



Legislation Text

File #: 54189, **Version:** 2

Fiscal Note

The proposed resolution amends the 2019 Adopted Budget for the Water Utility by authorizing the transfer of \$1,469,000 from the operating budget to the capital budget. The funding source for this appropriation is Water Utility annual revenues anticipated in the Water Utility's 2019 budget.

This amendment aligns the Water Utility's 2019 budget with anticipated spending. Expenditures recommended to be transferred to the capital budget will be capitalized under the Water Utility's capitalization policy.

The programs and annual 2019 budgeted expenditures being transferred from the Water Utility's operating budget the capital budget are as follows:

Water Hydrant Replacement Program - \$510,000
Vehicle and Equipment Program - \$368,000
Chlorinator and Floridators - \$20,000
Water Meter Program - \$171,000
New Water Valve Cut-Ins (within the "Water Mains - New" program) - \$15,000
UW Rehab Program - \$60,000
Water Utility Facility Improvements - Olin Vehicle Storage Roof Repair - \$325,000

Future capital budgets will include these ongoing capital programs.

Title

SUBSTITUTE: Amending the 2019 Water Utility budget for a net-neutral budget transfer of \$1,469,000 from the Water Utility operating budget to the capital budget to align expenditures with capitalization policy standards.

Body

WHEREAS, the Water Utility completed implementation of the MUNIS accounting system during 2018 for consistent accounting and reporting with all other City agencies; and

WHEREAS, the 2019 operating and capital budget was developed and adopted prior to the Water Utility's full transition to the MUNIS accounting system; and

WHEREAS, the Water Utility's general accounting guidelines for capitalization of expenditures resulting in asset value of at least \$5,000 with a useful life of at least one year requires budgeted expenditures in the Water Utility's operating budget be transferred to the capital budget; and

WHEREAS, the Water Utility has analyzed the eligible programs to be transferred from the operating budget to the capital budget as water hydrant replacements, vehicles & equipment, chlorinators & floridators, water meter replacements, new water valve cut-ins, UW rehab projects, and the Olin Avenue Vehicle Storage Barn Roof Repair; and

WHEREAS, these expenditures were included in the following major spending categories in the Water Utility's 2019 operating budget request: \$377,410 for salaries, \$44,600 for benefits, \$632,630 for supplies, \$413,970 for purchased services, and \$390 for interdepartmental charges; and

WHEREAS, the budget amendment does not result in additional appropriation;

NOW THEREFORE BE IT RESOLVED that the 2019 Water Utility adopted budget is amendment to transfer \$1,469,000 from the operating budget to the capital budget; and

BE IT FURTHER RESOLVED that the Water Utility operating budget is reduced by the aforementioned amounts by major spending categories; and

BE IT FINALLY RESOLVED that the Water Utility capital budget is increased by the aforementioned amounts by major spending category.