



## MEMORANDUM

**To:** Mayor and City Council

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

**Date:** June 10, 2025

**Reference:** Budget Amendment for Fiscal Year 2024-25

**2040:** Foundation: Sustainable Government

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### **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 \$8,246,562. The reason for the increase is sales tax received is anticipated to be greater than originally budgeted by \$8,220,000 and the City received insurance proceeds for various claims totaling \$26,562.

General Fund expenditures are being amended \$5,201,715 with \$3,821,848 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 then carried forward into the next fiscal year. In addition, Public Works Streets division is being increased \$1,008,485 for the DART Project approved by Council on May 27, 2025. Community Experiences Parks division is being amended \$112,270 for the median design for East Sandy Lake Road approved by Council on April 8, 2025. Community Development is being amended \$250,000 for an Economic Development incentive approved by Council on March 12, 2025. Public Works Fleet division is being amended \$9,112 for expenditures related to unbudgeted repairs to vehicles which were reimbursed by an insurance claim.

#### Grant Fund #2

Expenditures are being amended for TIFMAS reimbursable expenditures due to firefighter deployments.

#### ARPA Grant Fund

Expenditures are being amended \$2,776,959 with \$1,968,739 associated with encumbrance carryovers. In addition, expenditures of the fund are being amended for various Council actions and direction. For example, the increase in expenditures includes \$349,978 for access control software and hardware approved by Council on November 12, 2024. The amendment includes the third payment of \$125,000 to Metrocrest that was authorized by Council on November 8, 2022. It also includes the cost paid to date for the Verdunity Consultant contract requested by Community Development and approved by Council on January 28, 2025. Additional projects include the residential rehab grants, shade canopy for Wagon Wheel Field, citywide fiber, and public use laptops at the Cozby Library.

#### Municipal Drainage District Fund

Expenditures are being amended \$1,475,362 with \$459,763 attributed to encumbrance carryovers, and the remaining amount attributed to council action items. Specifically, \$55,300 for additional design modifications for Creek Crossing drainage outfall approved by Council on October 8, 2024. Council action on September 10, 2024, approving \$269,500 for the design of stabilization repairs for Denton Creek in Andy Brown West, approval on August 27, 2024 for \$274,144 for Cottonwood Creek bank stabilization, and \$416,655 approved by Council on May 27, 2025 for Creek Crossing drainage outfall reconstruction.

#### Rolling Oaks Memorial Cemetery

Expenditures are being amended for encumbrance carryovers.

#### Donations Special Revenue Fund

Revenues are increased for donations received for Community Experiences (Parks), the Police Department, and Animal Services totaling \$26,838.

Expenditures are being increased \$32,138 with \$28,941 attributed to encumbrance carryovers and \$3,197 for expenditures in accordance with the restricted use as specified by the donor. For example, the Library use of donations for a professional service related to touch panel replacement and Library crafting projects. Animal Services utilization of donation for a staff members conference attendance.

#### Child Safety Fund

Expenditures are being amended for encumbrance carryovers.

#### CRDC - Special Revenue

CRDC revenues are being increased \$4,401,677 which is the result of higher-than-expected sales tax received by the City and grant revenue received by the Arts Center.

CRDC expenditures are being increased \$4,725,168 with \$544,253 attributed to encumbrance carryovers and the following Council actions: Veterans Memorial construction project for \$2,087,438 approved by Council on March 24, 2025; Dog Park reconstruction for \$1,932,114

approved by Council on April 21, 2025; replacement of shade structures at Wagon Wheel field for \$75,651 approved by Council on January 14, 2025, sales tax recovery cost related to sales tax audit recoveries by the City's sales tax consultant, repair of a storm damaged light pole at Wagon Wheel game fields, and for construction management services provided by the consultant for the Veterans Memorial project

#### Municipal Court Fund

Expenditures are being amended \$156,707 with \$90,745 attributed to encumbrance carryovers and \$65,962 approved by Council on October 8, 2024, for Axon video recording and management platform and tasers for the Municipal Court.

#### Tree Preservation Fund

Tree Preservation revenues are being increased \$775,406 which is the result of tree mitigation revenue received by the City.

Expenditures are being amended \$149,526 with \$10,811 attributed to encumbrance carryovers and \$138,715 necessary for tree replacement and tree maintenance needs that are the result of the May 28, 2024 and March 4, 2025 weather events that contained severe winds which affected trees throughout the City. There was structural pruning and removal of dead wood as well as replacement of trees at various City properties – BEC Trail, Magnolia Park, Rolling Oaks Memorial Center (ROMC), and Duck Pond.

#### Police Special Revenue Fund

Revenues are increasing \$72,235 due to forfeiture funds received by the City from assets seized by the Police Department.

Expenditures are being amended \$19,995 with \$9,145 attributed to encumbrance carryovers and \$10,850 for consulting services identified as an approved expenditure for this special revenue fund.

#### Public Education Special Revenue Fund

Expenditures are being amended for encumbrance carryovers.

#### Crime Prevention Fund

Crime Control revenues are being increased \$2,206,546 which is the result of higher-than-expected sales tax received by the City.

Expenditures are being amended \$9,751,962 with \$713,176 attributed to encumbrance carryovers and the remaining amount attributed to the following Council actions: approval of the NTECC land purchase (\$382,477) approved on October 22, 2024; approval of the design, construction, and other related costs for the NTECC building (\$2,390,480) approved on March 24, 2025; Justice Center Expansion contract (\$5,630,238) approved on May 27, 2025; Justice Center architect contract (\$549,000) approved October 8, 2024; approval a vehicle to be used by Citizens on Patrol (\$50,045) approved on October 8, 2024. Expenditures are also being amended \$5,330 for sales tax recovery cost related to sales tax audit recoveries by the City's sales tax consultant, \$16,516 for the amount the Axon contract exceeded budget (approved by Council on October 8,

2024), and \$14,700 related to costs incurred for the Justice Center expansion from Atmos.

Public, Educational, and Governmental Fund

Expenditures are being amended for encumbrance carryovers.

Infrastructure Maintenance Fund

IMF revenues are being increased \$2,686,878 which is the result of both higher-than-expected sales tax received by the City and a reimbursement received from Dallas County for Sandy Lake & Moore Road Maintenance totaling \$523,250.

Expenditures are being amended \$5,521,568 with \$2,352,599 attributed to encumbrance carryovers and the following Council actions: \$346,289 for construction of a storage building at 500 Southwestern approved by Council on November 12, 2024, \$268,984 for the Town Center remodel approved by Council on October 8, 2024, and \$2,500,000 Pavement Panel Replacement project approved by Council on March 25, 2025. Expenditures are also being amended \$33,865 for the humidity control at the CORE, \$14,500 for an alarm system at 500 Southwestern, and \$5,331 for sales tax recovery cost related to sales tax audit recoveries by the City's sales tax consultant.

Water and Sewer Fund

Expenditures are being amended for encumbrance carryovers.

Water and Sewer Infrastructure Fund

Expenditures are being amended for encumbrance carryovers.

Self-Funded Health Fund

Expenditures are being amended \$1,002,400 with \$2,400 attributed to encumbrance carryovers and \$1,000,000 related to an increase in anticipated claims over original budget.

Capital Replacement Fund

Revenues are being increased by \$95,459 for auction proceeds from the sale of City vehicles.

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.