

November 21, 2018

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

FROM: Eric Stuckey, City Administrator  
Kristine Tallent, Assistant City Administrator/Chief Financial Officer  
Michael Walters Young, Budget & Strategic Innovation Manager

RE: Consideration of Ordinance 2018-60, 2<sup>nd</sup> Quarter 2019 Budget Amendments

### **Purpose**

The purpose of this item is to amend the Fiscal Year 2019 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, 2019.

### **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.

To stay ahead of this responsibility, staff is proposing four budget amendments.

The amendments are as follows:

1. Mack Hatcher Trail: Increase transfers to the Multi-Purpose Capital Projects Fund by \$625,000. This action is to budget the already approved contribution to the State of \$1,250,000 for the multi-use trail to be built along the new Mack Hatcher NW. (The BOMA acted to approve this payment through approval of Amendment #7 to COF Contract 2009-0051.) The resources to pay this contribution will be received from a contribution from Southern Land Corporation and passed through to the State. This is one of two increases to the budget planned – a second contribution will be made in FY 2020 and built into the FY 2020 budget for another \$625,000.
2. State Route 96W Multiuse Trail: Increase Transfers to the Multi-Purpose Capital Projects Fund by \$3,500,000. The total project is forecast to be approximately \$5.3 million, with \$1,800,000 coming to the City through State Transportation grants. Because this route directly connects multiple school facilities, the recommended funding sources for this transfer are \$1,750,000 from the County Facilities Tax Fund (Fund 132 – ending FY 2018 balance totals \$4,804,517) and \$1,750,000 from the General Fund Capital Funding Account (the amount of General Fund Fund balance over 45% totals \$9,462,024).
3. Air Curtain Burner: Increase expenses in the Sanitation and Environmental Services by \$150,000 for purchasing a firebox/air curtain burner. A self-contained, completely assembled above ground Air Curtain Burner (air curtain incinerator or FireBox) with a

refractory lined burn-container for portable and permanent (stationary) applications. Designed for the high temperature burning of forest slash, land clearing debris, green waste, storm debris, and other waste streams in compliance with the requirements of US EPA 40CFR60. This device will be used in lieu of the grinder currently used to chip yard waste, which then after chipping must be hauled away and separately disposed of. Staff has researched a replacement chipper and found it less efficient and more expensive in terms of cost and space taken with materials on site than this solution. Fund balance will be reduced in this fund by \$150,000.

4. Administrative Analyst (Management Intern): Increase Administration budget by \$15,000. This is a request to begin funding an existing authorized part-time position within the Administration department. As the City has continued to grow, the burden placed upon administrative and finance functions to perform ever increasing analytical and organizational studies continues to increase. The City has long considered adding this position under the supervision of the City Administrator through employing a management intern or possibly management fellow through the International City / County Management Association. This position will likely be filled by a recent graduate of a MPA program and provide affordable and professional, research and analytical service to the City. This position would not start until the 4<sup>th</sup> quarter of FY 2019 (April 2019) at the earliest, but to take advantage of recruiting the best candidates from MPW programs nationally, the City needs to ensure the position will be available as soon as possible to notify those programs candidates of the opportunity. It will be paid via a reduction of expenses within General Expenses.

This is the third budget amendment during this Fiscal Year to the budget. We envision more during the Fiscal Year.

### **Financial Impact**

The amendments, as proposed, would result in:

1. General Fund: Decrease of Fund Balance of \$1,750,000. Budgetarily, this will be a net zero as fund balance will be recognized as a revenue and transfers will increase to the Multi-Purpose Capital Projects Fund.
2. Sanitation and Environmental Services Fund: Decrease of Fund Balance of \$150,000.
3. County Facilities Tax Fund: Decrease of Fund Balance of \$1,750,000.
4. Multi-Purpose Capital Projects Fund: 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.



# MEMORANDUM

---

## **Recommendation**

Staff recommends approval of the amendments.