	**$ 385,268**	**100.0%**
DEBT SERVICE	**$ 229,313**	**$ 230,563**	**$ 229,913**	**$ (650)**	**-0.3%**
TOTAL EXPENDITURES	**$ 547,047**	**$ 805,143**	**$ 772,795**	**$ (32,348)**	**-4.0%**
BEGINNING FUND BALANCE	**$ 486,203**	**801,108**	**801,108**		
ENDING FUND BALANCE	**$ 801,108**	**$ 766,501**	**$ 917,668**		

MUNICIPAL COURT TECHNOLOGY FUND (FUND 039)
DEPARTMENT
75/82 MUNICIPAL COURT TECHNOLOGY FUND

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
MUNI CT TECH FUND	7,678	6,500	4,685	$ (1,815)	-27.9%
TOTAL REVENUE	**$ 7,678**	**$ 6,500**	**$ 4,685**	**$ (1,815)**	**-27.9%**
PERSONNEL	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
SUPPLIES AND MAINTENANCE	**$ 7,678**	**$ 6,500**	**$ -**	**$ (6,500)**	**-100.0%**
OTHER OPERATING		**$ -**		**$ -**	**0.0%**
TOTAL EXPENDITURES	**$ 7,678**	**$ 6,500**	**$ -**	**$ (6,500)**	**-100.0%**
BEGINNING FUND BALANCE	**$ -**	**-**	**-**		
ENDING FUND BALANCE	**$ -**	**$ -**	**$ 4,685**		

CITY OF RICHLAND HILLS - CRIME CONTROL DISTRICT FUND (FUND 065)
DEPARTMENT
60/61 CRIME CONTROL DISTRICT

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
INVESTMENT INCOME		$ -		$ -	0.0%
SALES & USE TAX	1,302,122	1,151,805	1,336,461	184,656	16.0%
GRANTS & TRANSFERS	4,995	12,000	1,200	(10,800)	-90.0%
TOTAL REVENUE	**$ 1,307,117**	**$ 1,163,805**	**$ 1,337,661**	**$ 173,856**	**14.9%**
PERSONNEL	**$ 661,074**	**$ 690,590**	**$ 712,444**	**$ 21,854**	**3.2%**
SUPPLIES AND MAINTENANCE	**$ 80,288**	**$ 92,570**	**$ 84,920**	**$ (7,650)**	**-8.3%**
OTHER OPERATING	**$ 349,684**	**$ 395,569**	**$ 480,588**	**$ 85,019**	**21.5%**
CAPITAL	**$ 185,246**	**$ 59,909**	**$ 51,500**	**$ (8,409)**	**-14.0%**
TRANSFERS OUT				**$ -**	**100.0%**
TOTAL EXPENDITURES	**$ 1,276,292**	**$ 1,238,638**	**$ 1,329,452**	**$ 90,814**	**7.3%**
BEGINNING FUND BALANCE	**$ 346,755**	**$ 377,580**	**$ 377,580**		
ENDING FUND BALANCE	**$ 377,580**	**$ 302,747**	**$ 385,789**		

DEPARTMENT
60/61 HOTEL OCCUPANCY TAX

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
HOTEL OCCUPANCY TAX	$ 85,603	$ 85,000	$ 161,040	76,040	89.5%
TOTAL REVENUE	**$ 85,603**	**$ 85,000**	**$ 161,040**	**$ 76,040**	**89.5%**
PERSONNEL	**$ 65,692**	**$ 59,210**	**$ 70,105**	**$ 10,895**	**18.4%**
SUPPLIES AND MAINTENANCE		**$ -**		**$ -**	**0.0%**
OTHER OPERATING	**$ 17,171**	**$ 55,000**	**$ 400**	**$ (54,600)**	**-99.3%**
DEBT SERVICE	**$ 102,063**	**$ 105,413**	**$ 106,063**	**$ 650**	**0.6%**
TOTAL EXPENDITURES	**$ 184,926**	**$ 219,623**	**$ 176,568**	**$ (43,055)**	**-19.6%**
BEGINNING FUND BALANCE	**$ 260,624**	**161,301**	**161,301**		
ENDING FUND BALANCE	**$ 161,301**	**$ 26,678**	**$ 145,773**		

TAX INCREMENT FINANCING FUND (FUND 089)
DEPARTMENT
60/61TAX INCREMENT FINANCING

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
PROPERTY TAX - TRANSFER IN	$ 163,957	$ 174,774	$ 167,144	(7,630)	-4.4%
INTERGOVERNMENTAL				-	100.0%
SALES TAX-TRANSFER IN FROM GF	$ 80,581	$ 75,000	$ 75,000	-	0.0%
TOTAL REVENUE	**$ 244,538**	**$ 249,774**	**$ 242,144**	**$ (7,630)**	**-3.1%**
CAPITAL IMPROVEMENTS	**$ -**	**$ -**	**$ 97,110**	**$ 97,110**	**0.0%**
SUPPLIES AND MAINTENANCE	**$ -**	**$ 20,000**	**$ -**	**$ (20,000)**	**-100.0%**
OTHER OPERATING	**$ -**	**$ 400,000**	**$ -**	**$ (400,000)**	**-100.0%**
TRANSFER OUT TO FUND 28			**$ 240,477**	**$ 240,477**	**100.0%**
TOTAL EXPENDITURES	**$ -**	**$ 420,000**	**$ 337,587**	**$ (82,413)**	**-19.6%**
BEGINNING FUND BALANCE	**$ 700,147**	**944,685**	**944,685**		
ENDING FUND BALANCE	**$ 944,685**	**$ 774,459**	**$ 849,242**		

OIL & GAS FUND (FUND 012)
DEPARTMENT
60/61 OIL & GAS LEASE PROJ

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
OIL AND GAS LEASE REV	$ 34,963	$ 33,500	$ 53,000	19,500	58.2%
GRANTS AND TRANSFERS					
TOTAL REVENUE	**$ 34,963**	**$ 33,500**	**$ 53,000**	**$ 19,500**	**58.2%**
MISCELLANEOUS		$ 10,000	$ -	(10,000)	-100.0%
STREETS			2,630	2,630	100.0%
PARK IMPROVEMENTS	-	100,000	100,000	-	0.0%
				-	0.0%
TOTAL EXPENDITURES	**$ -**	**$ 110,000**	**$ 102,630**	**$ (7,370)**	**-6.7%**
BEGINNING FUND BALANCE	**$ 221,244**	**256,207**	**256,207**		
ENDING FUND BALANCE	**$ 256,207**	**$ 179,707**	**$ 206,577**		

CAPITAL PROJECTS FUND (FUND 020)
DEPARTMENT
77 CAPITAL PROJECTS FUND

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
GRANTS	$ 96,253	$ 1,372,560	$ 990,221	(382,339)	-27.9%
TRANSFER FROM GENERAL	291,844	142,270	142,270	-	0.0%
TRANSFER FROM RHDC			385,268	385,268	100.0%
TOTAL REVENUE	**$ 388,097**	**$ 1,514,830**	**$ 1,517,759**	**$ 2,929**	**0.2%**
CAPITAL EQUIPMENT	$ 56,682	$ 8,000	$ 8,000	-	0.0%
OTHER OPERATING EXPENSE		-	18,000	18,000	100%
CAPITAL PARKS IMPROVEMENT	96,253	1,527,231	1,273,765	(253,466)	-16.6%
CAPITAL LEASE PAYMENTS	142,270	142,270	139,256	(3,014)	-2.1%
TOTAL EXPENDITURES	**$ 359,646**	**$ 1,677,501**	**$ 1,439,021**	**$ (238,480)**	**-14.2%**
BEGINNING FUND BALANCE	**$ 216,947**	**245,398**	**245,398**		
ENDING FUND BALANCE	**$ 245,398**	**$ 82,727**	**$ 324,136**		

ROAD & STREET FUND (FUND 025)
DEPARTMENT
32/33 ROAD & STREET CONSTRUCTION FUND

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
SALES & USE TAX	$ 1,292,928	$ 1,155,779	$ 1,335,030	$ 179,251	15.5%
TRANSFERS IN FROM FUND BALANCE					
TOTAL REVENUE	**$ 1,292,928**	**$ 1,155,779**	**$ 1,335,030**	**$ 179,251**	**15.5%**
STREET CONSTRUCTION	$ 442,557	$ 1,019,000	$ -	$ (1,019,000)	-100.0%
PROJECT APPROPRIATIONS			1,039,419	$ 1,039,419	100.0%
STREET REPAIRS & MAINTENANCE			208,396	$ 208,396	100.0%
CAPITAL EQUIPMENT		81,000	87,215	$ 6,215	7.7%
TOTAL EXPENDITURES	**$ 442,557**	**$ 1,100,000**	**$ 1,335,030**	**$ 235,030**	**21.4%**
BEGINNING FUND BALANCE	**$ 275,466**	**1,125,837**	**1,125,837**		
ENDING FUND BALANCE	**$ 1,125,837**	**$ 1,181,616**	**$ 1,125,837**		

VEHICLE REPLACEMENT FUND (FUND 030)
DEPARTMENT

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
SALE OF FIXED ASSETS	$ -	$ -	$ 5,371	5,371	100.0%
INSURANCE PROCEEDS			$ 9,120	9,120	100.0%
TOTAL REVENUE	**$ -**	**$ -**	**$ 14,491**	**$ 14,491**	**100.0%**
CAPITAL EXPENSE			14,390	14,390	100.0%
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ 14,390**	**$ 14,390**	**100.0%**
BEGINNING FUND BALANCE		**22,885**	**22,885**		
ENDING FUND BALANCE	**$ 22,885**	**$ 22,885**	**$ 22,986**		

2019 GO BONDS CAPITAL PROJECTS (FUND 27)
DEPARTMENT
34/60/61

FIRE DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
INVESTMENT INCOME	$ 52,804	$ -	$ 1,800	1,800	0.0%
MISC REVENUE	5,562	-		-	0.0%
TOTAL REVENUE	**$ 58,366**	**$ -**	**$ 1,800**	**$ 1,800**	**0.0%**
DESIGN/ENG FEES	$ 345,584	$ -	$ 70,875	70,875	100.0%
CONSTRUCTION	378,219	-	5,098,140	5,098,140	100.0%
MISC	39,120	-	54,800		0.0%
TOTAL EXPENDITURES	**$ 762,923**	**$ -**	**$ 5,223,815**	**$ 5,223,815**	**0.0%**
BEGINNING FUND BALANCE	**$ 6,006,572**	**5,302,015**	**5,302,015**		
ENDING FUND BALANCE	**$ 5,302,015**	**$ 5,302,015**	**$ 80,000**		

2019 TAX NOTES CAPITAL PROJECTS (FUND 28)
DEPARTMENT
36/60/61

POLICE DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2021 AMENDED	AMENDMENTS $ CHANGE	AMENDMENTS % CHANGE
INVESTMENT INCOME	$ 6,161	$ -	$ 214	214	100.0%
MISC REVENUE	$ 15,334	$ -		-	0.0%
TRANSFERS IN - TIF			240,477	240,477	100.0%
TOTAL REVENUE	**$ 21,495**	**$ -**	**$ 240,691**	**$ 240,691**	**100.0%**
DESIGN/ENG FEES	48,157.00	-	12,920	12,920	100.0%
RENOVATIONS/IMPROVEMENTS	-	-	900,975	900,975	100.0%
MISC	725.00	-	175	175	100.0%
TOTAL EXPENDITURES	**$ 48,882**	**$ -**	**$ 914,070**	**$ 914,070**	**100.0%**
BEGINNING FUND BALANCE	**$ 700,767**	**673,380**	**673,380**		
ENDING FUND BALANCE	**$ 673,380**	**$ 673,380**	**$ -**		

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Patricia Albrecht, Director of Finance and Administration Services

Date: September 13, 2021

Subject: FY 2022 Tax Rate Public Hearing

Agenda Item:

Fiscal Year 2022 Tax Rate **PUBLIC HEARING**

Background Information:

At the August 9, 2021 Council workshop, the City Manager presented the proposed FY 2022 General Fund Budget to Council that included a proposed ad valorem tax rate of \$0.558551 per hundred dollars of valuation. Additionally, Council approved the FY 2022 /Tax Year 2021 Certified Tax Roll and reviewed the 2021 Tax Rate Calculation Worksheet. Per the attached 2021 Tax Rate Calculation Worksheet, the calculated No-New-Revenue Rate (formerly known as the Effective Tax Rate) is \$0.538885/\$100.

As the proposed tax rate is \$0.558551 and greater than the No-New-Revenue Rate of \$0.538885, a public hearing is required prior to tax rate adoption for the public to provide input on the proposed tax rate. This agenda item provides for the required public hearing. Another public hearing will be held on September 27, 2021 with adoption of the proposed tax rate immediately following.

The proposed FY 2022 ad valorem tax rate is the same tax rate as the current FY 2021 and previous FY 2020 ad valorem tax rate of \$0.558551 per hundred dollars of valuation. The FY 2022 allocation of the tax rate is \$0.413294 for Operations and Maintenance that funds General Fund operations and \$0.145257 for Interest and Sinking that funds debt service payments for a total ad valorem tax rate of \$0.558551.

Financial Considerations:

The FY 2022 ad valorem tax levy provides a portion of funding for the FY 2022 General Fund Budget and is the primary source of revenue for repayment of outstanding debt in the FY 2022 Debt Service Fund Budget. Funding for public safety and general city services is derived from property taxes otherwise known as ad valorem taxes.

Legal Review:

N/A

Board/Citizen Input:

Tonight's public hearing will allow citizens to provide input on the proposed FY 2022 ad valorem tax rate. A second public hearing and City Council consideration of adoption of the FY 2022 Tax Rate will be held on September 27, 2021.

Attachments:

2021 Tax Rate Calculation Worksheet

Council Action Requested:

Public Hearing and discussion only. No action requested.

