



Legislation Text

File #: 10061, **Version:** 1

Fiscal Note

The adopted 2008 Operating Budget includes \$400,000 for prior-year encumbrances and the 2008 Planning Unit budget includes an additional \$150,000 to fund a portion of the encumbrance associated with the zoning code re-write project. Since actual encumbrances at the end of 2007 totaled \$853,805, the difference of \$303,805 must be appropriated from the Contingent Reserve. Following adoption of this resolution, the available Contingent Reserve balance is expected to total \$667,195. There is no impact on the tax levy or State Expenditure Restraint Program eligibility limits.

Title

Allocating funds appropriated in the 2008 Operating Budget for prior-year encumbrances to match actual carry-forward encumbrances in various departmental accounts and appropriating \$303,805 from Contingent Reserve to fund additional year end encumbrances.

Body

PREAMBLE

In governmental accounting terminology, encumbrances are outstanding purchase orders and other contractual commitments for expenditures that have been incurred but not yet paid. Any encumbrances that remain open at the end of the budget year must be paid and charged to expense in the subsequent year. Governmental accounting rules require that such expenses be charged against the adopted budget when prior-year encumbrances are paid.

The City of Madison included a \$400,000 appropriation for prior-year encumbrances in the miscellaneous section of the adopted 2008 budget. In addition, \$150,000 was included in the 2008 Planning Unit budget for a portion of the ongoing zoning code re-write, a project that was contracted for in 2007 and encumbered at the end of the year. The difference between the total of these budgeted amounts and the total actual carry forward of encumbrances must be appropriated from the Contingent Reserve.

For fiscal years 2003, 2004 and 2006, actual prior-year encumbrances were less than the \$400,000 budgeted, and the Contingent Reserve balance was increased by approximately \$24,000, \$42,000 and \$126,220 respectively for those years. In 2005 and 2007, the remaining prior-year encumbrances were higher than budgeted, and additional amounts of \$101,100 and \$59,930 were drawn from the Contingent Reserve to cover actual carry-forward encumbrances.

A total of \$853,805 of encumbrances remained open at the end of 2007. Thus, \$303,805 must be drawn from the Contingent Reserve in 2008 to fund the amount of actual encumbrances in excess of the \$550,000 included in the originally adopted 2008 budget.

WHEREAS, the 2008 Adopted Budget includes appropriations for estimated prior-year encumbrances totaling \$550,000 and actual carry-forward encumbrances at the end of 2006 totaled \$853,805;

NOW, THEREFORE, BE IT RESOLVED, that \$400,00 be allocated from the miscellaneous appropriation for prior-year encumbrances and that an additional \$303,805 be appropriated from the Contingent Reserve to the following departmental adopted budgets to fund expenditures for the 2007 year-end actual carry-forward encumbrances:

Allied & Emerging Neighborhoods: \$33,325
Miscellaneous Legal Services: \$30,000
Assessor: \$2,470
Community and Economic Development: \$1,643
Community Services: \$598
Comptroller: \$15,150
Department of Civil Rights: \$10,000
Engineering: \$2,207
Fire: \$140,126
Information Technology: \$6,803
Parks: \$29,238
Planning Administration: \$17,572
Planning Unit: \$292,277
Police: \$77,188
Senior Center: \$9,169
Streets: \$35,369
Traffic Engineering: \$670

TOTAL: \$703,805