

# Vision Statement

We envision Cedar Hill as a Premier City that retains its distinctive character; where families and businesses flourish in a safe and clean environment.



# Mission Statement

The mission of the City of Cedar Hill is to deliver the highest quality municipal services to our citizens and customers consistent with our community values.

# Values

- People and Relationships
- Stewardship
- Highest Ethical Standard, Behavior and Integrity,
- Servant Leadership

# BUDGET PLANNING CALENDAR FISCAL YEAR 2016-2017



Feb 17	CM Staff Meeting – Discuss Budget Process and Budget Calendar
Feb 19	Budget Kick-Off: Directors and Invitees (Court Room at 10 AM)
Feb 29	Requests due to Fleet for maintenance records and cost replacements
Feb 29	Requests to HR for new position requests (FT/PT)
Mar 07 -11	CH ISD Spring Break
Mar 22	City Council Meeting: CAFR presented
Mar 31	<b>Operating and CIP Budgets: All documents updated to Shared Drive CIP Project and Finance Plan: Updated to Shared Drive</b>
Apr 01 - 08	Finance: Compiles and summaries budget data as submitted by departments Finance: Revenue Estimates and Projections
Apr 19	<b>City Council Meeting: Streets/Parks CIP and Financing Plan Workshop</b>
Apr 11 – 22	<b>Finance: Budget Review with Department Directors (round 1)</b> Finance: Revenue Assumptions, Estimates and Projections Preliminary
Apr 20	Finance: Mid-Year Review of FY 16 Budget at CM Staff Meeting
May 01 – 06	Finance: Compiles Budget Data in master budget documents
May 10 -13	Finance: CM review of operating budgets
May 17	<b>City Council: Water and Sewer CIP and Financing Plan Workshop</b>
May 16 - 20	<b>Finance and CM: Management Team Open Discussion on Budget</b>
May 25	Finance and CM Office: Review of Budget Presentation going to City Council
Jun 07	<b>City Council: Preliminary Budget Presentation</b>
Jul 25	<b>Certified Appraisals from Chief Appraisers</b>
Jul 25 - 31	Finance: Final revisions to budget
Aug 05-06	<b>City Council: Budget Workshop (Saturday is optional)</b>
Aug 09	<b>City Council: Receive City Manager’s Proposed Budget for FY 2016-2017; Discuss Tax Rate (if rate exceeds the roll-back rate or effective tax rate (whichever is lower), take a record vote and schedule and announce public hearings</b>
Aug 12	Dallas County Publishes Tax Rate Notice (1/4 Page Ad) City Publishes Public Hearing on Budget
Aug 23	City Council: First Public Hearing on Tax Rate Proposal Public Hearing on FY 2017 Budget
Sep 06	<b>City Council (Special Meeting): Second Public Hearing on Tax Rate Proposal</b>
Sep 13	<b>City Council: Adopt by Ordinance(s) the Tax Rate, FY17 Budget inclusive of CCPD, EDC, CDC and CIP</b>
Sep 27	<b>City Council: Alternative date to act on final approval of budgets</b>

# FYE 17 BUDGET HIGHLIGHTS

## AD VALOREM TAX RATES AND REVENUE

The proposed FYE 2017 budget is based upon the tax rate of \$0.69876, which is the same tax rate as FYE 2016. The Maintenance & Operations (M&O) tax rate will remain at \$0.51270 and the Interest and Sinking (I&S) tax rate is \$0.18606.

Every year, the City receives the total value of all property in which taxes will be assessed from the Dallas and Ellis Central Appraisal Districts. The total taxable value this year has increased by 7.11% from \$3,024,899,863 to \$3,240,030,312. The increase in taxable value totals \$215,130,449. New construction is \$47,565,475 or 22% while revaluations of existing property is \$167,653,804 or 78% of the total growth in taxable value.

General Fund tax revenue for 2016-2017 is projected to increase by 7.1% or \$1,503,246 when compared to the 2015-2016 budgeted tax revenue of \$15,508,665.

## FYE 2017 PROPOSED BUDGET MAJOR CHANGES

As you recall in FY 2016, the Tri-City Animal Shelter revenues and expenditures were moved to the Animal Shelter Fund. This move has been successful with accounting and budgeting in this Fund. The FY 2016-2017 Budget proposes to continue the separate Animal Shelter Fund. The City will continue to budget its 1/3 share of costs from the General Fund and transfer it to the Animal Shelter Fund. The second change relating to the budgeting and accounting for E911 fees was implemented in FY 2016 and will continue in the FY 2016-2017 budget whereby E911 fees will go direct to the SWRCC.

The FY 2016-2017 Budget does include changes in presentation of the fund summaries. The individual funds are titled "Revenue, Expenses and Changes in Fund Balance. The beginning fund balance is stated at the top and ending fund balance is at the bottom of each fund statement. Each fund has a statement and summary of reserves for both unreserved and undesignated fund balances.