2021 Tax Rate Calculation Worksheet

Date: 08/05/2021 10:52 AM

Taxing Units Other Than School Districts or Water Districts

City of Richland Hills

Taxing Unit Name

Phone *(area code and number)*

Taxing Unit's Address, City, State, ZIP Code

Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the No-New-Revenue (NNR) tax rate and Voter-Approval tax rate for the taxing unit. These tax rates are expressed in dollars per $100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School Districts without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet.*

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

No-New-Revenue Tax Rate Worksheet	Amount/Rate
1. 2020 total taxable value. Enter the amount of 2020 taxable value on the 2020 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17).[1]	$667,500,429
2. 2020 tax ceilings. Counties, cities and junior college districts. Enter 2020 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing units adopted the tax ceiling provision in 2020 or a prior year for homeowners age 65 or older or disabled, use this step.[2]	$107,268,197
3. Preliminary 2020 adjusted taxable value. Subtract Line 2 from Line 1.	$560,232,232
4. 2020 total adopted tax rate.	$0.558551/$100
5. 2020 taxable value lost because court appeals of ARB decisions reduced 2020 appraised value. A. **Original 2020 ARB values:**	$28,684,255

B. **2020 values resulting from final court decisions:**	$25,200,000
C. **2020 value loss.** Subtract B from A.[3]	$3,484,255
6. 2020 taxable value subject to an appeal under Chapter 42, as of July 25. A. **2020 ARB certified value:** B. **2020 disputed value:** C. **2020 undisputed value.** Subtract B from A.[4]	 $43,294,317 $5,195,318 $38,098,999
7. 2020 Chapter 42 related adjusted values Add Line 5C and Line 6C.	$41,583,254
8. 2020 taxable value, adjusted for actual and potential court-ordered adjustments. Add Line 3 and Line 7.	$601,815,486
9. 2020 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2020. Enter the 2020 value of property in deannexed territory.[5]	$0
10. 2020 taxable value lost because property first qualified for an exemption in 2021. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2021 does not create a new exemption or reduce taxable value. A. **Absolute exemptions.** Use 2020 market value: B. **Partial exemptions.** 2021 exemption amount or 2021 percentage exemption times 2020 value: C. **Value loss.** Add A and B.[5]	 $0 $514,194 $514,194
11. 2020 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2021. Use only properties that qualified in 2021 for the first time; do not use properties that qualified in 2020. A. **2020 market value:** B. **2021 productivity or special appraised value:** C. **Value loss.** Subtract B from A.[7]	 $0 $0 $0
12. Total adjustments for lost value. Add lines 9, 10C and 11C.	$514,194
13. 2020 captured value of property in a TIF. Enter the total value of 2020 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which 2020 taxes were deposited into the tax increment fund.[8] If the taxing unit has no captured appraised value in line 18D, enter 0.	$23,879,559
14. 2020 total value. Subtract Line 12 and Line 13 from Line 8.	$577,421,733
15. Adjusted 2020 total levy. Multiply Line 4 by Line 14 and divide by $100.	$3,225,194
16. Taxes refunded for years preceding tax year 2020. Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2020. Types of refunds include court	$47,390

decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2020. This line applies only to tax years preceding tax year 2020.[8]	
17. Adjusted 2020 levy with refunds and TIF adjustment. Add Lines 15 and 16.[10]	$3,272,584
18. Total 2021 taxable value on the 2021 certified appraisal roll today. This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled.[11]	
A. **Certified values:**	$710,674,835
B. **Counties:** Include railroad rolling stock values certified by the Comptroller's office:	$0
C. **Pollution control and energy storage system exemption:** Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property:	$0
D. **Tax increment financing:** Deduct the 2021 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2021 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below.[12]	$25,121,239
E. Total 2021 value. Add A and B, then subtract C and D.	$685,553,596
19. Total value of properties under protest or not included on certified appraisal roll.[13]	
A. **2021 taxable value of properties under protest.** The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest.[14]	$26,004,085
B. **2021 value of properties not under protest or included on certified appraisal roll.** The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about, but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll.[15]	$11,000,559
C. **Total value under protest or not certified:** Add A and B.	$37,004,644
20. 2021 tax ceilings. Counties, cities and junior colleges enter 2021 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing units adopted the tax ceiling provision in 2020 or a prior year for homeowners age 65 or older or disabled, use this step.[16]	$111,984,709
21. 2021 total taxable value. Add Lines 18E and 19C. Subtract Line 20.[17]	$610,573,531
22. Total 2021 taxable value of properties in territory annexed after Jan. 1, 2020.	$0

Include both real and personal property. Enter the 2021 value of property in territory annexed.[18]	
23. Total 2021 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2020. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2020, and be located in a new improvement. New improvements **do** include property on which a tax abatement agreement has expired for 2021.[19]	$3,286,288
24. Total adjustments to the 2021 taxable value. Add Lines 22 and 23.	$3,286,288
25. Adjusted 2021 taxable value. Subtract Line 24 from Line 21.	$607,287,243
26. 2021 NNR tax rate. Divide Line 17 by Line 25 and multiply by $100.[20]	$0.538885/$100
27. COUNTIES ONLY. Add together the NNR tax rates for each type of tax the county levies. The total is the 2021 county NNR tax rate.[21]	

[1]Tex. Tax Code Section 26.012(14)
[2]Tex. Tax Code Section 26.012(14)
[3]Tex. Tax Code Section 26.012(13)
[4]Tex. Tax Code Section 26.012(13)
[5]Tex. Tax Code Section 26.012(15)
[6]Tex. Tax Code Section 26.012(15)
[7]Tex. Tax Code Section 26.012(15)
[8]Tex. Tax Code Section 26.03(c)
[9]Tex. Tax Code Section 26.012(13)
[10]Tex. Tax Code Section 26.012(13)
[11]Tex. Tax Code Section 26.012,26.04(c-2)
[12]Tex. Tax Code Section 26.03(c)
[13]Tex. Tax Code Section 26.01(c) and (d)
[14]Tex. Tax Code Section 26.01(c)
[15]Tex. Tax Code Section 26.01(d)
[16]Tex. Tax Code Section 26.012(6)(b)
[17]Tex. Tax Code Section 26.012(6)
[18]Tex. Tax Code Section 26.012(17)
[19]Tex. Tax Code Section 26.012(17)
[20]Tex. Tax Code Section 26.04(c)
[21]Tex. Tax Code Section 26.04(d)
[22]*Reserved for expansion*
[23]*Tex. Tax Code Section 26.044*
[24]Tex. Tax Code Section 26.0441

SECTION 2: Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

1. **Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations
2. **Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The Voter-Approval tax rate for a county is the sum of the Voter-Approval tax rates calculated for each type of tax the county levies. In most cases the Voter-Approval tax rate exceeds the No-New-Revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Voter-Approval Tax Rate Worksheet	Amount/Rate
28. 2020 M&O tax rate. Enter the 2020 M&O tax rate.	$0.413294/$100
29. 2020 taxable value, adjusted for actual and potential court-ordered adjustments. Enter the amount in Line 8 of the *No-New-Revenue Tax Rate Worksheet.*	$601,815,486
30. Total 2020 M&O levy. Multiply Line 28 by Line 29 and divide by $100.	$2,487,267
31. Adjusted 2020 levy for calculating NNR M&O rate.	
A. M&O taxes refunded for years preceding tax year 2020 Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2020. This line applies only to tax years preceding tax year 2020.	$35,897
B. 2020 taxes in TIF Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2021 captured appraised value in Line 18D, enter 0.	$140,315
C. 2020 transferred function. If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0.	$0
D. 2020 M&O levy adjustments. Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function.	$-104,418
E. Add Line 30 to 31D.	$2,382,849
32. Adjusted 2021 taxable value. Enter the amount in Line 25 of the *No-New-Revenue Tax Rate Worksheet.*	$607,287,243
33. 2021 NNR M&O rate (unadjusted). Divide Line 31E by Line 32 and multiply by $100.	$0.392375/$100
34. Rate adjustment for state criminal justice mandate.[23] **A. 2021 state criminal justice mandate:** Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose.	$0

B. 2020 state criminal justice mandate: Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies.	$0
C. Subtract B from A and divide by Line 32 and multiply by $100.	$0.000000/$100
D. Enter the rate calculated in C. If not applicable, enter 0.	$0.000000/$100
35. Rate adjustment for indigent health care expenditures.[24]	
A. 2021 indigent health care expenditures: Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2020 and ending on June 30, 2021, less any state assistance received for the same purpose.	$0
B. 2020 indigent health care expenditures: Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state assistance received for the same purpose.	$0
C. Subtract B from A and divide by Line 32 and multiply by $100.	$0.000000/$100
D. Enter the rate calculated in C. If not applicable, enter 0.	$0.000000/$100
36. Rate adjustment for county indigent defense compensation.[25]	
A. 2021 indigent defense compensation expenditures: Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2020 and ending on June 30, 2021, less any state grants received by the county for the same purpose.	$0
B. 2020 indigent defense compensation expenditures: Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state grants received by the county for the same purpose.	$0
C. Subtract B from A and divide by Line 32 and multiply by $100.	$0.000000/$100
D.Multiply B by 0.05 and divide by Line 32 and multiply by $100.	$0.000000/$100
E. Enter the lessor of C and D. If not applicable, enter 0.	$0.000000/$100
37. Rate adjustment for county hospital expenditures.[26]	
A. 2021 eligible county hospital expenditures: Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2020 and ending on June 30, 2021.	$0
B. 2020 eligible county hospital expenditures: Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2019 and ending on June 30, 2020.	$0

C. Subtract B from A and divide by Line 32 and multiply by \$100. **D.**Multiply B by 0.08 and divide by Line 32 and multiply by \$100. **E.** Enter the lessor of C and D, if applicable. If not applicable, enter 0.	\$0.000000/\$100 \$0.000000/\$100 \$0.000000/\$100
38. Rate adjustment for defunding municipality. This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code 26.0444 for more information. **A. Amount appropriated for public safety in 2020.** Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year **B. Expenditures for public safety in 2020.** Enter the amount of money spent by the municipality for public safety during the preceding fiscal year. **C.** Subtract B from A and divide by Line 32 and multiply by \$100. **D.** Enter the rate calculated in C. If not applicable, enter 0.	\$0 \$0 \$0.000000/\$100 \$0.000000/\$100
39. Adjusted 2021 NNR M&O rate. Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.	\$0.392375/\$100
40. Adjustment for 2020 sales tax specifically to reduce property values. Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in 2020 should complete this line. These entities will deduct the sales tax gain rate for 2021 in Section 3. Other taxing units, enter zero. **A.** Enter the amount of additional sales tax collected and spent on M&O expenses in 2020, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent. **B.** Divide Line 40A by Line 32 and multiply by \$100. **C.** Add Line 40B to Line 39.	\$0 \$0.000000 \$0.392375
41. 2021 voter-approval M&O rate. Enter the rate as calculated by the appropriate scenario below. **Special Taxing Unit.** If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08. **- or -** **Other Taxing Unit.** If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.	\$0.406108/\$100
D41. ***Disaster Line 41 (D41):*** **2021 voter-approval M&O rate for taxing unit affected by disaster declaration.** If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval	\$0.000000/\$100

tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of 1. the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, or 2. the third tax year after the tax year in which the disaster occurred. If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08.[27] If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).	
42. Total 2021 debt to be paid with property taxes and additional sales tax revenue. Debt means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year and (4) are not classified in the taxing unit's budget as M&O expenses A. **Debt** also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here.[28] Enter debt amount.	$908,864
B. Subtract **unencumbered fund amount** used to reduce total debt.	$0
C. Subtract **certified amount spent from sales tax to reduce debt** (enter zero if none)	$0
D. Subtract **amount paid** from other resources.	$0
E. **Adjusted debt.** Subtract B, C, and D from A.	$908,864
43. Certified 2020 excess debt collections. Enter the amount certified by the collector.[28]	$6,732
44. Adjusted 2021 debt. Subtract Line 43 from Line 42E.	$902,132
45. 2021 anticipated collection rate. A. Enter the 2021 anticipated collection rate certified by the collector:[29]	100.00%
B. Enter the 2020 actual collection rate	100.78%
C. Enter the 2019 actual collection rate	99.14%
D. Enter the 2018 actual collection rate	100.65%
E. If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%.[31]	100.00%
46. 2021 debt adjusted for collections. Divide Line 44 by Line 45E	$902,132
47. 2021 total taxable value. Enter the amount on Line 21 of the *No-New-Revenue Tax Rate Worksheet*.	$610,573,531
48. 2021 debt tax rate. Divide Line 46 by Line 47 and multiply by $100.	$0.147751/$100

49. 2021 voter-approval tax rate. Add Lines 41 and 48.	$0.553859/$100
D49. ***Disaster Line 49 (D49):*** **2021 voter-approval tax rate for taxing unit affected by disaster declaration.** Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.	$0.000000/$100
50. COUNTIES ONLY. Add together the voter-approval tax rates for each type of tax the county levies. The total is the 2021 county voter-approval tax rate.	

