Ordinance No. 18159-07-2008

AN ORDINANCE INCREASING APPROPRIATIONS FOR FY2006 BY $3,604,415 IN THE GENERAL FUND DEPARTMENTS THAT ARE OVER BUDGET AND DECREASING THE UNRESERVED, UNDESIGNATED GENERAL FUND BALANCE BY THE SAME AMOUNT FOR THE PURPOSE OF FUNDING YEAR END BUDGET ADJUSTMENTS AND PROVIDING A BALANCED BUDGET FOR FY2006; PROVIDING FOR A SEVERABILITY CLAUSE; MAKING THIS ORDINANCE CUMULATIVE OF PRIOR ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:

SECTION 1.

That in addition to those amounts allocated to the various City departments for Fiscal Year 2005-2006 in the Budget of the City Manager, there shall also be increased appropriations for FY2006 by $3,604,415 in the General Fund Departments that are over budget and decreasing the Unreserved, Undesignated General Fund balance by the same amount for the purpose of funding year end budget adjustments and providing a balanced budget for FY2006.

SECTION 2.

That should any portion, section or part of a section of this ordinance be declared invalid, inoperative or void for any reason by a court of competent jurisdiction, such decision, opinion or judgment shall in no way impair the remaining portions, sections, or parts of sections of this ordinance, which said remaining provisions shall be and remain in full force and effect.

SECTION 3.

That this ordinance shall be cumulative of Ordinance No. 16582-09-2005 and all other ordinances and appropriations amending the same except in those instances where the provisions of this ordinance are in direct conflict with such other ordinances and appropriations, in which instance said conflicting provisions of said prior ordinances and appropriations are hereby expressly repealed.

SECTION 4.

This ordinance shall take effect upon adoption.

APPROVED AS TO FORM AND LEGALITY:

Assistant City Attorney

ADOPTED AND EFFECTIVE: July 8, 2008

City of Fort Worth, Texas
Mayor and Council Communication

COUNCIL ACTION: Approved on 7/8/2008 - Ord. No. 18159-07-2008, 18160-07-2008 & 18161-07-2008

DATE: Tuesday, July 08, 2008
LOG NAME: 13FY06 YRENDADJ **REFERENCE NO.: G-16197**

SUBJECT:
Adopt Supplemental Appropriation Ordinances for Fiscal Year 2006 Year End Budget Adjustments

RECOMMENDATION:
In is recommended that the City Council:

1. Adopt the attached supplemental appropriation ordinance increasing appropriations for Fiscal Year 2006 by $3,604,415 in the General Fund departments that are over budget and decreasing the unreserved, undesignated General Fund balance by the same amount;

2. Adopt the attached supplemental appropriation ordinance increasing estimated receipts and appropriations for Fiscal Year 2006 by $588,929 in the Retirement Fund; and

3. Adopt the attached supplemental appropriation ordinance increasing appropriations for Fiscal Year 2006 by $61,752 in the Culture and Tourism Fund and decreasing the unreserved, undesignated Culture and Tourism Fund balance by the same amount.

DISCUSSION:

The City's annual General Fund 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 M&C is to provide the City Council with the final balanced budget, per the audit, for the year-ending September 30, 2006. This process begins with the recording of all expenditures from October 1, 2005, to September 30, 2006, plus all expenditures found posted to the current year that should be posted as prior year expenditures. As a result of the external auditors' review, additional expenditure entries are either posted or re-classed, resulting in changes to departments' final total expenditures. All departments' final expenditures are then compared against the budgeted amount approved from the original or supplemental appropriation during the year, which results in today's action.

The amounts over budget must be appropriated by action of the City Council in accordance with the City Charter (Chapter X, Section 5, Expenditure Only Pursuant to Appropriations). This action represents the final step before the audit can be completed and the Comprehensive Annual Financial Report be published.

GENERAL FUND DEPARTMENT	ADDITIONAL APPROPRIATIONS
Budget and Management Services	$61,531.00
City Secretary	$83,800.00
Finance	$72,871.00
Economic and Community Development	$78,411.00

Housing	$131,173.00
Public Events and Facilities	$1,331,428.00
Public Health	$35,072.00
Fire	$847,046.00
Transportation and Public Works	$956,486.00
Zoo	$6,597.00
Total General Fund	**$3,604,415.00**

Below is a brief explanation of the activity that caused these departments to exceed their budgets:

Budget and Management Services – Overage is due to overage positions due to organizational restructuring, information technology purchases related to the overages and increases in office copy supplies due to new network copier.

