



## Legislation Text

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**File #:** 17-314, **Version:** 1

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### **ORDINANCE NO. O17-32**

#### **AN ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING CASH AND APPROPRIATION BALANCE TRANSFERS BETWEEN BUDGET ITEMS IN THE ADOPTED FISCAL YEAR 2016-2017 BUDGET.**

Staff Contact: Vicki Rios, Director, Budget and Finance

#### **Purpose and Policy Guidance**

This is a request for City Council to waive reading beyond the title and adopt an ordinance approving certain Fiscal Year 2016-2017 (FY16-17) budget amendments. The City of Glendale's FY16-17 budget appropriation across all funds remains unchanged with this action. Exhibit A contains the requested appropriation 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 contingency budget appropriation, and b) transfer capital project budget appropriations. All the transfers are within the restrictions of the City Charter and within the Cash and Budget Appropriation Transfer Policy.

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

Lines 1-4, Request for cash transfers between funds- these are requests to move cash between funds.

- 1 A cash transfer request to close out the balance of the Recreation Self Sustaining Fund, which was previously a sub fund of the General Fund.
- 2 A cash transfer request to establish the Capital Reserve for fiscal year ending 2017.
- 3 A cash transfer from the Water Fund to the General Fund for an inter-departmental equipment purchase.
- 4 A cash transfer from General Fund to the Airport Fund for litigation expenses related to the Airport.

Lines 5-8, Request for transfer of contingency appropriation- these requests are for the use of various contingency funds for unplanned or unexpected expenditures.

5-6 Request contingency for the Heroes Park Basketball Court funded with Development Impact Fees.

7-8 Request Landfill and Misc. Grants contingency appropriation for landfill litigation expenses.

Lines 9-24, Request for transfer of appropriation - These transfers are requests for additional budget appropriation where the expenditures were higher than originally budgeted for FY16-17.

9-10 Request moving appropriation from the General Fund Stadium Operations and Public Works Engineering budget to the Airport.

11-12 Request moving appropriation from the GRPSTC Fire Department budget to the GRPSTC Public Works Facilities budget.

13-24 Request moving appropriation from Community Services Administration to Public Facilities and Events. This is a clean- up item from the FY16-17 reorganization that moves the staff and related budget from Community Services to Public Facilities.

This is the first budget transfer request of FY 2016-17. Staff anticipates additional transfers for FY 2016-17 will be brought to the Council for approval as part of the Fiscal Year 2016-17 close-out process.

#### **Previous Related Council Action**

On November 10, 2015 Council approved Resolution 5038 New Series supporting the updated Financial Policy on Appropriation and Cash Transfers.

On December 10, 2013, Council approved Resolution 4759 New Series supporting the Financial Policy on Appropriation and Cash 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. Ultimate 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 2016-17 budget appropriation across all funds remains unchanged. The FY 2016-17 budget amendments shown in Exhibit A of the attached ordinance are associated with the movement of cash or appropriation authority between departments and funds.