The FY 2016-2017 Budget was amended to include the establishment of an Economic Development Incentive Fund (EDIF) with a start-up of \$500,000 from the General Fund. This fund will be a Special Revenue Fund.

## GENERAL FUND REVENUES

Comparing FYE 16 Budget to FYE 17 Proposed Budget, total General Fund revenues are projected to increase by 6.5% or \$2,024,511. The increase is primarily due to increased property tax and sales tax collections. Changes from the previous year's budget in General Fund revenues are discussed below.

**Sales Tax** – Fiscal Year 2016-2017 sales & mixed use tax is estimated to increase by \$635,575 or 8.6% as compared to FY 2016 budget. The City's overall sales tax revenue is trending at 5.2%. The FYE 17 budget is projected at a 5.25% increase over FY 2016 Estimate actual.

**Franchise Taxes** – Total franchise taxes (use of city rights-of-ways) are projected to increase by \$132,160 or 3.5% as compared to 2015-2016 budgeted. When the 2016-2017 proposed franchise fees of \$3,825,755 is compared to the current 2015-2016 estimate of \$3,605,824, it represents a 6% increase.

**Licenses and Permit fees** – Total license and permit fees are projected at \$723,400 or 1% (\$7,500) more than FY 2016 budgeted. This category is related to building and construction permits, burglar alarm permits, city registrations and restaurant inspections. For FY 2017, building related permits and fees are projected to be \$400,400 which is a \$5,000 reduction (1%) compared to FY 2016.

**Charges for Services** – This category of revenue is user fee based such as ambulance fees, recreation fees, programming fees for athletics and aquatics as well as senior citizen programming fees. Total charges for services are projected to decrease by 14.7% or \$222,560. The decrease is due to over estimates in programming fees and ambulance (EMS) fees. The FY 2016-2017 budgeted estimate for charges for services is \$1,292,300. Ambulance (EMS) fees, the largest user based fees, are estimated at \$1,025,000.

**Fines** – This category of revenue is generated from court, the library and police departments. Court related fines are projected for FY 2017 at \$959,000 which is a \$71,000 or 7.4% increase from FY 2016 budget. Burglar alarm fines and fees are proposed at \$43,500 or an increase of \$13,500 over FY 2016. Library Fines and fees are proposed at \$18,000 or an increase of \$3,500 over FY 2016.

**Charges to other governments** – This category of revenue is related to services that the City provides to other government entities and bills accordingly either on a fixed rate or actual expense reimbursement basis. The total revenue in this category is \$421,200 and is a decrease of \$239,735 (-36%) from FY 2016. The decrease is planned for in the anticipated contract termination with the City of Grand Prairie for use of Fire Station No. 4.

The political subdivisions that are being charged are: Cedar Hill Community Development Corporation (\$25,000); Cedar Hill Economic Development Corporation (\$67,200); Cedar Hill Public Improvement Districts (\$32,000).

**Other government agencies** – This category of revenue is related to grants and other revenue from other governmental agencies. This category is projected at \$342,397 for FY 2017. The primary source is from a program through Texas Health and Human Services Commission for Ambulance Supplemental Payment Program and the City has budgeted in FY 2017 to receive \$245,000 through this program. The City received its first distribution in FY 2016 for \$174,000. In addition the Fire Department has applied for the Assistance to Firefighters Program and the FY 2017 budget estimates that the City will be awarded \$84,897.

**Transfers in** – This category of revenue is from transfers from other City funds and are based on either a charge back for services provided or a fixed amount in support of a program initiative. In FY 2017 there are two transfers budgeted. The General Fund has established a charge back to the Water and Sewer Fund for Information Technology services (IT) based on 25% of the IT Department's budget in the General Fund. The charge back is \$290,000 and is the second year of this methodology. There is also a transfer from the Landscape and Beautification Fund for \$100,000 supporting landscape maintenance on city medians and right of ways.

**COMPENSATION AND BENEFIT PLAN**

The proposed budget includes a 3% merit increase for all Public Safety and General employees as well as market adjustments targeted to address compression issues.

The City offers employees two medical plans, a PPO and a high deductible Health Savings Account (HSA) plan. The plan was competitively bid and the best rate was a 2.48% increase. Changing medical carriers to United Healthcare will result in a \$227,000 savings for the City.

**GENERAL FUND EXPENDITURES**

The General Fund is organized into four (4) major functions: Administrative Services, Public Safety, Community Development and Public Works. Each department or division is assigned to the appropriate major functional area. A description of each function is presented below.

**ADMINISTRATIVE SERVICES**

This function includes the Administration, Human Resources, Information Technology, Finance, Government Center and Nondepartmental Departments.

The **Information Technology Department** proposed budget includes funding for 30 computers, one server, five laptops and replacement switches and routers.

The **Finance Department** proposed budget includes funding for POS Cash receipt system replacement (one-time funds).

## **PUBLIC SAFETY**

This function includes the Police, Animal Control, Fire, Emergency Management, Municipal Court, Code Enforcement and Animal Shelter Departments. Several programs have been proposed, which are detailed below in addition to equipment replacement.

