

ORDINANCE NO. 7513

AN ORDINANCE AUTHORIZING AN AMENDMENT TO THE 2023-24 OPERATING BUDGET (BUDGET AMENDMENT NO. 1), PROVIDING FOR SUPPLEMENTAL APPROPRIATION OF FUNDS IN THE GENERAL FUND, THE INFRASTRUCTURE REPAIR & REPLACEMENT FUND, THE SANITATION FUND, THE STORMWATER MANAGEMENT FUND, THE FIREWHEEL FUND, THE ECONOMIC DEVELOPMENT FUND, THE TAX INCREMENT FINANCING #1 FUND, THE PARKS GRANT FUND, THE PUBLIC HEALTH / IMMUNIZATION GRANT FUND, THE INFORMATION TECHNOLOGY FUND, THE INFORMATION TECHNOLOGY PROJECT FUND, THE INFORMATION TECHNOLOGY REPLACEMENT FUND, AND VARIOUS FUNDS ASSOCIATED WITH PURCHASE ORDER ENCUMBRANCES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council approved the 2023-24 Operating Budget and appropriated the necessary funds out of the general revenues, grants, and other revenues for the maintenance and operation of various departments, activities, and improvements of the City;

WHEREAS, the City Charter provides that the City Council may approve any amendments and supplements to the budget as deemed necessary;

WHEREAS, Council has reviewed and concurred with a City Council Staff Report that establishes the need for an operating appropriation in the Parks Grant Fund; and

WHEREAS, Council has reviewed and concurred with a City Council Staff Report that establishes the need for changes to appropriations in the General Fund, the Infrastructure Repair & Replacement Fund, the Sanitation Fund, the Stormwater Management Fund, the Firewheel Fund, the Economic Development Fund, the Tax Increment Financing #1 Fund, the Public Health / Immunization Grant Fund, the Information Technology Fund, the Information Technology Project Fund, the Information Technology Replacement Fund, and various funds associated with purchase order encumbrances from the 2022-23 fiscal year;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GARLAND, TEXAS, THAT:

Section 1

The City Council of the City of Garland, Texas, hereby authorizes and approves an amendment to the 2023-24 Operating Budget (Budget Amendment No. 1) for the purposes and in the amounts as shown in Exhibit "A" (City Council Staff Report), attached hereto and incorporated herein by reference.

Section 2

The City Council of the City of Garland, Texas, hereby amends Ordinance No. 7463, Section 1, adjusting operating appropriations in the General Fund, the Infrastructure Repair & Replacement Fund, the Sanitation Fund, the Stormwater Management Fund, the Firewheel Fund, the Economic Development Fund, the Tax Increment Financing #1 Fund, the Parks Grant Fund, the Public Health / Immunization Grant Fund, the Information Technology Fund, the Information Technology Project Fund, the Information Technology Replacement Fund, and various funds associated with Purchase Order encumbrances from the 2022-23 fiscal year, in the amounts and for the purposes specified in Exhibit A (City Council Staff Report), attached hereto.

Section 3

That this Ordinance shall be and become effective immediately upon and after its passage and approval.

PASSED AND APPROVED this the 5th day of March 2024.

CITY OF GARLAND, TEXAS

Mayor

ATTEST:

Deputy City Secretary



GARLAND
CITY COUNCIL STAFF REPORT

City Council Work Session

Work Session Item 1.

Meeting Date: 02/19/2024

FY 2023-24 Budget Amendment No. 1

Submitted By: Allyson Bell Steadman, Budget Director

Strategic Focus Area: Sound Governance and Finances

Issue/Summary

Amend the 2023-24 Adopted Budget in order to appropriate available funds for the following:

- (1) Projects approved in last year's Budget but not completed by the fiscal year-end.
- (2) Rollover of open Purchase Orders from the 2022-23 fiscal year.
- (3) Expenditures not anticipated in the 2023-24 Adopted Budget.

Attachment A, "Proposed Amendment by Fund," provides a summary of three categories outlined above by Fund as well as by Department for the General Fund.

