FINANCE

TO: Mayor and City Council

FROM: Steve Groom, Director of Finance and Budget
Kimberly Dominé, Finance Division Manager
Jen Morris, Financial Services Officer

DATE: March 31, 2020

RE: 2020 Budget Ordinance - 2019 Carryforward

This budget ordinance effects course corrections based on new information for the 2020 Budget year that was not known at the time of budget adoption. Staff routinely brings budget amendments approximately quarterly to course-correct, and to be transparent and accountable.

Budget amendment is a recurring budget process step; staff accumulates new information anticipating to bring adjustments of this type to council on an approximately quarterly basis and is typically for one of four reasons:

1) New additional revenue makes it possible to approve additional expenses,
2) Prior-year budgeted obligations need to be rolled forward to match disbursement in the current year, if not yet disbursed by Feb. 28th (60 days)
3) Accumulated fund balances can be appropriated, and
4) Corrections or changes between funds.

Staff requests approval of adjustments and corrections to the 2020 budget that are now known that were not known at the time of adoption, per the attached detail spreadsheet, described in more detail as follows:

New Revenue:

1). Housing Action Plan Grant of $5,000 was approved by council, but was not budgeted; this adjustment increases both revenue and expense in equal and offsetting amounts.

2). Rotary MLK Playground of $104,537.00 was approved by council, but not budgeted; this budget adjustment therefore increases both equal and offsetting donation revenue and expenses.

3), Yakima County SIED Grant of $1,000,000 was approved by council, but was not budgeted; this budget adjustment increases both equal and offsetting revenue and expenses.

Prior-Year roll-forward of 2019 encumbrances:

4). A large portion of this adjustment is for the Equipment Rental Fund, for prior-year-authorized purchases of vehicles and equipment that have a long purchase lead-time. $1,650,082.00

Additionally, offsetting revenue and expense for CDBG AND HOME grants of $3,388,756 not yet obligated are also carried forward. All of these expenditures were included in the 2019 budget and as result are revenue-neutral to the 2020 Budget – these simply renew expenditure authority. General Fund roll-forward is $55,089 which was authorized in 2019.

From Fund Balance:

The adjustments and corrections to the 2020 budget that are now known that were not known at the time of adoption, are:

5). Increase Front Street Fund 163 miscellaneous expense for advertising related to Trolley project missed during 2020 budget process. $1,600

6). Increase REET 1 Fund 342 for Community Center Master Plan that Council approved but was not budgeted. $80,000

7). Increase REET 1 Fund 342 for Elks Park parking lot, $60,000, accelerating this project in the 5-year plan within existing funding schedule, previously scheduled for future years.

8). 2019 budget carry-forward of $101,450 for Convention Center Capital Fund 370 not yet invoiced.

9). Increase the Environmental Fund $100,000 Fund 555 for new Fuel System approved and budgeted but not invoiced..

True Up Funds:

Interfund charges are done as-budgeted until year-end at which time actuals are then known, re-allocated and budget re-aligned to match.

10). Transfer between Funds for River Road SIED Loan. $ $62,796.99

11). Reallocation of City Service Charges, net increase to General Fund $166,969.24

12). Reallocation of Interfd Chgs-Garage/Plant Exp net increase to PW ADMN $9,771.64

13). Reallocation of Interfd Chgs - P/W Admin Chgs net increase to PW ADMN $46,023.80

Staff expects further 2020 course-correction budget adjustments later in the year, as new information becomes available that is not fully known at this time.