The **Police Department** budget includes replacing three frontline patrol vehicles, one Administrative unmarked vehicle and two Toughbook computers. The proposed budget includes funding for an additional Public Service Officer. The Police and Community Team (PACT) unit and related expenses are illustrated in the Crime Control and Prevention District (CCPD) budget.

The **Fire Department** proposed budget includes replacing two Administrative vehicles, a thermal imaging camera, rescue tool equipment, and a life safety training mannequin. The proposed budget includes partial funding for a Regional Fire Training officer, which is contingent upon surrounding cities cost share participation.

The **Emergency Management Department** proposed budget includes replacing one outdoor warning siren.

The **Code Enforcement Department's** proposed budget includes funding for Code / Building software, which will automate and serve multiple development services departments throughout the City. (one-time funds).

## **COMMUNITY DEVELOPMENT**

This function includes the Parks, Recreation, Library, Neighborhood Services and Planning Departments.

The **Parks Department** budget includes replacing two crew cab trucks and two trailers. Also included in the proposed budget is \$100,000 additional funding for enhanced maintenance and mowing along major roadways and funding for irrigation control upgrades.

As amended: 08/05/2016

The **Recreation Department** budget includes replacing a senior citizen passenger bus, two replacement scoreboards and pool equipment. Also included in the proposed budget is funding for a mobile stage unit (one-time funds).

The **Neighborhood Services Department** budget includes funding for Homeowners fair.

## **PUBLIC WORKS**

This function includes the Street and Fleet Maintenance Departments. No programs were recommended for these departments. However, normal City operation will require equipment replacement which is included in the Equipment Fund's budget.

The **Streets Department's** proposed budget includes replacing one bucket truck, one dump truck, one street vibratory roller and two trailers. Also included in the proposed budget is \$25,000 to provide a comprehensive citywide street sweeping program once per year and \$100,000 funding for Pavement Management Analysis study (one-time funds).

## **SPECIAL REVENUE FUNDS**

The **PEG fund** tracks revenue received from television cable operators which can be spent on capital and programming of government communication services. The proposed budget is \$25,000.

The **Police Pension Reserve Fund** accounts for the funds set aside to fund the benefit plan for Police Reserve Officers. The proposed budget for this fund is \$17,500.

The **Animal Shelter Fund** for FYE 2017 is the primary fund for all expenditures and revenues going forward. The proposed budget is \$749,627.

The **Animal Shelter Donation Fund** for FYE 2017 has been eliminated / transferred to Animal Shelter Fund and all restricted revenues/donations will be reflected therein.

The **Hotel Occupancy Tax Fund** accounts for occupancy taxes collected from hotels and motels. The proposed budget for this fund is \$326,250 and reflects activities to promote tourism.

The **Community Development Corporation Fund** includes the \$6,882,622 budget recommended by the Community Development Corporation Board of Directors.

The **Economic Development Corporation Fund** includes the \$8,302,180 budget recommended by the Economic Development Corporation Board of Directors.

The **Joe Pool Fund** was created to account for the accumulation of funds to pay the Joe Pool Lake water storage liability to the Trinity River Authority. The proposed transfers to this fund total \$1,850,000 for 2016 – 2017. No expenditures are anticipated from the Fund.

The **Library Fund** tracks funds donated to the Library. The proposed budget for this fund is \$45,000.

The **High Pointe Public Improvement District (PID) Fund** presents the proposed budget for the High Pointe PID recommended by their board.

The **Waterford Oaks Public Improvement District (PID) Fund** presents the proposed budget for the Waterford Oaks PID recommended by their board.

The **Winding Hollow Public Improvement District (PID) Fund** presents the proposed budget for the Winding Hollow PID recommended by their board.

The **Landscape Beautification Fund** accounts for the funds generated by the solid waste disposal contract. The proposed budget is \$2,955,000 and includes \$755,000 for miscellaneous city entry-feature capital projects and 100,000 for landscape beautification crew (funded in Parks department).

The **Traffic Safety Fund** includes the proposed budget of \$766,333. This budget provides funding for City staff to administer the red light camera program, payments to the red light camera vendor and remittance to the State for the portion of the fee that legislation requires. The budget also includes \$100,000 for capital programs eligible for funding from this revenue source.

The **Crime Control and Prevention District Fund** includes \$978,010 to fund the PACT unit and related expenses.

The **Economic Development Incentive Fund (EDIF)** is a new fund and includes a transfer in from the General Fund of \$500,000 as a one-time start up for Chapter 380 Economic Development Grants.



## DEBT SERVICE

The **Debt Service Fund** accounts for property tax revenues assessed to pay tax-supported debt. The debt service tax rate remains at \$0.18606. Debt service expenditures are budgeted for \$8,685,053 for the 2016-2017 Fiscal Year. Total revenues from property taxes and other sources including amounts transferred in from the Animal Shelter Fund and Street Impact Fees is \$8,925,601. The Debt Service Fund is projected to maintain a reserve balance in excess of 15% of the City's annual tax pledged debt. The unreserved and designated amount for unbudgeted items is approximately \$192,400.

