



AGENDA REPORT SUMMARY

Meeting Date: October 25, 2022

Subject Adopt a resolution authorizing the City Manager, or his/her designee, to increase appropriations up to and including \$100,000 for grants, donations, and reimbursements received for costs not previously budgeted

Prepared by: Suzanne Niederhofer, Interim Finance Director

Approved by: Gabriel Engeland, City Manager

Attachment(s):

1. Resolution

Initiated by:

Staff

Previous Council Consideration:

None

Fiscal Impact:

There is no net Fiscal Impact. This authorization allows the City Manager, or his/her designee, to increase appropriations for unbudgeted grant, donation, or reimbursement revenue received (for costs not previously budgeted), for administrative efficiencies.

Environmental Review:

Not applicable

Policy Question(s) for Council Consideration:

- Would authorizing the City Manager, or his/her designee, be more administratively efficient?
- Is the authorization fiscally neutral?

Staff Recommendation:

Adopt the resolution authorizing the City Manager, or his/her designee, to increase appropriations with a set limit and under certain circumstances to improve efficiencies.

City Manager

GE

Reviewed By:

City Attorney

JH

Finance Director

SN



Subject: Adopt a resolution authorizing the City Manager, or his/her designee, to increase appropriations up to and including \$100,000 for grants, donations, and reimbursements received for costs not previously budgeted

Purpose

To provide administrative efficiency, staff is requesting Council to authorize the City Manager to increase appropriations up to and including \$100,000 for grants, donations, and reimbursements received for unbudgeted costs.

Background

The City may receive outside grants and/or donations which are unanticipated and, therefore, not budgeted. The City's practice is to record these grants and donations as revenues. In order to spend the money received, staff must present the request for an appropriation increase to Council on Consent. Additionally, as unencumbered appropriations lapse at the end of the fiscal year, staff must then return to Council in the next fiscal year to reappropriate any unspent grant/donation funds received.

The City may also receive reimbursements for expenditures that were unanticipated and, therefore, not budgeted. The City's practice (and accounting requirement) is to record expenditures as they occur and to record reimbursements as revenues. These situations occur when a citizen, developer, outside agency, etc. requests certain documents and/or services from the City and reimburses the City for the cost of the documents and/or services. An example is the recent receipt of funding from PG&E (\$40,000) to replace the HVAC unit at the Woodland Library. These costs that were not anticipated during budget preparation result in departments using budgeted funds and resources for unbudgeted purposes. Generally the appropriation request would go to Council with the Mid Year Budget. However, the large expense early in the fiscal year can be fiscally restraining..

Discussion/Analysis

Rather than return to Council for an appropriation increase each time a grant, donation or reimbursement for unbudgeted expenditures is received or wait until the Mid Year Budget, staff proposes Council adopt a resolution authorizing the City Manager, or his/her designee, to increase appropriations up to and including \$100,000 for each grant, donation, and reimbursement received for unbudgeted expense. The authorization would also provide for continuous appropriation of grant/donation funds until spent.

Recommendation

The staff recommends Council adopt the resolution authorizing the City Manager, or his/her designee, to increase appropriations up to and including \$100,000 for each grant, donation, and reimbursement received for unbudgeted expensed and to authorize continuous appropriation of grant and donation funds until spent.