

# Memorandum



DATE August 22, 2008

TO Members of the Finance, Audit & Accountability Committee  
Chair Mitchell Rasansky, Vice Chair Jerry Allen, Mayor Pro Tem Dr. Elba Garcia,  
Vonciel Jones Hill, Angela Hunt, Ron Natinsky and David Neumann

SUBJECT Appropriations and Appropriation Adjustments

The subject briefing is on the Committee's August 26<sup>th</sup> agenda. Briefing materials are attached.

Please contact me if you need additional information.

A handwritten signature in cursive script that reads 'D. A. Cook'.

David Cook  
Chief Financial Officer

Cc: Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Tom Perkins, Jr., City Attorney  
Deborah Watkins, City Secretary  
Craig Kinton, City Auditor  
Ryan S. Evans, First Assistant City Manager  
David O. Brown, Interim Assistant City Manager  
Ramon Miquez, P.E., Assistant City Manager  
Jill A Jordan, P.E., Assistant City Manager  
A.C. Gonzalez, Assistant City Manager

# Appropriations and Appropriation Adjustments

## Modifications to Current Practices

Finance, Audit and Accountability Committee  
August 26, 2008

# Past Practice

- For at least 30 years, Management has
  - Closely monitored revenues and expenses throughout the fiscal year
  - Adjusted spending to ensure there are revenues (or available fund balance) to cover projected costs
  - Kept City Council apprised of revenue and expense forecasts (through monthly or quarterly reports)

# Past Practice

- Management has
  - Obtained Council authorization to increase budgets that have been exceeded
    - Authorized after the end of the fiscal year
    - Authorized after expenses in excess of appropriations have been incurred

# Issue

- Exceeding authorized budget levels may not comply with City Charter language (Chapter XI, Sec. 6):
  - No money shall be drawn from the city treasury, nor shall any obligation for the expenditure of money be incurred, except in pursuance of appropriation...

# Proposal

- In order to avoid exceeding authorized budgets
  - Management will continue to closely monitored revenues and expenses throughout the fiscal year
  - Management will continue to adjusted spending to ensure there are revenues (or available fund balance) to cover projected costs
  - Management will continue to keep City Council apprised of revenue and expense forecasts with monthly revenue and expense reports

# Proposal

- In order to avoid exceeding authorized budgets
  - In August or September of each fiscal year, the City Manager will seek Council authorization to increase budgets that are forecast to be exceeded
  - Any increase in costs would be supported by
    - Reduction of other budgets
    - Use of excess revenues
    - Use of available fund balance
  - Each recommended change will be for a specific amount. The amount will be determined by best estimate and will include a small “reserve” level to account for possible future unanticipated expenses
    - This would allow for “last minute” unexpected expenses without exceeding the budget

# Proposal

- The recommended ordinance to adjust FY 2007-08 budgets is on the Council's August 27 agenda (addendum)
  - Attached for your information



**ADDENDUM ITEM # 12**

**KEY FOCUS AREA:** Make Government More Efficient, Effective and Economical

**AGENDA DATE:** August 27, 2008

**COUNCIL DISTRICT(S):** N/A

**DEPARTMENT:** Office of Financial Services

**CMO:** Dave Cook, 670-7804

**MAPSCO:** N/A

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**SUBJECT**

An ordinance amending Ordinance No. 26957 (FY 2007-2008 Operating Budget Appropriation Ordinance) to make certain adjustments to fund appropriations for fiscal year 2007-08 for the maintenance and operation of various departments and activities and to authorize the City Manger to implement those adjustments – Financing: No cost consideration to the City

**BACKGROUND**

On September 26, 2007, the City Council passed Ordinance No. 26957, which adopted the operating budget appropriation ordinance for fiscal year 2007-2008. Management has closely monitored revenues and expenses throughout the fiscal year and adjusted spending to ensure there are revenues (or available fund balance) to cover projected costs. In order to avoid exceeding authorized appropriations, increases to budgets are needed in various departments that are forecast to be exceeded.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

Council approved the FY 2007-08 operating budget appropriation ordinance on September 26, 2007, by Resolution No. 07-2834 and Ordinance No. 26957.

Finance, Audit and Accountability Committee was briefed on August 12, 2008 and August 26, 2008.

**FISCAL INFORMATION**

No cost consideration to the City.



8/21.08

ORDINANCE NO. \_\_\_\_\_

An ordinance amending Ordinance No. 26957 (2007-2008 FY Operating Budget Appropriation Ordinance) to make certain adjustments to fund appropriations for fiscal year 2007-08 for the maintenance and operation of various departments and activities and to authorize the city manager to implement those adjustments; providing a saving clause; and providing an effective date.

