**ORDINANCE NO. 2022- 14**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COMMERCE, TEXAS, AMENDING ORDINANCE NO. 21-23 WHICH ADOPTED THE 2021 – 2022 BUDGET ("FISCAL YEAR 2022 BUDGET") OF THE CITY OF COMMERCE AND PROVIDING FOR THE APPROVAL OF THE AMENDMENTS SET FORTH IN "EXHIBIT A", SUCH AMENDMENTS BEING NECESSARY FOR MUNICIPAL PURPOSES; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City of Commerce, Texas ("the City") is a duly created home-rule governmental body of the State of Texas; and

**WHEREAS,** the City Council has previously adopted a fund-level budget for Fiscal Year 2021 – 2022 ("Fiscal Year 2022") that established the planned expenditures and appropriated the funds necessary to support those operations; and

**WHEREAS**, circumstances have arisen during the fiscal year which required the expenditure of additional funds in some of the line items of the budget, and for which there is adequate funding in the line items of the budget; and

**WHEREAS**, Section 26.4a of the City Charter allows for the adoption or amendment of a budget or the assessment of levy of taxes to be approved on the first and only reading; and

**WHEREAS,** the City has a process to provide for the amendment of that budget as a result of major, unforeseeable issues and expenditures and to appropriate funds necessary to support those additional expenditures;

**WHEREAS**, the City Council finds the amendment in the fund identified in Exhibit A are reasonable, necessary, and for municipal purposes;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COMMERCE, TEXAS AS FOLLOWS:**

**SECTION 1. FINDINGS.** The City Council finds the statements made in the preamble above are true and correct.

**SECTION 2. BUDGET AMENDMENTS.** The City Council approves the budget amendment in the attached Exhibit A, a copy of which is incorporated herein for all purposes, to include the following necessary adjustments:

- Public Utility Fund (02) - *$280,000 increase* - Solid Waste Expense, mid-way through the fiscal year City Sanitation requested a rate increase, consistent with the terms of their contract. The City chose not to pass on the rate increase to our residents, and revenue was still able to cover the additional cost by $77K. Therefore, this adjustment is only for the increase in expenses due to the contract increase and underbudgeting.

- Debt Service Fund (06) - *$5M revenue decrease; $6.5M expense decrease*- At the time of budget, the bond proceeds and CIP projects were incorrectly budgeted in the wrong fund. This amendment moves the revenue from the bond and CIP expense to the appropriate fund, the Capital Projects Fund.

- Capital Project Fund (09) - *$5M revenue increase; $6.05M expense increase* – This amendment moves the bond proceeds and the projects associated with the adopted CIP to the appropriate fund. It also accounts for the movement of the $60K from the splashpad to the other park improvements. See Attachment for project breakdown.

- Recreation Fund (14) - *$7,843 revenue & expense increase* - During the basketball season, we incurred expenses that contractually the Boys & Girls Club were responsible for, therefore they were not a part of our original budget. We invoiced the Boys & Girls Club for these expenses and are amending the revenue as well to show the offset.

**SECTION 3. EFFECTIVE DATE.** This Ordinance shall take effect immediately from and after its passage on September 20, 2022.

**PASSED AND APPROVED on the first reading** at a regular meeting of the City Council of the City of Commerce, Texas on this the 20th day of September 2022.

**ATTEST:**

Molly Jacobsen
Molly Jacobsen, City Secretary

**CITY OF COMMERCE:**

Ted Reel
Teddy Reel, Mayor

(seal)

APPROVED AS TO FORM:

Charles R Anderson
Charles Anderson, City Attorney

APPROVED:

Howdy Lisenbee, City Manager

I, Molly Jacobsen, City Secretary of the City of Commerce, Texas, do hereby certify that the above is a true and correct copy of a Resolution, and that the same has not been repealed and is in full force and effect.

(Seal)

Molly Jacobsen
Molly Jacobsen, City Secretary

# "EXHIBIT A"

## *FY 2021/22 Budget Adjustment Summary:*

| *Major Funds with Adjustments* | | *Adopted Budget* | | *Adjusted Budget* | | *CHANGE* |
|---|---|---|---|---|---|---|
| **Fund 02 - Public Utility Fund** | | | | | | |
| Solid Waste (Solid Waste Contract) | $ | 970,000 | $ | 1,250,000 | $ | 280,000 |

*City Sanitation increased their rates mid-way through the year. Although the City did not increase the rates charged to residents revenue was still able to cover the price increase by $77k*

| *Minor Funds with Expense Adjustments* | | *Adopted Budget* | | *Adjusted Budget* | | *CHANGE* |
|---|---|---|---|---|---|---|
| **Fund 06 - Debt Service Fund** | | | | | | |
| Bond Proceeds (Revenue) | $ | 5,000,000 | $ | - | $ | (5,000,000) |
| Infrastructure | $ | 1,500,000 | $ | - | $ | (1,500,000) |
| Community Infrastructure | $ | 5,000,000 | $ | - | $ | (5,000,000) |

*At the time of budget the bond proceeds and CIP projects were incorrectly budgeted in this fund, this budget admendment will move them to the appropriate Fund; the Capital Project Fund.*

| | | | | | | |
|---|---|---|---|---|---|---|
| **Fund 09 - Capital Project Fund** | | | | | | |
| Bond Proceeds (Revenue) | $ | - | $ | 5,000,000 | $ | 5,000,000.00 |
| Street & Drainage Improvements | $ | - | $ | 1,250,000 | $ | 1,250,000.00 |
| Animal Shelter Improvements | $ | - | $ | 1,500,000 | $ | 1,500,000.00 |
| Park System Improvements | $ | - | $ | 560,000 | $ | 560,000.00 |
| Splash Pad | $ | - | $ | 940,000 | $ | 940,000.00 |
| Downtown Improvements | $ | - | $ | 1,000,000 | $ | 1,000,000.00 |
| Public Library Improvements | $ | - | $ | 800,000 | $ | 800,000.00 |

*This Adjustments moves the bond proceeds and the projects associated with the adopted CIP to the appropriate Fund. It also accounts for the movement of $60K from the splashpad to the other park system improvements.*

| | | | | | | |
|---|---|---|---|---|---|---|
| **Fund 14 - Recreation Fund** | | | | | | |
| Basketball Proceeds (Revenue) | $ | - | $ | 7,843 | $ | 7,843 |
| Basketball | $ | - | $ | 7,843 | $ | 7,843 |

*During the basketball season, we incurred expenses that had not been budgeted. We billed the Boys & Girls club for those expenses for which they have paid and offset that expense.*