



CITY COUNCIL AGENDA ITEM

Date: May 14, 2013

To: Brian Kischnick, City Manager

From: Thomas Darling, Director of Financial Services

Subject: Budget Amendment #3 - (Introduced by: Thomas Darling, Director of Financial Services)

History

City Management continuously reviews all funds and functions within those funds to determine progress to date, identify potential financial issues and, if necessary, recommend budget amendments if warranted.

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.

In addition, budget amendments may be the result upon completion of the projection and budget process and the results of analysis and City Council consensus.

Financial

The amendments will provide the necessary funding in the 2012-13 Budget to meet compliance requirements with P.A. 621 of 1978 in the Building Inspections Department.

The amendments will mirror City Council consensus related to the Capital Projects Fund.

The amendments will recognize City policy that capital expenditures in excess of \$5,000 be expended through the Capital Projects fund.

Recommendation

It is requested that City Council approve Budget Amendment No. 3 as recommended by City Management.

Budget Amendment #3

General Fund

- Increase both Building Inspection revenues by \$526,000 and Building Inspection Contracted Services – Safebuilt by \$526,000. Net effect to General Fund Balance zero. These increases



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to both revenue and expenditures are to recognize the significant increase in building permits and the associated contractor fees.

- Increase budgeted transfers out to Capital Projects Fund by \$25,000 and reduce Police building repairs and maintenance by \$25,000. Net effect to General Fund Balance is zero. This reclassification between expenditure lines recognize the City policy to expend capital expenditures in excess of \$5,000 through the Capital Projects fund.
- Increase budgeted transfers out to Capital Projects Fund by \$1,000,000. Net effect to the General Fund balance is a decrease of \$1,000,000. This budgeted increase is to reflect City Council consensus to increase funding to the Capital Projects fund for infrastructure improvements.

Capital Projects Fund

- Increase Transfer In revenues by \$25,000 and Police Building Improvement expenditures by \$25,000. Net effect to Capital Projects Fund Balance is zero. This transfer in and related expenditure recognizes the City policy to expend capital improvements over \$5,000 from the Capital Projects fund.
- Increase Transfer in revenues by \$1,000,000. Net effect to Capital Projects Fund Balance is an increase of \$1,000,000. This budgeted increase is to reflect City Council consensus to increase funding to the Capital Projects fund for infrastructure improvements.