

Montgomery City Council
AGENDA REPORT

Meeting Date: March 28, 2023	Budgeted Amount: N/A
Department: Admin	Prepared By: Anthony Lasky

Subject

Consideration and possible action on: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS, AMENDING ITS MUNICIPAL BUDGET FOR THE FISCAL YEAR 2021-2022; APPROPRIATING THE VARIOUS AMOUNTS HEREIN, AS ATTACHED IN EXHIBIT A; CONTAINING FINDINGS AND A TEXAS OPEN MEETINGS ACT CLAUSE; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Recommendation

Approve the budget amendment as presented.

Discussion

This is a normal yearly process The City does before the audit is completed. This is done to make sure The City is in compliance and within the expense threshold the auditors require the City to be at. This was originally presented at the December 13th 2022 Council Meeting. As this item was presented there were items found resulting in a couple of large overages in our Police Department. One of the items that stuck out was the wages category. Because of that large overage, Council instructed Staff to research this item. After further investigation, it was found that the wages were over due to a software error. The wages along with the expenditures of Payroll Taxes and Retirement were being combined into the wages account instead of being properly split 3 ways. This combination resulted in an overage of \$110,673.37. Additionally during this time, Payroll Taxes and Retirement were being accounted for in a separate manner in which it was found they should have not been. This was done in human error. After consulting with Incode and the Auditor, we were able to clean up both the software error and human error. After further discussions with the Auditor, they have recommended that we amend the budget to make sure the City avoids a management letter from their firm and to properly meet the March 31st filing deadline. At this time, the amount we are asking to amend the General Fund budget to properly cover the expenses is \$345,000. This expense number is subject to change as it is contingent on any additional items the auditor finds. A breakdown from Exhibit A shows the accounts that need to be adjusted. There are additional funds included in Exhibit A that will also need to be amended. As the auditor is still working on finalizing things, The City will provide all details of the budget amendment at a subsequent City Council meeting.

Approved By

Senior Accountant	Anthony Lasky	Date: 03/24/2023
City Administrator	Gary Palmer	Date: 03/24/2023