



Legislation Text

File #: 58293, Version: 2

**Fiscal Note**

This resolution appropriates a variety of expenditures not anticipated in the 2019 Adopted Budget. The resolution authorizes \$950,000 in new appropriations funded from the General Fund balance. These appropriations bring the 2019 Revised Operating Budget much closer to the State of Wisconsin Expenditure Restraint Program limit and help preserve expenditure authority in future years. Adoption of this resolution has no impact on the tax levy. It is anticipated that, following this transfer, the unreserved, undesignated, and unassigned General Fund balance will remain above the target of 15 percent of 2019 expenditures.

The resolution also appropriates \$300,000 in reimbursed revenue from FEMA resulting from the August 2018 flooding event. This revenue is deposited as an agency revenue in Direct Appropriations, the expense authority will increase the appropriation for the 2019 Contingent Reserve by \$300,000, which will be transferred to agency budgets, with no impact on net General Fund expenditures.

In addition to new appropriations, the resolution also includes a series of transfers across and within departments. These adjustments reflect projected spending levels through the 3<sup>rd</sup> Quarter; all proposed transfers are net neutral. Among these transfers is fully expending the 2019 Contingent Reserve. As of the November 19<sup>th</sup> Common Council meeting the remaining balance of the Contingent Reserve is \$1,445,620 (this amount does not include the increase proposed in this resolution).

The resolution also changes the funding source for \$1.68 million of Water Utility capital projects from utility reserves to revenue bond proceeds. This change will help improve the utility's unassigned cash balance at the end of 2019.

**Title**

Amending the 2019 Adopted Operating Budget by appropriating a net amount of \$950,000 from the General Fund balance to agency budgets, and \$90,000 from the Library Fund balance, and making transfers of appropriations between and within agencies.

**Body**

**General and Library Funds**

**Appropriation Increases and Decreases**

As of the 2019, 3<sup>rd</sup> Quarter projection the General and Library funds are projecting an \$815,000 surplus. This resolution increases General Fund appropriations by \$950,000; increases the Library Fund appropriations by \$90,000; and transfers \$3,035,000 across various agency budgets (including the remaining balance of the Contingent Reserve).

**Increase Amounts**

Direct Appropriations	42-Intergov Rev (Revenue)	(300,000)
Direct Appropriations	56-Con Reserve	300,000
Fire Department	51-Salaries & 52-Benefits	1,900,000
Streets Division	51-Salaries	400,000
Streets Division	54-Purchased Services	700,000
Police Department	52-Benefits	985,000
General Fund Revenue	48-Fund Balance (Revenue)	<u>(950,000)</u>

	<b>Total</b>	<b>3,035,000</b>
 <b>Decrease Amounts</b>		
Direct Appropriations	51 & 52-Salaries & Benefits	(740,000)
Direct Appropriations	56-Contingent Reserve	(1,795,000)
Attorney	51-Salaries	(125,000)
Building Inspection	51-Salaries	(140,000)
Economic Development	51-Salaries	(135,000)
Engineering	51-Salaries	<u>(100,000)</u>
	<b>Total</b>	<b>3,035,000</b>

*Increase Amounts*

Direct Appropriations: Increase revenues within Direct Appropriations by \$300,000 from federal and state sources resulting from reimbursement for 2018 flood-related expenses. Appropriate these funds in the 2019 Contingent Reserve.

Fire Department: Increase the salary budget by \$1,100,000 to offset overtime expenses and reduce salary savings. Increase the benefit budget by \$800,000 to offset benefits associated with health insurance, retirements and overtime.

Police Department: Increase the benefit budget by \$985,000 for costs associated with non-annualized pay types.

Streets Division: Increase the salary budget by \$400,000 for overtime costs associated with snow, and purchased services by \$700,000 for contractor snow removal.

*Decrease Amounts*

Attorney: Decrease the salary budget by \$125,000; the projected surplus is the result of salary savings.

Building Inspection: Decrease the salary budget by \$140,000; the projected surplus is the result of salary savings.

Economic Development: Decrease the salary budget by \$135,000; the projected surplus is the result of salary savings.

Engineering: Decrease the benefit budget by \$100,000; the projected surplus is the result of charging time to other funding sources.

*Library Fund*

Library: Appropriate \$90,000 from the Library fund balance offset a decrease in the Department's budgeted 2019 revenue.

**Intra-Agency Transfers**

The adjustments listed below reflect appropriation transfers authority across expenditure major spending categories based on 3<sup>rd</sup> Quarter expenditures. All of the transfers included below are net neutral within agency budgets.

<b>AGENCY</b>	<b>DECREASE</b>		<b>INCREASE</b>	
	<b>Major</b>	<b>Amount</b>	<b>Major</b>	<b>Amount</b>
Assessor	54-P Services	10,000	53-Supplies	10,000

Parks	54-P Services	29,000	53-Supplies	29,000
Fleet	54-P Services	100,000	57-Agency Charges	100,000
Common Council	52-Benefits	5,000	53-Supplies	5,000
Common Council	52-Benefits	3,500	54- P Services	3,500
		<b>147,500</b>		<b>147,500</b>

**New Appropriations: Non General Fund**

Public Health: Transfer \$271,000 from benefits to salaries (\$28,800), supplies (\$26,000), purchased services (\$33,450), and debt (\$182,750).

Stormwater Utility: Transfer \$80,000 from salaries to supplies (\$40,000) and purchased services (\$40,000) for street-sweeping related expenditures; and, increase the trade-in allowance in the 2019 Street Sweeping Equipment capital project by \$26,505 funded by trade-in allowance revenue.

Water Utility: Increase transfer in from debt to fund \$1,680,000 in projects through revenue bonds. These projects were budgeted to be funded by reserves, but will instead be funded by revenue bonds to reflect reductions in revenue received through the 3<sup>rd</sup> quarter. Projects affected include Water Utility Facility Improvements (\$210,000), Water Hydrant Replacement Program (\$510,000), Vehicle & Equipment Program (\$368,000), Chlorinators & Floridators (\$20,000), Water Meter Program (\$171,000), New Water Valve Cut-Ins (\$15,000), Unit Well Rehabilitation Program (\$60,000), and Water Utility Facility Improvements - Olin Vehicle Storage Building Roof Repair (\$325,000).

Finally, the resolution authorizes the Finance Director to determine which fund balances should be designated as “assigned”, as recommended in Government Accounting Standards Board (GASB) statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”.

WHEREAS, the City could appropriate an additional \$950,000 from the General Fund balances to these purposes and remain eligible for future payments under the State’s Expenditure Restraint Program; and,

WHEREAS, the Finance Director is authorized to determine which fund balances should be designated as “assigned”, consistent with Government Accounting Standards Board (GASB) recommendations

NOW THEREFORE LET IT BE RESOLVED, that the Common Council amends the 2019 Budget to authorize the aforementioned adjustments to expenditure categories within and across departments.