



REPORT TO: SUA TRUSTEES

MEETING DATE: MARCH 8, 2021

Agenda Item:	5a. SUA-21-08
Background / Issue:	<ul style="list-style-type: none"> • City staff continually monitors revenues and expenditures and their relationship to the budget. • This is important in order to inform management and the City Council/Trustees of measures needed to be taken to meet projections or to modify the budget. • In staff's analysis of the FY21 revenues and expenditures, several amendments have been identified. Passage of these budget amendments will aid in the preparation and presentation of a balanced FY22 budget.
Proposal/Solution:	<p><u>Revenue</u> The following areas were identified to increase the FY21 revenue appropriation.</p> <ul style="list-style-type: none"> • Fees and rentals – A rate change to revise the Waste Management rate structure was approved by Trustees on 12/7/20 and was effective 1/1/21. This is projected to increase FY21 revenues for residential refuse, commercial refuse, commercial recycling, roll-off, and street sweeping by a total of \$300,000. <p><u>Expenditures</u> The following areas were identified to reduce the FY21 expenditure appropriations.</p> <ul style="list-style-type: none"> • Payroll – Due to the COVID-19 pandemic, many positions remained unfilled for the first half of the fiscal year and several positions remain vacant today. A payroll review identified a total of \$398,666 in the SUA Operating Fund that can be unappropriated and returned to the fund balance. • Contingency – \$140,000 in contingency appropriations in the Waste Management Fund are estimated to be greater than the remaining need for FY21.

Financial Impact/Funding Source(s):

The following budget amendments are recommended:

SUA Operating Fund

- Reduce the transfer-out to the General Fund by \$1,328,530 for reduced expenditure appropriations proposed to the City Council for General Fund payroll, licenses and fees, and contingency amounts.
- Reduce payroll expenditure appropriations in the SUA by \$398,666 due to FY21 vacancies.

Waste Management Fund

- Increase revenue projections by \$300,000 as a result of the Waste Management rate changes effective 1/1/2021.
- Reduce contingency expenditure appropriations by \$140,000 which will not be utilized in FY21.

Related Strategic Priority:

#1 Effective Services & Accountable Government: To provide effective services and accountable government for all citizens by practicing fiscal responsibility, transparency and outstanding customer service.

Recommended Action/Motion:

Motion to approve budget amendments as detailed in the Financial Impact/Funding Source section of this report.

Prepared By:

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Reviewed By:

Christy Cluck, Finance Director

Submitted By:

Norman McNickle, City Manager

Attachment(s):

Budget Amendments