City Secretary – Overage is primarily due to an increase in operating supplies, advertising and office equipment.

Finance – Overage is due to an increase in operating supplies, temporary labor services, advertising and other contractual services.

While this M&C concentrates on the departments that need additional appropriations, it is appropriate to note that Fiscal Year 2006 revenue collections were over budget for the General Fund, as follows:

REVENUES (000's Omitted)	ACTUAL	BUDGET	VARIANCE
General Property Taxes	$259,483	$255,887	$3,596
Other Local Taxes	$114,475	$106,087	$8,388
Charges for Services	$14,981	$15,157	($176)
Licenses and Permits	$49,642	$55,807	($6,165)
Fines and Forfeitures	$10,980	$11,658	($678)
Revenue from Use of Money and Property	$8,983	$8,036	$947
Interest Income	$5,266	$2,997	$2,269
Intergovernmental	$657	$935	($278)
Gas Leases and Royalties	$231	$0	$231
Other	$5,858	$2,460	$3,398
Total Revenues	**$470,556**	**$459,024**	**$11,532**

It is also noteworthy to mention departments that did not exceed or had savings below the approved budget, as identified below. Savings noted below may or may not be fully realized because the funds are rolled over for use in Fiscal Year 2006-2007. This occurs most often when a construction contract takes more than a year to execute or when vehicles take longer than a year to bid, order and receive.

DEPARTMENT APPROPRIATED SAVINGS

Mayor and Council	$22,800.00
City Manager	$71,285.00
Internal Audit	$28,782.00
Legal	$60,929.00
Human Resources	$510,316.00
Code Compliance	$477,821.00
Environmental Management	$84,070.00
Non-Departmental	$540,489.00

Community Relations Department	$40,146.00
Parks and Community Services	$644,182.00
Development	$136,873.00
Planning	$54,946.00
Library	$411,099.00
Police	$668,583.00
Municipal Court	$525,678.00
Total Savings General Fund	**$4,277,999.00**

Mayor and Council – Savings in mileage reimbursements and travel costs partially offset by overages in operating supplies.

City Manager – Savings in personnel costs partially offset by overages in operating supplies, travel expenses and other contractual services.

Internal Audit – Savings in personnel costs and IT supplies and services.

Legal – Savings in personnel costs and outside legal services.

Human Resources – Savings in salaries due to several vacancies throughout the department are tempered by expenditures related to an additional fire recruitment class and the move to Meacham and space reorganizations.

Code Compliance – Savings due to dry weather conditions resulting in a decrease in costs for private mowing and clean up expenses.

Environmental Management – Savings in personnel costs and other contractual services.

Non-Departmental – Savings in other contractual services.

Community Relations Department – Savings in personnel costs.

Parks and Community Services – Savings in personnel costs due to vacancies, contractual services savings in mowing contract due to drought conditions and in capital outlay due to a delay in the receipt of approved vehicles.

Development – Savings in personnel costs and capital outlays.

Planning – Savings in personnel costs and engineering services.

Library – Savings in personnel costs are partially offset by overages in operating supplies, IT equipment and supplies and minor equipment.

Police – Savings primarily due to civil service vacancies and the related retirement contribution, fewer recruits graduating than expected, delay in the promotion of several positions, vacancies for regular employees and a decrease in wrecker service contracts.

Municipal Court – Savings due to vacancies as a result of turnover/retirements and computer leases being much lower than budgeted.

Retirement Fund is over budget by $588,929 which consists of the personnel costs, postage, IT equipment and services paid for by the City and then reimbursed to the City by the Retirement Fund.

Culture and Tourism Fund is over budget by $61,752 due to overages in contractual services and transfers to capital projects funds for capital outlay.

FISCAL INFORMATION/CERTIFICATION:

The Finance Director certifies that upon the adoption of the attached supplemental appropriation ordinances, all departments of the General Fund, Retirement Fund and Culture and Tourism Fund will have sufficient appropriations for all expenditures recorded during the fiscal year ending September 30, 2006. Upon approval, the unaudited, unreserved, undesignated fund balance of the General Fund will be $10,694,823 below the minimum reserve fund balance of $50,044,414 required by the City's Financial Management Policy Statements (i.e., 10 percent of the current-year adopted budget expenditures less the annual transfer from the General Fund to the Debt Service Fund).

TO Fund/Account/Centers	FROM Fund/Account/Centers
Submitted for City Manager's Office by:	Karen Montgomery (6222)
Originating Department Head:	Lena Ellis (8517)
Additional Information Contact:	Walter Peoples (6217)