

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 08/12/25 M&C FILE NUMBER: M&C 25-0660

LOG NAME: 03FY2025WINDUP

SUBJECT

(ALL) Adopt Appropriation Ordinances to Enact Fiscal Year 2025 Year-End Budget Adjustments by Reallocating Resources, Operating Surpluses, Available Current-Year Revenues, and Available Fund Balance and Net Position to Offset Projected Shortfalls, Fund Departmental Capital Projects and Outlays, Authorize All Associated Transfers, and Amend the Fiscal Year 2025 Adopted Budget in the Amount of \$17,251,031.32

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance reallocating a combined total of \$18,025,500.00 in appropriations in the General Fund by increasing the General Fund budgets for the following departments:
 - A. Police department by \$10,387,000.00 for funding the Meet and Confer Agreement, Separation Leave, Tuition Reimbursement, Pay Structure and Minimum Wage adjustments, and Civil Service Separation Leave;
 - B. Fire department by \$3,937,000.00 for funding Separation Leave, Tuition Reimbursement, Pay Structure and Minimum Wage adjustments, and Civil Service Separation Leave, and Outside Fleet Maintenance;
 - C. Library department by \$1,024,500.00 for funding Separation Leave, Tuition Reimbursement, Pay Structure and Minimum Wage adjustments, and Vacancy Rate adjustment;
 - D. Development Services department by \$531,000.00 for funding Separation Leave, Tuition Reimbursement, Pay Structure and Minimum Wage adjustments, Vacancy Rate adjustment, and Other adjustment;
 - E. City Manager's Office department by \$530,000.00 for funding Separation Leave, Tuition Reimbursement, Pay Structure and Minimum Wage adjustments, and Other adjustment;
 - F. Park and Recreation department by \$355,000.00 for funding Separation Leave, Tuition Reimbursement, Pay Structure, and Minimum Wage adjustments;
 - G. Transportation & Public Works department by \$344,000.00 for funding Separation Leave, Tuition Reimbursement, Pay Structure and Minimum Wage adjustments, and Vacancy Rate adjustment;
 - H. Neighborhood Services department by \$276,000.00 for funding Separation Leave, Pay Structure and Minimum Wage adjustments, Vacancy Rate adjustment, and Other adjustment;
 - I. Municipal Court department by \$177,000.00 for funding Separation Leave, Tuition Reimbursement, Pay Structure and Minimum Wage adjustments, and Vacancy Rate adjustment;
 - J. Human Resources department by \$160,000.00 for funding Separation Leave and Vacancy Rate adjustment;
 - K. City Attorney department by \$146,000.00 for funding Separation Leave, Pay Structure and Minimum Wage adjustments, and Other adjustment;
 - L. City Secretary department by \$90,000.00 for funding Election Costs;
 - M. Code Compliance department by \$50,000.00 for funding Separation Leave;
 - N. Financial Management Services department by \$11,000.00 for funding Separation Leave; and
 - O. Communications & Public Engagement department by \$7,000.00 for funding Separation Leave;and decreasing the Non-Departmental department in the General Fund by the same amount;
2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Capital Projects Service Fund in the amount of \$900,000.00, from higher-than-budgeted current-year revenue from Capital Projects Services fees, for the purpose of funding the Salary and Benefits due to overage;
3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Group Health Insurance Fund in the amount of \$16,005,000.00, from available Interest Earnings, Contributions From Others (pharmacy rebates), Miscellaneous Revenue, and use Net Position, for the purpose of funding the Claim Payments and Settlements;
4. Adopt the attached appropriation ordinance decreasing appropriations in the Risk Financing Fund in the amount of \$753,968.68 and reducing use of Net Position, for the purpose of Fund Balancing;
5. Authorize all necessary transfers to effect the appropriations identified above; and

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to take actions to bring various funds into balance to facilitate yearend closing and to comply with the City Charter, this process occurs annually.

