



**City of Dallas**

# **FY 2023-24 Mid-Year Budget Amendments**

**Government Performance &  
Financial Management Committee  
April 23, 2024**

Janette Weedon, Director  
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Budget & Management Services

# Overview



- Background
- Overview of amendments to FY 2023-24 budget ordinance
- Recommendation and next steps



# Background



- City Charter Chapter XI
  - Annual appropriation ordinance approved by City Council establishes appropriations (Sec. 3)
  - City Council may transfer appropriations between departments, divisions, or purposes (Sec. 4)
  - City Council may appropriate excess revenue (Sec. 5)
  - City Charter does not allow for expenditure of City funds without sufficient appropriation (Sec. 6)
- City Council adopted FY 2023-24 Operating, Grants/Trust and Capital Budget ordinance on 9/20/23
- City Council amended the FY 2023-24 Operating, Grants/Trust and Capital Budget ordinance on 2/28/24 for ARPA reallocation and reprogramming
- Amendments are required to ensure compliance with City Charter and to ensure adequate departmental appropriations are available through 9/30/24





- Ordinance amendments may include:
  - Use of General Fund contingency reserve
  - Appropriation of excess or unbudgeted revenue
  - Adjustments to address forecast overruns
  - Appropriation for new programs and services
  - Grant, Trust, and Other Funds revenue and expenditure increases
  - Enterprise Funds/Internal Service revenue and expenditure increases
  - Capital appropriation adjustments
  - Appropriation adjustments previously approved by City Council resolution



# Overview of Amendments by Fund (\$ in millions)



Fund Category	FY 2023-24 Amended Budget*	Appropriation Amendments	FY 2023-24 Amended Budget
General Fund	\$1,837.6	\$2.8	\$1,840.4
Grant Funds, Trust, and Other Funds	332.8	164.0	496.8
Enterprise Funds	1,401.6	98.8	1,500.4
Internal Service/Other Funds	268.3	2.3	270.6
Capital Funds	797.1	640.0	1,437.1
<b>Total</b>	<b>\$4,637.4</b>	<b>\$907.9</b>	<b>\$5,545.3</b>

\*Reflects amended budget approved by City Council on February 28, 2024



# General Fund Amendment Overview



- Ordinance reflects \$2.8M General Fund contingency reserve transfer:
  - Park and Recreation – \$2.2M - Use of contingency reserve for preventative maintenance at Fair Park and Old City Park programming
  - Public Works – \$0.6M - Use of contingency reserve for appraisal cost, brokerage services, and RFP development services for potential redevelopment of city-owned properties



# General Fund Amendment Overview



- Net-zero transfers between departments will be used at mid-year to support:
  - City Manager's Office - Allocation of one-time termination payment from Salary & Benefit Reserve - \$0.4M
  - Office of Homeless Solutions – Reallocate funding within department to add one Senior Grants/Contract Compliance Specialist position
  - Dallas Fire Rescue – Additional funding from Aviation to add 3 new Lieutenant positions
- Salary and Benefit (S&B) Reserve will be used at mid-year to support:
  - Termination payment - \$0.4M
  - Remaining S&B eligible costs overruns will continue to be monitored for possible adjustment at year-end



# Grant, Trusts and Other Fund Amendment Overview



- American Rescue Plan Act (ARPA)
  - President Biden signed the \$1.9 trillion American Rescue Plan Act (ARPA) of 2021 into law on March 11, 2021
  - City of Dallas received \$355.4M in Local Fiscal Recovery Funds
    - All funds were allocated in September 2021 based on a three-year spending plan - FY 2021-22, FY 2022-23, and FY 2023-24
    - In September 2021, City Council approved the initial Spending Framework
    - In May 2023, City Council approved the first reallocation of ARPA funds
    - In February 2024, City Council approved an additional reallocation of ARPA funds



# Grant, Trusts and Other Fund Amendment Overview



- American Rescue Plan Act (ARPA)
  - \$159.3M transfer from ARPA Fund to the General Fund for Dallas Fire Rescue (DFR)
    - Approved by City Council on February 28, 2024
    - Additional step required to facilitate the approved transfer
    - Funding reallocation from American Rescue Plan Act (ARPA) to General Fund
    - General Fund revenue capacity transferred to multi-year fund to continue programs/projects



# Grant, Trusts and Other Fund Amendment Overview



- American Rescue Plan Act (ARPA)
  - On February 28, 2024, City Council considered ARPA reprogramming recommendation
    - Staff identified 6 programs/projects for reprogramming, allocation of interest earnings, and allocation of FEMA reimbursement for total reprogramming of \$28.1M
    - Recommendation identified 10 new programs/projects for funding consideration however City Council only approved 4 new programs/projects and reprogrammed \$18.5M
    - City Council requested additional discussion at the Government Performance and Financial Management (GPFM) Committee meeting on April 23, 2024, and City Council on May 1, 2024
    - Remaining balance of \$9.6M for funding consideration



# Grant, Trusts and Other Fund Amendment Overview



- American Rescue Plan Act (ARPA)
  - ARPA Proposed Reprogramming by Department
- Chart reflects City Council approved reprogramming on February 28, 2024
- This chart reflects net \$0 changes

