

# Mayor and Council Communication

DATE: 01/13/26

M&C FILE NUMBER: M&C 26-0030

LOG NAME: 36FY25 EMERGENCY MEDICAL SERVICES (EMS) FUND CLOSING

## SUBJECT

(ALL) Enact Budget Adjustments in Fiscal Year 2025 for Emergency Medical Services Transition Costs, Reallocate Resources Among Departments, Transfer Capital-Eligible Items to Capital Projects, Commit Funds for Fiscal Year 2025 Rollover into Fiscal Year 2026 for Operational Needs and Future Commitments, and Adopt Appropriation Ordinances, Amend the Fiscal Years 2025 and 2026 Operating Budgets, and Amend the Fiscal Years 2025 – 2029 Capital Improvement Program

## RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance adjusting Fiscal Year 2025 receipts and appropriations in the Emergency Medical Services Fund to true-up year-end performance:
  - a. reallocate appropriations among supporting departments by: (i) decreasing Fire by a total of \$529,695.00; and (ii) increasing (A) Financial Management Services by \$519,750.00; and (B) Human Resources by \$9,945.00; and
  - b. increase estimated receipts and appropriations by \$5,478,902.00, from available unaudited fund balance, for funded but unbudgeted costs of transition of ambulance services as follows: (i) \$1,500,000.00 in the Human Resource Department for outstanding medical claims; (ii) \$1,157,434.00 for Fire operations; and (iii) \$2,821,468.00 for Fire transfer to capital;
2. Adopt the attached appropriation ordinance increasing Fiscal Year 2025 estimated receipts and appropriations in the EMS Capital Fund in the total amount of \$2,821,468, transferred from the Emergency Medical Services operating fund, consisting of (i) \$502,108.00 in the Annual EMS VERF programmable project (City Project No. P00154) for support vehicle purchases; and (ii) \$2,319,360.00 in the Annual EMS Ambulance Replacement programmable project (City Project No. P00153) for chassis remounts and purchases of ambulances;
3. Designate \$3,966,896.00 in the Emergency Medical Services Fund as committed Fiscal Year 2025 fund balance from previously appropriated EMS transition funds and amendments for rollover into FY2026 for remaining incomplete transition activities;
4. Adopt the attached appropriation ordinance increasing Fiscal Year 2026 estimated receipts and appropriations in the Emergency Medical Services Fund in the amount of \$3,966,896.00, from committed unaudited fund balance, for the following rollovers:
  - a. \$1,335,000.00 in the Human Resources Department for outstanding medical claims;
  - b. \$2,409,058.00 in the Fire Department for remaining transition-related items;
  - c. \$159,295.00 in the Office of the Medical Director Department for remaining transition-related items; and
  - d. \$63,543.00 in the Financial Management Services Department for remaining transition-related items; and
5. Amend the Fiscal Year 2025 and Fiscal Year 2026 Operating Budgets and the Fiscal Years 2025 - 2029 Capital Improvement Program.

## DISCUSSION:

The City of Fort Worth's annual Operating Budget is formally enacted into law by City Council action adopting an appropriation ordinance that establishes spending limits for each department's operation.

The purpose of this Mayor and Council Communication (M&C) is to adjust the final budget and authorize transactions to reflect actual performance for the Emergency Medical Services (EMS) Fund for Fiscal Year (FY) 2025. Any amounts over budget must be appropriated by action of the City Council, in accordance with the City Charter (Chapter X, Section 5, Expenditures Only Pursuant to Appropriations). This action reflects year-end true-ups, transition-related costs, capital funding adjustments, and the designation and rollover of fund balance necessary to complete the transition of ambulance services from MedStar to the City.

Approval of this M&C will amend: the FY2025 Budget, as approved with Ordinance 27107-09-2024 and amended by M&Cs 25-0480 and 25-0482 and associated ordinances; the FY 2026 Budget, as approved with Ordinance 27979-09-2025; and the FY2025–2029 Capital Improvement Program, all of which is further detailed below.

## EMS Fund

### Departmental Appropriation Adjustments

The first part of Recommendation 1 reallocates FY2025 EMS Fund appropriations among supporting departments to reflect actual costs incurred during the year and to true-up performance. These adjustments decrease the Fire Department budget for salaries (\$97,421.00) and operating and maintenance (\$432,274.00) appropriations that were not fully expended and reallocate those resources to Financial Management Services and Human Resources departments, which provided centralized support services to EMS operations during the transition year. In addition to these adjustments, a reallocation of \$12,182.00 within the Office of the Medical Director will be made from operating and maintenance to support salary costs for the department. This action does not increase total EMS Fund appropriations but aligns departmental budgets with actual service delivery and cost allocation.

