



Legislation Text

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ORDINANCE NO. 3015 NEW SERIES

AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE TRANSFER OF CASH AND APPROPRIATION AUTHORIZATION BETWEEN BUDGET ITEMS IN THE ADOPTED FISCAL YEAR 2015-2016 BUDGET.

Staff Contact: Vicki Rios, Director, Budget and Finance

Purpose and Policy Recommendation

This is a request for City Council to waive reading beyond the title and adopt an ordinance approving certain Fiscal Year 2015-2016 (FY15-16) budget amendments. The City of Glendale's FY15-16 budget appropriation across all funds remains unchanged with this action. Exhibit A contains the requested appropriation and cash transfers between departments and funds consistent with Article VI, Section 11 of the City Code and consistent with Resolution No. 5038 supporting the Cash and Budget Appropriation Transfer Policy.

Background

A budget amendment is required to transfer appropriation authority or cash between funds. The budget represents a planning document for spending that is established in advance of the fiscal year. Budget amendments are typically needed to reflect changes to the spending plan during the course of the year. Cash transfers can occur with a corresponding appropriation transfer between funds to be used to fund and establish a budget for a specific purpose in a separate fund. Cash only transfers can also occur between funds to establish funding for current or future appropriated expenditures.

As actual spending activity occurs, transfers of appropriation authority within and between departments and funds are required to reflect changes to the initial spending plan. Changes to the initial spending plan typically arise from:

- Actual expenses being higher than originally budgeted;
- Unexpected expenses associated with unforeseen circumstances;
- Planned spending patterns do not occur when work plans are modified to address changing circumstances; and
- Reconciliation of carryover estimates (usually for capital improvement projects) included in the adopted budget.

On November 10, 2015, Council adopted Resolution No. 5038 New Series supporting the Cash and Budget Appropriation Transfer Policy which requires cash and appropriation transfers between departments or between funds be approved by Council. This policy is compliant with Article VI, Section 11 of the City Charter.

Transfer of Appropriations

Part I, Article VI, Section 11 of the City Code states the following:

The city manager may at any time transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department or agency. At the request of the city manager and within the last three months of the fiscal year, the council may by ordinance transfer any unencumbered appropriation balance or portion thereof from one office, department or agency to another.

Analysis

This request is to: a) transfer cash between funds, b) transfer budget appropriations, and c) transfer budget appropriation from contingency. All the transfers are within the restrictions of the City Charter and within the Cash and Budget Appropriation Transfer Policy.

Requested Budget Amendments - Exhibit A

The budget amendments reported in Exhibit A in the attached ordinance are:

a) Lines 1-3, Transfers of cash between funds

- Line 1 - A transfer of cash between the MPC Debt and the Excise Debt Service Funds is requested to fund the proper accounting for bond proceeds for the required debt service payments.
- Line 2 - A transfer of cash between the General Fund and the General Governmental Construction Projects Fund is requested to fund FY15-16 approved General Fund Capital Improvement Projects' actual expenditures plus carry-forward budget for projects which are now being accounted for in the designated General Government Construction Projects Fund.
- Line 3 - A transfer of cash between the General Fund and the Airport Special Revenue Fund is requested for expenses due to additional salary costs incurred while backfilling the Administrator position during the transition to a new Administrator.

b) Lines 4-20, Transfers of budget appropriations.

- Lines 4-14 - A budget appropriation transfer for the actual costs of the Westgate Parking lot and the property south of the University of Phoenix Stadium which was funded by the FY15-16 General Obligation Bond issuance.
- Line 15 - A budget appropriation transfer to cover the city's match on a grant for improvements at Thunderbird Park using appropriation available in Park Development Impact Fees.
- Lines 16-17 - A budget appropriation transfer for the capital purchase of security equipment at the Municipal Court.
- Line 18 - A budget appropriation transfer from unused grant appropriations for Police Department equipment purchases and Regional Wireless Consortium (RWC) services using forecasted budget savings of Public Safety Personnel Retirement System (PSPRS) contributions and other salary savings that were not realized.

- Line 19 - A budget appropriation transfer from the Glendale Public Safety Training Center (GRPSTC) Fire Services budget to the GPRSTC Facilities Management budget for additional building maintenance at the facility.
- Line 20 - A budget appropriation transfer from unused grant appropriations for salary expenses at the Airport Operations for expenses due to additional salary costs incurred while backfilling the Administrator position during the transition to a new Administrator.

c) Lines 21-26, Request for Contingency budget appropriations.

- Lines 21-25 - A Sanitation Enterprise Fund contingency transfer for additional, unforeseen Shop Charges, Landfill Charges and Temporary Labor within the Sanitations Operations budget.
- Line 26 - A budget appropriation transfer from the Risk Management Fund contingency to the Benefits Trust Fund to cover a budget shortfall. The Benefits Trust Fund has sufficient cash to cover the overage, therefore only a contingency appropriation transfer is requested.

Previous Related Council Action

On May 24, 2016, Council approved the second series of FY15-16 budget transfers.

On November 10, 2015, Council approved Resolution 5038 New Series supporting the Financial Policy on Appropriation and Cash Transfers. Council also approved the first FY15-16 series of budget transfers.

Community Benefit/Public Involvement

The community benefit of the City's budget policies and amendment process demonstrates sound financial decisions are made through a transparent and public process where budgetary decisions align with the strategic direction of the City and provide the public with information on service provided and Council priorities.

Budget and Financial Impacts

The City of Glendale's total FY 2015-16 budget appropriation across all funds remains unchanged. The FY 2015-16 budget amendments shown in Exhibit A of the attached ordinance are associated with the movement of appropriation authority and cash between departments and funds.