

Mayor and Council Communication

DATE: 09/12/23

M&C FILE NUMBER: M&C 23-0746

LOG NAME: 13BUDGET AMENDMENT - WATER PRIOR LIEN DEBT SERVICE FUND

SUBJECT

(ALL) Adopt Ordinance Reallocating Estimated Receipts and Appropriations in the Water Prior Lien Debt Service Fund by Reducing Contribution to Net Position by \$782,240.00 and Increasing Debt Obligation Expenditures by the Same Amount and Amend the Fiscal Year 2023 Adopted Budget

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached ordinance reallocating estimated receipts and appropriations in the Water Prior Lien Debt Service Fund by reducing contributions to net position by \$782,240.00 and increasing debt obligation/debt service payments by the same amount; and
 2. Amend the Fiscal Year 2023 Adopted Budget.
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DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to take necessary action to authorize a technical correction to the Fiscal Year 2023 Water Prior Lien Debt Service Fund budget as a result of an oversight during the development of the Fiscal Year 2023 budget.

The annual budget development process begins with the submission of initial budget requests by the various City Departments to the Fort Worth Lab Department (FW Lab) in April. At that time, the Financial Management Services Department (FMS) provides preliminary debt service requirements to the FW Lab for each debt service fund with the understanding that the preliminary debt service requirement is based on an estimate since the City typically issues bonds later in the summer. As a result, all debt service funds associated with summer bond sales must be revised to reflect the final obligation schedule before the budget is presented to City Council for adoption.

During the development of the Fiscal Year 2023 budget, FMS provided the estimated debt service requirement for all Fiscal Year 2023 Water and Sewer obligations in late April 2022. The 2022 Water and Sewer bond sales occurred in late May 2022 with the closing occurring in late June 2022. In July 2022, FMS provided the final Water and Sewer debt service requirement to FW Lab; however, the Fiscal Year 2023 proposed budget was inadvertently not updated to reflect the revised debt service requirement.

Approval of this M&C, retroactive to October 1, 2022, will provide sufficient appropriation to meet the City's Fiscal Year 2023 Water and Sewer debt obligations. As a result of the actions listed above, the budgeted contribution to net position of \$2,754,301.00 will be reduced to \$1,972,061.00.

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 appropriation ordinance, funds will be available in the current operating budget in the Water Prior Lien Debt Service Fund. Prior to any expenditure being incurred, the Financial Management Services Department has the responsibility to validate the availability of funds.

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Expedited