



# City of Galveston

## FINANCE DEPARTMENT

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To: City Manager Brian Maxwell  
Deputy City Manager Dan Buckley  
From: Michael W. Loftin, Assistant City Manager – Finance  
Date: February 22, 2022

**RE: Consider an ordinance amending the total FY 2022 Operating Budget by increasing various budgeted revenue and expenditure accounts in the amount of \$4,281,382 with funds budgeted from other accounts in a like amount to adjust and properly record expenses for the disbursement of approved cost of living pay adjustment, pay equity and collective bargaining pay increases, recognition of Rosenberg Library contribution in the General Fund revenue budget, increases in capital budgets to allow for the carryover of funds for vehicle and equipment funded and ordered in FY 2021 and correct the funding source for the city marshal assigned to the Municipal Court; making various findings provisions related to the subject; and providing for an effective date.**

**Prior Council Action:** On September 15, 2021, City Council approved ordinance 21-050 adopting the FY 2022 Budget for the City.

### **I. Background**

- A. The First Quarter Budget Status Report for FY 2022 was released February 16, 2022 including income statements for all budgeted funds (see attached report). Estimated final expenditure amounts determined through the modified accrual basis of accounting for the period ending September 30, 2022 were provided in that report. Reasons for major expenditure to budget variances are footnoted in the report that explain the variances.
- B. The amount of necessary transfers being requested for Council approval is \$4,281,382 including:
  - a. Transfer of \$1,378,587 budgeted in the Non-Departmental portion of the General Fund budget to individual departments, including
    1. \$159,853 for departmental costs associated with the civilian COLA;
    2. \$247,196 for civilian pay equity increases in departmental budgets;
    3. \$316,540 for the Collective Bargaining pay increases for Police; and
    4. \$654,998 for the Collective Bargaining pay increases for Fire.
  - b. \$2,332,799 to reallocate funds carried over from FY 2021 for vehicles and machinery being delivered and paid for in FY 2022 including:
    1. \$994,467 for garbage trucks which may be paid for with proceeds of a sale of Certificates of Obligation should that sale be approved in March;





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2. \$1,227,988 for two fire suppression pumpers;
  3. \$67,851 for a mobile generator, and
  4. \$42,493 for an animal control truck.
- c. The Rosenberg Library contribution (\$453,700) is being budgeted to partially fund the purchase price (\$1,029,839) for a 75-foot aerial ladder truck for the Fire Department. This purchase was approved in the January Council meeting with the balance (\$576,139) coming from already budgeted funds in the Infrastructure and Debt Service Fund.
  - d. \$80,000 to transfer the budget for a deputy city marshal budgeted in the Municipal Courts budget but charged to the City Marshal's budget; and
  - e. Formal recognition of the Rosenberg Library contribution of \$453,700 is proposed through an amendment to the General Fund revenue budget that is also requiring an increase of \$36,296 in the Infrastructure set aside.
- C. The City Charter gives the City Manager the authority to approve budget transfers for certain necessary adjustments within departments by fund as provided by the city charter. City Council approval is required for budget transfers that cross department lines within a single fund. Therefore, the proposed ordinance includes Attachment A with appropriations for each department and/or major expenditure category (such as the pay increase amounts included in this amendment) as is consistent with these requirements. Attachment B provides detail to support the appropriation transfers in Attachment A that require City Council approval.

## II. Issues

- A. The Library contribution was not agreed to when the FY 2022 Budget was proposed and adopted, and was not included in the budget. The contribution is approved to occur annually and its allocation in the General Fund will be considered as a part of each year's budget.
- B. The pay increase budget and equipment carryover funding recommendations represent budget changes already approved by City Council.
- C. For further information, review the First Quarter Budget Status Report.

## III. Alternatives

- A. Approve the Ordinance as presented.
- B. Amend specific budget appropriations potentially leaving the City out of compliance with budget law and practice.

## IV. Recommendation – Approve the amendment as proposed.

