

City Council Agenda Memo

From: Ashley Rentsch, Finance Director; Pete Bolzer, Fire Chief
Council Meeting: August 8, 2023 / August 22, 2023
Subject: Ordinance 23-026: 2023 Budget Amendment No. 7
Presenter: Ashley Rentsch, Finance Director

Summary:

City of Brookings Staff continually monitors departmental budgets and brings amendments to the City Council as necessary to account for circumstances not anticipated in the originally adopted appropriation ordinance. This ensures compliance with state and local laws and maintains transparency regarding the City's operational and capital needs. This budget amendment will increase the Fire Department's capital budget for the additional amount needed to pay for the Engine 2 Replacement in full.

Background:

The Fire Department initially budgeted for the replacement of Engine 2 in 2022. However, due to supply chain issues, delivery was delayed until August 2023. The budget had originally included a five-year repayment plan for an interfund advance, and payments for 2022 and 2023 totaling \$215,487 are currently in the 2023 Capital Improvement Plan (CIP) Budget. Strong sales tax performance in 2022 made it possible for the CIP Fund to sustain a payment in full for this without financing through an interfund advance. This amendment will add \$393,608 to the capital budget to pay this expenditure in full.

Item Details:

Increases the Fire Department Capital Expenditure budget in the CIP Fund by \$393,608 to cover the full cost of replacing Engine 2 for \$609,095.

<u>Dept. / Fund</u>	<u>Budgetary Account</u>	<u>Increase / (Decrease) Amount</u>	<u>Description</u>
CIP / 2 nd Penny Sales & Use Tax	Expenditure	\$ 393,608	Fire Engine 2 Replacement

Legal Consideration:

None.

Strategic Plan Consideration:

This action supports fiscal responsibility by ensuring proper budget authority for current year expenditures and increasing transparency regarding capital purchases.

Financial Consideration:

This amendment increases expenditures by \$393,608 in 2023, eliminating interfund financing payments in 2024, 2025, and 2026, which were included in the original 2023 10-year Capital Improvement Plan.

Options and Recommendation:

The City Council has the following options:

1. Approve as presented
2. Amend
3. Deny
4. Move the item to a Study Session
5. Discuss / take no action / table

Staff recommends approval of the ordinance as presented.

Supporting Documentation:

Memo

Ordinance