# City of Fort Worth, Texas

# 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 CTTP 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 combinded 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

within the fund will result in a net impact of \$0.00 to the budget.

## TREE MITIGATION CAPITAL FUND

Increase appropriations from the Tree Mitigation Capital Fund by \$50,000.00 becase in January of 2022, the Texas Tree Foundation (TTF) approached the Development Services Department (DSD) regarding the development of an Urban Forestry Master Plan (UFMP). The proposal by the TTF included a request for funding in the amount of \$50,000.00. The requested amount will be combined with sponsorships, donations and other funding secured by TTF to complete the full scope of the project. The contribution of the TTF to the project will be a minimum of \$250,000.00.

The action in this M&C will amend the Fiscal Year 2023 Adopted Budget as approved in connection with Ordinance 25773-09-2022, Section 2, Special Revenue Funds, as listed on page 5.

Fund / Department	FY2023		Budget Adjustment		Revised FY2023 Budget		
Budget Category	Adopted Budget						Authority
Community Tree Planting Program Fund							
Revenues							
Transfers from Park Gas Lease Revenue	\$	588,910.00	This M&C	\$	140,000.96	\$	728,910.96
Transfer from Tree Mitigation Capital	\$	0.00	This M&C	\$	50,000.00	\$	50,000.00
Use of Fund Balance/Net Position	\$	4,162.00		\$	(4,162.00)	\$	-
Total Revenues	\$	593,072.00		\$	185,838.96	\$	778,910.96
Expenditures							
Park and Recreation	\$	458,882.00		\$	\$50,000.00	\$	508,882.00
Transfer to Capital Fund	\$	134,190.00		\$	-	\$	134,190.00
Contribution to Fund Balance	\$	-	This M&C	\$	135,838.96	\$	135,838.96
Total Expenditures	\$	593,072.00		\$	185,838.96	\$	778,910.96

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 Unspecified-Gas Lease Rev and Unspecified Restr Park projects within the PARD Gas Lease Capital Project Fund and the Tree Mitigation Capital Fund, and that upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the current operating budget, as appropriated, in the Community Tree Planting Prog Fund. Prior to any expenditure being incurred, the Park & Recreation Department has the responsibility to validate the availability of funds

Submitted for City Manager's Office by: Jesica L. McEachern 5804

Originating Business Unit Head: Dave Lewis 5717

Additional Information Contact: Joel McElhany 5745