



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** December 14, 2020
SUBJECT: Ordinance No. 3676, Public Hearing and consideration to approve an amendment to the FY 2020/2021 Adopted Budget.
PRESENTER: Robert Myers, Budget Director

SUMMARY:

The City Council is requested to open a public hearing and receive public comment on amendments to the 2020/2021 Adopted Budget. At the conclusion of the public hearing, Council is requested to consider the approval of Ordinance No. 3676, approving the proposed budget amendments.

GENERAL DESCRIPTION:

The Fiscal Year 2020-2021 Budget was adopted by the City Council on August 17, 2020 and became effective at the start of the fiscal year on October 1, 2020. Since that time, events have occurred that require an amendment to the budget. The changes reflected in this amendment are summarized below.

BUDGET AMENDMENTS:

The first amendment is to appropriate funding for projects required to respond to the COVID-19 pandemic in the amount of \$517,511. As part of the FY 2020/21 budget process staff had identified a number of projects related to responding to the COVID-19 pandemic and had anticipated funding these purchases through the CAREs Act funding the City received. During the course of seeking approval for the expenditure of CAREs Act grant funds, the Federal Treasury Department and Office of Inspector General (“OIG”) made numerous changes to the guidelines that dictated how funds could be utilized and what supporting documentation would be required. At the conclusion of the final round of changes from the Treasury and OIG, staff identified that the cost of the time spent by public safety staff in responding to the COVID-19 pandemic was eligible, best met all of the new federal guidelines, and exceeded the allocation given to the City from CAREs Act funding. Based on this determination staff submitted and received approval to utilize the City’s \$3.7 million allocation to offset public safety salary and benefit expenses related to responding to the COVID-19 pandemic. Due to this change, funding for the projects intended to respond to the COVID-19 crisis is recommended to be changed to reserves within the General Fund. Funding for these improvements is available from General Fund reserves.



The second amendment is for the annual encumbrance roll in the amount of \$584,189. As part of the year-end process, staff identifies orders for goods and services that were placed utilizing available funds from the FY 2019/20 budget, but due to timing will not be received until FY 2020/21. In accordance with proper accounting principles, expenses for these purchases need to be assigned to the fiscal year in which the good or service was received. Significant orders of note included as part of the encumbrance roll include replacement of firearms for public safety, orders for the replacement of SWAT helmets and other public safety equipment, facility security projects, and various IT hardware related purchases. Funding for the encumbrance roll is available from unused funds in the FY 2019/20 Adopted Budget that will be reflected as an appropriation of fund balance in FY 2020/21 Amended Budget.

The impact of the proposed amendments on the Fiscal Year 2020/21 Operating Budgets are summarized below.

Fund	Adopted 2020/21	Amendments		Amended 2020/21
		COVID-19 Projects	Encumbrance Roll	
General Fund	\$50,048,869	\$517,511	\$258,571	\$50,824,951
Parks & Recreation Development Fund	9,757,211	-	31,778	9,788,989
Crime Control District Fund	5,603,990	-	24,869	5,628,859
Facility Services Fund	3,268,190	-	21,866	3,290,056
Fleet Services Fund	4,055,786	-	19,359	4,075,145
Information Technology Fund	4,008,357	-	199,826	4,208,183
Special Investigations Fund	267,300	-	24,920	292,220
Self Insurance Fund	15,904,795	-	3,000	15,907,795
Total Expenditures	\$92,914,498	\$517,511	\$584,189	\$94,016,198

The impact of the amendment on the Fiscal Year 2020/21 Capital Budget is summarized below.

Category	Adopted 2020/21	Amendments		Amended 2020/21
		COVID-19 Projects	Encumbrance Roll	
Street & Sidewalk	\$14,235,550	\$0	\$0	\$14,235,550
Drainage	450,000	-	-	450,000
Utility	2,639,906	-	-	2,639,906
Parks & Recreation	664,000	-	-	664,000
Aquatic Park	125,000	-	-	125,000
Facilities	274,400	-	-	274,400
Major Capital Equipment	643,400	-	-	643,400
Economic Development	-	-	-	-
CIP Personnel	353,105	-	-	353,105
Other	-	517,511	-	517,511
Total CIP Project Expenditures	\$19,385,361	\$517,511	\$0	\$19,902,872



In order to amend the budget, the City is required to conduct a public hearing to receive public comments. A notice of public hearing was posted in the Star Telegram on Friday, December 4, 2020.

RECOMMENDATION:

Approve Ordinance No. 3676.