The City'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 and fund's operation (for FY2025, Ordinance No. 27107-09-2024, hereinafter the Ordinance). The current practice is to bring forward this Windup M&C during the fiscal year to address items that have arisen and to allocate anticipated net savings to meet one-time needs or to address projected overages that have occurred during the fiscal year.

General Fund (Recommendation 1)

Per Section 1 of the Ordinance, the General Fund adopted budget for FY2025 was \$1,057,175,646.00. Supplemental appropriations of \$29,567,818.42 throughout the year resulted in an adjusted budget of \$1,086,743,464.42 This M&C recommends reallocating \$18,025,500.00 in budgets between the Non-Departmental "department" and other General Fund departments to cover items such as the shortfall due to the Meet and Confer agreement, Separation Leave, Tuition Reimbursement, Pay Structure and Minimum Wage adjustments, Civil Service and non-civil-service Separation Leave, Claim Payment and Settlements, and Salaries and Benefits expenses.

Fund / Department	FY2025 Adopted Budget	Authority	Budget Adjustment	Revised FY2025 Budget
Budget Category				
General Fund				
Revenues				
Property Tax	\$ 613,085,967.00			\$ 613,085,967.00
Sales Tax	\$ 252,700,000.00			\$ 252,700,000.00
Payment in Lieu of Taxes	\$ 7,426,064.00			
Street Rental	\$ 31,701,602.00			
Other Tax	\$ 62,635,580.00			\$ 62,635,580.00
License & Permits	\$ 24,554,040.00			\$ 24,554,040.00
Intergovernmental Revenue	\$ 595,641.00			\$ 595,641.00
Charge For Services	\$ 37,556,499.00			\$ 37,556,499.00
Fines & Forfeitures	\$ 6,541,792.00			\$ 6,541,792.00
Use of Money & Property	\$ 2,131,433.00	M&C 25-0003	\$ 5,000,000.00	\$ 7,131,433.00
Other Revenue	\$ 2,809,481.00			\$ 2,809,481.00
Sale of Abandoned Property	\$ 1,250,000.00			\$ 1,250,000.00
Salvage Sales	\$ 2,000.00			\$ 2,000.00
Transfer from Solid Waste	\$ 7,390,059.00			
Transfer from Culture Tourism	\$ 907,750.00			
Transfer from Gen Endow Gas Ls (Public Art)	\$ 532,346.00			
Transfer from Taxing Increment Reinvestment Zone (TIRZ)	\$ 450,183.00			
Transfer from PACS Dedication	\$ 177,000.00			
Transfer from Public Improvement Districts (PIDs)	\$ 323,125.00			
Transfer from Stormwater Utility	\$ 1,397,487.00			
Transfer from Water and Sewer	\$ 1,433,518.00			
Other Interdepartmental Transfers	\$ 1,574,079.00			
Use of Fund Balance / Net Position	\$ 0.00	M&C 25-0003	\$ 6,491,571.00	\$ 24,199,590.00
		M&C 25-0244	\$ 3,450,000.00	
		M&C 25-0255	\$ 2,000,000.00	
		M&C 25-0321	\$ 1,000,000.00	
		M&C 25-0324	\$ 1,500,000.00	
		M&C 25-0447	\$ 9,472,519.00	
		M&C 25-0643	\$ 285,500.00	
Total Transfer In Adjustment	\$ 0.00	M&C 25-0186	\$ 368,228.42	\$ 53,681,441.42
Total Revenues	\$ 1,057,175,646.00		\$ 29,567,818.42	\$ 1,086,743,464.42

Expenditures				
City Attorney's Office	\$12,013,794.00			\$12,013,794.00
		This M&C Rec 1	\$146,000.00	\$146,000.00

