



City of Dallas

FY 2023-24 End-of-Year Budget Amendments

**Government Performance &
Financial Management Committee
September 23, 2024**

Janette Weedon, Director
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Budget & Management Services

Overview



- Background
- Overview of amendments to FY 2023-24 budget ordinance
- Recommendation and next steps



Background



- 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)



Background



- City Council adopted FY 2023-24 Operating, Grants/Trust and Capital Budget ordinance on 9/20/23
- City Council amended the FY 2023-24 Operating, Grants/Trust and Capital Budget ordinance on 2/28/24, 5/8/24, 6/26/24, and 8/14/24
- Amendments are required to ensure compliance with City Charter and to ensure adequate departmental appropriations are available through 9/30/24



Background



- Ordinance amendments may include:
 - Adjustments to address revenue shortfalls and forecast overruns
 - Grant, Trust, and Other Funds revenue and expenditure increases
 - Enterprise/Internal Service Funds revenue and expenditure increases
 - Capital appropriation adjustments
 - Appropriation adjustments previously approved by City Council resolution



Overview of Amendments by Fund (\$ in millions)



Fund Category	FY 2023-24 Amended Budget*	Appropriation Amendments	FY 2023-24 Amended Budget
General Fund	\$1,842.4	\$0.0	\$1,842.4
Grant Funds, Trust, and Other Funds	496.9	74.2	571.0
Enterprise Funds	1,500.4	39.5	1,539.9
Internal Service/Other Funds	270.6	0.0	270.6
Capital Funds	1,437.1	68.8	1,505.9
Total	\$5,547.4	\$182.4	\$5,729.8

*Reflects allocation of General Fund contingency on 9/11/2024





General Fund Revenues



General Fund Amendment Overview



- General Fund Revenues projected \$5.1M less than budget

Revenue Source (\$ in Millions)	FY 2023-24 Budget	FY 2023-24 Forecast	Variance
Property Tax	\$1,047.6	\$1,027.5	(\$20.1)
Sales Tax	451.7	442.4	(9.3)
Charges for Services	109.7	100.8	(8.9)
Operating Transfers In	33.0	56.9	24.0
Interest	14.0	20.0	6.0
Other	186.5	189.7	3.2
Total	\$1,842.4	\$1,837.3	(\$5.1)



General Fund Amendment Overview



- FY 2023-24 Property Tax, Sales Tax, and Charges for Services forecast less than budget
 - Property Tax Forecast \$20.1M less than budget due to resolved litigation resulting in lower values
 - Sales Tax Forecast \$9.3M less than budget due to collections returning to historical trends
 - Charges for Service Forecast \$8.9M less than budget due to a change in the reimbursement formula in the TX Ambulance Supplemental Payment Program (TX ASPP) related to ambulance services
 - Offset revenue loss with expense reductions, some revenue being better than budget, and use of Revenue Stabilization Fund



General Fund Amendment Overview



- FY 2023-24 Property Tax Forecast
 - FY 2023-24 Property tax forecast \$20.1M less than budget due to decline in current year collections and refunds of prior year taxes
 - Decline in property tax revenue due to District Court resolution of Dallas Central Appraisal District property dispute litigation resulting in lower total value
 - Property owners have the option to file an appeal or lawsuit of an Appraisal Review Board (ARB) decision to district court
 - This year, there has been a record number of cases in litigation
 - FY 2024-25 budget assumptions were adjusted over the summer to reflect this trend



General Fund Amendment Overview



- Revenue Stabilization Fund
 - Established in FY 2019-20 to offset or stabilize forecast declines in General Fund revenue resulting from the pandemic
 - Revenue stabilization budgeted in FY 2021-22 and FY 2022-23 but never used and \$38.1M remains
 - FY 2023-24 forecast for Operating Transfers In reflects \$28.9M from the Revenue Stabilization Fund





