



**City of Dallas**

# **FY 2022-23 End of Year Budget Appropriation Adjustment**

**Government Performance &  
Financial Management Committee  
September 19, 2023**

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Budget & Management Services

# Overview



- Background
- Overview of amendments to FY 2022-23 budget ordinance
- Recommendation and next steps



# Background



- City Council adopted FY 2022-23 Operating, Grants/Trust, and Capital Budget ordinance on September 28, 2022
- City Council amended the FY 2022-23 Operating, Grants/Trust, and Capital Budget ordinance on May 10, 2023
- City Council is asked to approve additional amendments to the FY 2022-23 Operating, Grants/Trust, and Capital budget ordinance by ordinance on September 27, 2023



# Background



- Amendments are required to ensure compliance with City Charter and to ensure adequate departmental appropriations are available through September 30, 2023
- City Charter Chapter XI
  - Annual appropriation ordinance approved by City Council establishes appropriations (Sec. 3)
  - City Council may transfer appropriations between departments, divisions, or purposes (Sec. 4)
  - City Council may appropriate excess revenue (Sec. 5)
  - City Charter does not allow for expenditure of City funds without sufficient appropriation (Sec. 6)



# Overview of Amendments



- FY 2022-23 End of Year Appropriation Ordinance amendments reflect:
  - Appropriation of excess or unbudgeted revenue
  - Transfers between departments, division, and purpose
  - Adjustments to address forecast overruns
  - Grant and Trust Funds revenue and expenditure increases
  - Enterprise Funds revenue and expenditure increases
  - Capital appropriation adjustments
  - Appropriation adjustments previously approved by City Council resolution





# Overview of Amendments (\$ in millions)



Fund Category	FY 2022-23 Amended Budget*	Appropriation Amendments	FY 2022-23 Amended Budget
General Fund	\$1,727.6	\$1.8	\$1,729.4
Grant Funds, Trust, and Other Funds	162.9	11.5	174.4
Enterprise Funds	1,395.4	27.6	1,423.0
Internal Service/Other Funds	244.2	8.5	252.8
Capital Funds	1,121.2	144.1	1,265.3
Total	\$4,651.2	\$193.6	\$4,844.8

\*Reflects amended budget approved by City Council on May 10, 2023



# General Fund Amendment Overview



- Ordinance amendment will appropriate excess or unbudgeted revenue as allowed by City Charter Chapter XI (Sec. 5)
  - Through 7/31/23, General Fund excess revenue is forecast to be \$2.4 million
    - Ordinance amendment will appropriate \$1.8 million in excess revenue and increase the General Fund budget from \$1,727.6 million to \$1,729.4 million
      - Charges for Services and Interest revenue are forecast to be better than budget while Sales Tax revenue are forecast to be less than the amended budget



# General Fund Amendment Overview



- Ordinance amendment will transfer appropriations between departments, divisions, or purposes as allowed by City Charter Chapter XI (Sec. 4)
  - Through 7/31/23, projected year-end overages from the following departments is forecast to be \$18.8 million
    - Building Services - \$2,008,000 due to unbudgeted repairs at various city facilities
    - City Attorney's Office - \$181,000 due to termination payouts for retired employees
    - City Managers Office - \$166,000 due to prior year organizational changes, professional development, and Youth Commission activities
    - Code Compliance - \$370,000 due to increased costs for health benefits
    - Dallas Fire Rescue - \$7,362,000 due to fleet maintenance, medical supplies, and increased costs for health benefits
    - Dallas Police Department - \$4,142,000 primarily due to increased costs for health benefits
    - Human Resources - \$1,516,000 due to temporary staffing expenses
    - Office of Government Affairs - \$15,000 due to temporary staffing and other costs associated with the Texas State Legislature session
    - Park and Recreation - \$2,605,000 due to increased cost for health benefits and unbudgeted utility costs associated with Fair Park First
    - Public Works - \$453,000 due to increased costs for health benefits





