

RESOLUTION NO. 17-3154

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF LAKE HAVASU CITY, MOHAVE COUNTY, ARIZONA, AMENDING RESOLUTION NO. 16-3062 TRANSFERRING BUDGET APPROPRIATIONS FROM ONE FUND, DEPARTMENT, OR DIVISION TO ANOTHER FOR FISCAL YEAR 2016-17

RECITALS, In accordance with Arizona Revised Statutes Sections 42-17101, 17102, 17103, 17104, and 17105, on June 28, 2016, the City Council adopted Resolution No. 16-3062 approving the Fiscal Year 2016-17 Budget.

Arizona Revised Statute Section 42-17106 provides for transferring monies between budget items, so long as 1) the funds are available, 2) the transfer is in the public interest and based on demonstrated need, 3) the transfer does not violate the Expenditure Limitation provisions of the Arizona State Constitution, and 4) a majority of the members of the governing body vote in favor of the budget transfer.

As set forth below, certain budget transfers have been identified as necessary and in the public interest. The monies are available and the budget transfer does not violate State Expenditure Limitation provisions contained in the State Constitution and applicable Arizona Revised Statutes. The budget amendment only transfers funding, it does not increase the total amount of the City's budget and does not propose using budgeted contingency funds.

- a. The General Fund interfund allocation credits were previously lumped into one line item on the legal documents. The City's outside Audit Firm suggested that the allocation be shown under each individual Department. This amendment reflects the following adjustments: Administrative Services (\$1,402,691), City Attorney (\$191,438), City Clerk (\$117,553), City Council (\$90,539), City Manager (\$362,691), Community Investment (\$883,750), Operations (\$1,455,609), Non-Departmental \$48,615 and Intercost Allocations \$4,455,656.
- b. The Refuse Fund's year-end expenses are estimated to be higher than original budget due to unbudgeted engineering fees for the landfill and higher than anticipated contracted service costs. This amendment reflects an increase of \$315,000 to the Refuse Fund with a corresponding reduction of \$315,000 to the Irrigation & Drainage Fund to cover those unanticipated costs.
- c. During our FY 15-16 Audit, the City's outside Audit Firm adjusted the accounting for Tourism and Developer Agreement payments. The payments were budgeted to net to City Sales Tax. The Auditors required that those payments be shown as a separate revenue and expense. This amendment reflects an increase of \$3,368,000 to Non-Departmental with a decrease of \$3,368,000 to the budgeted contra-revenue accounts. Irrigation & Drainage Fund is being decreased to cover the budget appropriation for these payments.
- d. The excise tax revenue bonds and debt payments for CIP and capital outlay were budgeted in multiple funds: General Fund, Wastewater Fund, HURF, and Airport Fund. The debt payment budget was split between the funds based on budgeted CIP projects and capital

outlay items in each fund. The allocation percentage shifted between the funds based on the actual CIP projects and capital outlay items completed to date. This amendment reflects an increase of \$520,000 to the General Fund Non-Departmental and a decrease to the Wastewater Fund by \$503,000 and the Airport Fund by \$17,000 to move the budget appropriation to the correct fund based on a revised debt payment allocation split.

IT IS RESOLVED by the Mayor and City Council of Lake Havasu City, Arizona, that Resolution No. 17-XXXX is approved adopting budget amendments shown on the attached Schedules E and F; as the amended budget of Lake Havasu City, Arizona, for the Fiscal Year 2016-17.

PASSED AND ADOPTED by the Mayor and City Council of Lake Havasu City, Arizona, on June 27, 2017.

APPROVED:

Mark S. Nexsen, Mayor

ATTEST:

Kelly Williams, City Clerk

APPROVED AS TO FORM:

REVIEWED BY:

Kelly Garry, City Attorney

Charlie Cassens, City Manager