City Auditor's Office	\$2,413,014.00			\$2,413,014.00
City Manager's Office	\$9,791,224.00	M&C 25-0003	\$707,205.00	\$10,498,429.00
		This M&C Rec 1	\$530,000.00	\$530,000.00
City Secretary's Office	\$2,898,839.00			\$2,898,839.00
		This M&C Rec 1	\$90,000.00	\$90,000.00
Code Compliance	\$27,155,751.00			\$27,155,751.00
		This M&C Rec 1	\$50,000.00	\$50,000.00
Communications & Public Engagement	\$6,196,254.00			\$6,196,254.00
		This M&C Rec 1	\$7,000.00	\$7,000.00
Diversity & Inclusion Department	\$2,863,536.00	M&C 25-0003	\$227,666.00	\$3,091,202.00
Development Services	\$30,030,510.00			\$30,030,510.00
		This M&C Rec 1	\$531,000.00	\$531,000.00
Economic Development	\$40,430,745.00			\$40,430,745.00
Subsidy to Culture & tourism (380 Agreement)	\$3,525,815.00			\$3,525,815.00
Transfer to PIDs	\$396,869.00			\$396,869.00
Transfer to Economic incentive fund	\$5,000,000.00			\$5,000,000.00
Transfer to Culture and Tourism	\$120,000.00			\$120,000.00
Environmental Services	\$4,669,998.00			\$4,669,998.00
Financial Management Services	\$16,777,673.00			\$16,777,673.00
		This M&C Rec 1	\$11,000.00	\$11,000.00
Fire	\$219,252,911.00			\$219,252,911.00
		This M&C Rec 1	\$3,937,000.00	\$3,937,000.00
Transfer to Municipal Airport Fund (Fire Lease)	\$59,500.00			\$59,500.00
FWLab	\$12,672,222.00	M&C 25-0003	\$470,594.00	\$13,142,816.00
Human Resources	\$7,999,360.00	M&C 25-0003	\$109,000.00	\$8,108,360.00
		M&C 25-0003	\$5,000,000.00	\$5,000,000.00
		This M&C Rec 1	\$160,000.00	\$160,000.00
Library	\$27,737,255.00	M&C 25-0186	\$368,228.42	\$28,105,483.42
		M&C 25-0447	\$9,472,519.00	\$9,472,519.00
		This M&C Rec 1	\$1,024,500.00	\$1,024,500.00
Public Art	\$1,786,370.00			\$1,786,370.00
Municipal Court	\$15,844,977.00			\$15,844,977.00
		This M&C Rec 1	\$177,000.00	\$177,000.00
Transfer to the Municipal Parking	\$600,000.00			\$600,000.00
Neighborhood Services	\$11,103,681.00	M&C 25-0003	\$518,058.00	\$11,621,739.00
		This M&C Rec 1	\$276,000.00	\$276,000.00
United Way	\$199,500.00			\$199,500.00
Transfer to Neighborhood Improvement Strategies project (Paygo)	\$4,205,000.00			\$4,205,000.00
Transfer to the General Capital Fund	\$2,000,000.00			\$2,000,000.00
Park and Recreation	\$72,262,111.00	M&C 25-0321	\$1,000,000.00	\$73,262,111.00
		M&C 25-0324	\$1,500,000.00	\$1,500,000.00
		This M&C Rec 1	\$355,000.00	\$355,000.00
Transfer to the General Capital Fund (Paygo)	\$3,530,000.00			\$3,530,000.00
Transfer to the PIDs and TIRZ	\$679,591.00			\$679,591.00
Transfer for YMCA Contract	\$12,000.00			\$12,000.00
Transfer to Neighborhood Services	\$45,000.00			\$45,000.00
Police	\$327,208,011.00	M&C 25-0003	\$61,456.00	\$327,269,467.00
		This M&C Rec 1	\$10,387,000.00	\$10,387,000.00
Property Management	\$26,646,708.00	M&C 25-0003	\$1,458,592.00	\$28,105,300.00
		M&C 25-0244	\$3,450,000.00	\$3,450,000.00
Transfer to the General Capital Fund (Paygo)	\$5,201,000.00			\$5,201,000.00
Transfer to Vehicle and Equipment Replacement Fund	\$4,500,000.00			\$4,500,000.00
Transportation and Public Works	\$41,270,629.00			\$41,270,629.00
		This M&C Rec 1	\$344,000.00	\$344,000.00
Transfer to the General Capital Fund (Paygo)	\$66,023,204.00	M&C 25-0255	\$2,000,000.00	\$68,023,204.00
		M&C 25-0643	\$285,500.00	\$285,500.00
Non-Departmental	\$0.00	M&C 25-0003	\$2,939,000.00	\$2,939,000.00
		This M&C Rec 1	(\$18,025,500.00)	(\$18,025,500.00)

