

Legislation Text

File #: 6436, **Version:** 1

CC MEETING: November 21, 2023

DATE: November 14, 2023

TO: Erin Rinehart, City Manager

FROM: Melissa Everett, Finance Director
Chrystal Davis, Assistant City Manager

Consider An **Ordinance Amending The Operating Budgets And Capital Budgets For Fiscal Year October 1, 2023, Through September 30, 2024.**

BACKGROUND:

The City of Carrollton approved its annual Operating and Capital Budgets on September 12, 2023. The budget consists of \$287,678,502 operating funds and \$120,935,550 capital funds, each adopted independently of each other and requires council approval to make changes to the planned expenditures.

Each fall, the City performs a financial analysis of the Utility Fund after the close of the fiscal year and proposes adjustments to City rates, revenue estimates, and budgets where appropriate to comply City financial policies and bond covenants. During 2023, Council approved a loan from the General Fund to the Utility Fund for the implementation of the Automated Meter Infrastructure project. Staff provided an overview to the Audit, Finance, and Governance Committee on November 6 to discuss the transition of this loan to a capital contribution of the Water Fund and the impact it would have on water rate changes. This staff recommendation was approved by the Committee and was approved by acclamation to accept the recommendation.

FINANCIAL IMPLICATIONS:

This budget amendment will make the following amendment:

- In the Utility Operating Fund, decrease the recurring uses of funds by \$883,329.
- In the Utility Debt Service Fund, decrease the recurring sources of funds by \$883,329.
- In the Utility Debt Service Fund, decrease the recurring uses of funds by \$883,329.
- In the General Fund, decrease the nonrecurring sources of funds by \$883,329.

IMPACT ON COMMUNITY SUSTAINABILITY:

This amendment will help maintain the City's financial policies in the Utility Operating Fund while providing additional funding for Utility Capital Projects necessary to maintain the City's water and wastewater infrastructure while considering the affordability of the rates for the water and wastewater charges. It also allows for appropriate funding for the purchase of department vehicle replacements.

STAFF RECOMMENDATION/ACTION DESIRED:

Staff recommends adopting the attached Ordinance amending the City's Approved Annual Capital Budget and Operating Budget.