



Request for City Council Committee Action from the Finance Department

Date: May 21, 2007
To: Ways and Means Committee
Referral to: None

Subject: 2006 Supplemental Appropriation Requests

Recommendation:

Passage of a resolution to amend the 2006 general appropriation resolution to increase the budgets in the funds and agencies set forth in appendix A.

Previous Directives: None

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Prepared by: Charles Elliot, Controller

Approved by: Patrick Born, City Finance Officer _____

Steven Basacker, City Coordinator _____

Presenters in Committee: Charles Elliott, Controller

Reviews

- Permanent Review Committee (PRC): Approval ___ Date _____
- Policy Review Group (PRG): Approval ___ Date _____

Financial Impact

- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase

Community Impact

- Not Applicable

Supporting Information

At the conclusion of each fiscal year, Finance brings to the Ways and Means/Budget Committee requests for supplemental appropriations. These requests reflect the need to increase budgets to accommodate spending commitments which City departments make in the course of doing business. Without these adjustments, the City would be out of compliance with the Charter.

Finance provides the amounts and brief explanation of the factors behind these requests. Concerns about the management decisions that lead to these budget variances are best directed to the Department Heads in question. The complete list of these requests can be found in appendix A, with detailed explanation on major items in the following section of this report.

2006 Supplemental Appropriation Requests

General Fund \$8,767,021 (offset by revenue of \$1,145,000)

Total supplemental appropriation requests in the general fund are \$8,767,021. These requests will be covered by revenues in excess of expectations or by fund balance. Department by department specifics follow for items over \$50,000. The complete list is in appendix A.

2006 Supplemental Appropriation Requests

Assessor	\$139,614	Technical adjustment
Transfers Out (Equipment Fund)	\$340,858	Technical adjustment
Transfers Out (Self Ins. Fund)	\$3,080,000	Technical adjustment
Police Department	\$4,000,000	Appropriation increase to cover spending
Field Services	\$925,000	Appropriation increase to cover spending
PW Administration	\$220,000	Appropriation increase to cover spending

- Additional appropriation to cover reimbursable expenditures incurred for Street and Bridge work, offset by additional revenue \$925,000
- Additional appropriation to cover transportation action plan offset with revenue collected from Met Council, Minnesota Department of Transportation and Hennepin County \$220,000

Grants - Other Fund \$6,327,900 (offset by revenue)

- Appropriation increase to cover Hilton loan payoff, loan recapture and interest revenue.

Internal Service Funds

Property Service Fund \$1,500,000 (offset by revenue)

- Appropriation for increased activity for work for others, offset by revenue

Business Information Services Fund \$6,242,783 (offset by revenue)

- Appropriation increase required for additional project costs and staff changes and offset by revenue.

Self-Insurance Fund \$11,030,385 (offset by revenue of \$11,761,825)

- *Appropriation increase for settlement of claims and liabilities, \$2,348,560*
- *Appropriation increase for health costs, \$8,681,825*

Enterprise Service Funds

Sanitary Sewer Fund \$2,000,000 (offset by revenue)

- *Appropriation increase for SAC charges*

Water Fund \$290,000

- *Appropriation increase to cover spending*

Solid Waste Fund \$76,000

- *Appropriation increase to cover spending*