General Fund Expenditures



General Fund Amendment Overview



- Previously approved adjustments - \$2.1M
 - Appropriations approved by the City Council on 9/11/2024 for costs related to the November election
- Net-zero transfers between departments will be used at year-end to support:
 - Salary and Benefit (S&B) Reserve will be reduced by \$145,000 to support termination payments in the City Manager's Office



General Fund Amendment Overview



- Ordinance amendment will transfer appropriations between departments, divisions, or purposes as allowed by City Charter Chapter XI (Sec. 4)
 - Through 7/31/24, projected year-end overages from the following departments is forecast to be \$11.4M and department budgets listed below will be increased

Department	Description of Overage	Amount to be Reallocated To
City Secretary	Due to temporary staffing related to DPD open record requests	\$59,000
City Manager's Office	Due to position classifications to better meet department operations and executive support functions	153,000
City Marshal's Office	Due to psychological testing for new hires and unbudgeted electrical repairs for equipment	79,000
Dallas Animal Services	Due to shelter expenses resulting from suspected animal cruelty cases	1,690,000
Dallas Fire Rescue	Due to uniform overtime, and fleet maintenance/repairs	2,350,000
Dallas Police Department	Due to uniform overtime	5,225,000
Human Resources	Due to temporary staffing expenses associated with Workday system expansion	354,000
Judiciary	Due to interpreter services	46,000
Park & Recreation	Due to unplanned maintenance and repairs related to the May storm	\$1,407,000
TOTAL		\$11,362,000



General Fund Amendment Overview



- The following General Fund departments' appropriation will be decreased by \$11.4M due to projected year-end savings

Department	Amount to be Reallocated From	Department	Amount to be reallocated From
Budget & Management Services	\$54,000	Office of Emergency Management & Crisis Response	\$700,000
City Attorney's Office	204,000	Office of Environmental Quality & Sustainability	252,000
City Auditor's Office	86,000	Office of Equity and Inclusion	219,000
City Controller's Office	208,000	Office of Government Affairs	51,000
Code Compliance	950,000	Office of Homeless Solutions	39,000
Dallas Municipal Court	267,000	Small Business Center	1,500,000
Data Analytics and Business Intelligence	16,000	Mayor and City Council	18,000
Housing & Neighborhood Revitalization	86,000	Non-Department	1,470,000
Library	292,000	Planning & Development	800,000
Communications and Customer Experience/311	1,150,000	Procurement Services	230,000
Office of Community Care	264,000	Public Works	15,000
Office of Community Development	75,000	Transportation	1,000,000
Office of Community Police Oversight	\$95,000	Salary and Benefit Reserve	\$1,321,000
	TOTAL		\$11,362,000





Grant, Trust, Other, Enterprise, and Capital Expenditures



Grant, Trusts and Other Fund Amendment Overview



- Additional appropriation adjustments within Grants, Trusts, and Other Funds are supported by additional revenues that have become available during the fiscal year or net zero transfers
 - Revenue Stabilization Fund - \$8.7M
 - IT Equipment Fund - \$5.4M
 - Operating Carryover Fund - \$1.2M
 - Venue Project Fund - \$37.0M
 - Fair Park Debt Service Fund - \$7.4M
 - State Fair of Texas Fund - \$0.9M
 - Other Funds - \$0.7M



Enterprise Fund Amendment Overview



- Appropriation adjustments within Enterprise Funds are supported by increased revenues or available fund balance from FY 2022-23 end-of-year
 - Dallas Water Utilities - \$26.7M
 - \$10M - Use of fund balance to support capital construction and equipment purchases
 - \$16.7M - Price increases and higher water consumption
 - Sanitation Services - \$12.8M
 - Support costs associated with the May 2024 storms



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 - \$19.0M
 - Appropriations approved by the City Council since 4/10/2024
 - New appropriation requests - \$49.8M
 - Supports Dallas Water Utilities - \$10.0M
 - Lake June Pump Station Phase 1 construction
 - Stormwater Drainage Management - \$12.5M
 - \$4.0M Fleet Replacement
 - \$2.0M Supports Stormwater Operations Facility
 - \$6.5M To cover project overages and emergency repairs for river erosion
 - Supports Street and Alley investments - \$27.3M
 - Close-out of old bond funds - \$0.03M





