



## **AGENDA MEMO** **(12/17/2013 AGENDA)**

TO: Honorable Mayor and City Council

FROM: Thomas Tvardzik, Director of Finance

SUBJECT: An ordinance amending FY2014 budget to carry forward FY2013 encumbrances

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### **Background:**

Each year City staff prepares and proposes a budget amendment to bring forward the funds encumbered at the end of the previous fiscal year. Approval of these FY2013 encumbrances (open purchase orders) makes the funds available for expenditure in the current fiscal year, FY2014.

### **Impact on the budget**

The specific amounts per account, department and vendor are displayed in Exhibit "A" of the attached ordinance. The overall impact is shown in the table below:

<b>Fund</b>	<b>Adopted Budget</b>	<b>Encumbrances</b>	<b>Amended Budget</b>
General	\$28,219,147	\$503,447	\$28,722,594
Utility	\$14,710,895		\$14,710,895
Sanitation	\$2,765,251	\$68,071	\$2,833,322
Storm Water	\$437,420		\$437,420
	<u>\$46,132,713</u>	<u>\$571,518</u>	<u>\$46,704,231</u>

### **Impact on financial position**

The proposed budget amendment would increase authorized expenditures, which would in turn reduce fund balances when the expenditures occur. If all encumbrances were converted into expenditures, the impact on affected fund balance would be as follows:

<b>Fund</b>	<b>9/30/13 Balance</b>	<b>Encumbrances</b>	<b>Adjusted Balance</b>
General	\$5,292,051	(\$503,447)	\$4,788,604
Sanitation	\$1,636,982	(\$68,071)	\$1,568,911
	<u>\$6,929,033</u>	<u>(\$571,518)</u>	<u>\$6,357,515</u>

The resulting fund balances are above the minimum levels established by the City's financial management policies. The attached page displays the FY2014 adopted budget and the change to each department made by the proposed amendment.

### **Recommendation:**

City staff recommends approval of the budget amendment.

### **Attachments:**

Amendment summary by fund and department  
Ordinance amending FY2014 budget