



AGENDA MEMO
12/18/2018 Agenda

TO: Honorable Mayor and City Council

FROM: Thomas W. Tvardzik, Director of Finance

SUBJECT: CONSIDER AND ACT: on an Ordinance amending the fiscal 2017-2018 budget to provide for a transfer from the General Fund (Fund 01) to the Equipment Services Fund (Fund 47).

BACKGROUND:

At its meeting of October 2, 2018, City Council approved the purchase of ten (10) pieces of equipment for the new "In-House Construction" Department (02-24) within the Utility Fund. The approval totaled \$443,900.00

In order to avoid drawing down working capital any further within the Equipment Services Fund (47), a transfer of capital from the General Fund (01) was suggested and discussed during the FY2019 budget process.

The proposed amendment would provide for the transfer of \$443,900.00 of working capital from the General Fund to Equipment Services. This is a one-time transfer to cover the purchase cost of this equipment. However, further purchases for this department are anticipated during each of the next two fiscal years.

As with other equipment, the purchase costs will be ratably charged back to the "user" department to insure adequate funding is available when the equipment needs to be replaced in the future.

RECOMMENDATION:

City staff recommends the approval of the attached ordinance authorizing the requested transfer.

ATTACHMENTS:

- Memo to Council dated 10/2/2018, regarding MPY equipment purchases
- Budget amendment ordinance