

City of Richwood — TEXAS —

AGENDA MEMORANDUM NOVEMBER 6, 2024 ITEM # 24-R-94

CONTACT: Patricia Ditto, Finance Director

SUBJECT: Approval of a budget amendment to allow for spending above appropriations in the fiscal year 2023-2024 budget

SUMMARY: Consider approving a resolution to amend the appropriate departmental budgets to bring spending within appropriated amounts.

BACKGROUND INFORMATION:

The city staff set a budget for fiscal year 2023-2024 allowing for all expected and projected spending. Through the year certain costs have exceeded these appropriations on a line-item basis. It is required that spending that exceeds appropriations on a fund level basis be brought to council for consideration and approval.

FISCAL IMPACT:

All increases in budgeted expenditures will affect fund balance as a reduction.

General Fund – Budgeted Expenditures less transfers in result in a net increase of \$424,294

Contingency Fund – Budgeted transfers out increase by \$882,774

Court Security Fund – Budgeted expenditures increase by \$7,578

Transportation Fund – Budgeted capital expenditures increase by \$224,303

RECOMMENDATION: Council to approve Resolution amending the FY23-24 budget.

Thank you,

Patricia Ditto, Finance Director

Budget Amendment 9/30/2024

The city is required to bring a budget amendment to council in instances where pending at the fund level exceeds the amount budgeted for such fund. Due to Hurricane Beryl, costs in several account lines exceeded budgeted amounts. In addition, some purchases were approved by council for FY23 but were not completed until FY24 due to circumstances out of the control of city staff. While there may be other general ledger accounts that exceeded budget amounts, only those that caused the spending as a fund or were material, so that staff feels council should be aware are included in this budget amendment.

Below is a summary of the effect of these amendments on our FY24 ending fund balance:

General Fund

Hurricane Beryl Disaster cost		
Emergency/Disaster	1,005,096.00	
less transfers from Contingency Fund	<u>-882,774.00</u>	
Reduction in Fund Balance		122,322.00
Other general ledger departments amended		
Administration	49,501.00	
City maintenance	<u>252,471.00</u>	
Reduction in Fund Balance		<u>301,972.00</u>
Total Reduction in General Fund Balance		424,294.00

Contingency Fund

Total Reduction in Contingency Fund Balance	882,774.00
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Court Security

Total Reduction to Fund Balance - Court Security	7,578.00
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Transportation Fund

Total Reduction to Fund Balance - Transportation Fund	224,303.00
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Budget Amendment 9/30/2024

The following GL accounts contain unbudgeted costs related to Hurricane Beryl:

		Budget	Actual	Overage	Total Amendment
General Fund					
Administration					
10-01-5103	Salaries & Wages	393,315.00	408,651.00	15,336.00	
10-01-5104	Overtime	728.00	18,610.00	17,882.00	
10-01-5105	Retirement	50,379.00	56,551.00	6,172.00	
10-01-5107	Medicare	5,714.00	6,163.00	449.00	
10-01-5110	Workers Compensation	2,323.00	3,922.00	1,599.00	
	Total Administration				41,438.00
Code Enforcement					
10-09-5103	Salaries & Wages	49,421.00	53,238.00	3,817.00	
10-09-5104	Overtime	0.00	1,138.00	1,138.00	
10-09-5105	Retirement	6,312.00	7,080.00	768.00	
10-09-5107	Medicare	717.00	788.00	71.00	
10-09-5110	Workers Compensation	222.00	400.00	178.00	
	Total Code Enforcement				5,972.00
City Maintenance					
10-02-5102	Contract Labor	0.00	1,920.00	1,920.00	
10-02-5103	Salaries & Wages	75,826.00	81,536.00	5,710.00	
10-02-5104	Overtime	5,000.00	9,829.00	4,829.00	
10-02-5105	Retirement	10,329.00	11,901.00	1,572.00	
10-02-5107	Medicare	1,172.00	1,302.00	130.00	
10-02-5110	Workers Compensation	4,065.00	2,530.00	-1,535.00	
	Total Code Enforcement				12,626.00
Emergency/Disaster					
10-99-5102	Contract Labor	0.00	929,283.00	929,283.00	
10-99-5201	Food	0.00	2,000.00	2,000.00	
10-99-5220	Tools	0.00	964.00	964.00	
10-99-5230	Gas, Oil & Lubricants	0.00	236.00	236.00	
10-99-5240	Expendable Operating Supplies	0.00	4,358.00	4,358.00	
10-99-5245	Dump Charges	0.00	951.00	951.00	
10-99-5310	Buildings & Grounds M&R	0.00	6,968.00	6,968.00	
10-99-5595	Professional Services	0.00	300.00	300.00	
	Total Emergency/Disaster				945,060.00
	Total General Fund Expenditures Amended				1,005,096.00
Transfers In					
10-97-4950	Transfer From General Fund Contingency	0.00	-882,774.00	-882,774.00	
	Total Transfer from General Fund Contingency				-882,774.00
	Total Reduction to Fund Balance - General Fund				122,322.00
Transfers Out					
16-97-5950	Transfer to General Fund	0.00	882,774.00	882,774.00	
	Total Transfer out to General Fund				882,774.00
	Total Reduction to Fund Balance - Contingency Fund				882,774.00

Budget Amendment 9/30/2024

		Budget	Actual	Overage	Total Amendment
General Fund					
City Maintenance					
10-02-5930	Equipment	0.00	252,471.00	252,471.00	
	Total Equipment				252,471.00
<i>Equipment purchases approved for FY23 but unavailable for purchase until FY24. Original approval included using fund balance to finance the equipment purchases.</i>					
Administration					
10-01-5101	Administrative Expense	0.00	15,978.00	15,978.00	
	Total Administrative Expense				15,978.00
<i>The city received a payment due notice from the IRS for a credit mistakenly taken on payroll taxes for COVID relief. It was determined that municipalities were not eligible for this credit and the amount was repaid to the IRS.</i>					
10-01-5595	Professional Services	0.00	8,070.00	8,070.00	
	Total Professional Services				8,070.00
<i>Recodification of our municipal ordinances was approved for FY23 budget but was not completed and invoiced until FY24.</i>					
10-01-5550	Information Technology	48,000.00	53,777.00	5,777.00	
	Total Information Technology				5,777.00
<i>Overage in IT is primarily attributable to redesign of website.</i>					
10-01-5556	Contractual Services - Taxes	13,700.00	21,410.00	7,710.00	
	Total Contractual Services				7,710.00
<i>Overage in billing from county vs budget</i>					
10-01-5570	Attorney Fees	25,000.00	36,966.00	11,966.00	
	Total Attorney Fees				11,966.00
<i>Overage due primarily to cost of TLM lawsuit</i>					
Total Reduction to Fund Balance - General Fund					301,972.00

Budget Amendment 9/30/2024

	Budget	Actual	Overage	Total Amendment
Court Security Fund				
17-04-5293 Expenditures - Court Security	2,000.00	9,578.00	7,578.00	
Total Expenditures - Court Security				7,578.00
<i>Expenditure to purchase new door security for City Hall and the chamber/court room. Work was not completed until after end of FY24 so remaining cost is recorded in FY25 and will be included in a FY25 budget amendment at a later time.</i>				
Total Reduction to Fund Balance - Court Security				7,578.00
Transportation Fund				
25-40-5915 Capital Expenditures - Streets	0.00	224,303.00	224,303.00	
Total Captial Expenditures - Streets				224,303.00
<i>Capital expenditures were approved during FY23. However, some streets work was carried over into FY24.</i>				
Total Reduction to Fund Balance - Transportation Fund				224,303.00