



**Request for City Council Committee Action
From the Departments of Public Works and Finance**

Date: August 24, 2004
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Barbara Johnson, Chair Ways & Means/Budget Committee

Subject: Capital appropriation increase for Property Services leasing activities

Recommendation:

- Increase the 2004 capital appropriation fund 4100 923 9242 (Property Services Division) by \$70,000 in order to reimburse Property Services fund 6200 for work done in the area of property leases.
- Increase revenue in fund 6200 680 6826 by \$70,000. The 4100 fund has received the \$70,000 as income therefore no additional revenue is needed.

Prepared by: Gregory Johnson, Finance Department (673-2430)

Approved by: _____
Patrick Born, Director of Finance

Klara A. Fabry, P.E. City Engineer, Director of Public Works

Presenters: Steve Kotke, Director of Property Services and Equipment Services

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):
- Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information: The Public Works Property Services Division processes and manages real estate leases for the City. These leases can be revenue leases where the City is the lessor or expense leases where the City is the lessee. The revenue from some of the leases are deposited in a designated fund to cover the expenses of the Division. The Division operates as an internal service fund which requires that all expenses incurred, including staff time, be reimbursed.

The current capital appropriation did not take into account these lease revenues and before we can utilize these revenues to pay for lease expenses an appropriation increase is required. The request will cover both incurred and estimated lease management expenses for 2004. Therefore, we are requesting that the 2004 capital appropriation fund 4100 923 9242 (Property Services Capital) be increased by \$70,000 to reimburse fund 6200 (Property Services Operating) for work done in the area of property leases. This \$70,000 has been received by fund 4100 as income from current property leases in 2004. The Finance Department has reviewed this request and has made adjustments in future budgets to account for these revenues.