



CITY COUNCIL
CITY OF PEARLAND
SPECIAL COUNCIL MEETING
MONDAY, AUGUST 31, 2015 | 7:00 P.M.
COUNCIL CHAMBERS | PEARLAND CITY HALL | 3519 LIBERTY DRIVE
281.652.1600

I. Call to Order

II. Purpose of the Meeting:

- 1. Council Input and Discussion:** Fiscal Year 2015 – 2016 Budget Discussion No. 4; Police Staffing, Funding and Other Follow-up Matters.

III. Adjournment

This site is accessible to disabled individuals. For special assistance, please call Young Lorfing at 281-652-1840 prior to the meeting so that appropriate arrangements can be made.

All agenda supporting documents are available at pearlandtx.gov

**AGENDA REQUEST
BUSINESS OF THE CITY COUNCIL
CITY OF PEARLAND, TEXAS**

AGENDA OF: 8/31/2015	ITEM NO.: New Business No. 1
DATE SUBMITTED: 8/21/2015	DEPARTMENT OF ORIGIN: Finance
PREPARED BY: Claire Bogard	PRESENTOR: Claire Bogard
REVIEWED BY: Jon R. Branson	REVIEW DATE: August 27, 2015
SUBJECT: 2015 – 2016 Budget Discussion #4; Police Staffing, Funding and Other Follow-up Matters	
EXHIBITS: PowerPoint Presentation	
EXPENDITURE REQUIRED: N/A	AMOUNT BUDGETED: N/A
AMOUNT AVAILABLE: N/A	PROJECT NO.: N/A
ACCOUNT NO.: N/A	
ADDITIONAL APPROPRIATION REQUIRED: N/A	
ACCOUNT NO.: N/A	
PROJECT NO.: N/A	
To be completed by Department:	
<input checked="" type="checkbox"/> Finance <input type="checkbox"/> Legal <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution	

EXECUTIVE SUMMARY

BACKGROUND

Building upon prior discussions through August, at the August 24, 2015 Budget Discussion, Council consensus was to add four additional police officers to the proposed FY 2016 budget in addition to two Sergeant upgrades and to reduce the general fund budget in other areas to cover the cost.

The City Council had earlier come to a consensus upon not exceeding the rollback tax rate, which had a negative impact on City General Fund revenue from what had been anticipated in the recommended budget. That change is suggested to be absorbed within the Public Works streets and maintenance area which had be targeted for building up resources. If adopted as discussed, it is recommended that budget be reviewed at mid-year FY 2015/16 for additional funds to the streets and sidewalks.

FINANCIAL INFORMATION

With the change in the O&M Tax Rate due to truth-in taxation and the lowering of the Debt Service Tax Rate, the General Fund will see a \$616,627 reduction in revenues. Street Maintenance will be reduced by this amount to offset the loss in revenue resulting in a FY 2016 budget of \$915,512 versus \$1,532,139 proposed.

The general fund will also see an increase in the Police Department expenditures of \$514,171 for the cost of the additional officers. The officers would be available approximately April 2016 for assignment to the police academy or field training, depending upon their certification at hire.

The continued Budget Discussion tonight will allow for the discussion of the reductions proposed to cover the expenditures associated with the additional staff. The meeting will also allow for additional questions, comments and discussion from previous budget meetings as the City Council desires.

SCHEDULE

September 8th, which is a Tuesday, will be the second public hearing for the tax rate.

September 14th will be the first reading of the ordinances to adopt the tax rate, fee changes and budget and pay plans.

The second reading of the ordinances will occur on September 21, 2015, meeting the City Council's obligations to adopt a budget.

RECOMMENDED ACTION

FY 2015 – 2016 Budget Discussion #4; Police Staffing, Funding and Other Follow-up Matters.

Building MOMENTUM



CITY OF PEARLAND, TEXAS

Fiscal Year 2015 - 2016

Continued Budget
Discussion

August 31, 2015





Reduction to Streets Maintenance

Due to a lowered tax rate, the General Fund will see a reduction in revenue of \$616,627 for FY 2016.

The reduction is recommended to be offset by a corresponding reduction in Streets Maintenance for next year; recommended to be reviewed and replenished mid-year, if possible.

Street/Sidewalk Funding	<u>FY2015 Original</u>	<u>FY2015 Amended</u>	<u>FY2016 Proposed</u>	<u>FY2016 Revised</u>
Streets	432,139	1,231,439	1,532,139	915,512
Sidewalks	337,114	687,114	537,114	537,114
Total	769,253	1,918,553	2,069,253	1,452,626



Street Revised Budget

ORIGINAL BUDGET

Sidewalk	\$ 537,114
Street	\$1,532,139

- Clear Creek Estates Subdivision area
- Hatfield Road
- 60% to be spent on local subdivision streets
- 40% to be spent on Collectors, Major Collectors, and Secondary Thoroughfares

