



## Council Agenda Report

**From:** Deanne Purcell, Interim Director of Administrative Services

**Subject:** Carry-over Budget Appropriation for Fiscal Year 2016-17

**Date:** December 6, 2016

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### Facts

1. Proposed encumbrances represent requests to carry-over unspent budget appropriations for the fiscal year ended June 30, 2016.
2. 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. Thus, the appropriations weren't spent.
3. The projection provided to Council during last spring's budget process that the City would be able to contribute approximately \$300,000 to reserves at the end of FY 2015-16 purposefully did not include any appropriations for capital outlay, capital improvements, special consultant services, and other one-time expenditures.
4. It is City practice to limit carry-overs to one-time expenses such as capital outlay, capital improvements, special consultant services, etc.
5. Additional work has been undertaken on some of these projects since the end of the fiscal year. However, until the books were closed for the year, the exact amounts carried over and thus needing to be re-appropriated could not be specified with full accuracy.
6. Staff has reviewed the unfinished projects and determined that they are all consistent with current Council policies and priorities and can be continued.
7. Carry-over requests total \$257,015. Attachment 2 provides full details.
8. Approval of carry-over requests will adjust the previously approved budget for Fiscal Year 2016-17.

### Options

1. Do nothing.
2. Carry over a total of \$257,015 in unspent budget appropriations for one-time projects and acquisitions that were not completed in FY 2015-16.
3. Carry over a smaller appropriation by deleting or terminating one or more projects.

### Analysis and Conclusions

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 it was not completed within the planned budget year, 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 that year-end result.

**Fiscal Impact**

For a variety of reasons, not all of the projects and/or purchases authorized by Council for last year were completed.

The savings generated in Fiscal Year 2015-16 from not having spent said funds for these items are recorded as increases to reserves/savings (assuming no other appropriations are overspent). These savings are therefore available in the following fiscal year to pay for their acquisition.

**Recommendation**

Approve Resolution 16-XXX authorizing carry-over appropriations of \$257,015 for Fiscal Year 2016-17, distributed amongst the General, Water, and Sewer Funds.

**Attachments**

1. Resolution 16-XXX approving the carry-over appropriations for Fiscal Year 2016-17
2. Schedule of Carry-over Appropriations
3. Budget Adjustment Request Form

RESOLUTION NO. 16-XXXX

A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF EL PASO DE ROBLES  
APPROVING BUDGET APPROPRIATIONS FOR  
FISCAL YEAR 2016-17 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 2016-17 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 2016-17 budget previously adopted.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 6<sup>th</sup> day of December, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Steven W. Martin, Mayor

Attest:

\_\_\_\_\_  
Kristen L. Buxkemper, Deputy City Clerk

Schedule of Carry-over Appropriations  
from  
FY 2016 to FY 2017

Attachment 2

Department	GL Account	Description	Appropriation
Public Works	1002110-55010-E0018	River Bed Clean-Up	\$ 15,157
Public Works	1003115-52210-C0048	Hacienda Hills Abatement	25,395
Public Works	1003115-52220-C0048	Hacienda Hills Abatement	56,700
Public Works	1003254F-52240-P0015	Centennial Pool Rehab	39,534
Public Works	1003255F-52240-P0016	Muni Pool Rehab	8,555
Public Works	1003304-52220-P0014	Emergency Storm Drain	19,214
Public Works	1009101-52240-C0052	HVAC Repairs	6,560
Emergency Services	1002230-52133	Safety Equipment-Protective Suits	10,000
Subtotal General Fund			181,115
City Manager's Office	1121350-52127	Licensing Backup Software	9,900
City Manager's Office	1121350-54540	Domain Controller	12,000
Subtotal Equipment Replacement Fund			21,900
Public Works	6013550-52420	Violation Penalties - Water Board	54,000
Subtotal Sewer Operations Fund			54,000
			<u>\$ 257,015</u>
100 General Fund			\$ 181,115
112 Equipment Replacement Fund			21,900
601 Sewer Operations Fund			54,000
			<u>\$ 257,015</u>

Approvals/workflow 1. Dept Head 2. Admin Svcs 3. City Manager 4. City Council	<b>City of Paso Robles</b> <b>BUDGET ADJUSTMENT REQUEST</b>		Budget JE #
			Bar #
	Carryover Appropriations- From FY 2015-16 to FY 2016-17		AGENDA DATE 12/06/2016

DESCRIPTION	ORG #	OBJECT #	PROJECT #	AMOUNT
<b>REVENUE SOURCES</b>				
General Fund	100	99999		\$181,115
Equipment Replacement Fund	112	99999		21,900
Sewer Operations Fund	601	99999		54,000
<b>TOTAL REVENUES</b>				<b>\$257,015</b>
<b>EXPENDITURE USES</b>				
PDPtrlOps-Pay to Other Agency - River Bed Clean-Up	1002110	55010	E0018	\$15,157
PW-Facilities R&M - Hacienda Hills Abatement	1003115	52210	C0048	25,395
PW-General R&M - Hacienda Hills Abatement	1003115	52220	C0048	56,700
CentPool-Professional Svcs - Pool Rehab	1003254F	52240	P0015	39,534
MuniPool-Professional Svcs - Pool Rehab	1003255F	52240	P0016	8,555
PW-Grl R&M - Emergency Storm Drain	1003304	52220	P0014	19,214
CapEx-Professional Svcs - HVAC Repairs	1009101	52240	C0052	6,560
ESEmrRsps-Safety Equip	1002230	52133		10,000
IT-Computer Hardware	1121350	52127		9,900
IT-Equipment	1121350	54540		12,000
SwrTrtmnt-Violation Penalties	6013550	52420		54,000
<b>TOTAL EXPENDITURES</b>				<b>\$257,015</b>

**JUSTIFICATION: (attach letter if required) - See attached staff report/reso**

**REQUESTED BY:**

11/15/2016      Deanne Purcell  
 \_\_\_\_\_  
 Date                      Department Head

**REVIEWED & APPROVED BY:**

11/15/2016      Deanne Purcell  
 \_\_\_\_\_  
 Date                      Administrative Services

**APPROVED BY:**

\_\_\_\_\_  
 Date                      City Manager

**PASSED AND ADOPTED** by the City Council of the City of Paso Robles, State of

California, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_. Agenda Item No. \_\_\_\_\_  
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