[23]Tex. Tax Code Section 26.044
[24]Tex. Tax Code Section 26.0441
[25]Tex. Tax Code Section 26.0442
[26]Tex. Tax Code Section 26.0443
[27]Tex. Tax Code Section 26.042(a)
[28]Tex. Tax Code Section 26.012(7)
[29]Tex. Tax Code Section 26.012(10) and 26.04(b)
[30]Tex. Tax Code Section 26.04(b)
[31]Tex. Tax Code Section 26.04(h),(h-1) and (h-2)

SECTION 3: NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes	
Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue. This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.	
Additional Sales and Use Tax Worksheet	**Amount/Rate**
51. Taxable Sales. For taxing units that adopted the sales tax in November 2020 or May 2021, enter the Comptroller's estimate of taxable sales for the previous four quarters.[20] Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2020, enter 0.	$0
52. Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue.[33] **Taxing units that adopted the sales tax in November 2020 or in May 2021.** Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95.[34] **- or -** **Taxing units that adopted the sales tax before November 2020.** Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	$0
53. 2021 total taxable value. Enter the amount from Line 21 of the *No-New-Revenue Tax Rate Worksheet.*	$610,573,531
54. Sales tax adjustment rate. Divide Line 52 by Line 53 and multiply by $100.	$0.000000/$100
55. 2021 NNR tax rate, unadjusted for sales tax.[35] Enter the rate from Line 26 or 27, as applicable, on the *No-New-Revenue Tax Rate Worksheet.*	$0.538885/$100
56. 2021 NNR tax rate, adjusted for sales tax. **Taxing units that adopted the sales tax in November 2020 or in May 2021.** Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November 2020.	$0.538885/$100
57. 2021 voter-approval tax rate, unadjusted for sales tax.[36] Enter the rate from Line 49, Line D49 (disaster), or Line 50 (counties), as applicable, of the *Voter-Approval Tax Rate Worksheet.*	$0.553859/$100
58. 2021 voter-approval tax rate, adjusted for sales tax. Subtract Line 54 from Line 57.	$0.553859/$100

[31] *Reserved for expansion*
[32] Tex. Tax Code Section 26.041(d)
[33] Tex. Tax Code Section 26.041(i)
[34] Tex. Tax Code Section 26.041(d)
[35] Tex. Tax Code Section 26.04(c)
[36] Tex. Tax Code Section 26.04(c)

SECTION 4: Voter-Approval Tax Rate Adjustment for Pollution Control	
A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control. This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.	
Voter-Approval Protection for Pollution Control Worksheet	**Amount/Rate**
59. Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ.[37] The taxing unit shall provide its tax assessor-collector with a copy of the letter.[38]	$0
60. 2021 total taxable value. Enter the amount from Line 21 of the *No-New-Revenue Tax Rate Worksheet*.	$610,573,531
61. Additional rate for pollution control. Divide Line 59 by Line 60 and multiply by $100.	$0.000000/$100
62. 2021 voter-approval tax rate, adjusted for pollution control. Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax).	$0.553859/$100

[37] Tex. Tax Code Section 26.045(d)
[38] Tex. Tax Code Section 26.045(i)

SECTION 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate before the unused increment rate for the prior three years.[39] In a year where a taxing unit adopts a rate by applying any portion of the unused increment rate, the unused increment rate for that year would be zero.

The difference between the adopted tax rate and voter-approval tax rate is considered zero in the following scenarios:

- a tax year before 2020; and[40]
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);[41] or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.[42]

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.[43]

Unused Increment Rate Worksheet	Amount/Rate
63. 2020 unused increment rate. Subtract the 2020 actual tax rate and the 2020 unused increment rate from the 2020 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	$0.032449
64. 2019 unused increment rate. Subtract the 2019 actual tax rate and the 2019 unused increment rate from the 2019 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero	$0
65. 2018 unused increment rate. Subtract the 2018 actual tax rate and the 2018 unused increment rate from the 2018 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	$0.000000
66. 2021 unused increment rate. Add Lines 63, 64 and 65.	$0.032449/$100
67. 2021 voter-approval tax rate, adjusted for unused increment rate.[23] Add Line 66 to one of the following lines (as applicable): Line 49, Line D49(disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax) or Line 62 (taxing units with pollution control).	$0.586308/$100

[39] Tex. Tax Code Section 26.013(a)
[40] Tex. Tax Code Section 26.013(c)
[41] Tex. Tax Code Section 26.0501(a) and (c)
[42] Tex. Tax Code Section Local Gov't Code Section 120.007(d), effective Jan. 1, 2022
[43] Tex. Tax Code Section 26.063(a)(1)

SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise $500,000, and the current debt rate for a taxing unit.[44]

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit.[45]

De Minimis Rate Worksheet	Amount/Rate
68. Adjusted 2021 NNR M&O tax rate. Enter the rate from Line 39 of the *Voter-Approval Tax Rate Worksheet*	$0.392375/$100
69. 2021 total taxable value. Enter the amount on Line 21 of the *No-New-Revenue Tax Rate Worksheet.*	$610,573,531
70. Rate necessary to impose $500,000 in taxes. Divide $500,000 by Line 69 and multiply by $100.	$0.081890
71. 2021 debt rate. Enter the rate from Line 48 of the *Voter-Approval Tax Rate Worksheet.*	$0.147751/$100
72. De minimis rate.[23] Add Lines 68, 70 and 71.	$0.622016/$100

[44]Tex. Tax Code Section 26.012(8-a)
[45]Tex. Tax Code Section 26.063(a)(1)

SECTION 7: Voter-Approval Tax Rate Adjustment for Emergency Revenue Rate

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.[46]

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year[47].

NOTE: This section will not apply to any taxing units in 2021. It is added to implement Senate Bill 1438 (87th Regular Session) and does not apply to a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a declared disaster in 2020, as provided for in the recently repealed Tax Code Sections 26.04(c-1) and 26.041(c-1).

In future tax years, this section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago.

In future tax years, this section will also apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Emergency Revenue Rate Worksheet	Amount/Rate
73. 2020 adopted tax rate. Enter the rate in Line 4 of the *No-New-Revenue Tax Rate Worksheet.*	N/A
74. Adjusted 2020 voter-approval tax rate. Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. If a disaster occurred in 2020 and the taxing unit calculated its 2020 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2020 worksheet due to a disaster, enter the 2020 voter-approval tax rate as calculated using a multiplier of 1.035 from Line 49. **- or -** If a disaster occurred prior to 2020 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2020, complete the separate *Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet* to recalculate the voter-approval tax rate the taxing unit would have calculated in 2020 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the year(s) following the disaster.[48] Enter the final adjusted 2020 voter-approval tax rate from the worksheet. **- or -** If the taxing unit adopted a tax rate above the 2020 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year's worksheet.	N/A
75. Increase in 2020 tax rate due to disaster. Subtract Line 74 from Line 73.	N/A
76. Adjusted 2020 taxable value. Enter the amount in Line 14 of the *No-New-Revenue Tax Rate Worksheet.*	N/A
77. Emergency revenue. Multiply Line 75 by Line 76 and divide by $100.	N/A

78. Adjusted 2021 taxable value. Enter the amount in Line 25 of the *No-New-Revenue Tax Rate Worksheet.*	N/A
79. Emergency revenue rate. Divide Line 77 by Line 78 and multiply by $100. [49]	N/A
80. 2021 voter-approval tax rate, adjusted for emergency revenue. Subtract Line 79 from one of the following lines (as applicable): Line 49, Line D49(disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 67 (taxing units with the unused increment rate).	N/A

[46]Tex. Tax Code Section 26.042(b)
[47]Tex. Tax Code Section 26.042(f)
[48]Tex. Tax Code Section 26.042(c)
[49]Tex. Tax Code Section 26.042(b)
[50]Tex. Tax Code Section 26.04(c-2) and (d-2)

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-New-Revenue tax rate
As applicable, enter the 2021 NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax). $0.538885/$100
Indicate the line number used: 26

Voter-Approval tax rate
As applicable, enter the 2021 voter-approval tax rate from: Line 49, Line 50 (counties), Line 58 (adjusted for sales tax), Line 62 (adjusted for pollution control), Line 67 (adjusted for unused increment), or Line 80 (adjusted for emergency revenue). $0.586308/$100
Indicate the line number used: 67

De minimis rate
If applicable, enter the de minimis rate from Line 72. $0.622016/$100

SECTION 9: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in Tax Code.[50]

print here Wendy Burgess
Printed Name of Taxing Unit Representative

sign here Wendy Burgess
Taxing Unit Representative

8-6-2021
Date

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Candice Edmondson, City Manager

Date: September 13, 2021

Subject: FY 2022 Annual Budget Public Hearing

Agenda Item:

Fiscal Year 2022 Annual Budget and Multi-Year Capital Improvement Program **PUBLIC HEARING**

Background Information:

Per City Charter and State law, the City of Richland Hills is required to hold at least one budget hearing prior to approval and adoption of the annual budget. This item fulfills the hearing requirement.

Attached to this memo is the proposed FY 2022 Annual Budget and Multi-Year Capital Improvement Program. The budget summarizes the plan of municipal operations and capital projects for the fiscal year that begins October 1, 2021. The proposed budget was presented to City Council during work sessions on August 9th and August 23rd.

Financial Considerations:

The proposed budget consists of several different funds. The attached fund summaries provide details about the funds including revenue projections, proposed expenditures and ending fund balances. The proposed FY 2022 Annual Budget includes proposed revenues of $19,822,561 and total expenditures of $20,156,717 which is a 4% increase over the FY 2021 Adopted Budget expenditures. The budget is based off a recommended tax rate of $0.558551 which is the same tax rate as the previous two years.

Legal Review:

N/A

Board/Citizen Input:

Budget work sessions were held during City Council meetings on August 9th and August 23rd. The first public hearing for the FY 2022 Annual Budget will be held on September 13th. The second public hearing and City Council consideration of approval and adoption of the FY 2022 Annual Budget will be held on September 27, 2021.

Attachments:

FY 2022 Annual Budget
Multi-Year Capital Improvement Program

Council Action Requested:

Public Hearing and discussion only. No action requested

CITY OF RICHLAND HILLS, TEXAS

PROPOSED BUDGET FOR FY 2O21-2022

New Fire Station- Project Completion Summer 2021

3200 Diana Drive, Richland Hills, Texas 76118 817-616-3800 richlandhills.com

City of Richland Hills

Annual Budget Fiscal Year 2022

This budget will raise more property taxes than last year's budget by $169,047 or 5.21 percent and of that amount $18,356 is tax revenue to be raised from new property added to the tax roll this year.

Record Vote of Each Council Member					
Name	Place	For	Against	Abstain	Absent
Edward Lopez	Mayor	Votes in case of a tie			
Curtis Bergthold	Mayor Pro Tem (Place 3)				
Douglas Knowlton	Councilmember (Place 1)				
Stacey Morse	Councilmember (Place 2)				
Javier Alvarez	Councilmember (Place 4)				
G.W. Estep	Councilmember (Place 5)				

Tax Rate	Adopted FY 2021	Proposed FY 2022
Property Tax Rate	$0.558551/$100	$0.558551/$100
No-New-Revenue Tax Rate	$0.556865/$100	$0.538885/$100
No-New-Revenue M&O Tax Rate	$0.413294/$100	$0.392375/$100
Voter Approval Tax Rate	$0.591000/$100	$0.586308/$100
Debt Rate	$0.145257/$100	$0.166176 /$100

The total amount of municipal debt obligations secured by property taxes for the City of Richland Hills is $15,530,000.

CITY OF RICHLAND HILLS

SUMMARY OF FUNDS		**FY 2022 PROPOSED BUDGET**				
GOVERNMENTAL FUNDS	**FUND NO.**	**BEGINNING FUND BALANCE**	**REVENUES**	**EXPENDITURES**	**TRANSERS IN/(OUT)**	**ENDING FUND BALANCE**
GENERAL FUND	01	$ 4,989,186	7,733,090	7,300,538	(398,311)	$ 5,023,427
SPECIAL REVENUE FUNDS						
COURT SECURITY	24	23,318	5,700	4,000	-	25,018
COURT TECHNOLOGY	39	4,685	6,500	-	-	11,185
CRIME CONTROL DISTRICT	65	385,789	1,512,000	1,382,508	-	515,281
HOTEL OCCUPANCY TAX FUND	77	145,773	180,000	193,667	-	132,106
TAX INCREMENT FINANCING FUND- TIF	89	849,242	183,826	80,000	75,000	1,028,068
*LINK OPERATIONS FUND**	98	0	497,300	662,067	165,000	233
COMPONENT UNIT						
RICHLAND HILLS ECONOMIC DEV. FUND	26	917,668	1,000,000	1,096,388	-	821,280
DEBT SERVICE FUND	10	442,190	1,040,805	915,763	-	567,232
CAPITAL PROJECTS FUNDS						-
OIL AND GAS FUND	12	206,577	35,000	87,000	-	154,577
CAPITAL PROJECTS FUND	20	324,136	730,000	888,311	158,311	324,136
ROAD & STREET FUND	25	1,125,837	1,335,000	2,050,000	-	410,837
VEHICLE REPLACEMENT FUND	32	22,986	199,759	222,745	-	-
TOTAL GOVERNMENTAL FUNDS		**$ 9,437,387**	**$ 14,458,980**	**$ 14,882,987**	**$ -**	**$ 9,013,380**
ENTERPRISE FUNDS	**FUND NO.**	**BEGINNING FUND BALANCE**	**REVENUES**	**EXPENSES**	**TRANSERS IN/(OUT)**	**ENDING FUND BALANCE**
WATER/SEWER FUND	2	$ 2,780,751	4,434,521	4,231,978		$ 2,983,294
DRAINAGE FUND	22	645,926	929,060	1,041,752		533,234
TOTAL ENTERPRISE FUNDS		**$ 3,426,677**	**$ 5,363,581**	**$ 5,273,730**	**$ -**	**$ 3,516,528**

**LINK FUND fund balance is reported with the General Fund at end of year.*

FY 2021-2022 PROPOSED BUDGET

GENERAL FUND REVENUES SUMMARY	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PROPERTY TAXES	$ 2,624,551	$ 2,630,568	$ 2,808,490	$ 177,922	6.8%
SALES TAXES	3,367,227	3,012,045	3,500,000	487,955	16.2%
LIQUOR TAXES	1,640	1,750	1,750	-	0.0%
FRANCHISE FEES	566,748	520,000	517,000	(3,000)	-0.6%
FINES & FORFEITURES	405,410	465,150	402,700	(62,450)	-13.4%
LICENSES & PERMITS	383,037	148,130	152,500	4,370	3.0%
CHARGES FOR SERVICES	456,088	306,850	275,850	(31,000)	-10.1%
MISCELLANEOUS REVENUES	857,746	57,000	74,800	17,800	31.2%
TOTAL REVENUES	**$ 8,662,447**	**$ 7,141,493**	**$ 7,733,090**	**$ 591,597**	**8.3%**