REVISED BUDGET

Sidewalk	\$537,114
Street	\$915,512

- Clear Creek Estates Subdivision area
- 100% to be spent on local subdivision streets
- 0% to be spent on Collectors, Major Collectors, and Secondary Thoroughfares



Police Staffing Options and Concurrence

These options are *in addition* to the 2 Sergeant Upgrades, 2 Replacement Officers and 2 New Officer Positions (4 new positions, one replacing additional SRO) in the FY2016 proposed budget:

FY 2016 - 6 months

	Recurring	Non-Recurring	Total FY16	Recurring FY 2017
2 Sergeant Upgrades with 2 replacement Officers (2 new positions) incl. 2 Sgt vehicles, + 1 Shared vehicle	\$108,178	229,426	\$337,604	\$203,523
2 Sergeant Upgrades with 2 replacement officers + 2 new Officers (4 new positions) incl. 2 Sgt vehicles + 2 shared vehicle	\$199,333	314,838	\$514,171	\$378,975
2 Sergeant Upgrades with 2 replacement + 4 new Officers (6 new positions) incl. 2 Sgt Vehicles + 3 shared vehicles	\$290,488	400,250	\$690,738	\$637,057



Total General Fund Revenue Shortfall

	<u>FY 2016</u> <u>Individual Cost</u>	<u>Cumulative</u> <u>Shortfall by Option</u>
Loss from Reduced Tax Rate	\$616,627	\$ 616,627
Option 1 – 2 Additional	\$337,604	\$ 954,231
Option 2 – 4 Additional +4 recommended for 8 total	\$514,171	\$1,130,798
Option 3 – 6 Additional	\$690,738	\$1,307,365



Reductions to Fund Additional Officers

Additional Personnel Expense	Recurring	Non-Recurring	Total
Option 2 - 4 Additional (+4 recommended for 8 total) (starting approximately 4/1/2016; available for service following academy depending upon TCOLE certification and FTO time)	\$199,333	\$314,838	\$514,171
Potential List- Funding Mechanisms			
Revenues			
Park Memberships (14,931 in FY 2014; 16,877 y-t-d 2015)	\$50,000		\$50,000
Garage Sale Permits	\$36,000		\$36,000
Expenditures			
Vacant Positions			
Recreation Specialist - eliminate	\$53,053		\$53,053
Stagger FS #2 Staffing - 3 FF 9/28/15; 6 FF 10/26/15		\$39,295	\$39,295
Contingencies			
Fuel (\$3.04 June 2014; \$1.75 Mar 2015; \$1.70 July 2015)	\$120,292		\$120,292
ERP OT/Back Fill allowance City staff		\$20,000	\$20,000
Supplemental Requests			
Code Enforcement Officer - push to 4/1/16 hire		\$12,436	\$12,436
HR Generalist - push to 4/1/16 hire		\$8,308	\$8,308
Department Reductions			
Firefighter Exams - lower bid than expected	\$37,000		\$37,000
Parks - contract rates not increasing as expected	\$44,000		\$44,000
Nuisance Abatements		\$25,000	\$25,000
ROW Mowing- lower quote, same service level	\$50,000		\$50,000
FS Demolition - most in-house	8	\$20,000	\$20,000
Total Additional Funding	\$390,345	\$125,039	\$515,384



Proposed vs Amended General Fund

Based on changes to the General Fund due to the proposed O&M tax rate and additional police officer positions, the following shows the change in General Fund revenues, expenditures and fund balance for FY 2016.

	FY 2016 Proposed	FY 2016 Revised
Revenues	\$70,358,048	\$69,827,421
Expenditures	\$73,840,782	\$73,308,942
Revenues under Expenditures	(\$3,482,734)	(\$3,481,521)
Beginning Balance - October 1, 2015	\$15,559,633	\$15,559,633
Ending Balance - September 30, 2016	\$12,076,899	\$12,078,112
Policy - 2 months Recurring Operating	\$11,298,874	\$11,210,234
Amount Over Policy	\$778,025	\$867,878



Budget Calendar

- August 3 Overview and Highlights, Property Tax, Debt Service, General Fund and Other Funds
- August 10 City Council Regular Meeting – ETR Information, 5-Year CIP General Government, Future Bond Referendum Scenarios, DS Fund Multi-Year Forecast
- August 17 City Council **Special Meeting** – Record Vote to Propose Tax Rate; Schedule Public Hearings on the Budget and Tax Rate; follow-ups from prior meetings
- August 24 City Council Regular Meeting – 5-Year CIP Water/Sewer (WS), WS Fund and Multi-Year Forecast, WS Rates and Other WS Fees
- August 31 **Public Hearings on Tax Rate and Budget; Budget Discussion, if needed**
- September 8 **Tuesday** – Second Public Hearing on Tax Rate; Budget Discussion, if needed
- September 14 First Reading of Ordinances
- September 21 Second and Final Reading of Ordinances, Adopt 5-Year CIP

Budget Discussion



QUESTIONS

CONTINUED BUDGET
DISCUSSION

AUGUST 31, 2015