

Mayor and Council Communication

DATE: 05/18/21

M&C FILE NUMBER: M&C 21-0359

LOG NAME: 80MUNICIPALGOLFFUNDBALANCETRANSFER

SUBJECT

(ALL) Adopt Attached Appropriation Ordinance Increasing Appropriations in the Municipal Golf Fund in the Amount of \$350,000.00 for the Purpose of Transferring Said Money to the General Capital Projects Fund for Infrastructure Repairs at City Golf Courses and Adopt Attached Appropriation Ordinance Increasing Appropriations in the General Capital Projects Fund in the Same Amount and Amend the Fiscal Years 2021-2025 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance increasing appropriations in the Municipal Golf Fund in the amount of \$350,000.00, for the purpose of transferring to the General Capital Projects Fund and reducing fund balance by the same amount;
2. Adopt the attached appropriation ordinance increasing receipts and appropriations in the General Capital Projects Fund in the amount of \$350,000.00, transferred from the Municipal Golf Fund, for the purpose of funding the Golf Improvements programmable project (City Project P00096); and
3. Amend the Fiscal Years 2021-2025 Capital Improvement Program.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to appropriate funds within the Municipal Golf Fund in the amount of \$350,000.00 from the fund balance to be transferred to the General Capital Projects Fund. This appropriation will allow for reinvestment in infrastructure and operations at all three city golf courses.

The City of Fort Worth Financial Management Policy Statements, Governmental Funds Reserve Policy states that Special Revenue Funds, of which the Municipal Golf Fund operates as, will maintain a minimum fund balance amount equivalent to two months (16.67%) of regular, on-going operating expenditures (Section V.D.).

In Fiscal Year (FY) 2020, Municipal Golf Fund revenues totaled \$5,082,729.76 and expenditures totaled \$4,383,478.10 resulting in \$699,251.66 in excess revenues over expenditures. At the end of FY2020, the total fund balance of the Municipal Golf Fund was \$870,848.94. The FY2021 operating budget for the Municipal Golf Fund is \$5,032,048.00, resulting in a required minimum fund balance of \$838,842.40. The proposed \$350,000.00 transfer from the Municipal Golf Fund would leave the fund \$317,993.46 short of the required minimum fund balance. In accordance with the Governmental Funds Reserve Policy, a five-year financial plan has been developed to ensure the fund is in compliance of minimum fund balance requirements by FY2026. It is anticipated that the fund will contribute a minimum of \$65,000.00 at the end of each fiscal year toward the fund balance.

The table below outlines the available fund balance at the beginning of the prior fiscal year (FY2020) and projected on-going continuous fund balance contributions over the next five years to achieve the required minimum fund balance. Annual contribution targets will be achieved through excess revenues over expenditures.

Fund Balance	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Beginning FY Fund Balance	\$171,597.28	\$870,848.94	\$585,848.94	\$650,848.94	\$715,848.94	\$780,848.94	\$845,848.94
Contribution	\$699,251.66	\$65,000.00	\$65,000.00	\$65,000.00	\$65,000.00	\$65,000.00	\$65,000.00
Requested Transfer	\$0.00	(\$350,000.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Ending FY Fund Balance	\$870,848.94	\$585,848.94	\$650,848.94	\$715,848.94	\$780,848.94	\$845,848.94	\$910,848.94
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Once authorized, \$349,251.66 of the \$699,251.66 in excess revenues over expenditures received in FY2020 will be retained in fund balance and \$350,000.00 will be invested into capital projects and equipment at all three golf courses that will continue to enhance the players' experience and relieve the impacts of future operating or capital budgets. Projects and improvements include a master plan for improvements at Meadowbrook Golf Course (\$125,000.00), irrigation water well repairs at Meadowbrook Golf Course (\$100,000.00), miscellaneous equipment replacement at all three golf courses (\$100,000.00), and repairs to the cart storage and maintenance facility at Pecan Valley Golf Course (\$25,000.00). Funding for this project was not included in the FY2021-2025 Capital Improvement Program (CIP) due to projects not identified until after the CIP was approved. The action in this M&C will amend the FY2021-2025 CIP as approved in connection with Ordinance 24446-09-2020.

Municipal golf courses are classified as special use citywide facilities that serve the entire City of Fort Worth.

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

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the Municipal Golf Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the General Capital Projects Fund for the Golf Improvements programmable project. Prior to an expenditure being incurred, the Park & Recreation Department has the responsibility of verifying the availability of funds.

Submitted for City Manager's Office by: Valerie Washington 6192

Originating Business Unit Head: Richard Zavala 5704

Additional Information Contact: Dave Lewis 5717