Background

1) Carryover of 2022-23 Incomplete Projects

(a) Rolled-forward Funds in the TIF #1 Fund for the TIF #1 Project and Financing Plan

The FY 2022-23 Revised Budget for the TIF #1 Fund included \$188,319 in funding for the Downtown Development Office and Public Art Program that was not spent or committed prior to the end of FY 2022-23. Budget Amendment No. 1 proposes to increase the TIF #1 Fund's FY 2023-24 operating appropriation by \$188,319 to continue implementing the Downtown TIF Project and Financing Plan.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(b) Rolled-Forward Funds in the IT Replacement Fund for IT and Police Equipment Replacement

The FY 2022-23 Revised Budget for the IT Replacement Fund included \$894,500 in funding for equipment replacements for the IT and Police Departments that was not spent or committed prior to the end of FY 2022-23. Budget Amendment No. 1 proposes to increase the IT Replacement Fund's FY 2023-24 operating appropriation by \$894,500 to complete the equipment purchases.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(c) Rolled-forward funds in the IT Project Fund for Prior Year Projects

The FY 2022-23 Revised Budget for the IT Project Fund included \$9,690,220 in funding for various projects that were not spent or committed prior to the end of FY 2022-23. Budget Amendment No. 1 proposes to increase the IT Project Fund's FY 2023-24 operating appropriation by \$9,690,220 to complete outstanding projects.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(d) Rolled-forward funds in the General Fund for the Home Improvement Incentive Program

The FY 2022-23 Revised Budget for the General Fund included \$34,031 in funding for the Home Improvement Incentive Program that was not spent or committed prior to the end of FY 2022-23. Budget Amendment No. 1 proposes to increase the General Fund's FY 2023-24 operating appropriation by \$34,031 to continue implementing the Home Improvement Incentive Program.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(e) Rolled-Forward Funds in the General Fund for Police Flock Safety System

The FY 2022-23 Revised Budget for the General Fund included \$192,000 in funding for additional cameras and the renewal of the Flock Safety System subscription. The contract was signed, but the funding was not spent or committed prior to the end of FY 2022-23. Budget Amendment No. 1 proposes to increase the General Fund's FY 2023-24 operating appropriation by \$192,000 to complete the Flock Safety System subscription renewal and purchase additional cameras.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(f) Rolled-Forward Funds in the Infrastructure Repair & Replacement Fund for Traffic Markings

The FY 2022-23 Revised Budget for the Infrastructure Repair & Replacement Fund included \$9,269 in funding for traffic marking maintenance and replacement that was not spent or committed prior to the end of FY 2022-23. Budget Amendment No. 1 proposes to increase the Infrastructure Repair & Replacement Fund's FY 2023-24 operating appropriation by \$9,269 to utilize these savings to support the Signs and Markings program approved in the FY 2023-24 Approved Budget.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(g) Rolled-Forward Funds in the General Fund for Library Tech-Logic Service Agreement

The FY 2022-23 Revised Budget for the General Fund included \$141,750 in funding for the renewal of a Tech-Logic service agreement. The vendor extended the existing service agreement for an additional year, pushing the renewal of the service agreement to FY 2023-24. Budget Amendment No. 1 proposes to increase the General Fund's FY 2023-24 operating appropriation by \$141,750 to complete the Tech-Logic service agreement renewal.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(h) Rolled-Forward Funds in the Economic Development Fund for the "Make Your Mark" Campaign

The FY 2022-23 Revised Budget for the Economic Development Fund included \$346,130 in funding for the "Make Your Mark" campaign that was not spent or committed prior to the end of FY 2022-23. Budget Amendment No. 1 proposes to increase the Economic Development Fund's FY 2023-24 operating appropriation by \$346,130 to continue the "Make Your Mark" campaign.

A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(2) Rolled-Forward Encumbrances from Fiscal Year 2022-23

When an order is placed for goods or services, a Purchase Order is issued that encumbers the budgeted funds. This has the effect of reserving the funds for future payment of the items covered in the Purchase Order. Every year on September 30, when the fiscal year ends, there are open Purchase Orders related to goods or services that have been ordered but not yet received. Accordingly, the funds reserved for these open Purchase Orders are still in the year-end fund balances since the transactions are not yet completed.