GENERAL FUND EXPENDITURES SUMMARY	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
MUNICIPAL COURT	$ 248,936	$ 260,667	$ 273,050	12,383.00	4.8%
ADMINISTRATION	497,501	610,611	602,569	(8,042.00)	-1.3%
POLICE	1,696,307	1,750,292	1,809,261	58,969.00	3.4%
FIRE	2,383,508	1,850,255	2,054,793	204,538.00	11.1%
STREETS	158,081	224,470	291,129	66,659.00	29.7%
LIBRARY	342,273	386,248	384,827	(1,421.00)	-0.4%
RECREATION	179,574	198,410	276,213	77,803.00	39.2%
PARKS & GROUNDS	162,926	256,546	249,655	(6,891.00)	-2.7%
COMMUNITY DEVELOPMENT	461,422	353,968	384,427	30,459.00	8.6%
ANIMAL CONTROL	163,586	174,125	180,617	6,492.00	3.7%
LEGISLATIVE (CITY SECRETARY)	168,891	185,722	177,156	(8,566)	-4.6%
NON-DEPT	$ 547,726	$ 652,645	$ 616,841	(35,804.00)	-5.5%
TOTAL EXPENDITURES	**$ 7,010,731**	**$ 6,903,959**	**$ 7,300,538**	**$ 396,579**	**5.74%**
Transfers Out	**$ 711,404**	**$ 379,690**	**$ 423,311**	**43,621**	

BEGINNING FUND BALANCE	**$ 2,966,213**	**$ 3,912,570**	**$ 4,989,186**
ENDING FUND BALANCE	**$ 3,912,570**	**$ 3,770,414**	**$ 4,998,427**
90 DAYS RESERVE AMOUNT	*$ 2,041,219*	*$ 1,702,346*	*$ 1,800,133*
AMOUNT OVER/(UNDER) RESERVE REQUIREMENTS	*$ 1,871,351*	*$ 2,068,068*	*$ 3,198,294*

**FY 2020 ACTUALS ARE AUDITED NUMBERS/FY 2022 BEGINNING FUND BALANCES ARE AMENDED FY2021 PROJECTIONS*

FY 2021-2022 PROPOSED BUDGET

DEPARTMENT
04 REVENUE - TAXES

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
CURRENT PROPERTY TAX	$ 2,553,958	$ 2,582,568	$ 2,907,805	$ 325,237	12.6%
TIF TRANSFER (PROPERTY TAX)			(140,315)	(140,315)	100%
DELINQUENT PROPERTY TAX	36,922	27,000	20,000	(7,000)	-25.9%
INTEREST & PENALTY TAXES	33,670	21,000	21,000	-	0.0%
SALES & USE TAX	3,367,227	3,012,045	3,500,000	487,955	16.2%
LIQUOR & ENTERTAINMENT	1,640	1,750	1,750	-	0.0%
ELECTRIC FRANCHISE	270,336	262,000	250,000	(12,000)	-4.6%
GAS FRANCHISE	84,276	80,000	78,000	(2,000)	-2.5%
TELEPHONE FRANCHISE	35,753	19,000	30,000	11,000	57.9%
SOLID WASTE FRANCHISE	109,873	105,000	105,000	-	0.0%
CABLE TV FRANCHISE	66,509	54,000	54,000	-	0.0%
REVENUE-TAXES	**$ 6,560,166**	**$ 6,164,363**	**$ 6,827,240**	**$ 662,877**	**10.8%**

DEPARTMENT
05 FINES & FORFEITURES

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
MUNICIPAL COURT FINES	$ 300,404	$ 300,000	$ 300,000	$ -	0.0%
LIBRARY	20	750	200	(550)	-73.3%
DLQ MUNICIPAL CT FINES	70,316	110,000	70,000	(40,000)	-36.4%
JUDICIAL EFFICIENCY FINES	428	700	250	(450)	-64.3%
WARRANTS	18,924	25,000	18,000	(7,000)	-28.0%
MC DLQ COLLECTIONS	784	-	-	-	
ANIMAL CONTROL	13,258	26,700	13,000	(13,700)	-51.3%
SCHOOL CROSSING GUARD	1,276	2,000	1,250	(750)	-37.5%
FINES & FORFIETURES	**$ 405,410**	**$ 465,150**	**$ 402,700**	**$ (62,450)**	**-13.4%**

FY 2021-2022 PROPOSED BUDGET

DEPARTMENT
06 LICENSES & PERMITS

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
CONTRACTOR REGISTRATION FEES	$ 26,355	$ 10,000	$ 20,000	$ 10,000	100.0%
ELECTRICAL PERMITS	12,080	28,000	12,000	(16,000)	-57.1%
ANIMAL LICENSE	-	425	200	(225)	-52.9%
BUILDING PERMITS	292,696	77,000	91,000	14,000	18.2%
PLUMBING PERMITS	22,820	14,000	20,000	6,000	42.9%
LIQUOR SALE PERMIT	350	705	300	(405)	-57.4%
GARAGE SALE PERMITS	3,410	8,000	3,000	(5,000)	-62.5%
FIRE CODE PERMITS	25,326	10,000	6,000	(4,000)	-40.0%
LICENSES & PERMITS	**$ 383,037**	**$ 148,130**	**$ 152,500**	**$ 4,370**	**3.0%**

DEPARTMENT
07 SERVICE CHARGES

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PLAN REVIEW	$ 180,589	$ 22,000	$ 22,000	$ -	0.0%
COPY MACHINE	1,568	2,600	2,600	-	0.0%
EMERGENCY MEDICAL SERVICE	273,841	280,000	250,000	(30,000)	-10.7%
ANIMAL VACCINATIONS	90	2,250	1,250	(1,000)	-44.4%
SERVICE CHARGES	**$ 456,088**	**$ 306,850**	**$ 275,850**	**$ (31,000)**	**-10.1%**

DEPARTMENT
08 MISCELLANEOUS REVENUE

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
OTHER FINANCIAL SOURCES	$ 719,733				
INVESTMENT INCOME	14,930	7,000	1,500	(5,500.00)	-78.6%
GRANTS AND TRANSFERS	3,167			-	
MISCELLANEOUS/DONATIONS	44,247	10,000	10,000	-	0.0%
BISD/SRO REIMBURSEMENT	75,669	40,000	63,300	23,300.00	58.3%
MISC. REVENUE	**$ 857,746**	**$ 57,000**	**$ 74,800**	**$ 17,800**	**31.2%**

FY 2021-2022 PROPOSED BUDGET

TOTAL FUND 001 GENERAL FUND REVENUE	$	8,662,447	$	7,141,493	$	7,733,090	$	591,597	8.3%

EXPENDITURES

DEPARTMENT
11 MUNICIPAL COURT

DESCRIPTION		FY 2020 ACTUAL		FY 2021 ADOPTED		FY 2022 PROPOSED		FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PERSONNEL	$	226,721	$	240,507	$	236,529	$	(3,978)	-1.7%
SUPPLIES AND MAINTENANCE	$	19,250	$	17,674	$	33,614	$	15,940	90.2%
OTHER OPERATING	$	2,965	$	2,486	$	2,907	$	421	16.9%
TOTAL - MUNICIPAL COURT	$	248,936	$	260,667	$	273,050	$	12,383	4.8%

DEPARTMENT
12 ADMINISTRATION

DESCRIPTION		FY 2020 ACTUAL		FY 2021 ADOPTED		FY 2022 PROPOSED		FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PERSONNEL	$	433,613	$	528,058	$	340,647	$	(187,411)	-35.5%
SUPPLIES AND MAINTENANCE	$	48,062	$	62,788	$	242,202	$	179,414	285.7%
OTHER OPERATING/TRANSFERS OUT	$	15,826	$	19,765	$	19,720	$	(45)	-0.2%
TOTAL - ADMINISTRATION	$	497,501	$	610,611	$	602,569	$	(8,042)	-1.3%

CITY OF RICHLAND HILLS - GENERAL FUND (FUND 001)

DEPARTMENT
13 POLICE

DESCRIPTION		FY 2020 ACTUAL		FY 2021 ADOPTED		FY 2022 PROPOSED		FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PERSONNEL	$	1,442,936	$	1,496,855	$	1,538,270	$	41,415	2.8%
SUPPLIES AND MAINTENANCE	$	180,037	$	175,543	$	183,702	$	8,159	4.6%
OTHER OPERATING	$	73,334	$	77,894	$	87,289	$	9,395	12.1%
TOTAL - POLICE DEPARTMENT	$	1,696,307	$	1,750,292	$	1,809,261	$	58,969	3.4%

FY 2021-2022 PROPOSED BUDGET

DEPARTMENT
14 FIRE

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PERSONNEL	$ 1,413,886	$ 1,533,303	$ 1,747,977	$ 214,674	14.0%
SUPPLIES AND MAINTENANCE	208,227	229,277	230,069	792	0.3%
OTHER OPERATING	41,662	48,175	44,247	(3,928)	-8.2%
CAPITAL	719,733	39,500	32,500	(7,000)	-17.7%
TOTAL - FIRE DEPARTMENT	$ 2,383,508	$ 1,850,255	$ 2,054,793	$ 204,538	11.1%

DEPARTMENT
16 STREET DEPARTMENT

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PERSONNEL	$ 141,975	$ 192,220	$ 224,059	$ 31,839	16.6%
SUPPLIES AND MAINTENANCE	16,106	30,850	29,670	(1,180)	-3.8%
OTHER OPERATING	-	1,400	1,400	-	0.0%
CAPITAL	-	-	36,000	36,000	0.0%
TOTAL - STREET DEPARTMENT	$ 158,081	$ 224,470	$ 291,129	$ 66,659	29.7%

DEPARTMENT
17 LIBRARY

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PERSONNEL	$ 284,784	$ 320,318	$ 308,797	$ (11,521)	-3.6%
SUPPLIES AND MAINTENANCE	43,172	53,600	57,200	3,600	6.7%
OTHER OPERATING	14,317	12,330	18,830	6,500	52.7%
CAPITAL	-	-		-	
TOTAL - LIBRARY	$ 342,273	$ 386,248	$ 384,827	$ (1,421)	-0.4%

FY 2021-2022 PROPOSED BUDGET

DEPARTMENT
18 RECREATION

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PERSONNEL	$ 120,742	$ 122,742	$ 197,245	$ 74,503	60.7%
SUPPLIES AND MAINTENANCE	28,922	40,668	41,168	500	1.2%
OTHER OPERATING	29,910	35,000	37,800	2,800	8.0%
TOTAL - RECREATION	$ 179,574	$ 198,410	$ 276,213	$ 77,803	39.2%

DEPARTMENT
19 PARKS

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PERSONNEL	$ 54,250	$ 113,706	$ 79,815	$ (33,891)	-29.8%
SUPPLIES AND MAINTENANCE	108,656	133,700	157,700	24,000	18.0%
OTHER OPERATING	20	9,140	12,140	3,000	32.8%
TOTAL - PARKS DEPARTMENT	$ 162,926	$ 256,546	$ 249,655	$ (6,891)	-2.7%

DEPARTMENT
20 COMMUNITY DEVELOPMENT

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PERSONNEL	$ 442,842	$ 321,107	$ 257,566	$ (63,541)	-19.8%
SUPPLIES AND MAINTENANCE	$ 13,153	$ 21,450	$ 111,450	$ 90,000	419.6%
OTHER OPERATING	$ 5,427	$ 11,411	$ 15,411	$ 4,000	35.1%
TOTAL - COMMUNITY DEVELOPMENT	$ 461,422	$ 353,968	$ 384,427	$ 30,459	8.6%

DEPARTMENT
21 ANIMAL CONTROL

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PERSONNEL	$ 118,160	$ 130,475	$ 130,622	$ 147	0.1%
SUPPLIES AND MAINTENANCE	42,280	40,050	41,900	1,850	4.6%
OTHER OPERATING	3,146	3,600	8,095	4,495	124.9%
TOTAL - ANIMAL CONTROL	$ 163,586	$ 174,125	$ 180,617	$ 6,492	3.7%

FY 2021-2022 PROPOSED BUDGET

DEPARTMENT
23 LEGISLATIVE

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PERSONNEL	$ 72,132	$ 75,602	$ 77,416	$ 1,814	2.4%
SUPPLIES AND MAINTENANCE	17,848	30,475	19,195	(11,280)	-37.0%
OTHER OPERATING	78,911	79,645	80,545	900	1.1%
TOTAL - LEGISLATIVE	$ 168,891	$ 185,722	$ 177,156	$ (8,566)	-4.6%

DEPARTMENT
30 SHARED SERVICES

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PERSONNEL	$ 94,410	$ 185,127	$ 114,294	$ (70,833)	-38.3%
SUPPLIES AND MAINTENANCE	196,056	176,733	201,874	25,141	14.2%
OTHER OPERATING	257,260	290,785	300,673	9,888	3.4%
TOTAL - SHARED SERVICES	$ 547,726	$ 652,645	$ 616,841	$ (35,804)	-5.5%