## GENERAL GOVERNMENTAL CAPITAL FUNDS

The **Building Capital Maintenance Fund** was created to prepare for planned and emergency repairs to existing City buildings. Potential uses for this fund would include major roof repairs, replacement of heating, ventilation and air conditioning systems and planned remodeling of buildings. No expenditures anticipated for 2016 – 2017.

The **Street Impact Fees Fund** provides a status report on the amount of fees collected and available for debt service on streets. The proposed transfer to debt service for FYE 17 is \$770,275.

The **Street Construction Fund** tracks the resources set aside for future street repair and reconstruction. The FYE 17 budget includes a transfer of \$700,000 from the General Fund.

The **Restricted Street Fund** accounts for funds from developers designated for use on specific streets. No street construction activity is budgeted for FYE 17.

The **Drainage Fund** tracks the resources set aside for drainage improvements. No anticipated expenditures for FYE 2017.

The **Drainage Detention Fund** tracks the restricted resources set aside for drainage and detention improvements. No anticipated expenditures for FYE 2017.

The **Park Development Fee Fund** accounts for resources from Park Dedication Fees. These funds are restricted to use in specific portions of the City. The proposed budget includes \$90,000 to pay for Parks signage where eligible expenditures and funds are available.

## **WATER & SEWER FUND**

The **Water & Sewer Fund** accounts for water and sewer revenues collected to support the expenditures associated with the capital and operational needs of the utility. Proposed expenditures are budgeted at \$20,754,461 for the 2016-2017 Fiscal Year, and with no proposed rate increase.

## **EQUIPMENT FUND**

The **Equipment Fund** purchases and, in turn, leases equipment to other funds. The proposed budget includes the purchase of equipment recommended for inclusion in the General Fund Budget and Community Development Corporation Fund. These purchases are classified as two (2) types: new equipment and replacement equipment. New equipment purchases are those required to support expanded levels of service. Replacement equipment purchases are those needed to replace existing equipment.

A total of \$859,500 equipment is being proposed for replacement in FY 2017 budget. The annual lease amount for the proposed is \$176,965 charged to the various departments.

REVIEW OF TAX PER CAPITA  
FOR DALLAS COUNTY CITIES  
USING 2015-2016 TAX RATES

CITY	Populations 2016 Estimate	Valuations Property	Rate M & O	Rate I & S	Rate Total Tax	Lowest to Highest- Tax Rate	Tax Per Capita	Lowest to Highest- Per Capita
Seagoville	15,580	494,621,920	0.6758000	0.0380000	0.7138	16	\$226.61	1
Balch Springs	24,310	712,093,332	0.7147680	0.0882320	0.8030	23	\$235.22	2
Cockrell Hill	4,160	89,170,092	0.8051310	0.3273110	1.1324	25	\$242.74	3
Mesquite	142,950	5,657,211,440	0.4363700	0.2036300	0.6400	11	\$253.28	4
Glenn Heights	11,680	446,544,970	0.6824740	0.1109260	0.7934	21	\$303.33	5
Garland	234,300	11,201,026,680	0.3940000	0.3106000	0.7046	15	\$336.84	6
Duncanville	39,230	1,812,540,784	0.6845840	0.0738630	0.7584	19	\$350.42	7
Wilmer	4,190	319,878,099	0.4097700	0.0668300	0.4766	4	\$363.85	8
Grand Prairie	184,620	11,095,610,000	0.4848920	0.1851060	0.6700	12	\$402.67	9
Lancaster	37,550	1,776,715,230	0.6012000	0.2663000	0.8675	24	\$410.47	10
<b>Cedar Hill</b>	<b>47,090</b>	<b>3,017,244,932</b>	<b>0.5127000</b>	<b>0.1860600</b>	<b>0.6988</b>	<b>14</b>	<b>\$447.72</b>	<b>11</b>
DeSoto	51,770	3,130,445,607	0.5249000	0.2250000	0.7499	17	\$453.45	12
Hutchins	5,350	365,892,296	0.5908530	0.0916060	0.6825	13	\$466.74	13
Rowlett	57,220	3,587,455,000	0.5779190	0.2092540	0.7872	20	\$493.52	14
Sachse	23,130	1,635,609,749	0.5722790	0.1850000	0.7573	18	\$535.50	15
Irving	231,040	21,145,852,790	0.4650000	0.1291000	0.5941	7	\$543.75	16
Carrollton	127,980	10,845,831,595	0.4200430	0.1928320	0.6129	9	\$519.39	17
Dallas	1,257,730	100,318,936,973	0.5646000	0.2324000	0.7970	22	\$635.70	18
Sunnyvale	5,410	924,290,514	0.3392070	0.0687550	0.4080	3	\$697.00	19
Richardson	104,300	11,614,067,324	0.3803100	0.2548500	0.6352	10	\$707.27	20
University Park	22,720	6,831,257,440	0.2589300	0.0000000	0.2589	2	\$778.53	21
Farmers Branch	30,480	4,539,598,200	0.5138970	0.0883700	0.6023	8	\$897.00	22
Coppell	40,310	6,230,716,425	0.4480800	0.1359200	0.5840	6	\$902.69	23
Highland Park	8,430	5,324,500,745	0.2200000	0.0000000	0.2200	1	\$1,389.55	24
Addison	15,530	4,036,723,767	0.3767240	0.2024260	0.5792	5	\$1,505.39	25