Dept	Amount	Source of Funds - Description
BMS	\$(7,615,878)	Interest earnings and reimbursement from FEMA.
OEI	(17,961,207)	Bridge the digital divide through education, infrastructure, and equitable access.
OCA	(550,000)	Renovate and equip the multiform theater spaces, arts and culture within the City of Dallas. Providing affordable safe spaces to perform.
OCA	(325,000)	Cultural center programming, facilities upgrade & cultural library programing.
POM	(1,673,965)	Personal protective equipment and disinfection.
	<b>\$(28,126,050)</b>	<b>Total Source of Funds</b>

Dept	Amount	Use of Funds - Description
<b>Programs/Projects Approved by City Council – February 28</b>		
BSD	\$7,659,542	City Hall – Generators \$6.5M and Electrical \$1.2M.
BSD	6,400,000	Grant Match for Solar \$2M, Resilience at MLK \$1.4M, and Citywide Deferred Maintenance \$3M.
IITS/DFR	3,237,908	Fire Station Alerting System.
CCS	1,200,000	Demolition.
	<b>\$18,497,450</b>	<b>Total Use of Funds Approved February 28</b>

<b>Remaining Projects for Consideration</b>		
OBM	\$5,000,000	General Fund departments moving to Stemmons.
OHS	2,500,000	Permanent Supportive Housing.
BMS	1,738,600	Compliance monitoring – contract services.
SBC	100,000	Compliance and monitoring.
ATT	50,000	Legal compliance support.
	<b>\$9,628,050</b>	<b>Total Use of Funds Pending Approval May 8</b>
	<b>\$28,126,050</b>	<b>Total Use of Funds</b>



# Grant, Trusts and Other Fund Amendment Overview



- Additional appropriation adjustments within Grants, Trusts, and Other Funds are supported by additional revenues that have become available during the fiscal year or net zero transfers
  - Other – close-out of old grant funds - \$2.7M
  - Transportation (Parking Lots and Bike Lane Funds) - \$0.9M
  - Opioid Abatement Fund - \$0.6M
  - Development Services - Reforestation - \$0.3M
  - Public Improvement Districts - \$0.2M



# Enterprise Fund Amendment Overview



- Appropriation adjustments within Enterprise Funds are supported by increased revenues or available fund balance from FY 2022-23 end-of-year
  - Convention & Event Services - \$15.8M
    - Use of fund balance to support capital construction
  - Stormwater Drainage Management - \$9.0M
    - Appropriations approved by the City Council since 10/1/2023 - \$6.0M
    - Use of fund balance to support capital construction and equipment purchases - \$3.0M
  - Dallas Water Utilities - \$74.0M
    - Use of fund balance to support capital construction and equipment purchases



# Internal Service Fund Amendment Overview



- Appropriation adjustment within Internal Service Fund is supported by increased revenues or available fund balance
  - Equipment and Fleet Management - \$2.3M
    - Supports additional maintenance/vehicle part costs to support Sanitation and purchase of replacement vehicles for Dallas Water Utilities



# Capital Fund Amendment Overview



- Appropriation adjustments for capital funds reflect adjustments previously approved by City Council, new appropriation requests, and transfers between funds
  - Previously approved adjustments - \$95.1M
    - Appropriations approved by the City Council since 10/1/2023
  - New appropriation requests - \$544.9M



# Capital Fund Amendment Overview



- New appropriation requests, and transfers between funds
  - 2017 Bond Program Overruns - \$215.0M
    - City Council approved authorization to issue Certificates of Obligation on March 27, 2024
    - Street and Transportation – \$183.8M
    - Park and Recreation Facilities - \$1.2M
    - Flood Protection and Storm Drainage Facilities - \$30.0M
  - Supports Fair Park, and Stormwater projects - \$127.0M
    - City Council approved authorization to issue Certificates of Obligation on March 27, 2024
    - Adopted budget and previous City Council resolution included budget appropriation for street improvements, and Fair Park
  - Dallas Water Utilities - \$74.0M
    - \$51.0M for reducing commercial paper outstanding
    - \$14.0M for new billing system
    - \$9.0M for construction of new service center



# Capital Fund Amendment Overview



- New appropriation requests, and transfers between funds
  - Supports Trinity East Energy Settlement - \$53.8M
    - City Council approved authorization to issue Certificates of Obligation on February 14, 2024
    - Settlement disbursed on March 27, 2024
  - Supports existing Fire Apparatus/Ambulance and General Fleet purchases - \$45.5M
    - City Council approved authorization to issue Equipment Acquisition Notes on November 8, 2023
  - Supports Information Technology Services investments - \$24.4M
    - City Council approved a new Master Lease Program on April 10, 2024
    - Appropriations reflect delayed projects in FY 2022-23 and planned projects in FY 2023-24
  - Supports Stormwater Drainage Management - \$3.0M
  - Other Appropriations - \$2.3M
    - Supports EFM vehicle purchases, interest earnings, and close-out of old bond



# Recommendation and Next Steps



- Staff recommends amending the FY 2023-24 budget appropriation ordinance
- City Council will consider the ordinance amendment on May 8, 2024
- Continue to monitor/forecast revenue and expense, and report to GPFM through Budget Accountability Report (BAR)
- Brief GPFM on year-end adjustments and seek City Council approval in September





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