

# Mayor and Council Communication

DATE: 05/24/22

M&C FILE NUMBER: M&C 22-0364

LOG NAME: 03FY2022MIDYEARADJUSTMENTS

## **SUBJECT**

(ALL) Adopt Attached Appropriation Ordinances to Amend Fiscal Year 2022 Mid-Year Budget Adjustments by Reallocating Resources, Authorize All Associated Transfers, and Amend the Fiscal Year 2022 Adopted Budget in the Total Amount of \$639,131.00

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## **RECOMMENDATION:**

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance reallocating appropriations in the Non-Departmental Department of the General Fund by decreasing appropriations in the General Operating and Maintenance category in the total amount of \$639,131.00 and increasing the following General Fund Departments budget by the same amount, for making the Fiscal Year 2022 mid-year adjustments in the General Fund:

A. Increasing appropriations in the General Operating and Maintenance category of the City Secretary Office by \$250,000.00, for the purpose of funding Election costs;

B. Increasing appropriations in the Transfers and Other category of the Economic Development Department by \$89,131.00, for the purpose of transferring to Public Improvement District FWPID #1 - Downtown Fund; and

C. Increasing appropriations in the General Operating and Maintenance category of the Diversity and Inclusion Department by \$300,000.00, for the purpose of funding Business Equity Program.

2. Amend the Fiscal Year 2022 Adopted Budget.

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## **DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to take actions to facilitate mid-year adjustments and to comply with City Charter. Those actions can generally be described as adjusting funding among General Fund departments.

The City's annual operating budget is formally enacted into law by City Council action adopting an appropriation ordinance (Ordinance No. 25073-09-2021, see attached, hereinafter the "Ordinance") that establishes spending limits for each department's and fund's operation. In the past, staff has waited until the completion of the Annual Financial Report to affect the settlement of General Fund departments. The current practice is to bring forward this Mid-Year adjustments M&C during the fiscal year to address items that have arisen during the fiscal year.

### **General Fund** (recommendation 1)

The Non-Departmental budget in the General Fund includes allocations based on the anticipated need for separation leave costs for General Fund employees, contractual costs, election costs and tuition reimbursement costs for Fiscal Year (FY) 2022. These allocations are available to be distributed to individual departments as they have specific expenses in these areas.

This recommendation suggests the transfer of \$639,131.00 from Non-Departmental to the City Secretary Office, Economic Development Department, and Diversity and Inclusion Department.

**City Secretary's Office** - The adjustment for elections within the City Secretary Office is intended to cover the Tarrant, Denton and Parker County Election Administrator expenses and administrative costs associated specifically with the council election.

**Economic Development Department** - The adjustment for Public Improvement District 1 – Downtown (PID) allows the City to meet its' contractual obligation to reimburse the PID for City-owned property within the district. This additional cost was identified late during the FY2022 budget development process and funds were budgeted in Non-Departmental.

**Diversity & Inclusion Department** – The department created the Business Equity Partnership Program. It is a 12-month Pilot program created to increase measurable capacity-building outcomes of Business Equity partnerships. The Pilot program is separate from the partnership agreement, in place, with the Fort Worth Hispanic Chamber of Commerce and the Fort Worth Metropolitan Black Chamber of Commerce. This program addresses several of the key recommendations from the City's 2020 Disparity Study, including capacity building, increasing participation of minority business enterprises (MBEs), Outreach, Mentor-Protégé, and Training. Additionally, the program addresses the recommendations from the City's Race and Culture Task Force on capacity building for MBEs. The City is seeking non-exclusive partnerships with entities that can assist in supporting its capacity-building efforts. The City's funds will be paid out to the entities based on their reporting and verifiable Results. On January 6, 2022, the Business Equity Division, a division of the Diversity and Inclusion Department, publicly advertised a Request for Proposal for its Business Equity Partnership Program in three key areas, (1) Business Start-ups, (2) Section 3, Returning Resident Workforce & Business Development, and (3) Supply Chain Networking. The City held a virtual pre-proposal meeting on January 18, and there were approximately 40

attendees. The City received eight submissions from proposers on February 3, 2022. An evaluation committee comprised of five representatives from the Diversity and Inclusion, and Economic Development Departments reviewed the submissions. The evaluation committee met on February 16 and selected five of the eight proposers to provide consulting services in the three key areas. The contract value is not to exceed \$300,000.00

The action in this M&C will amend the Fiscal Year 2022 Adopted Budget as approved in connection with Ordinance 25073-09-2021, Section 1. General Fund, as listed on page 3.

<b>Fund / Department</b>	<b>FY2022 Adopted Budget</b>	<b>Authority</b>	<b>Budget Adjustment</b>	<b>Revised FY2022 Budget</b>
<b>Budget Category</b>				
General Fund				
Expenditures				
City Manager's Office	\$9,942,348.00	M&C 21-0964	\$167,000.00	\$10,109,348.00
City Auditor's Office	\$2,131,447.00	M&C 22-0194	\$40,000.00	\$2,171,447.00
City Secretary's Office	\$1,926,202.00	This M&C	\$250,000.00	\$2,176,202.00
Economic Development	\$35,759,114.00			\$35,759,114.00
Subsidy Culture & tourism (380 Agreement)	\$3,691,893.00			\$3,691,893.00
Transfer to Economic incentive fund	\$2,000,000.00			\$2,000,000.00
Transfer to Public Improvement District 1 fund		This M&C	\$89,131.00	\$89,131.00
Diversity & Inclusion	\$2,089,083.00	This M&C	\$300,000.00	\$2,389,083.00
Non-Departmental	\$2,932,200.00	This M&C	\$(250,000.00)	\$2,682,200.00
Separation Pay	\$8,285,537.00			\$8,285,537.00
Contractual Services	\$724,500.00	M&C 21-0964	\$(167,000.00)	
		M&C 22-0194	\$(40,000.00)	
		This M&C	\$(389,131.00)	\$128,369.00
Tuition Reimbursement	\$172,478.00			\$172,478.00
Training Initiative	\$250,000.00			\$250,000.00
Transfer to the General Capital Fund (Paygo)	\$750,000.00			\$750,000.00
Transfer to Municipal Golf (Operating Subsidy)	\$395,000.00			\$395,000.00
<b>Total Expenditures</b>	<b>\$71,049,802.00</b>		<b>\$ -</b>	<b>\$71,049,802.00</b>

Prior adjustments noted on the table above included: City Council authorized the reallocation of appropriations of \$167,000.00 for the purpose of funding costs of City contributions for the City Council Aides/District Directors who become participating members of the Retirement Fund which amended the Fiscal Year 2022 Adopted budget as approved on December 14, 2021, in M&C 21-0964; City Council authorized the reallocation of appropriations of \$40,000.00 for the purpose of funding other contractual services for the City Auditor recruitment which amended the Fiscal Year 2022 Adopted budget as approved, on March 29, 2022, in M&C 22-0194.

Funding is budgeted in the Other Contractual Services account of the Non-Departmental Department's rollup within the General Fund.

This project is located in ALL COUNCIL DISTRICTS.

A Form 1295 is not required because: This contract legally does not require City Council approval.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are currently available in the Non-Departmental Departments within the General Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the City Secretary Office and Diversity and Inclusion Department General Operating and Maintenance category and in the Economic Development Department Transfers & Other Category within the General Fund. Prior to an expenditure being incurred, the City Secretary Office, Economic Development and Diversity and Inclusion Departments have the responsibility of verifying the availability of funds.

**Submitted for City Manager's Office by:** Fernando Costa 6122

**Originating Business Unit Head:** Mark McAvoy 6222

**Additional Information Contact:**