Because the purchase of these open items was authorized by Council in the previous fiscal year (2022-23), the City's practice has been to roll these encumbrances forward into the current fiscal year (2023-24). This has the effect of increasing the current year's appropriation by the amount of the open Purchase Orders or encumbrances. The funding to cover the expenditures is available in the fund balance since payment was not made before the close of the fiscal year.

The projected fund balance for the current fiscal year is unaffected by the "roll forward" because it was assumed in the 2023-24 Adopted Budget that the expenditures would be completed in the prior year. The presence of the funds in the fund balance is above and beyond what the Budget assumes for the 2023-24 year-end balance.

Budget Amendment No. 1 proposes that encumbrances totaling \$13,790,749 be rolled forward to 2023-24. Of the total rollover amount, \$2,568,103 is related to the General Fund. A Budget Amendment is required due to the timing of the expenditures only. There is no additional financial impact.

(3) Expenditures Not Anticipated in the 2023-24 Adopted Budget

(I) General Fund

(a) Cultural Arts - Events and Equipment

Cultural Arts requests \$15,000 to hold a Cinco de Mayo event, \$160,000 to hold a July 4th event, and \$50,000 to purchase event equipment. The new Cinco de Mayo event will be held in conjunction with the May 3rd "Music Made Here" event. The July 4th "Red, White, and You" event will be held on July 3rd in the Downtown Square with an expanded pedestrian-only footprint and a contribution by Garland Power & Light for a drone show. Additionally, Cultural Arts requests to purchase production, audio, and lighting equipment due to the rising cost of renting equipment.

Budget Amendment No. 1 proposes to increase the General Fund's FY 2023-24 operating appropriation by \$225,000 for the two (2) events and event equipment. Funding for this request will come from excess, one-time balance reserves in the General Fund.

(b) Cultural Arts - One (1) Full-Time Special Events Manager Position and One (1) Full-Time Department Coordinator Position

Cultural Arts requests \$93,795 for the addition of a Full-Time Special Events Manager position and a Full-Time Department Coordinator position. The Special Events Manager is needed to produce the increasing number of events held each year, including one-time events such as GP&L's 100th anniversary event and Heritage Museum's 50th anniversary event. The Department Coordinator is needed to respond promptly to non-profit special event applications as the number of applicants has significantly increased. The Department Coordinator will oversee the communication with various City departments to garner appropriate approvals. The Department Coordinator will also assist Special Events Managers with purchase orders, invoicing, contracts, and other assigned duties, allowing Event Managers to focus on City-produced events. One-time purchases for new employee equipment are included in the request.

Budget Amendment No. 1 proposes to increase the General Fund's FY 2023-24 operating appropriation by \$93,795 for the two (2) new full-time positions. Funding for this request will come from excess, one-time fund balance reserves in the General Fund and ongoing revenue sources in the FY 2024-25 Operating Budget.

(c) Animal Services - Two (2) Temporary Veterinary Technician Positions

Animal Services requests \$77,500 for the addition of two (2) temporary Veterinary Technician positions. The new Technicians are required to handle increased surgeries and other medical services as the number of intakes and surrenders to the Shelter continues to grow.

Budget Amendment No. 1 proposes to increase the General Fund's FY 2023-24 operating appropriation by \$77,500 for the two (2) new temporary positions. Funding for this request will come from excess, one-time fund balance reserves in the General Fund and ongoing revenue sources in the FY 2024-25 Operating Budget.

(d) Police - Conversion of Two (2) Full-Time Civil Service Positions to Four (4) Full-Time Non-Civil Service Positions

At the January 9, 2024, Regular Session, Council approved the conversion of two (2) Full-Time Police Officer positions to four (4) Full-Time Non-Civil Service positions. Two (2) of the Non-Civil Service positions will be funded from the conversion of the Police Officer positions. The remaining two (2) will require additional funding. The Police Department does not intend to fill these positions immediately so they will be budgeted at minimum for 75% of the year and a total of \$60,435.

