

August 9, 2016

TO: Members of the Board of Mayor and Aldermen
Members of Budget and Finance Committee

FROM: Eric Stuckey, City Administrator
Russ Truell, ACA/CFO
Mike Lowe, Comptroller
Michael Walters Young, Budget & Analytics Manager

RE: Consideration of Ordinance 2016-31, 1st Quarter 2017 Budget Amendments

Purpose

The purpose of this item is to amend the Fiscal Year 2017 Budget for compliance with State budgeting guidance regarding:

1. Ensuring authorizations in place to balance each fund's budget on a cash basis on June 30, 2016.

Background

The State Comptroller has provided guidance that budget amendments are to be on the cash basis and must occur prior to fiscal year end (June 30) to ensure no fund has a deficit fund balance or deficit cash balance at June 30.

In order to stay ahead of this responsibility, staff is proposing five budget amendments.

The amendments are as follows:

1. Transfer of \$1,421,368 from General Expenses to various departments within the General Fund. The two purposes of the transfers are:
 - a. Distribution of planned wage increases (\$500 added to base + 4%) and personnel reclassifications - \$1,351,572
 - b. Pension Budget v. Actual reclassifications - \$69,796
2. Increase of \$48,148 in the Sanitation & Environmental Services Fund. This consists of three items:
 - a. A transfer of \$65,283 from SES Admin Regular Wages to various departments within the SES Fund for the following purposes:
 - i. Distribution of planned wage increases (\$500 added to base + 4%) and personnel reclassifications - \$59,191
 - ii. Pension Budget v. Actual reclassifications - \$6,092
 - b. A transfer of \$100,006 from the SES Collection Division to the SES Disposal Division for proper accounting of paving expense. (There is no net increase).
 - c. An increase of \$48,148 in SES Disposal for the purpose of leasing a new wheel loader. This purchase, unplanned within the FY 2017 budget is essential for the continued efficient operation of the Transfer Station. Total price of this item is \$169,536.03 and can

- be purchased via a state contract. Sufficient lease capacity remains from prior year's lease agreements to reduce the impact on the SES Fund in FY 2017 and beyond.
3. Increase of \$38,960 to various departments within the Stormwater Fund. The two purposes of the transfers are:
 - a. Distribution of planned wage increases (\$500 added to base + 4%) and personnel reclassifications - \$36,883
 - b. Pension Budget v. Actual reclassifications - \$2,077
 4. Increase of \$100,680 in expense to the Capital Projects Fund for the final expenses incurred for the conversion and integration process of utility billing into Infor.
 5. Transfer of \$185,373 from the Water General and Wastewater General Departments to various departments within the Water & Wastewater Funds. The two purposes of the transfers are:
 - a. Distribution of planned wage increases (\$500 added to base + 4%) and personnel reclassifications - \$174,410
 - b. Pension Budget v. Actual reclassifications - \$10,663

This is the first budget amendment during this Fiscal Year to the budget. We envision several more during the course of the Fiscal Year.

Financial Impact

The amendments, as proposed, would result in:

1. General Fund: No Change.
2. Sanitation & Environmental Services Fund: Decrease of Fund Balance of \$48,148. Deficit to be made up through future revenues adjustments.
3. Stormwater Fund: Decrease of Fund Balance of \$38,960. Deficit to be made up through future revenues adjustments.
4. Capital Projects Fund: Decrease of Fund Balance of \$100,680. Deficit to be made up through future revenues and/or bond proceeds.
5. Water & Wastewater Funds: No Change.

Options

1. Approve amendment(s) as proposed and forward to BOMA.
2. Make changes to the amendment(s) where desired and forward to BOMA.

Recommendation

Staff recommends approval of the amendments.