



MEMORANDUM

To: Mayor and City Council

From: Kim Tiehen, Director of Finance

Date: September 27, 2022

Reference: Consider approval of an Ordinance of the City of Coppell, Texas amending Ordinance No. 2021-1563, the budget for Fiscal Year October 1, 2021 through September 30, 2022; and authorizing the Mayor to sign.

2040: Sustainable Government

Introduction:

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

Analysis:

General Fund

General Fund Revenues are being increased \$9,722,159. The primary reason for the increase is sales tax (\$8.6 million). Actual sales tax received is higher-than-expected plus sales tax set aside in a separate holding fund is being moved to this fund. The sales tax was set aside based on Rule 3.334. In addition, the transfer from CRDC that is based on sales tax (\$659,000) and electric franchise fee (\$450,000) revenue are being increased based on actual results.

General Fund expenditures are being decreased \$101,238 for the reduction in 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. 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. In addition, Community Information Office division expenditures are being decreased by the amount budgeted for Public, Education, and Government (PEG) channel items. The budget is being moved to the PEG Special Revenue Fund.

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 will be amended upon receipt of the reimbursement.

ARPA Grant Fund

Revenues are being amended to recognize the amount earned to date. Expenditures are being amended for the senior water bill credit, Bethel Road rehabilitation project (authorized by Council July 26, 2022), fire station rehabilitation project (authorized by Council August 9, 2022), and the business rent assistance grants paid to date (authorized by Council April 26, 2022),

Rolling Oaks Memorial Cemetery

Revenues are being increased based on additional burial sales. Expenditures are being amended for increase in graveside services expenditures which is directly related to the increase in burial sales.

Donations Special Revenue Fund

Revenues are being amended for a grant and a donation received by the Library. Expenditures are being amended for the purchase of library media in accordance with requirements of the grant and donation.

CRDC - Special Revenue

CRDC revenues are being increased \$4,686,952 which is the result of higher-than-expected sales tax and moving to this fund a portion of the amount set aside in a separate holding fund based on Rule 3.334. Expenditures are being decreased for closed encumbrance carryovers and increased for the additional transfer to the General Fund which is based on sales tax received by this fund.

Police Special Revenue Fund

Expenditures are being decreased for closed encumbrance carryovers.

Crime Control Prevention Fund

Crime Control revenues are being increased \$2,141,825 which is the result of higher-than-expected sales tax and moving to this fund a portion of the amount set aside in a separate holding fund based on Rule 3.334. Expenditures are being decreased for closed encumbrance carryovers.

Child Safety Fund

Revenues are being increased to reflect actual received.

Red Light Fund

Expenditures are being decreased for closed encumbrance carryovers.

PEG Fund

This fund was established to track revenue from PEG franchise fees and allowable expenditures. Revenues were amended in July to reflect the movement from the General Fund to this fund. This final amendment is to move the budget for PEG expenditures to this fund from the General Fund.

Sales Tax Holding Fund

This fund was established to set aside sales tax that may be subject to claw back if Rule 3.334 goes into effect with a retro-active date of October 1, 2021. It has been determined that this is not necessary. Therefore, each of the four funds that receive sales tax are being amended to increase the budgeted sales tax revenue of those funds and this fund will be closed.

Infrastructure Maintenance Fund

IMF revenues are being increased \$2,198,218 which is the result of higher-than-expected sales tax received by the City and moving to this fund a portion of the amount set aside in a separate holding fund based on Rule 3.334.

Water and Sewer Fund

Revenues are being amended for greater than anticipated water sales. Expenditures are being decreased for closed encumbrance carryovers.

Capital Replacement Fund

Revenues are being increased in this fund to match total budgeted transfers from other funds into this fund.

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 Finance Department recommends approval of this agenda item.