



Staff Report

TO: City Council
FROM: Lisa Leach, CPA, Assistant Finance Director
DATE: September 19, 2023
SUBJECT: Re-Appropriation of FY23 Unexpended Expenditures, Budget Overages, and Project Funding Rollovers

Description Re-Appropriation and budget adjustment.

Background and Analysis:

FY23 Unexpended Expenditures

Per the City of Beaumont Financial Management Policy, unexpended appropriations cannot be used in subsequent fiscal years unless re-appropriated by the City Council. Unexpended expenditures result in an increase in fund balance when actual revenues exceed expenditures at the end of the FY. In the case of planned use of reserves, the reserves are left within the fund balance and are available for allocation. Re-appropriation of these funds will allow for the budgetary authorization of the requests below that were budgeted in FY23 and for various reasons could not be spent and need to be re-appropriated into the FY24 budget.

General Fund

In FY23, the City Council approved various one-time purchases within the FY23 budget. Due to supply chain issues, shipping delays and unanticipated service delays, the items or services were not completed within FY23. **Attachment A** provides a detailed listing of requested carryover items for re-appropriation from the FY23 budget. The need for these items or contractual obligations should be recognized within the FY24 spending authority provided by the City Council. Below is the department needs for re-appropriation in the amount of \$2,458,456. All department requests are within the FY23 original appropriated amount.

Department	Amount
City Clerk	\$107,000
Administration	\$1,018,215
IT	\$14,314

Economic Development	\$709,500
Police	\$27,092
Building and Safety	\$36,275
Street Maintenance	\$57,133
Building Maintenance	\$44,077
Community Services	\$6,545
Parks and Grounds	\$196,767
TOTAL	\$2,216,918

Wastewater

Wastewater operations experienced similar delays and are requesting reappropriation of FY23 funds to cover receipt of items within FY24. These items are also provided in detail in Attachment A.

Department	Amount
Wastewater	\$122,982

Internal Service Fund

The FY23 Internal Service Fund budget had appropriated vehicles within the City's fleet as identified as needing replacement. With the lack of supply these vehicles have been difficult to obtain, however, the vehicles' replacement need remains. City staff are requesting the Council to re-appropriate the remaining vehicles and leftover outfitting costs within the FY23 budget that were not able to be purchased nor outfitting services performed before year end. This will authorize staff to obtain these vehicles and supplemental costs when and if they become available within FY24. Details of the request is provided within Attachment A.

Fund	Amount
Internal Service Fund - IT	\$3,959
Internal Service Fund – Vehicles	\$94,597
TOTAL	\$98,556

Other Special Revenue Fund

The FY23 Other Special Revenue Fund budget had miscellaneous appropriated items such as Program Costs for the Opioid Settlement as well as SB1383 Costs for the Recycling Program. Training is continuing for Opioid Abuse and the Compost Recycling video is still in the creation stage. City staff is requesting Council to re-appropriate these funds within the FY23 budget that were not able to be spent. Details of the request are provided within Attachment A.

Fund	Amount
PD – Program Costs Opioid Settlement	\$8,000
Recycling Program – SB 1383 Costs	\$12,000
TOTAL	\$20,000

Grand Total of All Re-Appropriations = \$2,458,456

Budget Overages

Per the City of Beaumont Financial Management Policy, the City Manager will have the authority to amend budgets within a departmental appropriation. When all appropriation categories have gone overbudget within a department, City Council will need to approve a budget adjustment to make the department budget whole. **Attachment B** is a budget adjustment form with the listing of three departments that went over budget in all categories. The total overage is \$10,970.80 collectively. The funds will come from a portion of the remaining balance of the Admin Department Contingency line item in the FY23 budget. For transparency purposes, **Attachment C** was created to show how all departments including Transit and Wastewater faired by year end. Green highlighted departments needed amending within a departmental appropriation (City Manager approval level per policy) and the yellow highlighted departments correspond with Attachment B and are department overages that require City Council approval.

Project Funding Rollovers

Capital Improvement Projects are budgeted in the first year of programming in the Capital Improvement Plan. These funds are not always spent in the year of appropriation. Many projects span over multiple years and require reappropriation to keep within spending authority of the funds providing the funding source. Attachment D shows the detail needed to reappropriate for capital improvement projects within the CIP in the amount of \$65,988,892.

Fiscal Impact:

The impact of General Fund adjustments is to increase expenditure authority by \$2,216,913 and will reduce the fund balance in the General Fund by the same amount.

The impact of Wastewater adjustments is to increase expenditure authority by \$122,982 and will reduce the fund balance by the same amount.

The impact of Internal Service Fund adjustment is to increase expenditure authority by \$98,555 and will decrease the fund balance by the same amount.

The impact of Other Special Revenue Fund adjustment is to increase expenditure authority by \$20,000 and will decrease the fund balance by the same amount.

The impact to the General Fund reserves through funds available in the FY23 Admin Budget contingency line item is \$10,971

The impact of the Capital Improvement Projects is to increase expenditure authority by \$65,988,892 and will reduce the fund balance by the same amount.

Recommended Action:

Approve the proposed Re-appropriation of General Fund expenditures in the amount of \$2,216,913, and

Approve the re-appropriation of Wastewater expenditures in the amount of \$122,982, and

Approve the proposed re-appropriation of Internal Service Fund expenditures in the amount of \$98,555, and

Approve the proposed re-appropriation of Other Special Revenue Fund expenditures in the amount of \$20,000, and

Approve the budget adjustment of \$10,971, and

Approve the re-appropriation of Capital Improvement Projects of \$65,988,892.

Attachments:

- A. Re-Appropriation of General Fund FY23 Expenditures
- B. Budget Adjustment Form
- C. FY23 General Fund Analysis of Departments
- D. Project Funding Sources Detail
- E. Capital Improvement Projects Budget Adjustment Form