American Rescue Plan Act (ARPA)



American Rescue Plan Act (ARPA) Overview



- American Rescue Plan Act (ARPA)
 - President Biden signed the \$1.9 trillion American Rescue Plan Act (ARPA) of 2021 into law on March 11, 2021
 - City of Dallas received \$355.4M in Local Fiscal Recovery Funds
 - All funds were allocated in September 2021 based on a three-year spending plan - FY 2021-22, FY 2022-23, and FY 2023-24
 - In September 2021, City Council approved the initial Spending Framework
 - City Council approved reallocations & reprogramming in May 2023, February 2024, and May 2024



American Rescue Plan Act (ARPA) Overview



- American Rescue Plan Act (ARPA)
 - All funds must be obligated by September 30, 2024, or must be returned to U.S. Treasury
 - All funds must be spent by September 30, 2026
 - Recommend reallocation of funds to ensure the City meets deadlines set by the U.S. Treasury
 - Reprogramming considerations - 1st quarter of FY 2024-25



American Rescue Plan Act (ARPA) Overview



- American Rescue Plan Act (ARPA)
 - Unspent /unencumbered funds remain - \$25.7M
 - Recommend reallocation of \$25.7M of ARPA funding to Dallas Fire Rescue (DFR)
 - In FY 2022-23, eligible DFR payroll expenses were \$189M
 - \$25.7M of ARPA program/projects that may be at risk of U.S. Treasury deadlines will be moved to the ARPA Redevelopment Fund
 - ARPA Redevelopment Fund (multi-year fund) established with General Fund budget capacity from prior reallocations
 - Prior reallocation of \$159.3M for DFR payroll expenses
 - With this action, total reallocation of \$185M for DFR payroll expenses



American Rescue Plan Act (ARPA) Overview



- ARPA Proposed Reallocation by Department
- This chart reflects net \$0 changes to the ARPA budget - \$25.7M exchanged with DFR payroll

Department (Source of Funds)	Description	Amount
Budget & Management Services	Interest Income	\$5,000,000
Facilities and Real Estate Management	Facility retrofits - building, air filtration improvements, etc.	78,246
Dallas Municipal Court	Security Assessment Funding	1,320,860
Dallas Fire Rescue (DFR)	DFR Equipment and Inventory Mgmt. System	2,713,422
Dallas Police Department	Equipment	441,079
Information Technology Services	Ongoing maintenance and support of business technology	5,016,399
MGT – Communications & Outreach	Outreach and marketing	1,652
MGT – Integrated Public Safety Solutions	Right Care equipment	4,970
MGT – Office of Community Care	City-wide public health/social services	1,622,081
MGT – Office of Emergency Management	FEMA Reimbursement for testing and vaccination services	807,570
MGT – Office of Environmental Quality and Sustainability	Air quality monitors and solar/energy storage	21,952
Park and Recreation	Wi-Fi for Park and Recreation facilities	2,234,421
Office of Procurement Services	Personal protection equipment (PPE) and disinfection	26,520
Transportation	Transportation and Infrastructure Services	6,375,712
Total		\$25,664,884
Department (Use of Funds)	Description	Amount
Dallas Fire Rescue (DFR)	DFR emergency response payroll	\$25,664,884
Total		\$25,664,884



American Rescue Plan Act (ARPA) Overview



- American Rescue Plan Act (ARPA)
 - Reprogramming included in the FY 2024-25 Adopted Budget
 - FY 2024-25 Adopted Budget approved by City Council on September 18
 - Street Maintenance - \$5.8M
 - Major Maintenance - \$15M (\$7.5M in FY 2024-25 and \$7.5M in FY 2025-26)
 - Pavement Markings - \$3.4M





Recommendation and Next Steps



Recommendation and Next Steps



- Staff recommends amending the FY 2023-24 budget appropriation ordinance
- City Council will consider the ordinance amendment on September 25, 2024





