



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.