DEPARTMENT
001-32/00 NON-DEPARTMENTAL TRANSFERS OUT

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
TRANSFER TO CAPITAL PROJECTS	$ 291,844	$ 142,270	$ 158,311	$ 16,041	11.3%
TRANSFER TO CAP PROJECTS- FUND BAL APPROP		-		-	0.0%
TRANSFER TO TIF SALES TAX		-	75,000	-	0.0%
TRANSFER TO LINK FUND	419,560	237,420	165,000	$ (72,420)	-30.5%
TOTAL - NON DEPARTMENTAL TRANSFERS OUT	$ 711,404	$ 379,690	$ 398,311	$ 18,621	4.9%
TOTAL EXPENDITURES	$ 7,722,135	$ 7,283,649	$ 7,698,849	$ 170,654	2.4%
Transfers out from Fund Balance			$ 25,000		

FY 2021-2022 PROPOSED BUDGET

DEPARTMENT
098-60 LINK REVENUES

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
TRANSFER FROM THE GENERAL FUND	$ 419,560	$ 237,420	$ 165,000	(72,420)	-30.5%
LATE FEES & PENALTIES	370	-			
ONE TIME CLASSES (NOT4SENIORS)	12,211	10,000	12,000	2,000	20.0%
LINK MEMBERSHIPS	62,161	50,000	74,400	24,400	48.8%
ONE DAY PASSES	4,135	3,000	5,500	2,500	83.3%
FITNESS CLASSES	6,683	3,600	4,400	800	22.2%
PERSONAL TRAINING	850	1,000	18,000	17,000	1700.0%
ATHLETICS	11,432	6,000	133,200	127,200	2120.0%
ALL DAY CAMPS	32,609	30,000	67,600	37,600	125.3%
AFTER SCHOOL PROGRAM	42,939	45,000	58,500	13,500	30.0%
SPECIAL EVENTS	1,370	-	1,500	1,500	100.0%
SENIOR PROGRAMS	1,431	-	2,500	2,500	100.0%
CONCESSIONS	3,977	3,000	6,000	3,000	100.0%
INDOOR/OUTDOOR RENTALS	72,603	80,000	100,000	20,000	25.0%
ADVERTISING CONTRIBUTIONS		-			
SILVER PROGRAMS	12,716	8,000	12,500	4,500	56.3%
MISCELLANEOUS REVENUE	193	-			
LINK-EMPLOYEE MEMBERSHIPS	2,806	1,000	1,200	200	20.0%
CONTRA REV-CITY DISCOUNTS	(8,991)	-			
LINK REVENUES	**$ 679,055**	**$ 478,020**	**$ 662,300**	**$ 184,280**	**38.6%**

DEPARTMENT
098-61 LINK EXPENDITURES

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PERSONNEL	**$ 350,209**	**$ 324,380**	**$ 351,022**	**$ 26,642**	**8.2%**
SUPPLIES & MAINTENANCE	**$ 89,149**	**$ 86,624**	**$ 223,499**	**$ 136,875**	**158.0%**
OTHER OPERATING	**$ 86,553**	**$ 71,200**	**$ 87,546**	**$ 16,346**	**23.0%**
LINK EXPENDITURES	**$ 525,911**	**$ 482,204**	**$ 662,067**	**$ 179,863**	**37.3%**

FY 2021-2022 PROPOSED BUDGET

WATER & SEWER FUND REVENUES SUMMARY	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
WATER SALES	$ 2,412,769	$ 2,100,000	$ 2,504,521	$ 404,521	19.3%
WASTEWATER SALES	1,725,875	1,800,000	1,800,000	-	0.0%
MISCELLANEOUS INCOME	112,265	140,826	130,000	(10,826)	-7.7%
TOTAL INCOME	**$ 4,250,909**	**$ 4,040,826**	**$ 4,434,521**	**$ 393,695**	**9.7%**
Transfers In	**$ 17,666**				

WATER & SEWER FUND EXPENSES SUMMARY	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
SHARED SERVICES	$ 275,893	$ 330,011	$ 345,200	$ 15,189	4.6%
ADMINISTRATION	464,519	512,787	551,719	38,932	7.6%
DEBT SERVICE	493,921	472,937	489,241	16,304	3.4%
WATER PRODUCTION & DISTRIBUTION	1,222,219	1,246,857	1,340,949	94,092	7.5%
WASTEWATER SERVICES	1,133,748	1,415,868	1,504,869	89,001	6.3%
				-	
				-	
TOTAL EXPENSES	**$ 3,590,300**	**$ 3,978,460**	**$ 4,231,978**	**$ 253,518**	**6.4%**
Transfers Out	**14,511**			**-**	
BEGINNING (UNRESTRICTED) NET POSITION	**$ 1,847,158**	**$ 2,356,497**	**$ 2,780,751**		
ENDING (UNRESTRICTED) NET POSITION	**$ 2,356,497**	**$ 2,418,863**	**$ 2,983,294**		
60 DAYS RESERVE AMOUNT	*$ 463,951*	$ 653,993	$ 695,668		
AMOUNT OVER/(UNDER) RESERVE REQUIREMENTS	*$ 1,892,546*	*$ 1,764,870*	*$ 2,287,626*		

*FY 2020 ACTUALS ARE AUDITED NUMBERS

CITY OF RICHLAND HILLS - UTILITY FUND (FUND 002)

DEPARTMENT
54 WATER REVENUES

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PENALTY & INTEREST	$ 34,023	$ 80,200	$ 80,000	$ (200)	-0.2%
SALE OF WATER	2,412,769	2,100,000	2,504,521	404,521	19%
TAP FEES	3,605	626	$ 1,000	374	59.7%
R. HLS. IMPACT FEES	-	-			
WATER REVENUES	**$ 2,450,397**	**$ 2,180,826**	**$ 2,585,521**	**$ 404,695**	**18.6%**

CITY OF RICHLAND HILLS - UTILITY FUND (FUND 002)

DEPARTMENT
55 SEWER REVENUES

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
SEWER BILLING	$ 1,725,875	$ 1,800,000	$ 1,800,000	$ -	0.0%
R. HLS. IMPACT FEES		-		-	
TOTAL - SEWER REVENUES	**$ 1,725,875**	**$ 1,800,000**	**$ 1,800,000**	**$ -**	**0.0%**

CITY OF RICHLAND HILLS - UTILITY FUND (FUND 002)

DEPARTMENT
56 MISC REVENUES

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
USE OF LINES	$ 5,636	$ 10,000	5,000	$ (5,000)	-50.0%
SERVICE CHARGES	1,056	2,650	1,500	(1,150)	-43.4%
INVESTMENT INCOME	11,687	1,400	500	(900)	-64.3%
GRANTS & TRANSFERS					
WASTE DISP. PROCESS. FEE	35,923	32,000	30,000	(2,000)	-6.3%
MISC. REVENUE	15,254	7,500	7,500	-	0.0%
GARBAGE ADMIN FEE BILLING	5,081	6,450	4,500	(1,950)	-30.2%
TOTAL - MISC. REVENUES	**$ 74,637**	**$ 60,000**	**$ 49,000**	**$ (11,000)**	**-18.3%**
TOTAL REVENUE	**$ 4,250,909**	**$ 4,040,826**	**$ 4,434,521**	**393,695**	**9.7%**

CITY OF RICHLAND HILLS - UTILITY FUND (FUND 002)

DEPARTMENT
30 SHARED SERVICES

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PERSONNEL	$ -	$ 8,804	$ -	$ (8,804)	-100.0%
SUPPLIES AND MAINTENANCE	82,831	103,963	52,693	(51,270)	-49.3%
OTHER OPERATING	193,062	217,244	292,507	75,263	34.6%
TOTAL - SHARED SERVICES	$ 275,893	$ 330,011	$ 345,200	$ 15,189	4.6%

CITY OF RICHLAND HILLS - UTILITY FUND (FUND 002)

DEPARTMENT
62 ADMINISTRATION

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PERSONNEL	$ 288,600	$ 369,592	$ 338,329	$ (31,263)	-8.5%
SUPPLIES AND MAINTENANCE	$ 116,354	$ 121,695	$ 76,670	$ (45,025)	-37.0%
OTHER OPERATING	$ 59,565	$ 21,500	$ 136,720	$ 115,220	535.9%
TOTAL - ADMINISTRATION	$ 464,519	$ 512,787	$ 551,719	$ 38,932	7.6%

CITY OF RICHLAND HILLS - UTILITY FUND (FUND 002)

DEPARTMENT
64 TRANSFERS/DEBT SERVICE

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PRINCIPAL PAYMENT	383,750	370,000	399,500	29,500	8.0%
INTEREST PAYMENT	110,171	101,437	88,241	(13,196)	-13.0%
PAYING AGENT FEES	-	1,500	1,500	-	0.0%
TOTAL - TRANSFERS/DEBT SERVICE	$ 493,921	$ 472,937	$ 489,241	$ 16,304	3.4%

CITY OF RICHLAND HILLS - UTILITY FUND (FUND 002) DEPARTMENT 66 WATER PRODUCTION& DISTRIBUTION					
DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PERSONNEL	$ 182,116	$ 279,362	$ 262,324	$ (17,038)	-6.1%
SUPPLIES AND MAINTENANCE	235,787	166,750	182,910	16,160	9.7%
OTHER OPERATING	533,185	662,035	830,715	168,680	25.5%
CAPITAL	271,131	138,710	65,000	(73,710)	-53.1%
TOTAL - WATER PRODUCTION & DIST.	$ 1,222,219	$ 1,246,857	$ 1,340,949	$ 94,092	7.5%

CITY OF RICHLAND HILLS - UTILITY FUND (FUND 002) DEPARTMENT 67 WASTEWATER					
DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PERSONNEL	$ 275,626	$ 314,383	$ 244,859	$ (69,524)	-22.1%
SUPPLIES AND MAINTENANCE	163,941	126,050	126,728	$ 678	0.5%
OTHER OPERATING	694,181	827,035	1,133,282	$ 306,247	37.0%
CAPITAL		148,400	-	$ (148,400)	-100.0%
TOTAL - WASTEWATER	$ 1,133,748	$ 1,415,868	$ 1,504,869	$ 89,001	6.3%
TOTAL EXPENSES	$ 3,590,300	$ 3,978,460	$ 4,231,978	$ 253,518	6.4%

DRAINAGE UTILITY FUND (FUND 022)
DEPARTMENT
68 DRAINAGE REVENUE

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
CUSTOMER BILLING	$ 928,500	$ 928,800	$ 929,000	$ 200	0.022%
INVESTMENT INCOME	1,022	500	60	$ (440)	-88.0%
TOTAL - INCOME	**$ 929,522**	**$ 929,300**	**$ 929,060**	**$ (240)**	**-0.026%**

DRAINAGE UTILITY FUND (FUND 022)
DEPARTMENT
69 DRAINAGE EXPENSE

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PERSONNEL	**$ 113,431**	**$ 174,374**	**$ 122,919**	**$ (51,455)**	**-29.5%**
SUPPLIES AND MAINTENANCE	**$ 89,392**	**$ 263,610**	**$ 300,319**	**$ 36,709**	**13.9%**
OTHER OPERATING	**$ 13,776**	**$ 1,000**	**$ 1,000**	**$ -**	**0.0%**
CAPITAL		**$ -**	**$ 150,000**	**$ 150,000**	**100.0%**
DEBT SERVICE		**$ 490,720**	**$ 467,514**	**$ (23,206)**	**-4.7%**
TOTAL EXPENSE	**$ 216,599**	**$ 929,704**	**$ 1,041,752**	**$ 112,048**	**12.1%**
BEGINNING (UNRESTRICTED) NET POSITION	**$ 383,015**	**$ 572,322**	**$ 645,926**		
ENDING (UNRESTRICTED) NET POSITION	**$ 572,322**	**$ 571,918**	**$ 533,234**		

DEBT SERVICE FUND (FUND 010)
DEPARTMENT
60/61 GENERAL DEBT SERVICE

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
CURRENT PROPERTY TAX	$ 900,761	$ 906,727	$ 1,032,305	$ 125,578	13.8%
DELINQUENT PROPERTY TAX	7,103	4,000	5,000	$ 1,000	25.0%
INTEREST & PENALTIES	6,021	3,500	3,500	$ -	0.0%
TOTAL REVENUE	**$ 913,885**	**$ 914,227**	**$ 1,040,805**	**$ 126,578**	**13.8%**
PAYMENT OF PRINCIPAL	$ 401,250	$ 435,000	$ 435,500	$ 500	0.1%
AGENT FEES	3,500	6,900	6,900		0.0%
REPORTING FEES					100.0%
PAYMENT OF INTEREST	487,174	486,646	473,363	$ (13,283)	-2.7%
TOTAL EXPENDITURES	**$ 891,924**	**$ 928,546**	**$ 915,763**	**$ (12,783)**	**-1.4%**
BEGINNING FUND BALANCE	**$ 363,334**	**385,295**	**442,190**		
ENDING FUND BALANCE	**$ 385,295**	**$ 370,976**	**$ 567,232**		

DEPARTMENT
42/43 MUNICIPAL COURT BLDG SECURITY FUND

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
REVENUE - BLDG. SECURITY	$ 7,157	$ 6,800	$ 5,700	$ (1,100)	-16.2%
TOTAL REVENUE	**$ 7,157**	**$ 6,800**	**$ 5,700**	**$ (1,100)**	**-16.2%**
PERSONNEL	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
SUPPLIES AND MAINTENANCE	**$ 1,422**	**$ -**	**$ 4,000**	**$ 4,000**	**100%**
OTHER OPERATING	**$ -**	**$ 6,800**	**$ -**	**$ (6,800)**	**-100.0%**
TOTAL EXPENDITURES	**$ 1,422**	**$ 6,800**	**$ 4,000**	**$ (2,800)**	**-41.2%**
BEGINNING FUND BALANCE	**$ 12,208**	**17,943**	**23,318**		
ENDING FUND BALANCE	**$ 17,943**	**$ 17,943**	**$ 25,018**		

