City Council Agenda Memo

From: Erick Rangel, Chief Financial Officer

Council Meeting: December 15, 2020

Subject: Contingency Funds Transfer to 2020's Budget

Person(s) Responsible: Erick Rangel, Chief Financial Officer; Ashley Rentsch, Deputy Finance Manager

Summary:
Action on Resolution 20-109, a resolution authorizing a supplemental appropriations transfer of City Manager's contingency funds in the amount of $63,500 to fund litigation, software licenses, and holiday employee recognition expenses. These are mostly unforeseen expenses at the time 2020's Budget was approved.

Background:
The City Manager's Contingency Account was allocated $125,949 when the 2020 Budget was passed. The main objective of this allocation is to fund items that result as a change in strategic direction, weather related, or additional initiatives not considered at the time the 2020 Budget was prepared and presented to City Council.

Item Details:
Staff recommends allocation of 2020 City Manager's contingency funds to the following budget line items:
1. Litigation expense - $58,000
2. Software services - $2,500
3. Employee Recognition - $3,000

Legal Consideration:
South Dakota Codified Law 9-21-6.1, Line Item for Contingencies – Maximum Amount – Transfer to Other Appropriations, provides for the transfer of contingency funds by resolution to account for items for which no appropriation was provided.

Strategic Plan Consideration:
Proposed transfer helps achieve the City's mission of providing a high quality of life for its citizens.

Financial Consideration:
This transfer will not result in incremental 2020 budgeted expenses. It will transfer appropriations from the City Manager Contingency Account into the City Attorney, City Clerk, and Human Resources Departments. After this transfer, the City Manager's

Contingency Account will remain with a $57,855 available spending balance.

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. Do nothing

Staff recommends approval of the resolution as presented.

Supporting Documentation:
Memo
Resolution