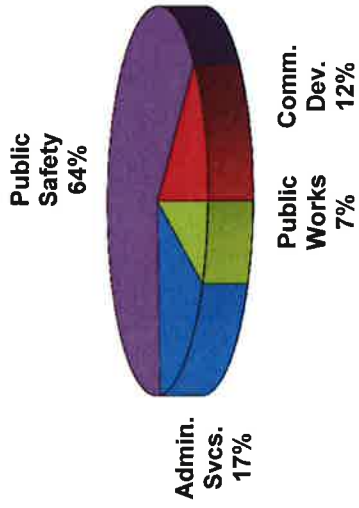
\* Estimated 2016 population, source NCTCOG

REVIEW OF TAX RATES  
 FOR DALLAS COUNTY CITIES  
 USING 2015-2016 TAX RATES

CITY	Populations 2016 Estimate	Valuations Property	Rate M & O	Rate I & S	Rate Total Tax	Lowest to Highest- Tax Rate
Highland Park	8,430	5,324,500,745	0.2200000	0.0000000	0.2200	1
University Park	22,720	6,831,257,440	0.2589300	0.0000000	0.2589	2
Sunnyvale	5,410	924,290,514	0.3392070	0.0687550	0.4080	3
Wilmer	4,190	319,878,099	0.4097700	0.0668300	0.4766	4
Addison	15,530	4,036,723,767	0.3767240	0.2024260	0.5792	5
Coppell	40,310	6,230,716,425	0.4480800	0.1359200	0.5840	6
Irving	231,040	21,145,852,790	0.4650000	0.1291000	0.5941	7
Farmers Branch	30,480	4,539,598,200	0.5138970	0.0883700	0.6023	8
Carrollton	127,980	10,845,831,595	0.4200430	0.1928320	0.6129	9
Richardson	104,300	11,614,067,324	0.3803100	0.2548500	0.6352	10
Mesquite	142,950	5,657,211,440	0.4363700	0.2036300	0.6400	11
Grand Prairie	184,620	11,095,610,000	0.4848920	0.1851060	0.6700	12
Hutchins	5,350	365,892,296	0.5908530	0.0916060	0.6825	13
<b>Cedar Hill</b>	<b>47,090</b>	<b>3,017,244,932</b>	<b>0.5127000</b>	<b>0.1860600</b>	<b>0.6988</b>	<b>14</b>
Garland	234,300	11,201,026,680	0.3940000	0.3106000	0.7046	15
Seagoville	15,580	494,621,920	0.6758000	0.0380000	0.7138	16
DeSoto	51,770	3,130,445,607	0.5249000	0.2250000	0.7499	17
Sachse	23,130	1,635,609,749	0.5722790	0.1850000	0.7573	18
Duncanville	39,230	1,812,540,784	0.6845840	0.0738630	0.7584	19
Rowlett	57,220	3,587,455,000	0.5779190	0.2092540	0.7872	20
Glenn Heights	11,680	446,544,970	0.6824740	0.1109260	0.7934	21
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Balch Springs	24,310	712,093,332	0.7147680	0.0882320	0.8030	23
Lancaster	37,550	1,776,715,230	0.6012000	0.2663000	0.8675	24
Cockrell Hill	4,160	89,170,092	0.8051310	0.3273110	1.1324	25

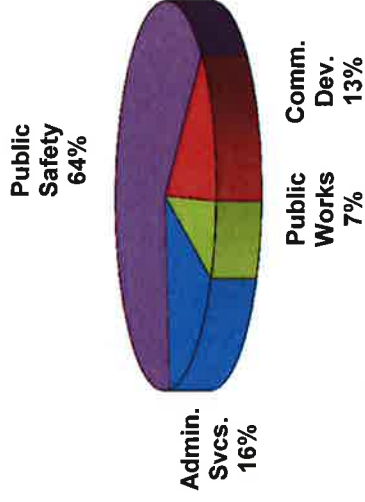
\* Estimated 2016 population, source NCTCOG

