

**ECONOMIC DEVELOPMENT AUTHORITY MEETING**

AGENDA SECTION	BUSINESS ITEMS
MEETING DATE	DECEMBER 12, 2022

ITEM:	Resolution 2022-25, appropriating \$40,000 of existing fund balance for use in the 2022 budget of Economic Development Authority Administration Fund 204.		
DEPARTMENT: Finance		BY/DATE: Joseph Kloiber, Finance Director/Dec 2, 2022	
CITY STRATEGY:			
☐ Safe Community		☐ Diverse, Welcoming “Small-Town” Feel	
☒ Economic Strength		☐ Excellent Housing/Neighborhoods	
☐ Equity and Affordability		☐ Strong Infrastructure/Public Services	
☐ Opportunities for Play and Learning		☐ Engaged, Multi-Generational, Multi-Cultural Population	

BACKGROUND:

The actual 2022 expenditures within EDA Administration Fund 204 are projected to exceed the original 2022 budget of \$400,000 by approximately \$18,000 or 4.5% by the end of the budget year (December 31, 2022.)

The EDA adopted the original 2022 budget in September 2021. In January 2022, the City Council adopted new employee pay scales, in response to a city-wide compensation study performed by an external consultant. This was both to comply with a state statute requiring pay equity within local government, and to remain a competitive employer amidst the dual challenges of employee retention and high inflation. These new pay scales are the reason the expenses in EDA Administration Fund 204 are projected to exceed the original 2022 budget. There was not an increase in activities or staffing beyond the levels originally planned.

State statute and generally accepted accounting principles treat any dollar amount expended over the legally adopted budget as a reportable compliance violation, even if there are additional funds on hand to pay for the excess expenditures. Consequently, staff recommends increasing the legal level of the 2022 budget in EDA Administration Fund 204 by \$40,000 to allow for any final variance from the \$18,000 estimate currently available.

Staff notes that in November, this same 2022 budget matter was addressed by the City Council Resolution 2022-106 for various City funds not administered by the EDA (Funds 101, 201, 225, 228, and 240.)

RECOMMENDED MOTION(S):
MOTION: Move to waive the reading of Resolution 2022-25, there being ample copies available to the public. MOTION: Move to adopt Resolution 2022-25, being a resolution appropriating \$40,000 of existing fund balance for use in the 2022 budget of Economic Development Authority Administration Fund 204.

ATTACHMENT(S): Resolution 2022-25