



MEMORANDUM

To: Mayor and City Council

From: Kim Tiehen, Director of Strategic Financial Engagement

Date: July 14, 2026

Reference: Budget Amendment for Fiscal Year 2025-26

2040: Foundation: 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 expenditures are being amended \$2,547,199. \$2,430,670 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 then carried forward into the next fiscal year. In addition, the Strategic Financial Engagement division is being increased \$116,529 for the Willdan Revenue Generation and Cost Recovery study approved by council on February 10, 2026.

Grant Fund #2

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

Municipal Drainage District Fund

Expenditures are being amended for \$6,127,054 with \$2,349,546 attributed to encumbrance carryovers, and the remaining amounts attributed to council items. Specifically, \$2,340,304 for the Arbor Brook Channel Project approved by council on February 10, 2026 and the Hunterwood Park Streambank Stabilization project for \$1,437,204 approved by council on November 11, 2026.

Rolling Oaks Memorial Cemetery

Expenditures are amended for encumbrance carryovers.

Donations Special Revenue Fund

Revenues are increased for donations received for Community Experiences (Parks) and Animal Services totaling \$40,002.

Expenditures are amended for \$67,490. \$36,791 is associated with encumbrance carryovers. The remaining \$30,699 are for expenditures by the Parks Operations and Senior Center that meet the requirements of the donated revenues.

ARPA Grant Fund

Expenditures are being amended for encumbrance carryovers.

Public Education Fund

Expenditures are being amended for encumbrance carryovers.

CRDC - Special Revenue

Revenues are being increased by \$80,000 for grant revenue received by the Arts Center.

Expenditures are being increased by \$4,531,429. \$4,528,673 is attributed to encumbrance carryforwards. \$2,756 is for sales tax recovery cost related to sales tax audit recoveries by the City's sales tax consultant.

Tree Preservation Fund

Expenditures are being amended for \$100,000. These funds will be used to cover tree replacements during the spring season at various City parks, medians, and facilities. In addition, there were tree services needed along Magnolia Park Trail and for Pooch's Bark Park prior to it being open to the public.

Police Special Revenue Fund

Revenues are increasing \$76,740 due to forfeiture funds received by the City from assets seized by the Police Department.

Expenditures are being amended for encumbrance carryovers.

Crime Control Prevention Fund

Expenditures are being amended \$8,013,938, with \$8,012,560 attributed to encumbrance carryovers. The remaining amount of \$1,378 is for sales tax recovery cost related to sales tax audit recoveries by the City's sales tax consultant.

Municipal Court Special Revenue Fund

Expenditures are being amended for encumbrance carryovers.

Public Education Grant Fund

Expenditures are being amended for encumbrance carryovers.

E911 Fund

Expenditures are being amended for encumbrance carryovers.

Infrastructure Maintenance Fund

Expenditures are being amended \$20,734,576, with \$4,243,942 attributed to encumbrance carryovers and the following council items: \$257,000 for an amendment to the master agreement for the construction management of Fire State 3 approved by council on April 14, 2026, \$253,200 for architectural design for the Animal Shelter facility expansion approved by Council on April 14, 2026, \$69,952 for concrete resurfacing of the Plaza in front of the Justice Center approved by Council on February 24, 2026, \$320,000 for emergency repairs to Cottonwood Branch Creek Bridge approved by Council on April 14, 2026, \$59,984 for geotechnical materials testing in association for Bullock and Howell Drive approved by council on September 23, 2025, \$7,323,108 for a guaranteed maximum price amendment for Fire Station 3 approved by Council on April 14, 2026, \$2,500,000 for pavement panel replacement phase 2 approved my Council on April 14, 2026, \$3,011,012 for the reconstruction of Bullock and Howell Drive approved by Council on September 23, 2025, \$195,000 for architectural services for the Council chamber remodel approved by Council on December 9, 2025, and \$2,500,000 for sidewalk maintenance at various City locations approved by Council on December 9, 2025. The remaining amount of \$1,378 is for sales tax recovery cost related to sales tax audit recoveries by the City's sales tax consultant.

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. For fiscal year 2026, the City has received \$6,688 which is the amount revenues are being amended.

Water and Sewer Fund

Expenditures are being amended for \$3,438,976, with \$1,871,558 attributed to encumbrance carryovers and the following council items: \$1,196,818 for the Arbor Brook channel project approved by Council on February 10, 2026, and \$370,600 for engineering services for the water and wastewater system master plan update and a review of impact fees approved by Council on January 13, 2026.

Water and Sewer Infrastructure Fund

Expenditures are being amended for encumbrance carryovers.

Self-Funded Insurance Fund

Expenditures are being amended for encumbrance carryovers.

Capital Fleet Replacement Fund

Revenues are being increased by \$96,707 for the proceeds from auction sales of City vehicles. Expenditures are being amended for encumbrance carryovers.

Enterprise Solutions Replacement Fund

Expenditures are being amended for \$299,582, with \$59,617 attributed to encumbrance carryovers and the following council item: \$239,965 for the replacement of existing computer equipment approved by Council on March 10, 2026.

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.