Separation Pay	\$8,000,000.00			\$8,000,000.00
Employee Recruitment and Retention Fund	\$2,400,000.00			\$2,400,000.00
Police Overtime Contingency	\$2,000,000.00			\$2,000,000.00
Contractual Services	\$16,005,346.00			\$16,005,346.00
Tuition Reimbursement	\$172,478.00			\$172,478.00
Transfer to the General Capital Fund (Paygo) - Technology Infrastructure	\$5,480,961.00			\$5,480,961.00
Transfer to the General Capital Fund (Paygo) - IT Capital	\$3,911,000.00			\$3,911,000.00
Transfer to the General Capital Fund (Paygo) - Community Partnerships	\$1,000,000.00			\$1,000,000.00
Transfer to IT Refresh Capital	\$2,912,809.00			\$2,912,809.00
Transfer to Municipal Golf (Operating Subsidy)	\$170,000.00			\$170,000.00
Total Expenditures	\$ 1,057,175,646.00		\$ 29,567,818.42	\$ 1,086,743,464.42

Capital Projects Service Fund (Recommendation 2)

Per Section 5 of the Ordinance, the FY2025 adopted budget for the Capital Project Service Fund was \$18,566,073.00, based on the anticipated capital projects for the fiscal year and the amount of internal service fees paid for such projects. This M&C recommends a \$900,000.00 increase in appropriations, for an adjusted budget of \$19,466,073.00. The Capital Project Service Fund is projected to be over their expense budget due to separation leave, higher Bilingual and Incentive pay, Salaries & Benefits increase for funding rapid Capital Delivery hiring, and unexpected Inspection Services Overtime.

Because of better-than-anticipated weather conditions, more projects are expected to be commenced prior to fiscal-year end, which will result in an increase in revenue from internal Charges for Services from additional TPW Capital Projects. That higher-than-budgeted revenue will offset the fund's projected deficit. The action in this M&C will amend the Fiscal Year 2025 Adopted Budget as approved in connection with Section 5 of the Ordinance, Internal Service Funds, as listed on page 21:

Fund / Department	FY2025 Adopted Budget	Authority	Budget Adjustment	Revised FY2025 Budget
Budget Category				
Capital Projects Service Fund				
Revenues				
Charges for Services	\$18,193,932.00	This M&C Rec 2	\$900,000.00	\$19,093,932.00
Use of Money and Property	\$110,000.00			\$110,000.00
Use of Fund Balance/Net Position	\$262,141.00			\$262,141.00
Total Revenues	\$18,566,073.00		\$900,000.00	\$19,466,073.00
Expenditures				
Transportation and Public Works	\$17,652,649.00	This M&C Rec 2	\$900,000.00	\$18,552,649.00
Transfer to General Fund	\$40,382.00			\$40,382.00
Transfer to Capital Fund	\$758,560.00			\$758,560.00
Transfer for IT Capital Refresh	\$114,482.00			\$114,482.00
Total Expenditures	\$18,566,073.00		\$900,000.00	\$19,466,073.00

Group Health Insurance Fund (Recommendation 3)

Per Section 5 of the Ordinance, the FY2025 adopted budget for the Group Health Fund was \$91,409,175.00. This M&C recommends an increase in appropriations of \$16,005,000.00, for an adjusted budget of \$107,414,175.00. The Group Health Fund is projected to be over budget this fiscal year due to rising trends in medical and prescription drug (Rx) claims. This deficit will be covered from available Interest earnings, Contributions From Others (Rx rebates), Miscellaneous Revenue, and use of Net Position. The action in this M&C will amend the Fiscal Year 2025 Adopted Budget as approved in connection with Section 5 of the Ordinance, Internal Service Funds, as listed on page 23:

Fund / Department	FY2025 Adopted Budget	Authority	Budget Adjustment	Revised FY2025 Budget
Budget Category				
Group Health Insurance Fund				
Revenues				
Charges for Services	\$1,888,698.00			\$1,888,698.00
Use of Money and Property	\$8,600,000.00	This M&C Rec 3	\$2,965,000.00	\$11,565,000.00
Other – Payment for Services from Other Funds	\$79,384,368.00	This M&C Rec 3	\$2,540,000.00	\$81,924,368.00
Use of Fund Balance/Net Position	\$1,536,109.00	This M&C Rec 3	\$10,500,000.00	\$12,036,109.00
Total Revenues	\$91,409,175.00		\$16,005,000.00	\$107,414,175.00
Expenditures				
Human Resources	\$91,398,087.00	This M&C Rec 3	\$16,005,000.00	\$107,403,087.00
Transfer to IT Refresh Capital	\$11,088.00			\$11,088.00
Total Expenditures	\$91,409,175.00		\$16,005,000.00	\$107,414,175.00

Risk Financing Fund (Recommendation 4)

Per Section 5 of the Ordinance, the FY2025 adopted budget for the Risk Finance Fund was \$35,823,905.00, which included a \$753,968.68 use of net position. M&C appropriations throughout the year increased the budget by \$5,753,968.68, resulting in an adjusted budget of \$41,577,873.68. These actions resulted in a budgeted contribution to net position but neglected to zero out the originally budgeted use of net position. This M&C recommends decreasing appropriations in the fund by \$753,968.68 - zeroing out the original use of net position and reducing the contribution to net position by that same amount - to more accurately reflect the status of the fund. This results in an adjusted budget of \$40,823,905.00. The action in this M&C will amend the Fiscal Year 2025 Adopted Budget as approved in connection with Section 5 of the Ordinance, Internal Service Funds, as listed on page 24:

Fund / Department	FY2025 Adopted Budget	Authority	Budget Adjustment	Revised FY2025 Budget
Budget Category				
Risk Financing Fund				
Revenues				
Use of Money and Property	\$250,000.00			\$250,000.00
Other – Payment for Allocated Services from Other Funds	\$35,573,905.00			\$35,573,905.00
Transfer In	\$0.00	M&C 25-0003	\$5,000,000.00	\$5,000,000.00
Use of Fund Balance / Net Position	\$0.00	M&C 24-1075	\$248,150.68	\$248,150.68
		M&C 24-1076	\$115,818.00	\$115,818.00
		M&C 25-0245	\$140,000.00	\$140,000.00
		M&C 25-0569	\$250,000.00	\$250,000.00
		This M&C Rec 4	(\$753,968.68)	(\$753,968.68)
Total Revenues	\$35,823,905.00		\$5,000,000.00	\$40,823,905.00
Expenditures				
Human Resources	\$33,319,270.00	M&C 24-1075	\$248,150.68	\$33,567,420.68
		M&C 25-0245	\$140,000.00	\$140,000.00
		M&C 25-0569	\$250,000.00	\$250,000.00
Transfer to IT Refresh Capital	\$0.00			\$0.00
Contribution to Fund Balance / Net Position	\$2,504,635.00			\$2,504,635.00
		M&C 25-0003	\$5,000,000.00	\$5,000,000.00
		This M&C Rec 4	(\$753,968.68)	(\$753,968.68)
Transfer Out & Other	\$0.00	M&C 24-1076	\$115,818.00	\$115,818.00
Total Expenditures	\$35,823,905.00		\$5,000,000.00	\$40,823,905.00

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 upon the approval of the above recommendations and adoption of the attached ordinances, funds will be available in the current operating budget, as appropriated, of the General Fund, Capital Projects Service Fund, Group Health Insurance Fund and Risk Financing Fund. 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: Jay Chapa 6113

Originating Business Unit Head: Christianne Simmons 6222

Additional Information Contact: Cristi Lemon 8501

Expedited