Budget Amendment No. 1 proposes to increase the General Fund's FY 2023-24 operating appropriation by \$60,435 for two (2) new full-time positions. Funding for this request will come from excess, one-time fund balance reserves in the General Fund and ongoing revenue sources in the FY 2024-25 Operating Budget.

(e) Heritage Crossing - Events

Heritage Crossing requests \$25,000 for the Summer 2024 City Hall Traveling Exhibit, MUMENTUS, and \$48,000 to celebrate the Landmark Museum's 50th anniversary. The Landmark Museum's 50th-anniversary event includes marketing, pole banners, signage, a free community event, and a "Party at the Pullman" for the public to celebrate this special milestone.

Budget Amendment No. 1 proposes to increase the General Fund's FY 2023-24 operating appropriation by \$73,000 for the two (2) events. Funding for this request will come from excess, one-time balance reserves in the General Fund.

(II) Other Funds

(a) Sanitation - Additional Costs for Studies and Models

Sanitation requests \$30,000 for Sanitation studies and models. Funding was approved as part of the FY 2023-24 Operating Budget to cover a Commercial division feasibility study. Additional costs are required to fully assess the revenue-earning potential of the Commercial services division. The Sanitation Department maintains a Cost-of-Service model with the assistance of consultants and proposes to update the model for recent Commercial growth as part of this feasibility assessment.

Budget Amendment No. 1 proposes to increase the Sanitation Fund's FY 2023-24 operating appropriation by \$30,000 to assess the Cost-of-Service of running the Commercial division and assess the division's revenue growth potential. Funding for this request will come from excess, one-time fund balance reserves in the Sanitation Fund.

(b) Sanitation - Asphalt Overlay for the Employee Parking Lots

Sanitation requests \$80,000 for the demolition, excavation, disposal, and asphalt overlay of approximately 38,000 square feet consisting of three (3) severely damaged employee parking lots. An Overall Condition Index (OCI) assessment conducted in October of 2023 showed a score of 0 in one parking lot, and a score of 40 in the other two parking lots, supporting the need for immediate repair of these parking lots.

Budget Amendment No. 1 proposes to increase the Sanitation Fund's FY 2023-24 operating appropriation by \$80,000 to perform the asphalt overlay. Funding for this request will come from excess, one-time fund balance reserves in the Sanitation Fund.

(c) Stormwater - Transfer to Two (2) Stormwater Capital Improvement Program (CIP) Projects

At the February 6, 2024, Regular Session, Council approved the 2024 CIP which included transfers from the Stormwater Management Fund of \$150,000 to the Duck Creek Erosion Engineering CIP project and \$500,000 to the Flood Detection Devices and Automated Gates CIP project.

Budget Amendment No. 1 proposes to increase the Stormwater Management Fund's FY 2023-24 operating appropriation by \$650,000 to complete the two (2) CIP projects. Funding for this request will come from excess, one-time fund balance reserves in the Stormwater Management Fund.

(d) Firewheel - Transfer to Firewheel CIP Project

At the February 6, 2024, Regular Session, Council approved the 2024 CIP which included a transfer from the Firewheel Golf Fund of \$350,000 to the Firewheel Golf Park Improvements CIP project.

Budget Amendment No. 1 proposes to increase the Firewheel Fund's FY 2023-24 operating appropriation by \$350,000 to complete the CIP project. Funding for this request will come from excess, one-time fund balance reserves in the Firewheel Golf Fund.

(e) Information Technology Fund - Dillon Morgan Consulting for Process Improvements

At the December 12, 2023, Regular Session, Council approved a \$2.0 million contract to continue work with the Dillon Morgan Consulting (DMC) firm on process improvements throughout the City.

Budget Amendment No. 1 proposes to increase the Information Technology Fund's FY 2023-24 operating appropriation by \$2.0 million to complete the process of improvements. Funding for this request will come from one-time transfers from the General Fund, Electric Utility Fund, Water Utility Fund, Wastewater Utility Fund, Sanitation Fund, Stormwater Fund, Group Health Insurance Fund, Self Insurance Fund, Information Technology Fund, Facilities Management Fund, Fleet Services Fund, and Customer Service Fund in the FY 2023-24 Revised Budget.