# General Fund Expenditures by Division



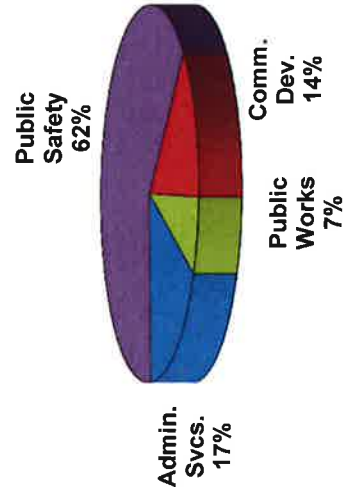
**FYE 14 Actual \$29,554,460**

2.1% Increase



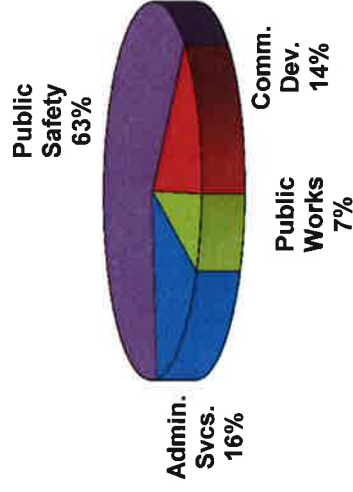
**FYE 15 Actual \$30,098,112**

1.8% Increase



**FYE 16 Budget \$31,023,475**

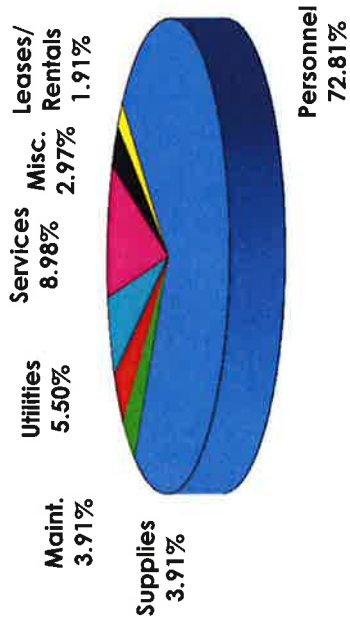
3.1% Increase



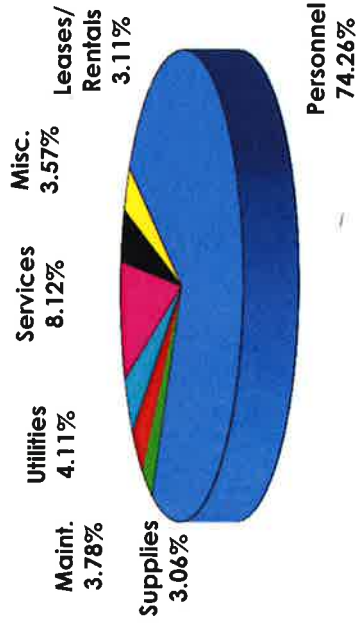
**FYE 17 Proposed \$32,671,242**

4.6% Increase

