

City Council Agenda Memo

From: Ashley Rentsch, Interim Finance Director

Council Meeting: February 28, 2023 / March 14, 2023

Subject: Ordinance 23-007: Supplemental Appropriation No. 2 to the 2023 Budget – Parts 1 and 2

Presenter: Ashley Rentsch, Interim 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 needs. This two-part budget amendment requests to carry forward unused funds from the previous year and fund priority items not included in the original 2023 appropriation ordinance.

Background:

- Part 1 will carry forward unspent funds from the 2022 budget. These items were budgeted in 2022 but are expected to be completed in 2023.
- Part 2 will increase funding in 2023 for priority items which were not initially funded when the 2023 budget was passed and new priority items that have been identified since passing the original budget. All of the proposed items would be funded by the budget surplus experienced in 2022.

Item Details:

Part 1- Carry Forwards by fund: \$14,575,961.01

General Fund:

Category	Amount	Category	Amount
Operations – Contracted Services	\$ 24,999.99	Operations – Personnel expense	\$ 3,500.00
Operations – Emergency Event Expense	\$621,307.36	Operations – City Promotion	\$ 7,089.00
Operations – Employee initiatives	\$143,000.00	Operations – Risk mitigation	\$ 296,245.08
Operations - Infrastructure	\$ 13,000.00	Operations - Subsidies	\$ 1,122.00
Operations – Maintenance & Repairs	\$ 37,500.00	Operations – Supplies and materials	\$ 12,000.00
Operations – Operation enhancements	\$ 59,100.16	Operations – Vehicles & Equipment	\$ 23,525.46

General Fund Total \$ 1,242,389.05

Capital Improvement Fund

Category	Amount
CIP – Maintenance & repairs	\$ 343,610.00
CIP – Project Work	\$ 1,121,960.00
CIP – Sinking fund	\$ 679,348.83
CIP – Vehicles & Equipment	\$ 2,087,001.90

Capital Improvements Fund Total \$ 4,231,920.73

Special Revenue Funds

Category	Amount
Swiftel – Project Work	\$ 1,251,093.37
Special Assessments – Project work	\$ 10,000.00
Storm Drainage – Contracting Services	\$ 130,550.00
Storm Drainage – Project work	\$ 277,216.00

Special Revenue Funds Total \$ 1,668,859.37

Capital Project Funds

Category	Amount
TIF – Project work	\$ 1,602,889.90
Capital Projects – Project work	\$ 4,478,959.50

Capital Project Funds Total \$ 6,081,849.40

Enterprise Funds

Category	Amount
Airport – Construction Projects	\$ 725,600.00
Airport – Vehicles & Equipment	\$ 32,000.00
Golf Course – Maintenance & Repairs	\$ 24,000.00
Golf Course – Vehicles & Equipment	\$ 18,000.00
Landfill – Vehicles & Equipment	\$ 301,357.00
Landfill – Construction Projects	\$ 98,000.00
Landfill – Contracting Services	\$ 113,805.46
Landfill – Maintenance & Repairs	\$ 25,000.00
Landfill – Operation enhancements	\$ 13,180.00

Enterprise Funds Total \$ 1,350,942.46

Part 2 – New initiatives funded by the 2022 Surplus: \$1,063,385.06

General Fund

Category	Amount
Operations – Employee initiatives	\$ 82,266.06
Operations – Infrastructure	\$ 52,800.00
Operations – Legal Services	\$ 20,000.00
Operations – Maintenance & Repairs	\$ 18,374.00
Operations – Operation enhancements	\$ 25,246.00
Operations – Personnel expense	\$ 319,125.69
Operations – Risk mitigation	\$ 22,140.12
Operations – Supplies and materials	\$ 9,000.00
Operations – Vehicles & Equipment	\$ 59,180.03

General Fund Total \$ 608,131.90

Capital Improvement Fund

Category	Amount
CIP – Maintenance & repairs	\$ 168,00.00
CIP – Operations – Vehicles & Equipment	\$ 38,000.00
Capital Improvement Fund Total	\$ 206,000.00

Special Revenue Funds

Category	Amount
E-911 – Personnel Expense	\$ 13,009.33
Storm Drainage – Personnel Expense	\$ 3,119.70
3B – Personnel Expense	\$ 82,927.89
Special Revenue Fund Total	\$ 99,056.92

Enterprise Funds

Category	Amount
Liquor Store – Personnel Expense	\$ 2,884.45
Airport – Personnel Expense	\$ 3,179.31
Golf Course – Personnel Expense	\$ 1,285.98
Solid Waste Collections – Personnel Expense	\$ 7,503.72
Landfill – Contracting Services	\$ 56,500.00
Landfill – Vehicles & Equipment	\$ 66,260.00
Landfill – Personnel Expense	\$ 12,582.78
Enterprise Funds Total	\$ 150,196.24

Legal Consideration:

State law (SDCL 9-21-7) and the City Charter (4.06(a)) permit supplemental appropriations provided there are sufficient funds and revenues available to pay the appropriation when it comes due.

Strategic Plan Consideration:

This Ordinance supports Fiscal Responsibility by ensuring the City obtains budget authority and transfers cash as necessary to meet appropriations.

Financial Consideration:

The current estimated General Fund budget surplus for 2022 is \$1,565,804. After the City's financial audit is concluded, the final surplus will be added to the City Council Priority Project Fund.

The current estimated Capital Improvement Projects (CIP) Fund budget surplus is \$3,858,735. After the City's financial audit is concluded, the final surplus will be added to the CIP Fund reserves.

Budget amendments in all other funds will be funded with their respective 2022 estimated surpluses.

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