



Legislation Details (With Text)

File #:	20-96	Version:	1	Name:	
Type:	Resolution	Status:		City Business	
File created:	2/5/2020	In control:		City Council	
On agenda:	2/26/2020	Final action:			
Title:	Approve a Resolution Amending the FY2020 Budget, reducing the reliance on Fund Balance and reducing the expense budget for project retainage, BAF # 20-029-A1 and A2. (Finance Director)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	1. Budget Resolution FY 2020.pdf, 2. BAF 20-029-A1 -FN-Retainage Adjustment (2-26-20) Agenda 20-096.pdf, 3. BAF 20-029-A2 -FN-Retainage Adjustment (2-26-20) Agenda 20-096.pdf, 4. Retainage Adjustment Analysis.pdf, 5. EDIT JE 2019-05130 ACCR FY19 RETAINAGE.pdf				

Date	Ver.	Action By	Action	Result
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CITY COUNCIL AGENDA ITEM

Memo Date: February 5, 2020
Agenda Date: February 26, 2020
Prepared By: Lea Malarae, Senior Fiscal Analyst
Through: Rebecca Bowman, MBA, CGFO, CGFM, Finance Director
Requested Action:
Approve a Resolution Amending the FY2020 Budget, reducing the reliance on Fund Balance and reducing the expense budget for project retainage, BAF # 20-029-A1 and A2.

BACKGROUND:

At the end of Fiscal Year (FY) 2019, the individual departments request specific Purchase Orders (P.O.) for multi-year Capital Projects and/or Operating Purchases to remain open, and the balances on those P.O's to be included within the FY 2020 Budget. Any amount budgeted for the projects that was not spent at the end of FY19 went back into fund balance reserves. Agenda item 19-588 was approved on November 22nd, 2019 (Resolution 2019-104) amending the budget, with the intended purpose of reallocating the project budget out of reserves; in order to provide the necessary budget in FY20 to perform the projects. (Agenda 19-588). Attached to the agenda was Budget Adjustment Forms (BAF) 20-007-A1, 20-007-A2, 20-012-A1 and 20-012-A2.

For major projects the City retains a portion of the agreed upon contracted price until the project is completed. For multi-year Capital Projects a journal entry is entered at the end of the fiscal year into the general ledger to adjust the total project expenses and add retainage for the portion of the project that was completed in that fiscal year. Likewise, the entry is then reversed at the beginning of the following fiscal year to balance out the general ledger account.

Retainage was not accommodated for in the original estimate for the multi-year Capital Project roll over. A (BAF) is required to recover the excess budget from the multi-year Capital Project account budget and return it to Fund Balance ultimately reducing the City's reliance on Fund Balance. Attached to this agenda is BAF's 20-029-A1 and 20-029-A2.

STRATEGIC PLAN CONNECTION:

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BUDGETARY IMPACT:

Budgeted	No
If not budgeted, is amendment/transfer attached?	Yes

Budget Adjustment 20-029-A1 and 20-029-A2

Amount Requested	<u>(\$14,466)</u>
Account Number	<u>103-0000-389.99-50</u>
Account Name	<u>Fund Balance Reserve</u>

Amount Requested	<u>(\$14,466)</u>
Account Number	<u>103-3240-554.62-00</u>
Account Name	<u>Capital - Buildings</u>
Project Number	CP1504

Amount Requested	<u>(\$6,630)</u>
Account Number	<u>108-0000-389.99-50</u>
Account Name	<u>Fund Balance Reserve</u>

Amount Requested	<u>(\$6,630)</u>
Account Number	<u>108-3240-554.62-00</u>
Account Name	<u>Capital - Buildings</u>
Project Number	CP1504

Amount Requested	<u>(\$47,364)</u>
Account Number	<u>301-0000-389.99-50</u>
Account Name	<u>Fund Balance Reserve</u>

Amount Requested	<u>(\$33,858)</u>
Account Number	<u>301-3580-519.62-00</u>
Account Name	<u>Capital - Buildings</u>
Project Number	CP1504

Amount Requested	<u>(\$13,506)</u>
Account Number	<u>301-3580-519.63-00</u>
Account Name	<u>Infrastructure</u>
Project Number	CP1504

Amount Requested	<u>(\$16,099)</u>
Account Number	<u>302-0000-389.99-50</u>
Account Name	<u>Fund Balance Reserve</u>
Amount Requested	<u>(\$1,850)</u>
Account Number	<u>302-3580-572.63-01</u>
Account Name	<u>Infrastructure / T-Dock Extension</u>
Project Number	CD18LW
Amount Requested	<u>(\$14,249)</u>
Account Number	<u>302-3580-572.63-04</u>
Account Name	<u>Emergency Repairs Waterfront</u>
Project Number	ES17HI

Budget Adjustment 20-029-A2

Amount Requested	<u>(\$99,168)</u>
Account Number	<u>426-0000-389.99-50</u>
Account Name	<u>Fund Balance Reserve</u>
Amount Requested	<u>(\$85,466)</u>
Account Number	<u>426-4055-536.63-00</u>
Account Name	<u>Infrastructure</u>
Project Number	WS1431
Amount Requested	<u>(\$12,302)</u>
Account Number	<u>426-4055-536.63-00</u>
Account Name	<u>Infrastructure</u>
Project Number	WS18DP
Amount Requested	<u>(\$1,400)</u>
Account Number	<u>426-4120-536.63-00</u>
Account Name	<u>Infrastructure</u>
Project Number	WS19SS

PREVIOUS ACTION:

At the end of Fiscal Year (FY) 2019, the individual departments request specific Purchase Orders (P.O.) for multi-year Capital Projects and/or Operating Purchases to remain open, and the balances on those P.O.'s to be included within the FY 2020 Budget. Any amount budgeted for the projects that was not spent at the end of FY19 went back into fund balance reserves. Agenda item 19-588 was approved on November 22nd, 2019 (Resolution 2019-104) amending the budget, with the intended purpose of reallocating the project budget out of reserves; in order to provide the necessary budget in FY20 to perform the projects. (Agenda 19-588). Attached to the agenda was Budget Adjustment Forms (BAF) 20-007-A1, 20-007-A2, 20-012-A1 and 20-012-A2.

RECOMMENDED MOTION:

Approve a Resolution Amending the FY2020 Budget, reducing the reliance on Fund Balance and reducing the expense budget for project retainage, BAF # 20-029-A1 and A2.