

**MEETING DATE/TYPE: VOTING MEETING 6-12-18**

**DEPARTMENT: Finance**

**AGENDA ITEM:** Adoption of Resolution No. 2018-1642 approving Transfer of Certain Fiscal Year 2018 Budget Appropriations.

**Approved By:** Michael Lamar, City Manager

### **Item Summary**

City Charter Article VI Section 10 requires Council approval for transfers of budget appropriations between departments. This Resolution moves budget appropriation between several departments to facilitate the reorganization of departments and the PSPRS unfunded liability portion of the Annual Required Contribution to non-departmental. Additionally, there were timing changes of certain projects and grants that required movement of budget appropriation. The recommended action is neither a transfer of cash nor expenditure of additional monies, rather simply a movement of authorized expenditure capacity.

### **Background**

During the current fiscal year, the following organizational changes occurred:

- The Water Resources Division was moved from the City Manger's Department to Public Works
- The Code Compliance Division was moved from Community Development to the City Manager's Department and renamed Neighborhood Services Division.
- The movement of business safety inspections from the Fire Department to Community Development occurred with the FY18 adopted budget, however insufficient budget appropriation was established for this move.

In addition to the reorganizations, the PSPRS unfunded liability portion of the annual required contribution was moved from the Fire Department and Police Department to non-departmental. This will allow a better comparison to FY19 and future years and to better represent departmental costs.

Two facility improvement projects were completed in FY18 using impact fee funds. City Hall improvements using the Public Building Impact Fee fund (which needs to be used by January 1, 2020) increased the customer service capacity for several departments in City Hall. The butler building remodel at the fire training center was completed in FY18

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to house the fuels reduction crew. The project costs exceeded the budget by \$12,000.00 and the Fire Impact Fee Fund was used.

Two areas need additional appropriation to cover projected expenditures for FY18. The City Manager department needs additional appropriation of \$25,000.00 to cover economic development services. Fleet Services needs an additional \$35,000.00 due to an increased demand for repair parts and increased fuel prices and \$120,000.00 for vehicle replacements that were budgeted in FY17 but delivery was delayed until FY18.

Finally, certain grants and donations were received by departments which were budgeted in non-departmental contingency. The budget needs to be revised to allow appropriation to cover these expenditures.

Exhibit A reflects detailed transfers discussed above. All of these items have been discussed with Council as the contracts were considered and the reorganizations were happening. This action is neither a transfer of cash nor expenditure of additional monies, it is just to complete the City Charter requirement that Council approves transfers of budget appropriation between departments.

### **Financial Impact**

The financial impact of these transactions were previously discussed if the items came to Council individually throughout the year. Council action is not providing approval for purchases, instead it is modifying the adopted budget appropriations due to reorganizations, timing, and use of contingencies.

### **Attachments**

1. Resolution No. 2018-1642
2. Exhibit A - FY18 Budget Appropriation Movement

**Recommended Action: MOVE** to adopt Resolution No. 2018-1642.