(f) Information Technology Fund - Two (2) Full-time PC Technician I Positions

Information Technology requests \$110,725 for the addition of two (2) Full-Time PC technicians to help manage Information Technology Systems within the City. One-time purchases for new employee equipment are included in the request.

Budget Amendment No. 1 proposes to increase the Information Technology Fund's FY 2023-24 operating appropriation by \$110,725 for the three (2) full-time positions. Funding for this request will come from excess, one-time fund balance reserves in the Information Technology Fund and increased ongoing transfers from various funds in the FY 2024-25 Operating Budget.

(g) Information Technology Fund - Two (2) Contractors for Workday Implementation

Information Technology requests \$382,200 for the services of two (2) contractors to help with the new Workday System. The contractors will assist staff with further improvements to the HR/Payroll functionality of the system as well as the implementation of the Financial functionality of the system.

Budget Amendment No. 1 proposes to increase the Information Technology Fund's FY 2023-24 operating appropriation by \$382,200 for contract labor related to the new Workday System. Funding for this request will come from one-time transfers from the General Fund, Electric Utility Fund, Water Utility Fund, Wastewater Utility Fund, Sanitation Fund, Stormwater Fund, Group Health Insurance Fund, Self Insurance Fund, Information Technology Fund, Facilities Management Fund, Fleet Services Fund, and Customer Service Fund in the FY 2023-24 Revised Budget.

(h) Parks Grant Fund - One (1) Full-Time Urban Forester

Parks requests \$211,462 for the addition of one (1) Full-Time Urban Forester, funded by \$1,000,000 U.S. Forest Service Grant over the next five (5) years. The City's match for the grant will come from Tree Mitigation funding. The position will oversee the Cities Urban Forest including maintaining and keeping the tree inventory up to date, assisting periodically with landscape/tree survey plan reviews, overseeing the grant to help the city become more resilient to climate change, increasing the urban tree canopy, and improve the overall forest health conditions to create safer access to tree benefits, especially in underserved communities. One-time purchases for new employee equipment and operational costs are included in the request.

Budget Amendment No. 1 proposes to create a Parks Grant Fund and appropriate \$211,462 in operating expenditures for the full-time position. Funding for this request will come from the U.S. Forest Service Grant.

(i) Public Health Grant Fund - Opioid Abatement Settlement

In late FY 2022-23, Garland received \$131,923 in funding from the Opioid Abatement Local Operating Trust Fund. The state of Texas participated in settlement agreements with different companies to resolve legal claims against them for their role in the opioid crisis. The proceeds from the settlements were then distributed to participating counties and municipalities to address opioid-related harms in their communities. Due to the timing of the receipt of the funds, the funds were not appropriated in the FY 2022-23 Revised Budget. \$114,308 of the funding was not spent or committed prior to the end of FY 2022-23.

Budget Amendment No. 1 proposes to increase the Public Health Grant Fund's FY 2023-24 operating appropriation by \$114,308 for the use of Opioid Abatement Settlement funds by Fire, Police, and Public Health, including \$50,000 for Police mass casualty trauma kits. Funding for this request will come from the Opioid Abatement Local Operating Trust Fund distribution.

Consideration / Recommendation

Options

- (A) Approve Budget Amendment No. 1 as proposed.
- (B) Approve portions of Budget Amendment No. 1.
- (C) Do not approve Budget Amendment No. 1.

Recommendation

Option (A) - Approve Budget Amendment No. 1 as proposed. Unless otherwise directed by Council, this item will be scheduled for formal consideration at the March 5, 2024, Regular Meeting.

