



Lake Havasu City

Lake Havasu City
Municipal Courthouse
Council Chambers
92 Acoma Boulevard
Lake Havasu City, Arizona
86403
www.lhcaz.gov

Legislation Details (With Text)

File #: ID 17-1200 **Version:** 1 **Name:**
Type: Resolution **Status:** Agenda Ready
File created: 5/8/2017 **In control:** City Council
On agenda: 6/27/2017 **Final action:**
Title: Adopt Resolution No. 17-3154 Amending Resolution No. 16-3062 and Transferring Budget Appropriations from One Fund, Department, or Division to Another for Fiscal Year 2016-17
Sponsors:
Indexes:
Code sections:
Attachments: 1. Resolution 17-3154, 2. State Budget Schedule E - Amended, 3. State Budget Schedule F - Amended

Date	Ver.	Action By	Action	Result
6/27/2017	1	City Council	Adopted	Pass

COUNCIL COMMUNICATIONS

TO: Honorable Mayor and Council
FROM: Tabatha Miller, Administrative Services Director
Cassandra Clow, Senior Budget Analyst

SUBJECT:

Adopt Resolution No. 17-3154 Amending Resolution No. 16-3062 and Transferring Budget Appropriations from One Fund, Department, or Division to Another for Fiscal Year 2016-17

FUNDING SOURCE:

Various Departments

PURPOSE:

Adopt a resolution to transfer budget appropriations from one fund, department, or division to another for Fiscal Year 2016-17.

BACKGROUND:

As Fiscal Year 2016-17 is coming to an end, a few areas have been identified in which a budget amendment is necessary.

The General Fund interfund allocation credits were previously lumped into one line item on the legal documents. The Auditors would like us to show the credits 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.

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 (IDD) Fund to cover those unanticipated costs. Although budget appropriation is being transferred from the IDD fund, no resources or funds are transferred. The costs and use of resources remains in the Refuse fund, where the expense originates.

During our FY 15-16 Audit, the Auditors made an accounting adjustment to the Tourism and Developer Agreement payments. The payments were budgeted to net to City Sales Tax in hopes of being able to exclude those payments from the Expenditure Limitation. Our Auditors required those payments to be listed 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 budget is being decreased to cover the budget appropriation for those payments.

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 service payments were split between the funds based on budgeted CIP projects and capital outlay items in each fund. The allocation percentage has now shifted between the funds based on the actual CIP projects and capital outlay items that have been completed to date. This amendment reflects an increase of \$520,000 to General Fund Non-Departmental and a decrease to the Wastewater Fund of \$503,000 and Airport Fund of \$17,000.

Even though a budget amendment is not required, Staff would also like to remind Council that the use of \$505,675 in contingency budget appropriation was approved by Council on 3-14-17 in order to build a new server room.

COMMUNITY IMPACT:

N/A

FISCAL IMPACT:

This budget amendment does not affect the overall budget; rather, it is a shift of budget appropriation from one fund/department/division to another. Council will be approving the adjustment of budgeted expenditure levels and operating transfers of the affected funds as allowed by A.R.S. §42-17106.

ATTACHMENTS:

Resolution No. 17-3154

State Budget Schedule E - Amended - Summary by Department of Expenditures/Expenses
within Each Fund Type

State Budget Schedule F - Amended - Summary by Department of Expenditures/Expenses

SUGGESTED MOTION:

I move to adopt Resolution No. 17-3154 amending Resolution No. 16-3062 and approving the budget amendments listed on schedules E and F for Fiscal Year 2016-17.