



Legislation Text

File #: 20-96, Version: 1

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-A1and 20-029-A2

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

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

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

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

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

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

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

Amount Requested (\$16,099)
Account Number 302-0000-389.99-50
Account Name Fund Balance Reserve

Amount Requested (\$1,850)
Account Number 302-3580-572.63-01
Account Name Infrastructure / T-Dock Extension
Project Number CD18LW

Amount Requested (\$14,249)
Account Number 302-3580-572.63-04
Account Name Emergency Repairs Waterfront
Project Number ES17HI

Budget Adjustment 20-029-A2

Amount Requested (\$99,168)
Account Number 426-0000-389.99-50
Account Name Fund Balance Reserve

Amount Requested (\$85,466)
Account Number 426-4055-536.63-00
Account Name Infrastructure
Project Number WS1431

Amount Requested (\$12,302)
Account Number 426-4055-536.63-00
Account Name Infrastructure
Project Number WS18DP

Amount Requested (\$1,400)
Account Number 426-4120-536.63-00
Account Name Infrastructure
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.