



AGENDA ITEM COMMENTARY

MEETING NAME: City Council
MEETING DATE: September 16, 2024
ITEM TITLE: Consider and take appropriate action on Ordinance

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WOLFFORTH AMENDING THE FISCAL YEAR 2023-24 OFFICIAL BUDGET, ADOPTED BY ORDINANCE NO. 2023-020, PROVIDING A CUMULATIVE CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

STAFF INITIATOR: Terri Robinette, City Secretary

BACKGROUND:

As part of the review of financial policies and the City's debt obligations during the Fiscal Year 2023 audit, changes were made to the distribution of the 2020 and 2021 Tax Note allocations between the Debt Service Fund (Fund 04) and the Utility Fund (Fund 02). These tax notes should be allocated 100% to the Debt Service Fund with the Utility Fund showing no expense for these payments. Adjustments were made during the Fiscal Year 2023 Audit process to this effect. At the time of that audit, the Fiscal year 2024 budget had already been established with the 2020 and 2022 Tax Notes being split between the Debt Service Fund and Utility Fund. Staff recommends a budget adjustment to the Fiscal year 2024 budget to move 100% of the expense of these two tax notes to the Debt Service Fund, which requires the reallocation of a total of \$212,523.50. The Debt Service Fund has an adequate fund balance to cover this expense and will leave a projected fund balance at 9/30/2024 of \$84,745. Staff has been aware of the need for this budget adjustment for some time and is bringing it to the Council now before then end of the fiscal year on 9/30/2024.

The debt service fund receives its revenues from the I&S portion of the Tax Rate which was set for Fiscal year 2025 at \$0.149722. The calculations used in the setting of this rate are based on total debt payments for Fiscal Year 2025 which did include a 100% allocation of the 2020 and 2021 Tax Note principal and interest payments. The adopted fiscal year 2025 does show the proper allocation of this debt.

EXHIBITS:

Ordinance with Attachment A

COUNCIL ACTION/STAFF RECOMMENDATION:

Approve Ordinance