Attachments

Attachment A - Schedule of Proposed Amendment by Fund

ATTACHMENT A

Proposed Amendment by Fund

Proposed Budget Amendment No. 1
FY 2023-24 Operating Budget

	Carryover of FY 22-23 Projects	Open PO Rollover	Expenditures Not Anticipated in FY 23-24	Total Budget Amendments
REVENUES AND EXPENDITURES				
Sources of Funds:				
Parks Grant Fund - Revenue	\$0	\$0	\$211,462	\$211,462
Transfer to Information Technology Fund from Various	0	0	2,382,200	2,382,200
Fund Balance - Prior Year	11,496,219	13,790,749	1,864,763	27,151,731
Total Funds Provided	<u>\$11,496,219</u>	<u>\$13,790,749</u>	<u>\$4,458,425</u>	<u>\$29,745,393</u>
Use of Funds - Expenditures:				
General Fund (See Detail in Notes)	\$367,781	\$2,568,103	\$529,730 *	\$3,465,614
Electric Utility Fund	0	1,732,545	0	1,732,545
Water Utility Fund	0	586,740	0	586,740
Wastewater Utility Fund	0	217,454	0	217,454
Infrastructure Repair & Replacement Fund	9,269	762,189	0	771,458
Sanitation Fund	0	187,199	110,000	297,199
Stormwater Management Fund	0	607,544	650,000	1,257,544
Firewheel Fund	0	0	350,000	350,000
Recreation Performance Fund	0	48,211	0	48,211
Heliport Fund	0	3,000	0	3,000
Hotel/Motel Tax Fund	0	79,780	0	79,780
Economic Development Fund	346,130	251,946	0	598,076
TIF #1 Fund	188,319	56,350	0	244,669
Group Health Insurance Fund	0	18,346	0	18,346
Public Safety Grant Fund	0	2,289	0	2,289
Parks Grant Fund	0	0	211,462 *	211,462
Public Health / Immunization Grant Fund	0	3,145	114,308	117,453
Equipment Replacement Fund	0	4,926,097	0	4,926,097
Customer Service Fund	0	5,445	0	5,445
Facilities Management Fund	0	895,229	0	895,229
Information Technology Fund	0	748,197	2,492,925 *	3,241,122
IT Project Fund	9,690,220	0	0	9,690,220
IT Replacement Fund	894,500	86,350	0	980,850
Warehouse Fund	0	4,590	0	4,590
Total Expenditures	<u>\$11,496,219</u>	<u>\$13,790,749</u>	<u>\$4,458,425</u>	<u>\$29,745,393</u>

* Requests that are Ongoing will be funded with excess, one-time fund balance reserves in FY 2023-24. This is a total of **\$553,917** and will require the appropriation of Ongoing Funding in FY 2024-25. Of this amount, the ongoing amount associated with the Parks Grant Fund (\$211,462) will be funded with a five-year grant award.

ATTACHMENT A

Proposed Amendment by Fund

Proposed Budget Amendment No. 1
FY 2023-24 Operating Budget

	<u>Carryover of FY 22-23 Projects</u>	<u>Open PO Rollover</u>	<u>Expenditures Not Anticipated in FY 23-24</u>	<u>Total Budget Amendments</u>
REVENUES AND EXPENDITURES				
Notes:				
General Fund -				
Animal Services	\$0	\$0	\$77,500 *	\$77,500
City Attorney	0	1,146	0	1,146
City Secretary	0	2,277	0	2,277
Code Compliance	0	409	0	409
Cultural Arts	0	261,876	391,795 *	653,671
Emergency Management	0	89,198	0	89,198
Finance	0	1,491	0	1,491
Fire	0	94,858	0	94,858
Health	0	2,472	0	2,472
Landfill	0	202,061	0	202,061
Library	141,750	31,495	0	173,245
Municipal Court	0	358	0	358
Neighborhood Vitality	34,031	15,820	0	49,851
Parks and Recreation	0	635,793	0	635,793
Planning & Development	0	55,769	0	55,769
Police	192,000	408,393	60,435 *	660,828
Purchasing	0	1,258	0	1,258
Tax Collection	0	502	0	502
Transportation	0	361,558	0	361,558
Non-Departmental	0	401,369	0	401,369
Sub-Total General Fund	<u>\$367,781</u>	<u>\$2,568,103</u>	<u>\$529,730</u>	<u>\$3,465,614</u>

* General Fund requests with an **Ongoing Obligation total \$231,730** and will require the appropriation of Ongoing Funding in FY 2024-25. Requests that are Ongoing will be funded with excess, one-time fund balance reserves in FY 2023-24.