



Memorandum

To: Honorable Mayor Jeff Cheney and Members of the Frisco City Council

Cc: Wes Pierson, City Manager
Derrick Cotten, Interim Chief Financial Officer

From: Tanya Anderson, Director of Budget and Strategic Planning

Date: March 19, 2024

Subject: Consider and act upon adoption of an Ordinance amending Ordinance No. 2023-09-41, approving the City of Frisco Fiscal Year 2024 Budget. (Budget/TA)

Action Requested: Consider and act upon approval of a Second Amendment to the Fiscal Year 2024 Budget.

Background Information: The City's Fiscal Year 2024 budget was approved at the September 19, 2023, Council meeting along with the revised budget appropriation for Fiscal Year 2023, Ordinance 2023-09-41. A first amendment for the FY 2024 budget was adopted on December 5, 2023, Ordinance 2023-12-57. This second amendment for the FY 2024 budget includes the following items:

- Increase in the General Fund salary and benefit line items for adjustments to personnel allocations related to adding three firefighter and three IT security positions,
- Decrease in the allocation for economic incentives relative to sales tax decline,
- Decrease in sales tax and building permit revenues based on current revenue projections,
- Increase in interest income, and
- Transfer to the Capital Reserve Fund.

The recommended appropriation amendments are shown in Exhibit 1, attached.

Individual fund summaries are provided for your review and the proposed changes are summarized below:

<u>Fund</u>	<u>Original Budget</u>	<u>Revised Budget</u>
General Fund	266,863,415	273,003,512
Capital Reserve Fund	3,456,390	3,456,390

Financial Considerations: These adjustments would leave the Unassigned Fund Balance at 29% which is within our policy goal of 25%. Revenues and expenditures for fiscal year 2024 remain under continuous review.

Legal Review: Legal counsel reviewed the ordinance as to form in prior years.

Alternatives: City Council could modify the appropriations.

Board/Citizen Input: The Budget and Audit Committee reviewed the amendment at the March 5, 2024, meeting.

Supporting Documents: Exhibit 1 – Amendment Detail, Ordinance, Exhibits A and B – Fund Summaries.

Staff Recommendation: Please do not hesitate to contact one of us should you have further questions.