

TO: James L. App, City Manager
FROM: Jim Throop, Director of Administrative Services
SUBJECT: Budget Appropriation for Fiscal Year 2013 Encumbrances
DATE: April 16, 2013

Needs: For the City Council to consider approval of carry-over appropriations for fiscal year 2013 encumbrance requests.

Facts:

1. Proposed encumbrances represent requests to carry-over unspent budget appropriations for the fiscal year just ended June 30, 2012. Carry-over appropriations are *not* new requests. They represent previously approved Council budget appropriations for projects and/or equipment purchases that were not completed in the prior budget year.
2. It has been past practice to limit carryovers to one-time expenses such as capital outlay, capital improvements, special consultant services, etc.
3. Carry-over requests total \$441,100 of which \$190,100 is for the General Fund. Refer to attached Exhibit "A" for full details.

Analysis & Conclusion: Encumbrances (carry-over requests) are recorded upon the financial records of the City as budget adjustments in the fiscal year they are planned for expenditure and, subsequently, as an expense only when they are actually expended. For example, if there were a budget appropriation to replace the air conditioner at city hall and the work contract had not yet been let, the appropriation would NOT be included in year end results as an expenditure or payable. However, budget appropriations in the following year would be increased by the unspent amount and, when the expenditure is actually made, recorded against the year end result for that fiscal year.

Policy Adopted City Financial Policy – Live within means, sound financial practices and conformance with Generally accepted accounting principles (GAAP).

Fiscal Impact: GAAP do not recognize the use of reserves/savings when measuring or reporting year end results. Thus, approved carry-over requests reduce year end operating results in the year into which they are carried forward. In this case, it would be fiscal year 2013.

Of the \$441,100 in carryover, \$250,100 is for non-general fund related projects that were not completed in the prior fiscal year. For the General Fund, the impact is \$190,100. Current year-end projection for the General Fund is a positive \$570,000.

The projects associated with the \$190,100 are listed on the attached Exhibit A..

Options:

- a. That the Council adopt the attached resolution approving budget appropriations for fiscal year 2013 carry-over requests; or
- b. Amend, modify, or reject the above option.

EXHIBIT "A"
Schedule of Carry-over Appropriations
from
FY 2012 to FY 2013

Department	GL Account	Description	Appropriation
City Manager's Office	100-130-5235-120	GIS-IMS Server	\$ 9,000
City Manager's Office	100-130-5235-773	Salinas River - SEP Program	19,000
Public Works	100-310-5224-167	Landfill Monitoring, Analysis and Reporting	110,100
Public Works	100-310-5224-167	Landfill Joint Technical Document	46,300
Community Development	100-710-5224-212	National Flood Insurance Program	5,700
Subtotal General Fund			190,100
City Manager's Office	112-130-5454-120	Computer Equipment Replacement	10,600
Administrative Services	112-140-5454-125	Computer Equipment Replacement	24,100
Police Services	112-210-5454-139	Computer Equipment Replacement	25,800
Police Services	112-210-5454-140	Computer Equipment Replacement	11,000
Emergency Services	112-220-5454-150	Computer Equipment Replacement	5,400
Public Works	112-310-5454-191	Computer Equipment Replacement	6,800
Public Works	112-310-5454-196	Computer Equipment Replacement	5,300
Public Works	112-310-5454-284	Computer Equipment Replacement	1,700
LRS	112-411-5454-183	Computer Equipment Replacement	17,800
LRS	112-411-5454-199	Computer Equipment Replacement	19,600
LRS	112-411-5454-201	Computer Equipment Replacement	2,600
LRS	112-411-5454-203	Computer Equipment Replacement	2,600
Subtotal Equipment Replacement Fund			133,300
Community Development	212-140-5224-125	AB 1600 Study	24,100
Subtotal Fire Protection Facilities Fund			24,100
Public Works	213-910-5224-545	Resolution 09-169 Roundabout Union and Golden Hill	14,200
Subtotal Traffic Development Impact Fee Fund			14,200
Community Development	224-140-5224-125	AB 1600 Study	24,100
Subtotal Public Facilities Development Fund			24,100
Community Development	231-140-5224-125	AB 1600 Study	24,200
Subtotal City Hall/General Gov't Facilities Fund			24,200
Public Works	600-310-5221-165	Replacement Pump and Motor 12Street Booster Station	3,900
Subtotal Water Operations Fund			3,900
Public Works	601-310-5224-163	Evaluations of Existing Coating & Specs River Pipe Bridges	2,700
Public Works	601-310-5224-164	Fugro Contract - Downstream Groundwater Monitoring Well	3,800
Subtotal Sewer Operations Fund			6,500
Community Development	710-810-5452-688	21st Street Design	20,700
Subtotal Successor Agency Fund			20,700
			<u>\$ 441,100</u>
100 General Fund			\$ 190,100
112 Equipment Replacement Fund			133,300
212 Fire Protection Facilities Fund			24,100
213 Traffic Development Impact Fee Fund			14,200
224 Public Facilities Development Fund			24,100
231 City Hall/General Gov't Facilities Fund			24,200
600 Water Operations Fund			3,900
601 Sewer Operations Fund			6,500
700 Subtotal RDA Operations Fund			20,700
			<u>\$ 441,100</u>

RESOLUTION NO. 13-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
APPROVING BUDGET APPROPRIATIONS FOR FISCAL YEAR 2013
BUDGET CARRY-OVER REQUESTS

WHEREAS, the City has historically recorded encumbrances (carry-over requests) as budget appropriation increases in the subsequent fiscal year; and

WHEREAS, said requests have not yet been formally approved by the Council; and

WHEREAS, it is desirable to formally approve appropriations to be added to the fiscal year 2013 budget.

THEREFORE BE IT HEREBY RESOLVED by the City Council of the City of El Paso de Robles that the encumbrances (carry-over) requested in the attached Exhibit "A" are approved and shall be added to the fiscal year 2013 budget previously adopted.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 16th day of April, 2013 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Duane Picanco, Mayor

Caryn Jackson, Deputy City Clerk