

City Council Agenda Memo

From: Ashley Rentsch, Finance Director; Charlie Richter, City Engineer; John Thompson, Public Works Director

Council Meeting: July 25, 2023 / August 8, 2023

Subject: Ordinance 23-025: 2023 Budget Amendment No. 6

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 four-part amendment includes increases and transfers of budget authority for current Engineering projects, as well as reimbursements from other entities for portions of projects based on agreements.

Background:

The Engineering Division is currently managing several infrastructure projects that require budgetary adjustments to increase project expenditures, recognize contributions from other entities, and streamline accounting for project costs.

Item Details:

Part 1: Increases the 22nd Avenue Project expenditure budget per the change order and increases the reimbursements revenue account budget for the portion to be contributed by 3M.

Dept./Fund	Account Type	Increase/ (Decrease) Amount	Description
CIP/2nd Penny Sales Tax	Expenditure	\$ 142,200	Additional project costs for 22 nd Avenue - Change Order
CIP/2nd Penny Sales Tax	Revenue	\$ 96,473	3M Reimbursement

Part 2: Increases the University Boulevard Project expenditure budget to account for the streetscape portion of the project and increases the reimbursements revenue account budget to account for the full reimbursement of these additional costs by SDSU.

Dept./Fund	Account Type	Increase/ (Decrease) Amount	Description
TIF 1 Capital Project - University Blvd.	Expenditure	\$ 500,900	Streetscape portion of University Blvd. Project
TIF 1 Capital Project - University Blvd.	Revenue	\$ 500,900	SDSU Reimbursement

Part 3: Transfers cash and budget authority from the Stormwater Fund to the CIP fund for storm sewer improvements made in conjunction with the annual overlay project.

Dept./Fund	Account Type	Increase/ (Decrease) Amount	Description
CIP/2nd Penny Sales Tax	Expenditure	\$ 143,960	Budget Transfer for Harvey Dunn Storm Sewer Improvements
Stormwater Fund	Expenditure	\$ (143,960)	Budget Transfer for Harvey Dunn Storm Sewer Improvements
CIP/2nd Penny Sales Tax	Transfer In	\$ 143,960	Transfer in from Stormwater Fund
Stormwater Fund	Transfer Out	\$ 143,960	Transfer out to CIP Fund

Part 4: Transfers cash and budget authority from the CIP Fund to the University Blvd. Project to recognize all expenditures dedicated to this project in the same account.

Dept./Fund	Account Type	Increase/ (Decrease) Amount	Description
TIF 1 Capital Project - University Blvd.	Expenditure	\$ 440,000	Budget Transfer for University Boulevard Project
CIP/2nd Penny Sales Tax	Expenditure	\$ (440,000)	Budget Transfer for University Boulevard Project
TIF 1 Capital Project - University Blvd.	Transfer In	\$ 440,000	Transfer in from CIP fund
CIP/2nd Penny Sales Tax	Transfer Out	\$ 440,000	Transfer out to University Boulevard Project Fund

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 projects.

Financial Consideration:

Part One of this amendment includes a net increase to the 22nd Avenue Phase II project budget of \$45,727. Parts 2, 3, and 4 have a net zero effect on the budget.

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