# General Fund Amendment Overview



- The following General Fund departments' appropriation will be decreased by \$17.0 million due to projected year-end savings
- Budget and Management Services (\$220,000)
- City Auditor's Office (\$350,000)
- City Controller's Office (\$90,000)
- Civil Service (\$350,000)
- Court & Detention Services (\$860,000)
- Dallas Animal Services (\$10,000)
- Data Analytics and Business Intelligence (\$850,000)
- Housing and Neighborhood Revitalization (\$540,000)
- Judiciary (\$400,000)
- Library (\$10,000)
- 311 Customer Service (\$680,000)
- Communications, Outreach and Marketing (\$800,000)
- Office of Community Care (\$60,000)
- Office of Community Police Oversight (\$240,000)
- Office of Environmental Quality and Sustainability (\$880,000)
- Office of Equity and Inclusion (\$150,000)
- Office of Historic Preservation (\$160,000)
- Office of Integrated Public Safety Solutions (\$940,000)
- Small Business Center (\$320,000)
- Mayor and City Council (\$216,000)
- Non-Departmental (\$5,353,000)
- Planning and Urban Design (\$470,000)
- Procurement Services (\$250,000)
- Salary and Benefit Reserve (\$2,790,000)



# General Fund Amendment Overview



- Ordinance amendment authorizes the City Manager to transfer appropriations from Salary and Benefit (S&B) Stabilization to any individual department or activity in General Fund to be used for salaries and benefits as allowed by City Charter Chapter XI (Sec. 3)
  - S&B Stabilization appropriation totaling \$166,000 will be transferred to the following departments for retirement pay-outs, temporary help, and salary adjustments
    - City Manager's Office - \$72,000
    - City Attorney's Office - \$94,000



# General Fund Amendment Overview



- Excess revenue and reallocations from other General Fund departments will be used to address forecast overruns, and new initiatives
- General Fund appropriation will be increased by \$1.8 million
  - Department forecast overruns - \$18,800,000
  - Department projected year-end savings – (\$17,000,000)



# Grants, Trusts and Other Fund Amendment Overview



- Appropriation adjustments within Grants, Trusts, and Other Funds are supported by additional revenues that have become available during the fiscal year, transfers, or by available fund balance
  - Previously approved adjustments—\$8.6 million
    - Appropriations approved by the City Council since 4/1/23
  - Budget & Management Services—\$2.0 million
    - Operating Carryover Fund
    - Gifts and Donations
  - Other - \$0.9 million



# Enterprise/Internal Service Fund Amendment Overview



- Appropriation adjustments within Enterprise Funds, Internal Services Funds are supported by increased revenues or available fund balances
  - Convention and Event Services - \$21.1 million
    - Supports increased capital construction transfer due to higher than budgeted event revenue
  - Information and Technology Services - \$4.4 million
    - Supports purchase of detection hardware devices, and repayment of Coronavirus Relief Fund (CRF) payroll expenses
  - Development Services —\$3.8 million
    - Supports Engineering contractual services, increased costs for health benefits, and repayment of (CRF) payroll expenses
  - Equipment and Fleet Services - \$3.7 million
    - Supports increased contract labor costs, rebuilding of truck bodies, repairs at Southeast Service Center garage, and vehicle parts





# Enterprise/Internal Service Fund Amendment Overview



- Appropriation adjustments within Enterprise Funds, Internal Services Funds are supported by increased revenues or available fund balances
  - Sanitation —\$2.7 million
    - Supports equipment purchases, temporary labor, and contract services
  - Express Business Center - \$0.5 million
    - Supports increased costs of office supplies and repayment of CRF payroll expenses
  - Municipal Radio - \$0.02 million
    - Supports increased contract labor costs for furniture disposal and records cleanup
  - Employee Benefits (Administrative Fund) - \$0.02 million
    - Supports increased temporary labor and health benefits costs



# Capital Fund Amendment Overview



- Appropriation adjustments for capital funds reflect adjustments previously approved by City Council, new appropriation requests, and transfers between funds
  - Previously approved adjustments—\$134.1 million
    - Appropriations approved by the City Council since 4/1/23
  - New appropriation requests—\$10.0 million
    - Planned Capital Construction transfers - \$10.0 million



# Recommendation and Next Steps



- Staff recommends amending FY 2022-23 budget appropriation ordinance
- Seek City Council approval of agenda item on September 27, 2023





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