



## STAFF REPORT

**DATE:** June 5, 2018

**TO:** Ronald L. Olson, City Manager

**FROM:** Jonathan Locke, Executive Director of Finance

**SUBJECT:** Mid-Year Budget Amendment

### **BACKGROUND AND FINDINGS:**

At the June 5, 2018 City Council Workshop, staff will provide a FY 2018 Mid-Year Financial Review presentation. The briefing includes revenue and expenditure information for the major operating funds. Following the presentation, staff will recommend mid-year budget amendments for City Council's consideration. This ordinance authorizes the recommended budget amendments.

The amendments include increasing revenues and expenditures in the same amount in the General Fund, adjusting departmental budgeted funds within the Water and Sewer Fund and Drainage Fund, and increasing revenues in the Aviation Fund. The amendment will also increase expenditure budgets in the Solid Waste Fund, as well as multiple special revenue funds, internal service funds, and capital improvement project funds.

### **THE ALTERNATIVES CONSIDERED:**

No alternatives were considered.

### **Which alternative is recommended? Why?**

A budget amendment is required to address forecasted budget shortfalls.

### **CONFORMITY TO CITY POLICY:**

The City's Financial Governance Policies, Section V. Budget Administration (B)(1) states that City Council may amend or change the budget by ordinance.

### **FINANCIAL IMPACT:**

#### **What is the amount of the expenditure in the current fiscal year? For future years?**

Upon approval, expenditure accounts will be amended in the FY 2018 Budget as follows:

- General Fund - increase of \$285,000, of which \$285,000 will be covered from an increase in budgeted revenues.
- Water and Sewer Fund - no increase in expenditures.
- Drainage Fund - no increase in expenditures.

- Aviation Fund - no increase in expenditures.
- Solid Waste Fund - increase of \$97,245, of which \$97,245 will be covered from fund balance.
- Special Revenue Funds - increase of \$618,317, of which \$177,600 will be covered from an increase in budgeted revenues and \$440,717 will be covered from fund balance.
- Internal Service Funds - increase of \$297,041, of which \$297,041 will be covered from an increase in budgeted revenues.
- Capital Improvement Project Funds - increase of \$138,545, of which \$29,000 will be covered from an increase in budgeted revenues and \$109,545 will be covered from fund balance.

**Is this a one-time or recurring expenditure?**

N/A

**Is this expenditure budgeted?**

N/A

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line-item for this expenditure?**

N/A

**RECOMMENDATION:**

Staff recommends that City Council approve the ordinance amending the FY 2018 Annual Budget and Plan of Municipal Services.

**DEPARTMENTAL CLEARANCES:**

Finance  
Legal

**ATTACHED SUPPORTING DOCUMENTS:**

Mid-Year Budget Amendment Ordinance