WHEREAS, on September 26, 2007, the city council passed Ordinance No. 26957, which adopted the operating budget appropriation ordinance for fiscal year 2007-2008; and

WHEREAS, shortages and excesses in various department and activity appropriations have created a need to adjust those appropriations; and

WHEREAS, the city council is authorized in accordance with Chapter XI, Section 4 of the Dallas City Charter to transfer an unencumbered balance of an appropriation made for the use of one department, division, or purpose to any other department, division, or purpose, upon the written recommendation of the city manager; and

WHEREAS, the city council is authorized in accordance with Chapter XI, Section 5 of the Dallas City Charter to appropriate, from time to time, excess revenues of the city to such uses as will not conflict with any uses for which such revenues specifically accrued; Now, therefore:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the list entitled "Departments and Activities – Proposed 2007-08" contained in Section 1 of Ordinance No. 26957 (2007-2008 FY Operating Budget Appropriation Ordinance), passed by the city council on September 26, 2007, is amended by making adjustments to fund appropriations for fiscal year 2007-08 for the maintenance and operation of various departments and activities, to read as follows:

<u>"DEPARTMENTS AND ACTIVITIES</u>	<u>PROPOSED</u> <u>2007-08</u>
Building Services	<u>15,877,591</u> [ <del>15,783,932</del> ]
Business Development and Procurement Services	<u>2,786,675</u> [ <del>2,754,630</del> ]
<u>Central</u> Appraisal Districts	2,592,153
City Attorney's Office	12,779,281
City Auditor's Office	2,892,717
City Manager's Office	2,686,482
City Secretary's Office	1,972,904
Civil Service	2,039,773
Code Compliance	<u>27,959,920</u> [ <del>25,266,527</del> ]
Court and Detention Services	<u>12,721,202</u> [ <del>12,541,690</del> ]
Dallas County Tax Collection	534,179
Development Services	1,302,332
Elections	<u>94,642</u> [ <del>82,253</del> ]
Environmental and Health Services	<u>19,520,489</u> [ <del>18,989,815</del> ]
Fire	<u>192,134,100</u> [ <del>189,301,299</del> ]
Housing	1,545,271
Human Resources	6,425,099
Independent Audit	1,149,500
Jail Contract - Lew Sterrett	6,823,985
Judiciary	<u>2,732,107</u> [ <del>2,548,808</del> ]
Library	<u>32,460,771</u> [ <del>32,157,806</del> ]
Mayor and Council	<u>3,511,506</u> [ <del>3,502,267</del> ]
Non-Departmental	<u>21,457,324</u> [ <del>20,680,997</del> ]
Office of Cultural Affairs	15,332,688
Office of Economic Development	4,094,966
Office of Emergency Management	899,750
Office of Environmental Quality	1,694,726
Office of Financial Services	17,305,020
Park and Recreation	<u>74,379,591</u> [ <del>73,074,373</del> ]
Police	<u>402,843,307</u> [ <del>401,072,468</del> ]
Public Works and Transportation	<u>28,810,954</u> [ <del>30,666,689</del> ]
Sanitation Services	<u>73,593,984</u> [ <del>70,655,106</del> ]

Street Lighting	<u>17,387,883</u> [46,944,500]
Street Services	<u>39,302,316</u> [39,066,468]
Contingency Reserve	1,128,013
Liability Reserve/Claims Fund	<u>1,817,534</u> [4,814,947]
<b>GENERAL FUND TOTAL</b>	<b><u>\$1,052,590,735</u> [1,043,103,414]"</b>

SECTION 2. That the list entitled "Enterprise/Internal Service/Other Funds – Proposed 2007-08" contained in Section 1 of Ordinance No. 26957 (2007-2008 FY Operating Budget Appropriation Ordinance), passed by the city council on September 26, 2007, is amended by making adjustments to fund appropriations for fiscal year 2007-08 for the maintenance and operation of various departments and activities, to read as follows:

<u>"ENTERPRISE/INTERNAL SERVICE/OTHER FUNDS</u>	<u>PROPOSED 2007-08</u>
Aviation	<u>41,020,812</u> [38,634,084]
Communication and Information Services:	
Information Technology	<u>35,200,693</u> [34,468,558]
Radio Services	<u>4,451,477</u> [4,206,339]
Convention and Event Services	<u>69,798,283</u> [65,977,811]
Development Services	<u>*26,992,747</u> [26,086,747]
Employee Benefits	809,839
Equipment Services	<u>54,854,194</u> [45,599,988]
Express Business Center	<u>4,649,214</u> [4,409,586]
Risk Management	2,556,140
Storm Water Drainage Management	<u>29,937,860</u> [29,427,765]
Water Utilities	489,185,295
WRR - Municipal Radio	3,675,646
911 System Operations	<u>14,586,996</u> [14,364,609]
<b>ENTERPRISE/INTERNAL SERVICE/ OTHER FUNDS TOTAL</b>	<b><u>\$777,719,196</u> [759,402,407]"</b>

\* *This change was previously approved by Resolution No. 08-1724.*

SECTION 3. That the city manager is hereby authorized, upon written notice to the city controller, to transfer funds to make the adjustments to appropriations set forth in this ordinance.

SECTION 4. That it is the intent of the city council, by passage of this ordinance, to appropriate the funds for the city departments and activities. No office or position is created by the appropriation.

SECTION 5. That Ordinance No. 26957 will remain in full force and effect, save and except as amended by this ordinance.

SECTION 6. That this ordinance will take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so ordained.

APPROVED AS TO FORM:

THOMAS P. PERKINS, JR., City Attorney

By \_\_\_\_\_  
Assistant City Attorney

Passed \_\_\_\_\_

LC/UC/0136U