## EMS Fund – Transition Related Appropriations

The second part of Recommendation 1 increases FY2025 estimated receipts and appropriations in the EMS Fund in the cumulative amount of \$5,478,902.00 from available unaudited fund balance to fund transition-related costs that were not fully captured in the June amendments to the FY2025 Adopted Budget.

A portion of these costs associated with the transition of ambulance services from MedStar to the City were identified prior to the transition and were previously approved by City Management and/or the MAEMSA Board through separate actions.

These transition items were planned to be expended using MedStar cash prior to July 1, 2025; however, due to timing, they were unable to be completed on that schedule. The June EMS Fund actions amending the FY2025 Budget did not include these items due to timing and approval routing constraints. These appropriations support employee health claim liabilities carried over from MedStar, facility repairs, Computer Aided Dispatch costs, technology retrofits, response vehicles ordered by MedStar but received by the City, and fire alarm office relocation expenses.

The City also acquired four (4) ambulance chassis from MedStar that were in queue to be remounted. In addition, six (6) ambulances became available after transition, consisting of four (4) from the City of Benbrook and two (2) from the City of Rendon. EMS cash received from MedStar is projected to remain above reserve minimums; therefore, it is requested that these funds be utilized for these resources to support maintaining fleet reliability, minimizing impacts to response times, and ensuring operational readiness as the City prepares for increased service demands, including major events such as the 2026 FIFA World Cup:

EMS Transition Item	Department	Amount
Employee Healthcare Claims, carried over from Medstar	Human Resource	\$1,500,000.00
Station and building repairs	Fire	\$253,800.00
Computerized Aided Dispatch Costs	Fire	\$360,000.00
Fire Alarm Office Relocation	Fire	\$155,401.00
Facility Technology Retrofits	Fire	\$388,233.00
Six (6) Support Response Vehicles received after transition cutover (transfer to capital)	Fire	\$502,108.00
Remount Costs for four (4) Ambulance Chassis (transfer to capital)	Fire	\$960,580.00
Six (6) available Ambulance purchases, including upfit (transfer to capital)	Fire	\$1,358,780.00
<b>Total</b>		<b>\$5,478,902.00</b>

#### **EMS CAPITAL FUND – PROGRAMMABLE PROJECT FUNDING**

Approval of Recommendation 2 increases FY2025 estimated receipts and appropriations in the EMS Capital Fund through transfers from available EMS operating funds. These actions provide funding to execute the remounting of ambulance chassis, purchase of used ambulances, and purchase of support response vehicles described above. These adjustments align capital funding with assets received or committed during the transition period and ensure that capital expenditures are properly budgeted in the appropriate funds and projects.

Project	Purchase	Amount
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P00153 Annual EMS Ambulance Replacement	Remount 4 chassis	\$960,580.00
P00153 Annual EMS Ambulance Replacement	Six (6) used ambulances	\$1,358,780.00
P00154 EMS Vehicle Equipment Replacement (VERF)	Six (6) support vehicles, previously in process by Medstar, and received by the City	\$502,108.00
<b>Total</b>		<b>\$2,821,468.00</b>

#### **ROLLOVER OF EMS FUND BALANCE**

Approval of Recommendation 3 designates \$3,966,896.00 as committed FY2025 EMS Fund balance for rollover into FY2026 to fund remaining transition activities that were not completed prior to fiscal year end. These funds are reserved to complete outstanding transition-related obligations across Fire, Human Resources, the Office of the Medical Director, and Financial Management Services.

Approval of Recommendation 4 increases FY2026 estimated receipts and appropriations in the EMS Fund, from the committed fund balance, for the identified rollover items. These appropriations allow remaining transition activities to be completed in FY2026 using resources already committed for that purpose.

#### **FISCAL YEAR APPROPRIATION ADJUSTMENTS**

Approval of this M&C will amend the FY2025 EMS Operating Budget and the FY 2025 - 2029 Capital Improvement Program to reflect the appropriation adjustments, capital transfers, fund balance commitments, and commitment of rollovers described above. Funding is available for appropriation in the unaudited fund balance of the EMS Fund.

Approval of this M&C will also amend the FY2026 EMS Operating Budget to reflect the appropriation of rollovers described above.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

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#### **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendations and the adoption of the attached appropriation ordinances, funds will be available in the FY2025 and FY2026 operating and capital Emergency Medical Services budgets as appropriated. Prior to any expenditure being incurred, the participating departments have the responsibility to validate the availability of funds.

**Submitted for City Manager's Office by:** William Johnson 5806

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**Additional Information Contact:**