



## MEMORANDUM

**To:** Mayor and City Council

**From:** Kim Tiehen, Director of Strategic Financial Engagement

**Date:** October 10, 2023

**Reference:** Consider approval of an Ordinance of the City of Coppell, Texas amending Ordinance No. 2022-1584, the budget for Fiscal Year October 1, 2022, through September 30, 2023; and authorizing the Mayor to sign.

**2040:** **Sustainable Government**

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### **Introduction:**

This budget amendment is being brought forward to reflect the closing of encumbrance carryovers from the prior fiscal year and some items that have been brought before City Council during the current fiscal year.

### **Analysis:**

#### General Fund

General Fund Revenues are being increased \$3,987,982. The reason for the increase is to reflect actual interest earnings received.

General Fund expenditures are being increased \$670,466 which is the net of increases in expenditures related to a reduction in encumbrance carryovers and items approved by Council during the year. First, encumbrance carryovers are those items that were budgeted and purchased in the previous fiscal year but were not received by year end. The amounts are then carried forward into the next fiscal year. After all invoices have been paid against a purchase order (PO) carried over from a prior year, the PO is closed, and the remaining PO balance is removed from the budget. The budget amendment includes a reduction in encumbrance carryovers of (\$550,035). In addition, the budget includes a transfer to the Fire Station 5 Capital Project Fund totaling \$1,181,000 to cover the cost of the architectural services passed on July 11, 2023 in the amount of \$875,000 plus \$306,000 for construction services passed on September 26, 2023. Last, the Community Experiences Department budget is being increased \$39,500 to cover the comprehensive plan approved by Council on September 12, 2023.

Grant Fund #2

Expenditures are being amended for costs associated with the Coppell Fire Department's Texas Intrastate Fire Mutual Aid System (TIFMAS) Deployment. Request for reimbursement has been submitted to the Texas A&M Forest Service. Revenues are being amended for the reimbursement amount received during fiscal year 2023.

Grant Fund #3

Revenues are being amended to reflect actual interest earnings.

ARPA Grant Fund

Revenues are being amended to recognize actual interest earnings. Expenditures are being amended for fire station rehabilitation project (authorized by Council August 9, 2022), re-design of the old fire station administration building to accommodate the resident companies, and fiber installation which are items included in the ARPA workplan authorized by Council.

Debt Service Fund

The primary reason for the change in revenues is to reflect actual interest earnings.

Hotel Occupancy Tax Fund

Revenues are being increased \$448,500. The increase is related to interest earnings and additional hotel occupancy tax received over the original budgeted amount.

Municipal Drainage District Fund

Revenues are being amended to reflect actual interest earnings. Expenditures are being decreased by an amount attributed to the closing of encumbrance carryovers.

Rolling Oaks Memorial Cemetery

Revenues are being decreased to reflect actual revenue received from services provided. Expenditures are being amended for increases in the cost of expenditures related to goods and services provided as well as the cost to maintain the Cemetery.

Donations Special Revenue Fund

Revenues are being amended for additional donations received and to reflect actual interest earnings. Expenditures are being amended for the purchase of library media and a memorial bench as requested by the donors.

CRDC - Special Revenue

CRDC revenues are being increased \$995,695 to reflect actual interest earnings, increase in Art Center revenue, and a grant from the Arts Foundation. Expenditures are being decreased for closed encumbrance carryovers.

CRDC – Debt Service

CRDC Debt Service revenues are being increased to reflect actual interest earnings.

Tree Preservation Special Revenue Fund

Revenues are being increased to reflect actual tree preservation fees and interest earnings received.

Police Special Revenue Fund

Revenues are being amended to reflect actual donations and forfeitures received.

Crime Prevention Fund

Crime Control revenues are being increased to reflect actual interest earnings. Expenditures are being increased for consultant fees associated with sales tax recovery.

Child Safety Fund

Revenues are being increased to reflect actual interest earnings and child safety fees received.

Red Light Fund

Revenues are being increased to reflect actual interest earnings.

E-911 Fund

Revenues are being increased to reflect actual interest earnings and fees received. Expenditures are being decreased for closed encumbrance carryovers.

Municipal Court Special Revenue Fund

Revenues are being increased to reflect actual interest earnings and court fines and fees received.

Infrastructure Maintenance Fund

Revenues are being increased to reflect actual interest earnings received. The change in expenditures is related to the Canyon Drive sidewalk project and closed encumbrance carryovers.

Water and Sewer Fund

Revenues are being amended for greater than anticipated water sales. Expenditures are being amended to reflect an increase in the cost of water sold as the volume cost was more than anticipated as the duration of triple digit heat with no rain increased customer water usage. In addition, expenditures are being decreased for closed encumbrance carryovers.

Water and Sewer Infrastructure Maintenance Fund

Revenues are being increased to reflect actual interest earnings.

Capital Replacement Fund

Expenditures are being decreased for closed encumbrance carryovers.

ES Replacement Fund

Revenues are being increased to reflect actual interest earnings.

**Legal Review:**

The agenda item was reviewed by Legal as part of the agenda packet.

**Fiscal Impact:**

See attached ordinance for fiscal impact on each fund being amended.

**Recommendation:**

The Strategic Financial Engagement Department recommends approval of this agenda item.