

City Council Agenda Item Memo

From: Ashley Rentsch, Finance Director

Council Meeting: March 12, 2024 / March 26, 2024

Subject: Ordinance 24-006: Amendment No. 1 to the 2024 Budget

Presenter: Ashley Rentsch, Finance Director

Summary:

Staff requests Council approval on this budget amendment. The purpose of this amendment is to carry forward budget authority from 2023 for expenses to be incurred in 2024 and account for the 2023 Dacotah Bank Center budget variance.

Background:

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 ordinance has three parts. Part one carries forward 2023 budgeted amounts for expenses to be incurred in 2024. Part two increases budget authority for proposed new initiatives to be supported with overall 2023 budget savings. Part three adds budget authority in the 3B tax fund to cover the 2023 Dacotah Bank Center budget variance.

Item Details

The attached Detail by Account provides additional information regarding parts one and two of this ordinance.

Part 1:

This part carries forward unused budget authority from 2023 in the amount of \$10,492,842. This includes approximately \$1.8M in remaining ARPA Funds allocated to community partners, \$4.7M in projects and equipment in the CIP Fund, and \$2.5M in larger capital projects, including University Boulevard, 20th Street Interchange, and the TIF 9 Detention Basin. \$125k in 2023 budget savings is being carried forward in the Finance Department for financial reporting and budgeting initiatives, as well as a part-time accounting assistant. The remainder is allocated to various departments based on 2023 budget savings and expenses that were originally planned for 2023, but will be incurred in 2024.

Part 2:

The items specified in this part will utilize 2023 budget surplus to fund new initiatives in 2024 in the amount of \$533,824. This includes \$300k for the Western Avenue bridge replacement, \$53k for police department facility improvements, \$50k for a new forklift, \$44k for a strategic communications specialist in Public Works, approximately \$17k for

a part-time recreation coordinator at the Activity Center, and several smaller departmental initiatives.

Part 3:

This part adjusts the 2024 budget to transfer \$152,581.32 to the Dacotah Bank Center to cover their 2023 budget variance.

Legal Consideration:

None.

Strategic Plan Consideration:

This action supports fiscal responsibility by increasing budget authority for revenues and expenditures and increasing transparency regarding City operational and capital needs.

Financial Consideration:

The current estimated General Fund expenditure budget surplus for 2023 after carry forwards and new initiatives is \$1,925,071. After the City's financial audit is concluded, the final cash surplus will be added to the City Council Financial Policy Projects Fund.

The current estimated Capital Improvement Plan (CIP) Fund expenditure budget surplus for 2023 after carry forwards and new initiatives is \$745,033. After the City's Financial Audit is concluded, the final cash surplus will be added to the CIP Fund reserves.

Budget amendments in all other funds are funded by their respective 2023 estimated surpluses.

3B Tax Fund reserves will fund the Dacotah Bank Center budget variance.

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.

Supporting Documentation:

Memo

Ordinance

Detail by Account