



**Request for City Council Committee Action
From the Finance Department**

Date: March 22, 2005
To: Ways and Means Committee
Referral to: None

Subject: Request for reappropriation of 2004 remaining budget to 2005

Recommendation

1. Amend the 2005 general appropriation resolution to increase the budgets in the funds and agencies as set forth in the table below
2. Authorize the Finance Officer to execute any 2005 appropriation changes necessary to carry out the intent of this action.

Previous Directives

None.

Prepared or Submitted by Charles Elliott, Controller, 673-2621

Approved by: Patrick Born, City Finance Officer _____

John Moir, City Coordinator _____

Presenters in Committee Charles Elliott, Controller

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Other financial impact (Explain):

n/a Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (use any categories that apply)

- Neighborhood Notification
- City Goals
- Comprehensive Plan
- Zoning Code
- Other
- Not applicable

Background

Reappropriation Requests

City departments may request reappropriation of unspent funds from 2004 to 2005. The criteria by which these requests are reviewed are as follows:

- (1) **A valid encumbrance** (i.e., the department had reserved the funds during 2004)
- (2) **One-time (not a recurring budget item)** – The expense is unique to 2005 business (completion of a special project or contract) and is not a part of the department's ongoing activities which are appropriated annually.
- (3) **2004 appropriation balance available for the encumbered item** – The department has savings in 2004 to cover the expenditure.
- (4) **The purpose should be consistent with the departments' business plan.**
- (5) **Financial position of the fund** – The fund in question has sufficient retained earnings (for the business-like enterprise funds) or fund balance (for governmental funds). Consideration is also given to the effect on the following year's fund balance in the general fund.

The table below presents the Finance Department recommendation:

Recommended Reappropriation of 2004 Funds

<i>Department / Purpose</i>	General Fund	<i>Recommended</i>
Public Safety		
Police - debt reduction / operating increase ¹		10,000,000
Police - initial request		0
Police - revised request		400,000
Fire ²		600,000
Total Public Safety		\$11,000,000
Enterprise Projects		
Mpls. One-Call initial investment		1,300,000
Mpls. One-Stop initial investment		700,000
Total Enterprise Projects		\$2,000,000
Other Departments		
City Coordinator ²		600,000
Public Works ²		600,000
City Council		177,000
Mayor		48,000
Health		28,000
Total Other Departments		\$1,453,000
Total Recommended Reappropriation-General Fund		\$14,453,000
StormWater Fund		
Public Works		\$125,000
Total Recommended Reappropriation-Citywide		\$14,578,000

¹ Using \$10 million in one-time funds to avoid bonding for a portion of pension debt produces an annual savings of \$1 million in the General Fund, which will be available for appropriation starting in 2006.

² Requests from Fire, Public Works and City Coordinator departments were all reduced to the same amount, assuming additional savings can be found within their 2005 budgets.