



AGENDA REPORT SUMMARY

Meeting Date: October 25, 2022

Subject Adopt a resolution to appropriate \$250,000 for budget contingencies in the general fund non-department account (2410), \$90,000 for the November 2022 election in the general fund City Clerk account (1410), and \$100,000 for equipment replacement in the equipment replacement account (00065)

Prepared by: Suzanne Niederhofer, Finance

Reviewed by: June Du, Finance Director

Approved by: Gabriel Engeland, City Manager

Attachment(s):

1. Resolution

Initiated by:

Staff

Previous Council Consideration:

None

Fiscal Impact:

Appropriates the budget contingency reserve of \$250,000 in the general fund non-department account (2410). This reserve was identified at the June 14, 2022 budget hearing as a potential use of the FY23 budgeted revenue over expenditure balance (see attachment 1). Appropriates \$90,000 in the general fund City Clerk account (1410) for the November 2022 election. Appropriates \$100,000 of the \$300,000 transferred to the equipment replacement fund in the FY23 budget.

- Breakdown of funds to be used:
 - o \$340,000 General Fund
 - o \$100,000 Equipment Replacement
- Amount already included in approved budget: N
- Amount above budget requested: \$440,000
- General Fund budgeted revenue over expenditure balance is reduced from \$2.53M to \$2.19M

Environmental Review:

Not applicable

City Manager

GE

Reviewed By:

City Attorney

JH

Finance Director

JD



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Policy Question(s) for Council Consideration:

- Does appropriating \$250,000 for budget contingency uses, \$90,000 for the November 2022 election, and \$100,000 for equipment replacement meet the City Manager’s and City Council goals?
- Does appropriating \$250,000 for unbudgeted needs provide flexibility for the City Manager to be more nimble in managing operations?
- Does appropriating \$100,000 for equipment replacement provide needed replacement of resources for ongoing operations?

Summary:

- The \$250,000 budget contingency reserve was identified at the June 14th Budget hearing as a potential use of the FY23 budgeted revenue over expenditure balance. Staff’s intention was to appropriate these funds to be able to move swiftly when needs were identified.
- The November 2022 election will cost an estimated \$90,000. It was staff’s intention to include this cost in the FY23 budget.
- The FY23 budget includes a \$300,000 transfer to the equipment replacement fund as identified at the June 14th Budget hearing. It was staff’s intention to appropriate part of this funding for identified needs.

Staff Recommendation:

Adopt the resolution appropriating \$250,000 for budget contingencies in the general fund non-department account (2410), appropriate \$90,000 for the November 2022 election in the general fund City Clerk account (1410), and appropriate \$100,000 in the equipment replacement fund account (00065).



Subject: Adopt a resolution to appropriate \$250,000 for budget contingencies in the general fund non-department account (2410), \$90,000 for the November 2022 election in the general fund City Clerk account (1410), and \$100,000 for equipment replacement in the equipment replacement account (00065)

Purpose

To appropriate the identified budget contingency reserve of \$250,000 in order to allow swift action when unbudgeted needs are identified, appropriate \$90,000 for the required November 2022 election, and to appropriate \$100,000 of the \$300,000 transferred to the equipment replacement fund for identified replacement needs.

Background

On June 14, 2022, City Council was presented with the FY23 MidTerm Budget. A budget contingency reserve in the amount of \$250,000 was identified as a potential use of the FY23 budgeted revenue over expenditure balance (see attachment 1). It was staff's intention that this be appropriated to allow swift action when unbudgeted needs were identified. However, the appropriation was overlooked and not included in the FY23 budget.

The cost of the November 2022 election was identified in a budget spreadsheet. However, it was missed in identifying it to Council with the FY23 MidTerm Budget and was not included in the final budget numbers.

A transfer of \$300,000 to the equipment replacement fund was also identified and included in the FY23 budget. It was staff's intention that part of this transfer be appropriated for identified replacement needs. However, the appropriation for the expenditure was overlooked and not included in the FY23 budget.

Discussion/Analysis

Staff is now asking that Council appropriate the \$250,000 budget contingency, \$90,000 for the November 2022 election, and \$100,000 for equipment replacement that should have been appropriated in the FY23 budget as intended.

Recommendation

The staff recommends Council adopt the resolution appropriating \$250,000 for budget contingencies in the general fund non-department account (2410), \$90,000 for the November 2022 election in the general fund City Clerk account (1410), and \$100,000 in the equipment replacement fund account (00065).