



MEMORANDUM

To: Mayor and City Council

From: Kim Tiehen, Director of Strategic Financial Engagement

Date: May 14, 2024

Reference: Budget Amendment for Fiscal Year 2023-24.

2040: Sustainable Government

Introduction:

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

Analysis:

General Fund

General Fund Revenues are being increased \$9,971,918. The reason for the increase is sales tax received is greater than originally budgeted.

General Fund expenditures are being amended \$6,044,270. \$2,737,802 is associated with encumbrance carryovers. 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 carried forward into the next fiscal year. In addition, legal fees are also being increased \$100,000 for the litigation related to Rule 3.334. Combined Services is being increased \$306,000 for the cost of the construction management contract for Fire Station #5 approved on September 26, 2023, \$604,895 for the cost of construction services for Fire Station #5 approved on February 27, 2024, \$590,949 for design services for the Service Center approved on December 12, 2023, and \$227,113 for the remodel of the Hanger (500 Southwestern) approved on December 12, 2023. Enterprise Solutions is being increased \$574,730 for the backup system approved on March 26, 2024. Public Works is being increased \$91,246 for wayfinding signs approved on September 23, 2023. Traffic is being increased \$54,823 for a portable message board and \$518,825 for traffic controller cabinets, both approved on January 9, 2024, as well as \$200,374 for traffic control battery backup approved on January 23, 2024 and \$37,513 for traffic striping equipment shown in assigned fund balance.

FEMA Fund

Expenditures are being amended for Texas Intrastate Fire Mutual Aid System (TIFMAS) Deployment.

Grant Fund #2

Expenditures are being amended for encumbrance carryover.

ARPA Grant Fund

Expenditures are being amended for encumbrance carryovers, Magnolia Park Trail approved by Council on March 26, 2024, a shade structure for the Justice Center parking lot to protect Police Department vehicles approved by Council on January 23, 2024. Additional projects include the turf installation at Wagon Wheel Tennis and Pickleball Center, citywide fiber, and restriping at Life Safety Park. The amendment also includes the second payment to Metrocrest that was authorized by Council on November 8, 2022.

Hotel Occupancy Tax Fund

Expenditures are being amended for encumbrance carryovers totaling \$5,595 and \$358,144 for the cost of the Chamber Advertising Program approved by Council on September 12, 2023.

Municipal Drainage District Fund

Expenditures are being amended for encumbrance carryovers.

Rolling Oaks Memorial Cemetery

Expenditures are being amended for encumbrance carryovers.

Donations Special Revenue Fund

Expenditures are being amended for encumbrance carryovers and the purchase of items in accordance with the restricted use as specified by the donor. For example, the Library is using donations to pay for a guest speaker and purchase a projector for the meeting room because the current projector is at end of life. Community Experiences is using donations to purchase items for the BEC., and a specific donation was made to improve a hitting box and pitching mound maintained by the Parks Operations division.

CRDC - Special Revenue

CRDC revenues are being increased \$5,600,00 which is the result of higher-than-expected sales tax received by the City. Expenditures are being amended for encumbrance carryovers, an emergency repair of the gym curtain at the CORE (\$27,346), the street maintenance master plan, a change order (\$15,000) to the slide tower refurbish contract approved on September 12, 2023, LED overhead lighting (\$81,869) for the indoor pool area at the CORE approved on October 10, 2023, and for design work related to the Veteran's Memorial approved on April 9, 2024 (\$67,600) as well as the actual cost incurred on the original design contract approved by Council on September 12, 2023.

Tree Preservation Fund

Expenditures are being amended for tree maintenance needs identified throughout the City. The extreme weather events in the previous year had an impact on many trees throughout the City. Some of the locations where trees will be replaced are Andy Brown Parks East and West, Allen Road, Duck Pond, and Wagon Wheel Parks, Fire Station #4, Deforest Lift Station, and the Coppell Arts Center.

Police Special Revenue Fund

Expenditures are being amended for encumbrance carryovers.

Crime Prevention Fund

Crime Control revenues are being increased \$2,800,000 which is the result of higher-than-expected sales tax received by the City. Expenditures are being amended a total of \$1,069,948 for encumbrance carryovers and the following Council actions: approval of the ALPR cameras on March 26, 2024, Justice Center design contract approved on December 12, 2023, and 8 vehicles approved on March 26, 2024 that will be used by the additional 8 School Resource Officers.

Red Light Fund

Expenditures are being amended for encumbrance carryovers.

Opioid Fund

On November 9, 2021, Council approved a resolution accepting the allocation method used to distribute the opioid settlement proceeds. The proceeds are the outcome of the Texas Attorney General's Office suing Johnson & Johnson, AmerisourceBergen, Cardinal Health and McKesson in connection with their manufacturing and distribution of opioids. They reached a settlement that provides for payments to the city for opioid abatement. The City of Coppell has been allocated \$86,593, which must be used to support a wide variety of strategies to fight the opioid crisis. Since the proceeds received are restricted for a specific use, a separate special revenue fund was established to account for the amounts received and the subsequent use of the proceeds. In fiscal year 2023, the City received \$27,183. For fiscal year 2024, the City has received \$5,288 which is the amount revenues are being amended.

Infrastructure Maintenance Fund

IMF revenues are being increased \$2,800,00 which is the result of higher-than-expected sales tax received by the City. Expenditures are being amended \$2,798,814 for encumbrance carryovers, construction of sidewalk along Sandy Lake Road and construction of a sidewalk along Canyon Drive which were both approved by Council on December 12, 2023

Water and Sewer Fund

Expenditures are being amended for encumbrance carryovers.

Water and Sewer Infrastructure Fund

Expenditures are being amended for encumbrance carryovers.

Capital Replacement Fund

Expenditures are being amended for encumbrance carryovers.

Enterprise Solutions Replacement Fund

Expenditures are being amended for encumbrance carryovers.

Legal Review:

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

Fiscal Impact:

See Ordinance for fiscal impact for each fund.

Recommendation:

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