



CITY COUNCIL ACTION REPORT

June 13, 2007

TO: Phillip L. Nelson, City Manager
FROM: John M. Lamerato, Assistant City Manager/Finance & Administration
SUBJECT: 2006/07 Budget Amendment No. 2

Background:

- In June of every fiscal year, once May financials are out, we review all budgetary centers to determine whether a budget amendment is necessary based on eleven months of actual expenditures and estimating June expenditures.

Financial Considerations:

- Several of the budget amendments are a result of receiving grants during the year that were not anticipated during budget preparation.

Legal Considerations:

- The budget amendments will keep us in compliance with P.A. 621 of 1978 Uniform Budgeting Act, which calls for budgets to be amended when necessary.

Policy Considerations:

- The budget amendment conforms to Goal II, "Minimize the cost and increase the efficiency and effectiveness of City government", by upholding fiscal integrity.

Options:

- It is requested that City Council approve Budget Amendment No. 2 as recommended by City Management.

2006-2007 BUDGET AMENDMENT NO. 2

	<u>CURRENT BUDGET</u>	<u>AMENDMENT</u>	<u>AMENDED BUDGET</u>
<u>GENERAL FUND</u>			
REVENUE			
FEDERAL GRANTS	\$ 34,500	\$ 240,000	\$ 274,500
INVESTMENT INCOME	700,000	60,000	760,000
TOTAL AMENDMENT TO REVENUES		<u>\$ 300,000</u>	
EXPENDITURES			
FIRE OPERATIONS	\$ 255,000	\$ 300,000	\$ 555,000
TOTAL AMENDMENT TO EXPENDITURES		<u>\$ 300,000</u>	
<u>REFUSE FUND</u>			
REVENUE			
INVESTMENT INCOME	\$ 100,000	\$ 35,000	\$ 135,000
TOTAL AMENDMENT TO REVENUES		<u>\$ 35,000</u>	
EXPENDITURES			
CONTRACTORS SERVICE	\$ 4,363,000	\$ 35,000	\$ 4,398,000
TOTAL AMENDMENT TO EXPENDITURES		<u>\$ 35,000</u>	
<u>BUDGET STABILIZATION FUND</u>			
REVENUE			
INVESTMENT INCOME	\$ 40,000	\$ 60,000	\$ 100,000
TOTAL AMENDMENT TO REVENUES		<u>\$ 60,000</u>	
EXPENDITURES			
TRANSFER TO GENERAL FUND	\$ 40,000	\$ 60,000	\$ 100,000
TOTAL AMENDMENT TO EXPENDITURES		<u>\$ 60,000</u>	
<u>TDDA DEBT FUND</u>			
REVENUE			
TRANSFER FROM TDDA FUND	\$ -	\$ 3,023,000	\$ 3,023,000
TOTAL AMENDMENT TO REVENUES		<u>\$ 3,023,000</u>	
EXPENDITURES			
PRINCIPAL	\$ -	\$ 1,650,000	\$ 1,650,000
INTEREST	-	1,372,000	1,372,000
OTHER FEES	-	1,000	1,000
TOTAL AMENDMENT TO EXPENDITURES		<u>\$ 3,023,000</u>	

2006-2007 BUDGET AMENDMENT NO. 2

	<u>CURRENT BUDGET</u>	<u>AMENDMENT</u>	<u>AMENDED BUDGET</u>
<u>CAPITAL FUND</u>			
REVENUE			
FEDERAL GRANTS	\$ 305,000	\$ 15,000	\$ 320,000
SALE OF LAND	335,260	370,000	705,260
CHARGES FOR SERVICES - FEES	70,000	1,000	71,000
		<u>\$ 386,000</u>	
EXPENDITURES			
POLICE ADMINISTRATION	\$ 38,000	\$ 15,000	\$ 53,000
GENERAL ENGINEERING	-	370,000	370,000
COMMUNITY AFFAIRS - CATV	35,000	1,000	36,000
		<u>\$ 386,000</u>	

Amendment requested to provides funds for recognition of Federal Grant for Fire equipment; Contractor's Service for the Refuse Fund; Investment income transfer from the Budget Stabilization Fund to the General Fund; Downtown Development Authority transfer to TDDA Debt Fund; Recognition of Grant Revenue and Sale of land proceeds for police equipment and Engineering Office building purchase.