RICHLAND HILLS ECONOMIC DEVELOPMENT CORP (FUND 26)
DEPARTMENT
38/39 RH ECONOMIC DEVELOPMENT CORP

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
4B SALES TAX REVENUE	861,952	770,536	1,000,000	$ 229,464	29.8%
TOTAL REVENUE	**$ 861,952**	**$ 770,536**	**$ 1,000,000**	**$ 229,464**	**29.8%**
PERSONNEL	**$ 66,976**	**$ 93,132**	**$ 84,045**	**$ (9,087)**	**-9.8%**
SUPPLIES AND MAINTENANCE	**$ -**	**$ 15,000**	**$ 39,280**	**$ 24,280**	**161.9%**
OTHER OPERATING	**$ 250,758**	**$ 466,448**	**$ 104,000**	**$ (362,448)**	**-77.7%**
TRANSFER TO FUND 20			**$ 640,000**	**$ 640,000**	**100.0%**
DEBT SERVICE	**$ 229,313**	**$ 230,563**	**$ 229,063**	**$ (1,500)**	**-0.7%**
TOTAL EXPENDITURES	**$ 547,047**	**$ 805,143**	**$ 1,096,388**	**$ 291,245**	**36.2%**
BEGINNING FUND BALANCE	**$ 486,203**	**801,108**	**917,668**		
ENDING FUND BALANCE	**$ 801,108**	**$ 766,501**	**$ 821,280**		

MUNICIPAL COURT TECHNOLOGY FUND (FUND 039)
DEPARTMENT
75/82 MUNICIPAL COURT TECHNOLOGY FUND

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
MUNI CT TECH FUND	7,678	6,500	6,500	$ -	0.0%
TOTAL REVENUE	**$ 7,678**	**$ 6,500**	**$ 6,500**	**$ -**	**0.0%**
PERSONNEL	**$ -**	**$ -**	**$ -**	**$ -**	
SUPPLIES AND MAINTENANCE	**$ 7,678**	**$ 6,500**	**$ -**	**$ (6,500)**	**-100.0%**
OTHER OPERATING		**$ -**		**$ -**	**0.0%**
TOTAL EXPENDITURES	**$ 7,678**	**$ 6,500**	**$ -**	**$ (6,500)**	**-100.0%**
BEGINNING FUND BALANCE	**$ -**	**-**	**4,685**		
ENDING FUND BALANCE	**$ -**	**$ -**	**$ 11,185**		

CITY OF RICHLAND HILLS - CRIME CONTROL DISTRICT FUND (FUND 065)
DEPARTMENT
60/61 CRIME CONTROL DISTRICT

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
SALES & USE TAX	1,302,122	1,151,805	1,500,000	348,195	30.2%
GRANTS & TRANSFERS	4,995	12,000	12,000	-	0.0%
TOTAL REVENUE	**$ 1,307,117**	**$ 1,163,805**	**$ 1,512,000**	**$ 348,195**	**29.9%**
PERSONNEL	**$ 661,074**	**$ 690,590**	**$ 716,585**	**$ 25,995**	**3.8%**
SUPPLIES AND MAINTENANCE	**$ 80,288**	**$ 92,570**	**$ 70,859**	**$ (21,711)**	**-23.5%**
OTHER OPERATING	**$ 349,684**	**$ 395,569**	**$ 438,400**	**$ 42,831**	**10.8%**
CAPITAL	**$ 185,246**	**$ 59,909**	**$ 49,804**	**$ (10,105)**	**-16.9%**
TRANSFERS OUT			**$ 106,860**	**$ 106,860**	**100.0%**
TOTAL EXPENDITURES	**$ 1,276,292**	**$ 1,238,638**	**$ 1,382,508**	**$ 143,870**	**11.6%**
BEGINNING FUND BALANCE	**$ 346,755**	**377,580**	**385,789**		
ENDING FUND BALANCE	**$ 377,580**	**$ 302,747**	**$ 515,281**		

DEPARTMENT
60/61 HOTEL OCCUPANCY TAX

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
HOTEL OCCUPANCY TAX	$ 85,603	$ 85,000	$ 180,000	95,000	111.8%
TOTAL REVENUE	**$ 85,603**	**$ 85,000**	**$ 180,000**	**$ 95,000**	**111.8%**
PERSONNEL	**$ 65,692**	**$ 59,210**	**$ 36,255**	**$ (22,955)**	**-38.8%**
SUPPLIES AND MAINTENANCE		**$ -**		**$ -**	**0.0%**
OTHER OPERATING	**$ 17,171**	**$ 55,000**	**$ 55,000**	**$ -**	**0.0%**
DEBT SERVICE	**$ 102,063**	**$ 105,413**	**$ 102,412**	**$ (3,001)**	**-2.8%**
TOTAL EXPENDITURES	**$ 184,926**	**$ 219,623**	**$ 193,667**	**$ (25,956)**	**-11.8%**
BEGINNING FUND BALANCE	**$ 260,624**	**161,301**	**145,773**		
ENDING FUND BALANCE	**$ 161,301**	**$ 26,678**	**$ 132,106**		

TAX INCREMENT FINANCING FUND (FUND 089)
DEPARTMENT
60/61TAX INCREMENT FINANCING

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
PROPERTY TAX - TRANSFER IN	$ 163,957	$ 174,774	$ 140,315	(34,459)	-19.7%
INTERGOVERNMENTAL			$ 43,511	43,511	100.0%
SALES TAX-TRANSFER IN FROM GF	$ 80,581	$ 75,000	$ 75,000	-	0.0%
TOTAL REVENUE	**$ 244,538**	**$ 249,774**	**$ 258,826**	**$ 9,052**	**3.6%**
CAPITAL IMPROVEMENTS	**$ -**	**$ -**	**$ -**	**$ -**	
SUPPLIES AND MAINTENANCE	**$ -**	**$ 20,000**	**$ -**	**$ (20,000)**	**-100.0%**
OTHER OPERATING	**$ -**	**$ 400,000**	**$ 30,000**	**$ (370,000)**	**-92.5%**
CAPITAL			**$ 50,000**	**$ 50,000**	**100.0%**
TOTAL EXPENDITURES	**$ -**	**$ 420,000**	**$ 80,000**	**$ (340,000)**	**-81.0%**
BEGINNING FUND BALANCE	**$ 700,147**	**944,685**	**849,242**		
ENDING FUND BALANCE	**$ 944,685**	**$ 774,459**	**$ 1,028,068**		

OIL & GAS FUND (FUND 012)
DEPARTMENT
60/61 OIL & GAS LEASE PROJ

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
OIL AND GAS LEASE REV	$ 34,963	$ 33,500	$ 35,000	1,500	4.5%
GRANTS AND TRANSFERS		$ -		$ -	0.0%
TOTAL REVENUE	**$ 34,963**	**$ 33,500**	**$ 35,000**	**$ 1,500**	**4.5%**
MISCELLANEOUS		$ 10,000		(10,000)	-100.0%
CAPITAL			52,000	52,000	100.0%
PARK IMPROVEMENTS	-	100,000	35,000	(65,000)	-65.0%
KATE BAKER PARK IMPROVEMENTS				-	0.0%
TOTAL EXPENDITURES	**$ -**	**$ 110,000**	**$ 87,000**	**$ (23,000)**	**-20.9%**
BEGINNING FUND BALANCE	**$ 221,244**	**256,207**	**206,577**		
ENDING FUND BALANCE	**$ 256,207**	**$ 179,707**	**$ 154,577**		

CAPITAL PROJECTS FUND (FUND 020)
DEPARTMENT
77 CAPITAL PROJECTS FUND

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
SALE OF FIXED ASSETS					
GRANTS AND TRANSFERS	$ 96,253	$ 1,372,560	$ -	(1,372,560)	-100.0%
TRANSFER FROM GENERAL	291,844	142,270	158,311	16,041	11.3%
TRANSFER FROM RHDC			640,000	640,000	100.0%
TRANSFER FROM CCPD			90,000	90,000	100.0%
TOTAL REVENUE	**$ 388,097**	**$ 1,514,830**	**$ 888,311**	**$ (626,519)**	**-41.4%**
CAPITAL EQUIPMENT	$ 56,682	$ 8,000		(8,000)	-100.0%
CAPITAL VEHICLES		-		-	
CAPITAL FACILITIES IMPROVEMENT	64,441	-	90,000	90,000	0.0%
CAPITAL PARKS IMPROVEMENT	96,253	1,372,560	640,000	(732,560)	-53.4%
CAPIITAL LEASE PAYMENTS	142,270	142,270	158,311	16,041	11.3%
TOTAL EXPENDITURES	**$ 359,646**	**$ 1,522,830**	**$ 888,311**	**$ (634,519)**	**-41.7%**
BEGINNING FUND BALANCE	**$ 216,947**	**245,398**	**324,136**		
ENDING FUND BALANCE	**$ 245,398**	**$ 237,398**	**$ 324,136**		

ROAD & STREET FUND (FUND 025)
DEPARTMENT
32/33 ROAD & STREET CONSTRUCTION FUND

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
SALES & USE TAX	$ 1,292,928	$ 1,155,779	$ 1,335,000	179,221	15.5%
TOTAL REVENUE	**$ 1,292,928**	**$ 1,155,779**	**$ 1,335,000**	**$ 179,221**	**15.5%**
STREET CONSTRUCTION	$ 442,557	$ 1,019,000	$ 1,950,000	931,000	91.4%
STREET REPAIRS & MAINT.			$ 100,000	100,000	100.0%
STREET CAPITAL		81,000		(81,000)	-100%
TOTAL EXPENDITURES	**$ 442,557**	**$ 1,100,000**	**$ 2,050,000**	**$ 950,000**	**86.4%**
BEGINNING FUND BALANCE	**$ 275,466**	**1,125,837**	**1,125,837**		
ENDING FUND BALANCE	**$ 1,125,837**	**$ 1,181,616**	**$ 410,837**		

VEHICLE REPLACEMENT FUND (FUND 030)
DEPARTMENT

DESCRIPTION	FY 2020 ACTUAL	FY 2021 ADOPTED	FY 2022 PROPOSED	FY 2022 TO FY 2021 $ CHANGE	FY 2022 TO FY 2021 % CHANGE
SALE OF FIXED ASSETS	$ -	$ -	$ 182,899	182,899	100.0%
TRANSFERS IN FROM CRIME CONTROL DIST. FUND			$ 16,860	16,860	100.0%
TOTAL REVENUE	**$ -**	**$ -**	**$ 199,759**	**$ 199,759**	**100.0%**
CAPITAL LEASE PAYMENTS			93,585	93,585	100.0%
CAPITAL PURCHASES			92,475	92,475	100.0%
CAPITAL EXPENDITURES	**$ -**	**$ -**	**$ 186,060**	**$ 186,060**	**100.0%**
MAINTENANCE/FUEL		-	36,685	36,685	100.0%
MISC EXPENSES	**$ -**	**$ -**	**$ 36,685**	**$ 36,685**	**100.0%**
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ 222,745**	**$ 222,745**	**100.0%**
BEGINNING FUND BALANCE	**$ 22,885**	**22,885**	**22,986**		
ENDING FUND BALANCE	**$ 22,885**	**$ 22,885**	**$ -**		

City of Richland Hills
Annual Budget
Five Year Capital Improvement Plan

Funding Source	Project Name	Project Number	Budgeted Amount	Prior Years Funding	Estimated FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Beyond/ Unfunded	Total Cost
2019 GO	New Fire Station	F01	$ 6,000,000	$762,924	$5,223,923						$5,986,847
2019 Tax Notes/TIF/GF	Police Station Renovation	B01	$ 1,110,274	$48,882	$1,069,555						$1,118,437
TIF Fund	Police Station Parking Lot Improvements	B02			$75,200						$75,200
RHDC/TXDOT/NCTCOG	Hike/Bike Trail	P01		$286,167	$1,291,765						$1,577,932
General Fund	Creek Trail Playground	P02	$ 100,000		$100,000						$100,000
CCPD	Covered Parking Structure	TBD				$90,000					$90,000
Street Improv. Fund	Street Improvements Program	TBD	$ 3,827,159	$777,159	$1,100,000	$1,950,000	$1,200,000	$1,200,000	$1,200,000	$1,200,000	$8,627,159
TIF Fund	Animal Services Center Improvements	TBD	$ 146,000	$62,000	$20,000	$50,000	$14,000				$146,000
RHDC	Parks Master Plan Implementation	TBD		$71,833		$640,000	$400,000	$400,000	$400,000	$400,000	$2,311,833
	Total		$11,183,433	$2,008,965	$8,880,443	$2,730,000	$1,614,000	$1,600,000	$1,600,000	$1,600,000	$20,033,408

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Logan Thatcher, Assistant to the City Manager

Date: September 13, 2021

Subject: Boarding House Zoning Text Amendment

Agenda Item:

Consider Ordinance 1434-21A amending Chapter 90 of the Comprehensive Zoning Ordinance of the City of Richland Hills by amending Article 3 to allow for Boarding Houses to be an authorized use by right within specified zoning districts and amending Chapter 91, Article V to establish development standards for Boarding Houses **PUBLIC HEARING**

Background Information:

After further review and discussion from City Council, staff is bringing forward amendments back to the current Boarding House ordinance. The proposed amendments will dictate where Boarding Houses are allowed and the requirements that must be met.

The proposed zoning text amendments are detailed below.