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Appendix – ARPA

ARPA Redevelopment Fund – Fund 0A72

ARPA Redevelopment Program (Fund 0A72)



ARPA Redevelopment Fund Program (Fund 0A72)					
Department	Budget	Total Encumbered	Total Spent	Encumbered + Spent	Total Unencumbered
1 Attorneys Office - ATT	\$50,000.00	\$0.00	\$14,371.00	\$14,371.00	\$35,629.00
2 Budget & Management Services - BMS	\$1,738,601.00	\$1,738,601.00	\$0.00	\$1,738,601.00	\$0.00
3 Facilities & Real Estate Management - FRM*	\$14,059,542.00	\$62,587.50	\$823,985.52	\$886,573.02	\$13,172,968.98
4 Code Compliance - CCS	\$1,200,000.00	\$0.00	\$0.00	\$0.00	\$1,200,000.00
5 Dallas Fire Department - DFD	\$3,237,908.00	\$0.00	\$0.00	\$0.00	\$3,237,908.00
6 Dallas Water Utility - DWU	\$37,426,891.00	\$11,965,584.93	\$16,537,648.42	\$28,503,233.35	\$8,923,657.65
7 Economic Development - ECO	\$230,000.00	\$40,000.00	\$0.00	\$40,000.00	\$190,000.00
8 Housing - HOU	\$23,450,000.00	\$5,012,325.00	\$5,128,371.24	\$10,140,696.24	\$13,309,303.76
9 Library - LIB	\$240,000.00	\$0.00	\$0.00	\$0.00	\$240,000.00
10 Office of Bond & Construction - OBM	\$5,000,000.00	\$936,182.84	\$280,729.34	\$1,216,912.18	\$3,783,087.82
11 Communications & Customer Experience/311 - MGT/CCX/311*	\$746,154.00	\$0.00	\$289,901.20	\$289,901.20	\$456,252.80
12 Mayor and City Council - MGT/MCC	\$16,000,000.00	\$4,594,002.03	\$1,057,621.27	\$5,651,623.30	\$10,348,376.70
13 Office of Community Care - MGT/OCC	\$7,612,767.51	\$790,775.37	\$689,559.27	\$1,480,334.64	\$6,132,432.87
14 Office of Equity & Inclusion - MGT/OEI**	\$22,113,793.00	\$0.00	\$1,244,052.04	\$1,244,052.04	\$20,869,740.96
15 Environmental Quality & Sustainability - MGT/OEQ	\$1,758,058.00	\$242,449.15	\$353,851.25	\$596,300.40	\$1,161,757.60
16 Office of Governmental Affairs - MGT/OGA	\$142,869.00	\$0.00	\$10,332.42	\$10,332.42	\$132,536.58
17 Office of Homeless Solutions - MGT/OHS	\$6,158,240.00	\$516,008.42	\$20,177.58	\$536,186.00	\$5,622,054.00
18 Human Resources - PER	\$600,000.00	\$0.00	\$117,832.03	\$117,832.03	\$482,167.97
19 Office of Arts and Culture - OCA	\$125,000.00	\$25,000.00	\$25,000.00	\$50,000.00	\$75,000.00
20 Department of Public Works - PBW	\$15,966,000.00	\$1,531,696.07	\$14,433,870.94	\$15,965,567.01	\$432.99
21 Office of Procurement - POM	\$1,459,936.00	\$173,136.24	\$204,364.46	\$377,500.70	\$1,082,435.30
Total	\$159,315,759.51	\$27,628,348.55	\$41,231,667.98	\$68,860,016.53	\$90,455,742.98

Note: The chart above reflects expenditures and encumbrances recorded in the City's financial system of record as of August 31, 2024. They do not include commitments that have not yet been recorded in the system, such as amounts recently approved by City Council.

**Reflects name changes approved by City Council August 2024.*

***FY 2024-25 budget assumes reallocation of \$18.4M to other projects.*