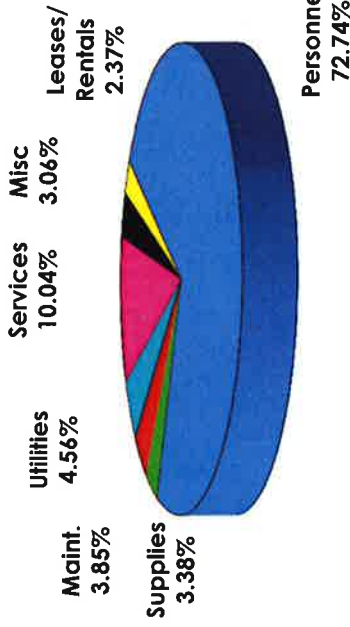
# General Fund Expenditures by Category



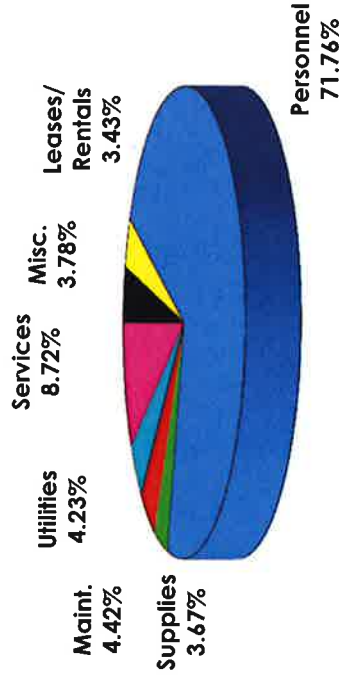
**FYE 14 Actual \$29,554,460**



**FYE 16 Estimated \$30,637,274**

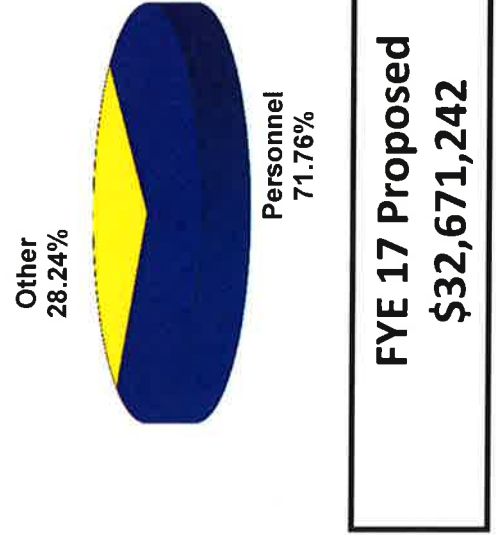
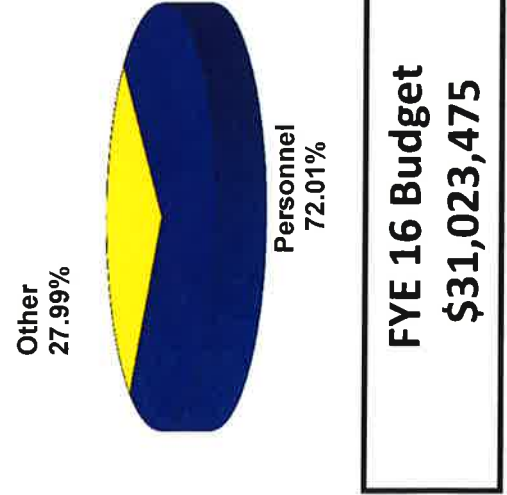
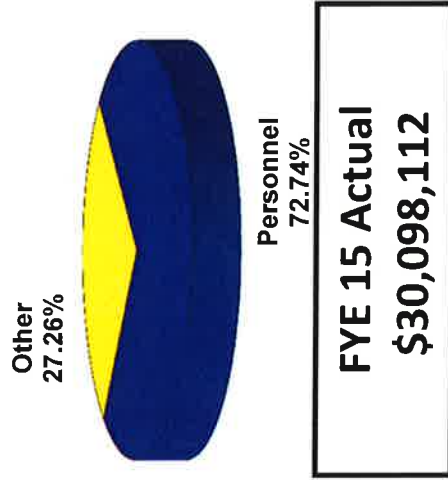
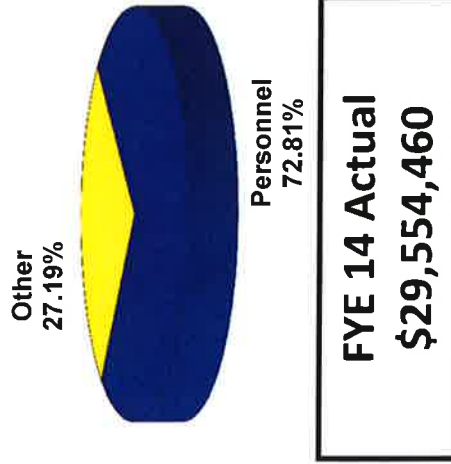


