



Legislation Text

File #: 21-2057, Version: 1

TO: Mayor and Members of City Council

THRU: Doug Hewett, ICMA-CM, City Manager
Jay C. Toland, CMA, Assistant City Manager/CFO

FROM: Tracey Broyles, Budget and Evaluation Director

DATE: June 14, 2021

RE:
Adoption of Budget Ordinance Amendment 2021-13 for the General Fund, Central Business Tax District Fund, Lake Valley Drive Municipal Service District Fund, and Fleet Maintenance Internal Service Fund

COUNCIL DISTRICT(S):
All

Relationship To Strategic Plan:

Goal 5: Financially Sound City Providing Exemplary City Services

Executive Summary:

Council is requested to adopt Budget Ordinance Amendment (BOA) 2021-13 to adjust annual operating budgets for the General Fund (\$2,148,400), Central Business Tax District (CBTD) Fund (\$5,000), the Lake Valley Drive Municipal Service District (LVMSD) Fund (\$1,003) and the Fleet Maintenance Internal Service Fund (FMISF) (\$783,000) to ensure sufficient budget is available to meet year-end expenditure projections developed with the FY2022 budget process, to provide for additional funding needs recently identified, and to ensure sufficient budget availability should unexpected expenditures arise before the close of the fiscal year.

Background:

The additional \$2,148,400 appropriation request for the General Fund includes: \$783,000 to be transferred to the FMISF for the estimated cost to purchase equipment, inventory and supplies to allow for the transition from contracted fleet maintenance; \$260,000 for taxes due on the Hay Street Parking Deck due to a delay in the ownership transfer to the City beyond January 1, 2020; and a total of \$1,105,400 for Other Appropriations and the Support Services Portfolio to meet year-end projections and provide for additional budget to ensure statutory compliance should year-end expenditures exceed current projections. For Other Appropriations, the additional projected budget request is primarily to ensure statutory compliance for the funding of payments under the sales tax agreement should sales tax revenues exceed projections.

The total revised General Fund budget will be \$190,767,362, which exceeds the previously developed year-end projections plus the two additional appropriations noted above by approximately 3%, however, staff does not expect to expend the additional 3% of budget. The \$2,148,400 requested appropriation is recommended to be funded by appropriating additional sales tax distributions that are expected to be received in Fiscal Year 2021.

The additional requested appropriation of \$5,000 for the CBTD Fund is to meet year end projections (\$2,953) and provide for a small contingency (\$2,047). This appropriation is proposed to be funded through additional property taxes, investment income and use of fund balance.

The additional requested appropriation of \$1,003 for the LVDMSD Fund is to meet year end projections and allow for the close-out of the fund at the end of the fiscal year. This appropriation is proposed to be funded through additional property taxes and use of fund balance.

Issues/Analysis:

None.

Budget Impact:

The proposed additional expenditures for the General Fund totaling \$1,043,000 as noted above would result in a projected reduction of available General Fund fund balance at the close of FY 2021 to \$24.2 M, or 13.1% of the budget that is proposed for adoption for FY 2022. The amount remaining beyond the 12% fund balance goal would be estimated at \$2.1 M, and beyond the 10% policy minimum would be \$5.8 M.

Options:

- Adopt BOA 2021-13 to appropriate the funding needs as outlined above.
- Do not approve BOA 2021-13 and further direction to provide staff.

Recommended Action:

Staff recommends that Council move to adopt Budget Ordinance Amendment 2021-13 as presented.

Attachments:

Budget Ordinance Amendment 2021-13