<u>Amendment 1</u>

The first amendment to Article 3, Section 3.02 “Use Chart” would allow Boarding Houses as an authorized use in the MF-2 - Multiple-Family Residential Medium Density, and MF-3 - Multiple-Family Residential High Density zoning districts and by removing the allowance of a Specific Use Permit (SUP) in the SF-E – Single-Family Residential Estate, SF-10 – Single-Family Residential, SF-7– Single Family-Residential, and MF-1 – Two-Family (Duplex)

	Residential						
	SF-E Single-Family Residential Estate	SF-10 Single-Family Residential	SF-7 Single-Family Residential	MF-1 Two-Family (Duplex) Residential	MF-2 Multiple-Family Residential Medium Density	MF-3 Multiple-Family Residential High Density	MH Manufactured Home (HUD Code)
Residential Uses							
Bed and Breakfast Inn	S	S	S				
Boarding House				P	P	P	
Caretaker's/Guard's Residence							
Garage Apartment	S (18)						
Guest House	S (19)	S (19)					
Live-Above Mixed Use							
Live/Work Units							
Manufactured Home (HUD Code)							P
Modular (Industrialized) Home	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Multifamily Residence					P	P	
Parish House or Parsonage	P	P	P	P	P	P	P
Senior Housing	S	S	S	S	S	S	S
Single-Family Residence, Detached	P	P	P	P	P	P	P
Townhome					P	P	
Two-Family Residence (Duplex)				P	P	P	

Amendment 2

The second amendment would delete subsection (A)(21) under Article 3, Section 3.02.01 "Conditional Development Standards".

Amendment 3

The third amendment adds Chapter 91, Article V, "Residential Development Ordinance," is hereby amended by adding Section 91-502, "Boarding House Development Regulations" to read as follows.

"Sec. 91-502. – Boarding House development regulations.

(a) This section shall apply to all boarding houses within the City.

(b) There shall be no change in the outside appearance of the building or premises, or other visible evidence of the conduct of such boarding house.

(c) No sign advertising a home occupation shall be placed on property where a boarding house is located.

(d) Register and receive annual inspections as outlined:

(1) All boarding houses shall be registered annually. If there is any change in occupancy of any sleeping unit longer than three weeks, registration shall be updated at that time.

(2) Inspections shall be required annually. It shall be the responsibility of the property owner to request and schedule an inspection at the time of annual registration.

(3) The fees for registration and required annual inspection for each boarding house are as shown in the city's fee schedule.

(e) Parking

(1) A parking site plan shall be included with the initial registration application.

(2) The parking site plan shall comply with all applicable parking requirements for multi-family use districts as outlined in Section 91-501. Additionally, one designated parking space must be provided on the premises for each sleeping unit. Tandem parking spaces are not permitted. Waivers may be applied for and granted in accordance with Section 91-501(e).

(f) The owner of a boarding house shall obtain and maintain rental property insurance or landlord insurance at all times. Proof of insurance shall be provided during annual registration."

Financial Considerations:

Approval of the zoning text amendments will require no additional funding from the city.

Legal Review:

The City Attorney has reviewed the Ordinance

Board/Citizen Input:

Planning and Zoning Commission approved the text amendments 4-0 on August 24, 2021

Attachments:

Ordinance 1434-21A

Council Action Requested:

Motion to approve Ordinance 1434-21A amending Chapter 90 of the Comprehensive Zoning Ordinance of the City of Richland Hills by amending Article 3 to allow for Boarding Houses to be an authorized use by right within specified zoning districts and amending Chapter 91, Article V to establish development standards for Boarding Houses

ORDINANCE NO. 1434-21A

AN ORDINANCE AMENDING CHAPTER 90 OF THE CITY CODE, AS AMENDED, THE COMPREHENSIVE ZONING ORDINANCE OF THE CITY OF RICHLAND HILLS; AMENDING ARTICLE 3 TO ALLOW FOR BOARDING HOUSES TO BE AN AUTHORIZED USE BY RIGHT WITHIN SPECIFIED ZONING DISTRICTS; AMENDING CHAPTER 91, ARTICLE V TO ESTABLISH DEVELOPMENT STANDARDS FOR BOARDING HOUSES; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A PENALTY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE, PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Richland Hills is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, pursuant to Chapter 211 of the Local Government Code, the City has adopted a Comprehensive Zoning Ordinance and map regulating the location and use of buildings, other structures and land for business, industrial, residential or other purposes, and providing for a method to amend said ordinance and map for the purpose of promoting the public health, safety, morals and general welfare, all in accordance with a comprehensive plan; and

WHEREAS, an ordinance regulating boarding houses within the City was adopted on May 10, 2021 and the City Council deems it necessary to further regulate boarding houses by limiting the zoning districts where boarding homes are permitted, requiring site plan review for parking, and requiring proof of insurance;

WHEREAS, a public hearing was held by the Planning and Zoning Commission on August 24, 2021 and thereafter by the City Council on September 13, 2021, with respect to the proposed use changes described herein; and

WHEREAS, all requirements of law dealing with notice to other property owners, publication and all procedural requirements have been complied with in accordance with the Comprehensive Zoning Ordinance and Chapter 211 of the Local Government Code; and

WHEREAS, the City Council of the City does hereby deem it advisable and in the public interest to amend Chapters 90 and 91 of the City Code, as amended, as described herein; and

WHEREAS, the proposed change is consistent with the City's comprehensive land use plan.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS;

SECTION 1
ZONING TEXT AMENDMENT

Chapter 90, Article 3, Section 3.02 "Use Chart" is hereby amended to allow Boarding Houses as an authorized use in the MF-1 – Two-Family (Duplex) Residential, MF-2 - Multiple-Family Residential Medium Density, and MF-3 - Multiple-Family Residential High Density zoning districts and by removing the allowance of a Specific Use Permit (SUP) in the SF-E – Single-Family Residential Estate, SF-10 – Single-Family Residential, SF-7– Single Family-Residential, and MF-1 – Two-Family (Duplex) Residential zoning districts within the Use Chart to read as follows:

	"Residential							Nonresidential					Special	Parking
	SF-E Single-Family Residential Estate	SF-10 Single-Family Residential	SF-7 Single-Family Residential	MF-1 Two-Family (Duplex) Residential	MF-2 Multiple-Family Residential Medium Density	MF-3 Multiple-Family Residential High Density	MH Manufactured Home (HUD Code)	P Professional Office	R Retail	LC Light Commercial	HC Heavy Commercial	I Industrial	MX Mixed Use	Minimum Requirement (see Section 8(F) Parking Requirement Based on Use)
Residential														
***														
Boarding House				P	P	P								1 space per sleeping unit. Tandem parking prohibited.
***"														

SECTION 2
ZONING TEXT AMENDMENT

Chapter 90, Article 3, Section 3.02.01 "Conditional Development Standards" is hereby amended by deleting subsection (A)(21).

SECTION 3
TEXT AMENDMENT

Chapter 91, Article V, "Residential Development Ordinance," is hereby amended by adding Section 91-502, "Boarding House Development Regulations" to read as follows.

"Sec. 91-502. – Boarding House development regulations.

(a) This section shall apply to all boarding houses within the City.

(b) There shall be no change in the outside appearance of the building or premises, or other visible evidence of the conduct of such boarding house.

(c) No sign advertising a home occupation shall be placed on property where a boarding house is located.

(d) Register and receive annual inspections as outlined:

(1) All boarding houses shall be registered annually. If there is any change in occupancy of any sleeping unit longer than three weeks, registration shall be updated at that time.

(2) Inspections shall be required annually. It shall be the responsibility of the property owner to request and schedule an inspection at the time of annual registration.

(3) The fees for registration and required annual inspection for each boarding house are as shown in the city's fee schedule.

(e) Parking

(1) A parking site plan shall be included with the initial registration application.

(2) The parking site plan shall comply with all applicable parking requirements for multi-family use districts as outlined in Section 91-501. Additionally, one designated parking space must be provided on the premises for each sleeping unit. Tandem parking spaces are not permitted. Waivers may be applied for and granted in accordance with Section 91-501(e).

(f) The owner of a boarding house shall obtain and maintain rental property insurance or landlord insurance at all times. Proof of insurance shall be provided during annual registration."

SECTION 4
ACCORDANCE WITH COMPREHENSIVE PLAN AND PURPOSES OF ZONING

The City Council finds that the changes to the zoning districts, boundaries, regulations and uses as herein established have been made in accordance with the City's Zoning Code and Comprehensive Plan for the purpose of promoting the health, safety, morals and general welfare of the community. They have been designed to efficiently plan, control and organize development, lessen congestion in the streets, secure safety from fire, panic, flood and other dangers, provide adequate light and air, prevent overcrowding of land, avoid undue concentration of population, and facilitate the adequate provision of transportation, water, sewerage, parks and other public requirements. They have been made after a full and complete hearing with reasonable consideration among other things of the character of the district and its peculiar suitability for the particular uses and with a view of conserving the value of the buildings and encouraging the most appropriate use of land throughout the community.

SECTION 5
ORDINANCE CUMULATIVE

This Ordinance shall be cumulative of all other ordinances of the City of Richland Hills affecting zoning and land use, and shall not repeal any of the provisions of such ordinances except in those instances where provisions of such ordinances are in direct conflict with the provisions of this Ordinance.

SECTION 6
PENALTY

Any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this Ordinance shall be fined not more than Two Thousand Dollars ($2,000.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense. In addition, any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this Ordinance may be subjected to such civil penalties as authorized by law.

SECTION 7
SAVINGS

All rights or remedies of the City are expressly saved as to any and all violations of Chapter 90, as amended, or any other ordinance affecting zoning and land use that have accrued at the time of the effective date of this Ordinance and as to such accrued violations and all pending litigation, both civil and criminal, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the courts.

SECTION 8
SEVERABILITY

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

SECTION 9
PUBLICATION

The City Secretary of the City of Richland Hills is hereby directed to publish in the official newspaper of the City the caption, penalty clause, and effective date clause of this Ordinance as required by law.

SECTION 10
EFFECTIVE DATE

This Ordinance shall be in full force and effect from and after its passage and publication as required by law, and it is so ordained.

PASSED AND APPROVED ON THIS 13th DAY OF SEPTEMBER, 2021.

____
HONORABLE MAYOR EDWARD LOPEZ

ATTEST:

____
CATHY BOURG, CITY SECRETARY

EFFECTIVE DATE: ______________________________

APPROVED AS TO FORM AND LEGALITY:

____
CITY ATTORNEY

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Candice Edmondson, City Manager

Date: September 13, 2021

Subject: Mental Health Leave Policy

Agenda Item:

Consider approval of Mental Health Leave Policy

Background Information:

During the 87th Legislative Session, the Texas State Legislature passed Senate Bill 1359 related to the use of mental health leave by peace officers. The Bill took effect on September 1, 2021 and requires that "each law enforcement agency shall develop and adopt a policy allowing the use of mental health leave by the peace officers employed by the agency who experience a traumatic event in the scope of that employment."

The City of Richland Hills has chosen to extend the mental health leave benefit to fire fighters as well. Attached is the City's proposed Mental Health Leave Policy for City Council review. Once approved, the policy will be incorporated into the City's Employee Handbook.

Financial Considerations:

N/A

Legal Review:

N/A

Board/Citizen Input:

N/A

Attachments:

City of Richland Hills Mental Health Leave Policy

Council Action Requested:

Motion to approve Mental Health Leave Policy

City of Richland Hills Mental Health Leave Policy

(Effective September 1, 2021)

Pursuant to Section 614.015 of the Texas Government Code

POLICY STATEMENT

The use of Mental Health Leave may be granted after a first responder (peace officer or fire fighter) experiences a traumatic event during the scope of employment. Traumatic events that occur within a first responder's career can have varying degrees of severity and effect on an individual. Department supervisors will need to be cognizant of what employees may be experiencing mentally and emotionally after a traumatic event. While Critical Incident Stress Management debriefings are offered post incident, some employees may be negatively affected by the traumatic event and need to be away from work to process the incident with professional guidance.

DEFINITIONS

Traumatic Event – an event which occurs in the peace officer(s) or fire fighter(s) scope of employment when the first responder is involved in the response to, or investigation of, an event that causes the first responder to experience unusually strong emotional reactions or feelings which have the potential to interfere with their ability to function during or after the incident. Traumatic events may include, but are not limited to, the following:

a. Major incidents involving mass casualties including, but not limited to, significant weather events, explosions, search and recovery missions, mass shootings, major traffic accidents

c. Response to or investigation of incidents involving death or abuse of an individual;

d. Line of duty death, serious injury or suicide of a department member;

e. Death of a child resulting from violence or neglect;

f. Officer(s) involved shooting of a person.

Mental Health Leave – administrative leave with pay granted in response to a traumatic event that occurred in the scope of the first responder's employment.

Mental Health Professional – a licensed social or mental health worker, counselor, psychotherapist, psychologist, or psychiatrist.

REQUESTING MENTAL HEALTH LEAVE

A first responder directly involved in a traumatic event may request the use of mental health leave. The request shall be made in writing, by department memorandum, through the chain of command to the Police Chief or Fire Chief. The request shall be treated as a priority matter and a decision on the granting of the leave shall be made no later than 24 hours following the submission of the request. The request shall be granted unless the chain of command can articulate specific compelling reasons to deny granting the leave.

Any employee who becomes aware of behavioral changes in a first responder that was directly involved in a traumatic event should immediately notify the employee's supervisor.

DURATION OF MENTAL HEALTH LEAVE

A peace officer directly involved in a traumatic event may request up to 40 hours of mental health leave per traumatic event. A fire fighter directly involved in a traumatic event may request up to 56 hours of mental health leave per traumatic event.

Extensions of mental health leave may be available under certain circumstances upon approval by the Police Chief or Fire Chief and concurrence by the City Manager. Any request for an extension shall be accompanied by documentation from a mental health professional who is counseling the officer.

DOCUMENTATION OF MENTAL HEALTH LEAVE

Mental health leave shall be coded as Administrative Leave with Pay within the payroll system to promote anonymity. Appropriate documentation, inclusive of any documentation provided by a medical professional, shall only be placed in the first responder's medical file to account for mental health leave being taken.

COMPENSATION AND BENEFITS

While utilizing mental health leave, employees will continue to earn any and all benefits, pay, and applicable special pay. The City shall not reduce an eligible employee's sick leave, vacation leave, holiday, or other paid leave balance for mental health leave taken under this policy.

