



Legislation Text

File #: Res. 2016-126, Version: 1

City Council Meeting Date: December 6, 2016

To: Mayor and City Council  
City Administrator

From: Melanie Lammers, Finance Director

Consider 2016 Budget Amendment

**Action Requested:**

The Northfield City Council consider approving the attached resolution amending the 2016 budget initially adopted on December 1, 2015 for the funds listed below. This resolution requires a simple majority since it is not using any fund balance.

**Summary Report:**

Not all fund budgets require adjustment. Budget adjustments are not statutorily required, but a best practice. It is also a way to “clean up” the budget to accurately reflect actual expense. Only those funds needing modification are included in the resolution. Following are brief explanations of the budget adjustments requested.

**GENERAL FUND**

*General Fund Departments*

Revenues

- We are doing a revenue neutral adjustment to the revenue section of the General Fund. We received more Building permit fees than anticipated, however, other revenue areas are underperforming and will offset any increase.
  - Building Permits \$ 100,000
  - Bldg Insp Plan Review Fee 110,000
  - Engineering Fees (100,000)
  - Parking Fines ( 20,000)
  - Pool Annual Passes ( 20,000)
  - Arena Ice Rental ( 70,000)
    - *Net* 0
  - Transfer In-Tiger Grant Monies \$419,922-Per Fund Closure Resolution

Street Department

- We are adding budget dollars to several personnel wage categories in the amount of \$68,500.

#### Ice Arena

- This is another department that is over-budget in the wage categories. We are adding \$15,200 to several personnel wage categories.

#### General Parks

- This department is not using the full budget for personnel wages. We are subtracting \$18,500 from several wage categories.
- Adding \$2,000 to the motor fuel and lubricant line item.

#### Athletic Facilities

- We are removing \$21,400 of budgetary dollars from various personnel wage line items.

#### Pool

- We are removing \$13,000 of budget dollars from various line items. The pool is now closed and will not be using these budget dollars.

#### Other Financing Uses

- We are moving \$32,800 of our contingency dollars to other departments to create a net zero effect on the budget.
- We are increasing the transfer out line item by \$350,000 to account for transfers for intersection projects. This money was transferred to a capital project fund.

The net effect on the General Fund Budget is a positive \$69,922. This is due to the monies from the closed Tiger Grant Fund being transferred in. These dollars will become designated fund balance for pedestrian safety enhancements, per Resolution 2016-095.

### **SPECIAL REVENUE FUNDS**

#### CDBG Fund

- We are increasing the revenue by \$188,907. We are also increasing the expense by \$188,907. The net effect is zero. This is being done to account for a project approved by the HRA, in which funds from prior years were collected and spent.

## CAPITAL PROJECT FUNDS

### Park Fund

- We are increasing the revenue in the budget by \$361,369 for grants received, and donations for the ROMP project. We are also increasing expense by \$361,369 as the monies were spent on land acquisition and to complete the ROMP project. The net effect is zero.

### Fire Replacement Fund

- We are increasing the revenue and expense budget to account for the bonding for 2 fire trucks, and the payment for them.

### Capital Reserve Fund

- We are increasing the revenue and expense budget to account for the intersection projects that were paid for in this fund. The revenue is coming from the General Fund.

## ENTERPRISE FUNDS

### Water Fund

- We are shuffling around some of the expense budget line items. Net effect of zero.

### Wastewater Fund

- We are recording the bond proceeds for 2016. Also recording expense for the 2007C refunding. Inadvertently left out of the 2016 budget.
- A few small expense adjustments with zero net effect.

### Stormwater Fund

- Record bond proceeds for 2016.

### **Alternative Options:**

Council may choose not to pass a budget amendment. A budget amendment is a best practice, and staff recommends council move forward with the amendment.

### **Financial Impacts:**

This resolution requires a simple majority since it is not using any fund balance. This budget amendment will “clean up” the budget to actual for 2016.

**Tentative Timelines:**

Staff would like to have the amendment passed before the end of 2016.