

RESOLUTION NO. 17-3186

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF LAKE HAVASU CITY, MOHAVE COUNTY, ARIZONA, AMENDING RESOLUTION NO. 17-3155 TRANSFERRING BUDGET APPROPRIATIONS FROM ONE FUND, DEPARTMENT, OR DIVISION TO ANOTHER FOR FISCAL YEAR 17-18

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 City budgeted to borrow the required PSPRS contributions for the next two years in order to exclude those costs from the expenditure limitation. The borrowing of the funds necessitates paying off a portion of the outstanding 2016 Excise Tax obligations to meet the debt service coverage ratio pledging the City's local sales tax revenues. The 2016 Excise Tax obligations were issued to further the Community Investment Program (CIP), while excluding those expenditures from the expenditure limitation. In order to save interest and free up the pledged revenue, staff recommended paying off the full 2016 Excise Tax bonds. On October 24, 2017, City Council adopted Resolution No. 17-3180, which authorized payment of the outstanding principal of \$9,760,000. This early repayment requires a budget transfer. This amendment reflects an increase of \$6.7 million to Non-Departmental with a corresponding reduction of \$6.7 million from Wastewater depreciation.
- b. Last fiscal year, Council approved the use of contingency funds for the relocation of the server room in order to complete the dispatch radio system project. Due to a budget shortfall at the end of the fiscal year, the Wastewater fund was not able to fund its portion of the costs. This amendment is to add an operating transfer from the Wastewater Fund to the CIP Fund in the amount of \$40,000 to reimburse the CIP Fund for Wastewater's portion of the server room project cost.

IT IS RESOLVED that the Mayor and City Council of Lake Havasu City, Arizona, approve the budget amendments shown on the attached Schedules D, E and F; as the amended budget of Lake Havasu City, Arizona, for the Fiscal Year 2017-18.

PASSED AND ADOPTED by the Mayor and City Council of Lake Havasu City, Arizona,
on November 14, 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