MENTAL HEALTH SERVICE PROVIDERS

A current list of mental health service providers near Richland Hills may be obtained from the Department or Human Resources.

CONFIDENTIALITY

Any request for mental health leave shall be treated as strictly confidential by all parties involved and shall not be discussed or disclosed outside the officer's immediate chain of command, and only as necessary to facilitate the use of the leave. Any officer or supervisor who becomes aware of behavioral changes and suggests the officer seek mental health leave shall not discuss that matter with any third party. Any breach of this confidentiality shall be grounds for disciplinary action up to and including termination.

Confidentiality may be waived by the officer seeking mental health leave. Confidentiality may be waived under circumstances which indicate the officer is a danger to himself or herself or others and department personnel must confer with mental health professionals.

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Candice Edmondson, City Manager

Date: September 13, 2021

Subject: Paid Quarantine Leave Policy

Agenda Item:

Consider approval of Paid Quarantine Leave Policy

Background Information:

During the 87th Legislative Session, the Texas State Legislature passed House Bill 2073 related to paid quarantine leave for first responders. The Bill took effect on June 15, 2021 and requires that "the governing body of a political subdivision shall develop and implement a paid quarantine leave policy for fire fighters, peace officers, detention officers, and emergency medical technicians who are employed by, appointed by, or elected for the political subdivision and ordered to quarantine or isolate due to a possible or known exposure to a communicable disease while on duty."

Attached is the City's proposed Paid Quarantine Leave Policy for City Council review. Once approved, the policy will be incorporated into the City's Employee Handbook.

Financial Considerations:

N/A

Legal Review:

N/A

Board/Citizen Input:

N/A

Attachments:

City of Richland Hills Paid Quarantine Leave Policy

Council Action Requested:

Motion to approve Paid Quarantine Leave Policy

Richland Hills Public Safety Paid Quarantine Leave Policy

(Effective June 15, 2021)

Pursuant to Section 180.008 of the Texas Government Code

POLICY STATEMENT

This policy applies to all City of Richland Hills Fire Fighters, Peace Officers, and Emergency Medical Technicians who may be granted quarantine leave due to a possible or known exposure to a communicable disease while in the course of their duties. The local health authority will determine when a threat of highly communicable or life-threatening diseases are immediately present and may release orders for essential personnel to follow general quarantine guidelines in dealing with the disease and/or prevention of spread.

DEFINITIONS

Emergency Medical Technician – means an individual who is certified as an emergency medical technician under Chapter 773, Health and Safety Code; and employed by the City of Richland Hills.

Fire Fighter – means an individual who holds a position that requires substantial knowledge of firefighting; has met the requirements for certification by the Texas Commission on Fire Protection under Chapter 419, Government Code; and performs a function listed in Section 143.003(4) (A) and who is employed by the City of Richland Hills.

Health Authority – has the meaning assigned by Section 121.021, Health and Safety Code. For the purposes of this policy, the local healthy authority will be Tarrant County Public Health and/or the City's EMS Coordinator.

Peace Officer – means an individual described by Article 2.12, Code of Criminal Procedure, who is employed by the City of Richland Hills.

QUARANTINE LEAVE

A City of Richland Hills Fire Fighter, Peace Officer, or Emergency Medical Technician who is ordered to quarantine or isolate by the person's supervisor or the local health authority due to a possible or known exposure to a communicable disease while on duty is entitled to receive paid quarantine leave for the duration of the leave.

REQUESTING QUARANTINE LEAVE

Any request for quarantine leave must be initiated by the Fire Chief, Police Chief, City Manager or local health authority to quarantine or isolate due to a possible or known exposure to a communicable disease while on duty. The corresponding leave form must be filled in by the Chief or City Manager for the employee exposed. Documentation from the attending physician or other health authority must be turned in to the employee's supervisor and Human Resources as soon as practicable.

Employees will be required to comply with the City's Return to Work Guidelines before returning to duty after an approved quarantine leave.

COMPENSATION AND BENEFITS

While utilizing paid quarantine leave, employees will continue to earn all benefits, pay, and applicable special pay. The City shall not reduce an eligible employee's sick leave, vacation leave, holiday, or other paid leave balance for paid quarantine leave taken under this policy.

When applicable, employees who must quarantine may be eligible for reimbursement for reasonable costs related to the quarantine, including lodging, medical expenses, and transportation with approval from the Department Chief.

CONFIDENTIALITY

Any request for paid quarantine leave shall be treated as strictly confidential by all parties involved and shall not be discussed or disclosed outside the employee's immediate chain of command, and only as necessary to facilitate the use of the leave. Any breach of this confidentiality shall be grounds for disciplinary action up to and including termination.

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Chantele Hancock, Library Director

Date: September 13, 2021

Subject: Library Summer Reading Club Recap

Agenda Item:

Library Summer Reading Club Recap

Background Information:

Staff will provide a recap of the 2021 Library Summer Reading Club program.

Financial Considerations:

N/A

Legal Review:

N/A

Board/Citizen Input:

N/A

Attachments:

N/A

Council Action Requested:

Discussion Item Only

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Jason Brown, Director of Parks and Recreation

Date: September 13, 2021

Subject: Fiesta De Herencia Event

Agenda Item:

Fiesta De Herencia Event Update

Background Information:

Staff will provide an update on the Fiesta De Herencia Event that is scheduled for Saturday, September 18, 2021 from 4:00 p.m. – 9:00 p.m. at the Link Plaza.

Financial Considerations:

N/A

Legal Review:

N/A

Board/Citizen Input:

N/A

Attachments:

N/A

Council Action Requested:

Discussion Item Only

Memorandum

To: Honorable Mayor Edward Lopez and Richland Hills City Council Members

From: Jason Brown, Director of Parks and Recreation

Date: September 13, 2021

Subject: Parks and Recreation Ordinance Updates

Agenda Item:

Discuss proposed revisions to Chapter 70, Article IV. - Parks and Recreation Areas of the City Code of Ordinances

Background Information:

Chapter 70, Article IV. - Parks and Recreation Areas of the City Code of Ordinances was last updated in 2016. Since that time, the City has built the Link Event and Recreation Center, adopted a Parks Master Plan and constructed a shared-use hike and bike trail. Staff has reviewed the current Parks and Recreation Areas Ordinance and recommends revisions be made regarding use of these areas. The proposed revisions will be presented to City Council on Monday night for initial review and discussion. Staff will take Council feedback and bring forward a revised ordinance for consideration at a future meeting.

Financial Considerations:

N/A

Legal Review:

Staff will work with the City Attorney on updating the current Parks and Recreation Areas ordinance

Board/Citizen Input:

N/A

Attachments:

N/A

Council Action Requested:

Discussion Item Only

City of Richland Hills Ordinances

Article IV. – Parks and Recreation Areas

Sec. 70-161. – Definitions

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in the section, except where the context clearly indicates a different meaning:

Alcoholic Beverages – All beverages that include any alcohol, excluding medications that might contain alcohol.

Amenity – An amenity in the parks is any unnatural structure that represents a play element, table or seating element, sign, fencing, and other erected elements.

Appropriate Play – Play and use that would typically be prescribed for a particular amenity.

City Staff – Parks, recreation and city hall personnel that play a role in park rules and regulations.

Drugs – Illicit or illegal drugs, also abused over-the-counter and prescribed drugs.

Maintenance – Any work done in the park system on structures, turf, landscape, utilities, and hardscape. Maintenance could be planned or unplanned without notice and warning.

Park – Any city property that activity plans or naturally allows recreation activities. This will include actual parks, trails, and structures on city properties.

Prohibited – Activities, substances, vehicles or other happenings or objects that are not allowed in the Parks. While only some of these actions or items might not be unlawful, all are disallowed.

Public – Individuals, families, and groups of residents and non-residents. Groups could include corporate and non-profit entities.

Reserved (or reservation) – An agreed time for use of amenities, typically a pavilion. Reservations typically include a fee adopted by council and implemented by city staff.

Sec. 70-162. – Rules and regulations for use of city parks

a) The city park(s) will be open for public use all days including holidays from 6am to 10pm, except in the case of the following:
    a. Scheduled or unscheduled maintenance

   b. City event
   c. Approved private special event
   d. Potentially hazardous situation
   e. Temporary change in hours approved by the City Manager of his/her designee

b) Park amenities will be available to the public on a first come, first served basis. It will be expected that most amenities are shared by other public individuals and not used for more than 2 hours by anyone group without the city's permission, event approval or reservation.

c) Animals in the Park. Domesticated house pets, specifically cats and dogs, are allowed in the park while managed on a leash that is 6 foot or less long. The animal should stay on a leash and the leash held in hand during the duration of the park visit. Brief leash tying is allowed for 5 mins or less.
   a. Wild animals could be encountered in the park and should be left alone. Some wild animals in the city limits could pose a danger to humans and pets, all wildlife should be left alone to leave on their own accord and Animal Control called (817) 616-3769 to help remove any wildlife that is disturbing a park visit.
   b. No animals should be harmed in the park unless they are currently threatening the wellbeing of the Public or their household pets.

d) Parking should only be done in designated parking areas, lots, and along the curb line only. General traffic laws will apply in parking lots with the speed limit being 15 mph or less.

e) Athletics in the park are allowed for unorganized events and gatherings. Leagues and tournaments are not allowed on city property without permission from and reservation with Recreation Staff.

f) Plaza water feature next to The Link is available for use by the public independent of their relationship with The Link. The water feature does have its own specific rules and regulations for the health of those using it. Barring closure for maintenance, the water feature will operate from Labor Day weekend to the last weekend in September.

g) Natural Water areas in Richland Hills are considered a natural resource to the city and are operated with consent from the Army Corps of Engineers.
   a. Fishing is currently allowed in appropriate areas of the natural water areas. These areas are not improved and can be difficult to get to.
   b. Wading and swimming is not allowed in the natural water areas.
   c. Polluting the natural water areas and its surrounding runoff zones is strictly unlawful.

h) Trails in the parks are designated for use by pedestrians and bicyclists. Domestic animals are allowed on the trails, as defined in 70-162-c.
   a. Bicyclists and skaters should yield to pedestrians, as walkers and runners have the right of way on trails.

b. Use courtesy and always pass on the left, while slower traffic on the right.
c. E-bikes and motorized wheelchairs are the only motorized vehicles allowed on parks trails.

i) Environmental Disturbance will be strongly discouraged by the below regulations. Disturbance will include deliberate and negligent acts that deface natural park elements including rocks, trees, shrubs, flowers, turf, creeks, and other natural areas.
a. No trace left behind is a national effort to keep environmental impact left by the public to a minimal amount. The parks are suburban areas that will indeed have public impact, but the goal is to keep it to a minimal level.

j) Prohibited actions
a. Alcohol and drugs – Possessing or consuming alcohol in the park is unlawful. Possessing or consuming illicit drugs is unlawful. If a public individual has consumed either alcohol or illicit drugs prior to being on park property, that person could be asked to leave or be cited by Police.
b. Weapons – Possessing weapons will be governed by state and national rules. Brandishing and or discharging weapons in the parks will be strictly unlawful.
c. Hunting – Tracking, trapping, and hunting animals for processing or dispatching is unlawful.
d. Fireworks – Using fireworks in the the parks or within city limits in unlawful.
e. Fires – Excluding approved grills and decorative candles, the public will not be allowed to create or light fires in the parks.
f. Motorized vehicles – Any vehicle that operates with the assistance of a motor is not allowed in the parks. The only exceptions is a motorized wheelchair that is used for disabled members of the public and e-bikes used on trails in the parks.
g. Skating and Skateboarding – Skateboarding, skating and rollerblading in the parks will be allowed as long as all wheels stay on the ground. These activities are prohibited when they involve using park amenities and fixtures. These type of use in the parks and their accompanied parking lots will only be allowed in designated areas.
h. Hitting golf balls – Striking golf balls in the parks will not be allowed. The only exception will be putting on approved surfaces in designated areas, where the ball does not leave the ground.
i. Lude behavior – Any behavior that can be considered obscene or overly sexual in nature will not be allowed in the parks. Sexual acts and nudity will be unlawful in public areas.
j. Littering – Any refuse not placed in trash or recycling containers, left behind or not controlled by the user will be considered littering. Only appropriate refuse can be put in park trash cans. No batteries, caustic chemicals, illegal substances, weapons, hot coals or similarly defined refuse shall not be put in park trash cans

or be left. Instead, this type of refuse will need to be removed from the park once the individual or group leaves.

k. Glass containers – Glass is not allowed in the park. Glass brought to the park should be disposed of in park trash cans or put back in private storage (i.e. car or house).
l. Climbing – There are play structures where climbing is appropriate, however climbing trees, signs, pavilions, light poles, etc. will be deemed inappropriate use and not allowed.
m. Unprescribed use of amenities – Any activity not commonly prescribed for a particular amenity or structure will be prohibited in the parks.
n. Dumping – The public will not be allowed to dump trash, refuse, or unwanted items in the city parks.
o. Sound amplification – Music, public speech and other amplified sound will need to be at a level of 90 dBs at all park borders.

k) Activities in need of a permit
   a. Private Community Event – Any big event will need a city permit. This permit will have a fee defined by the city fee schedule.
   b. Camping – Staying after hours and overnight in the park proper or parking lot is only allowed with staff approval. Typically, camping will be allowed during a staff program.
   c. Staying after hours – Any events between 10pm and 6am will need to be approved by staff. This will typically only be considered with a special event permit from city hall. This will include leaving a car in a park parking lot.
   d. Reserving a Pavilion – Reservations for park pavilions will go through The Link reservation system. Public can call (817) 616-3738 for more information on that process.
   e. Charging the public for use or entrance – The city will need to approve any use of the park that will include charging for entrance or use of the park or one of its amenities. Those fees could be charge onsite or offsite, both will need to be approved prior to advertising or implementation of a fee.