



**AGENDA MEMO**  
9/6/2016 Agenda

**TO:** Honorable Mayor and City Council

**FROM:** Thomas W. Tvardzik, Finance Director

**SUBJECT:** First Public Hearing - FY2017 Budget

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**BACKGROUND:**

The Texas Local Government Code (Section 102) requires that a budget hearing be held no sooner than 15 days after the proposed budget is filed with the municipal clerk. Using August 19th as the filing date, a hearing commencing on September 6, meets this requirement.

The University Park City Council traditionally holds the budget hearing over two consecutive City Council meetings. Therefore, it would be appropriate to announce to the public the hearing will be continued until the September 20th Council meeting. At the close of the second hearing, both the budget and the resultant property tax rate are scheduled for adoption.

**Proposed budget**

The proposed FY2017 budget (as filed with the City Secretary on August 19, 2016) of \$50,346,924 is 3.5% higher than the adopted FY2016 budget of \$48,658,980.

Highlights of the proposed budget include:

- A fourth annual decrease in the property tax rate to 24.8761 cents per \$100 of taxable value (from 25.893 cents in FY2016).
- An 8.6% increase (year-over-year) in the City's property tax base.
- A 4% increase in "pay-as-you-go" capital project funding, to \$5.9 million.
- An increase in equipment replacement funding to 100% of cost, from 95% in FY2016. Funding for a mile-per-year pilot program.
- A 6% increase in water rates, effectively passing through a similar increase from the Dallas County/Park Cities Municipal Water District.
- A 9% increase in Wastewater rates, due to increased costs from Dallas water Utilities.
- A 4% increase in Storm water fees.
- A 5% increase in Sanitation rates. This is the second year of a planned two-year fee

increase process.

- A net decrease of one full time position.
- No market based compensation increases.
- Rollout of a one-time employee retention payment to all full-time employees.

**RECOMMENDATION:**

Open the public hearing and invite comments on the proposed budget. Continue the hearing until the next City Council meeting on September 20, 2016.

**ATTACHMENTS:**

- Budget Cover Page
- Budget Memo – prepared by City Manager to serve as a budget overview.
- Proposed Budget by Fund and Department - serves as a high-level budget summary.
- Property Tax Impact –illustrates the process used to calculate the property tax rate and the effect that rate will have on a typical single-family within the City.
- Budget Report Detail