

Mayor and Council Communication

DATE: 09/12/23

M&C FILE NUMBER: M&C 23-0779

LOG NAME: 80CTPP TRUE UP

SUBJECT

(ALL) Adjust Community Tree Planting Program Appropriations in Various Funds and Amounts to Bring Revenues and Expenditures into Balance for the Operating Budget for Fiscal Year 2023, Enact Budget Adjustments to Reallocate Resources, Authorize All Associated Transfers and Adopt Appropriation Ordinances

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the PARD Gas Lease Capital Project Fund in the amount of \$728,910.96, from available funds, for the purpose of funding the Transfer Out project (City Project No. 101770);
2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Tree Mitigation Capital Fund in the amount of \$50,000.00, from available funds, for the purpose of funding the Transfer Out project (City Project No. 101770);
3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Community Tree Planting Program Fund, in the amount of \$140,000.96, transferred from the PARD Gas Lease Capital Project Fund, for the purpose of satisfying the City's Special Revenue Fund reserve requirement and in the amount of \$50,000.00, transferred from the Tree Mitigation Capital Fund, for the purpose of funding the Urban Forest Master Plan Survey; and
4. Amend the Fiscal Year 2023 Adopted Budget.

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 current budget and authorize transactions to reflect actual performance for the fiscal year ending September 30, 2023. 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).

Appropriations reflected in the attached ordinances include adjusted appropriations in the departmental budgets within the Community Tree Planting Program (CTPP) Fund to bring the Fund into compliance with the City's Financial Management Policy Statements (FMPS) for Special Revenue Fund Reserve Levels:

"Section III. Special Revenue Funds D. Reserve Levels – The City will maintain a combined Restricted and Assigned Fund Balances in Special Revenue Funds equivalent to two months (16.67%) of the next fiscal year budgeted operating expenditures."

Below is a brief explanation of the activity that caused deviations from the adopted budget:

Community Tree Planting Program Fund (CTPP):

Fiscal Year 2021

In March of 2020, the PARD submitted the Fiscal Year (FY) 2021 Community Tree Planting Program (Program) budget funded by a transfer from the Park & Recreation Department (PARD) Gas Lease Capital Project Fund (Annual City Appropriation Ordinance 2446-09-2020). This transfer did not occur. On February 8, 2022, M&C 22-0088 opted instead to fund the FY2021 program from CTPP fund balance.

FY2023

In March of 2022, the PARD submitted the FY2023 Program budget to be partially funded from the PARD Gas Lease Capital Project Fund and partially funded from CTPP fund balance (Annual City Appropriation Ordinance 25773-09-2022). Since the CTPP fund balance was depleted by the actions in M&C 22-0088, the PARD will use the funds in PARD Gas Lease Capital Project Fund that should have been used in FY2021 to fully fund the program in FY2023, and restore the CTPP fund balance to meet City reserve level requirements.

Meeting the City's FMPS Reserve Level for Special Revenue Fund Reserve Levels

The CTPP FY2023 operating budget includes \$320,978.00 for salaries and benefits and \$137,904.00 for operations and maintenance for a total of \$458,882.00 for a combined total expenditure of \$458,882.00. The FY2023 FMPS Reserve Level for this fund is \$76,495.63.

Revenue Adjustments

COMMUNITY TREE PLANTING FUND

Decrease fund balance receipts to the Community Tree Planting Program Fund by \$4,162.00 because the fund is below reserve levels and the original budgeted transfer is being exchanged with a transfer from the PARD Gas Lease Capital Project fund. The exchange of revenue source