**FYE 15 Actual \$30,098,112**

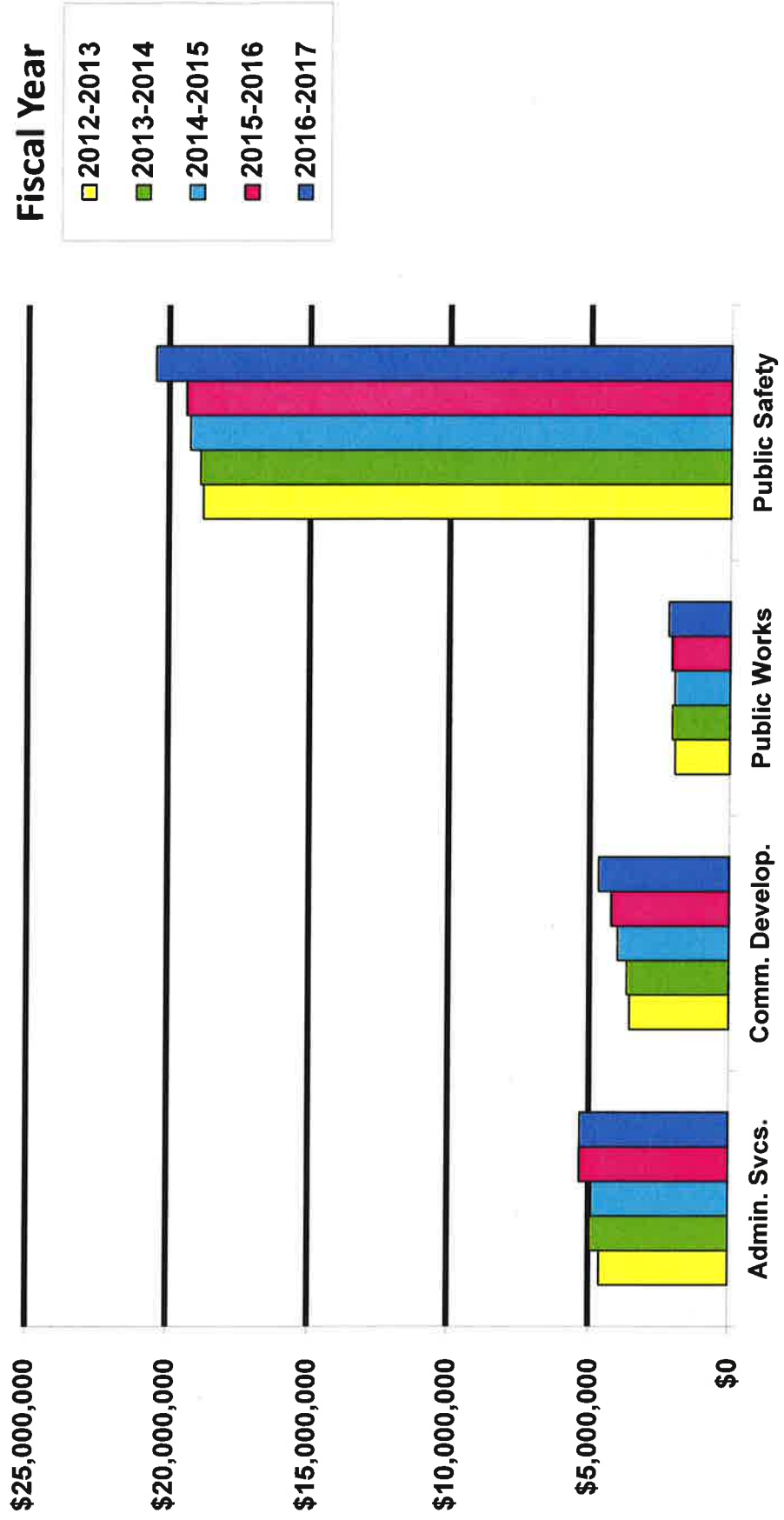


**FYE 17 Budget \$32,671,242**

# General Fund Expenditures by Category



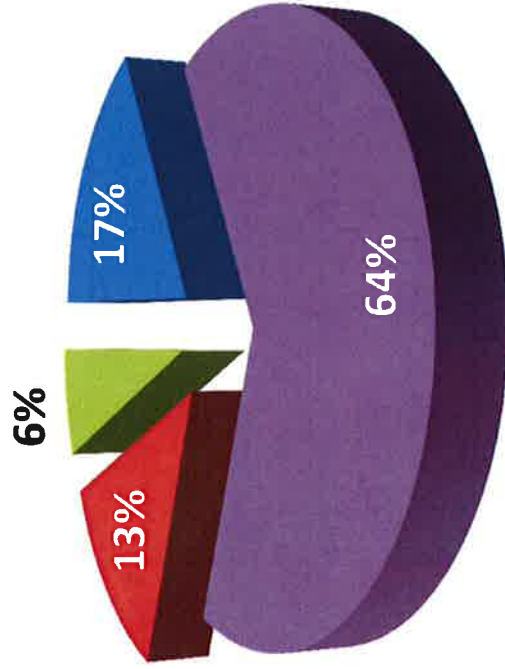
# GENERAL FUND MULTI-YEAR EXPENDITURES COMPARISON





# Public Safety Expenditure Accounting

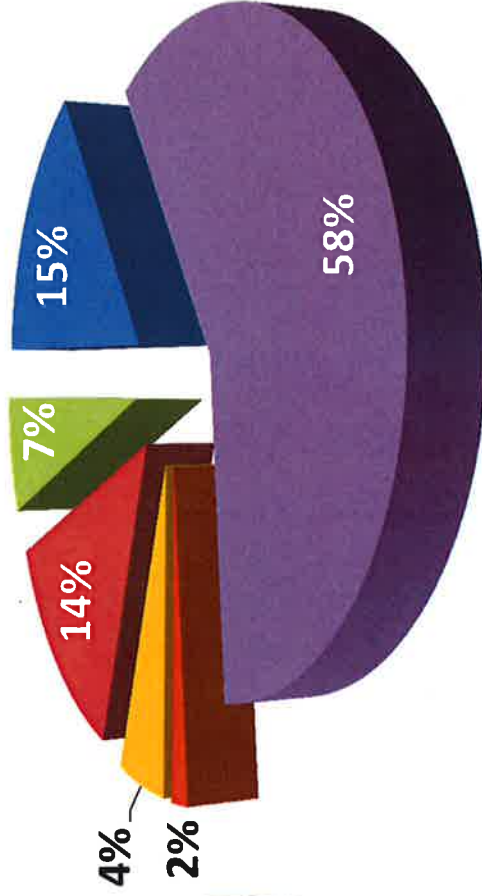
FY2016



- Admin
- Cmty Dvlpmnt
- Public Safety
- Public Works

**Public Safety: 64% of total budget**

FY2017



- Admin
- CCPD
- Cmty Dvlpmnt
- Public Safety
- Animal Shelter
- Public Works

**Public Safety: 64% of total budget**



**CEDAR HILL**  
WHERE OPPORTUNITIES GROW NATURALLY