



AGENDA MEMORANDUM

First Reading for the City Council Meeting of May 13, 2014
Second Reading for the City Council Meeting of May 20, 2014

DATE: April 17, 2014
TO: Ronald L. Olson, City Manager
FROM: Eddie Houlihan, Assistant Director Office of Management and Budget
eddieho@cctexas.com
(361) 826-3792

Utilities Reorganization and Maintenance Services

CAPTION:

Ordinance changing the FY 2014 budget adopted by Ordinance 029915 to appropriate and approve a transfer of \$268,017 from Storm Water Fund 4300 to and appropriate in Street Fund 1041 and reducing the transfer from Water Fund 4010 to Storm Water Fund 4300 by \$59,540 and appropriating \$59,540 in the Engineering Fund 5310 to cover costs associated with transfer of staff due to recent reorganization; to appropriate and approve a transfer of \$1,536,333 from Fleet Maintenance Fund 5110 to and appropriate in the Facilities Maintenance Fund 5115 for noncash assets and liabilities; and increasing revenues and expenditures by \$1,744,810.

PURPOSE:

Amend the Fiscal Year 2014 budget to transfer Storm Water Fund revenues into the Street Fund in order to cover costs associated with movement of staff due to recent reorganization.

BACKGROUND AND FINDINGS:

In December 2013, a reorganization of various departments resulted in the creation of a Public Works Department and a Public Utilities Department. As a result of this reorganization, several staff members previously in the Storm Water Fund were transferred to the Street Fund. Storm Water expenses are covered by a transfer from the Water Fund. This amendment to the budget will increase expenses in the Street Fund and in the Water Fund to reflect the transfer of the staff members and will pass the revenue from the Storm Water Fund to the Street Fund in order to cover the increased expenses. Because the staff members formerly in the Storm Water Fund are no longer performing that function, it is appropriate to transfer their positions into the Street Fund and to cover their expenses with a transfer from the Storm Water Fund.

In Fiscal Year 2012-2013 the Maintenance Services Fund was split into two funds: Fleet Maintenance Services Fund and Facilities Maintenance Fund. Funds were transferred at the beginning of the fiscal year to facilitate the split. However, the Fiscal Year 2014 external audit revealed that not enough funds were initially transferred for non-cash assets and liabilities. Therefore a transfer is necessary to cover the non-cash assets and liabilities.

ALTERNATIVES:

n/a

OTHER CONSIDERATIONS:

n/a

CONFORMITY TO CITY POLICY:

This item conforms to City policy.

EMERGENCY / NON-EMERGENCY:

n/a

DEPARTMENTAL CLEARANCES:

Department of Financial Services

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2013-2014	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$1,744,810		\$1,744,810
Encumbered / Expended Amount				
This item		1,744,810		1,744,810
BALANCE		0		0

Fund(s): Street Fund 1041, Storm Water 4200, Facilities Maintenance Fund 5115

Comments:

RECOMMENDATION:

Staff recommends approval of the ordinance as presented.

LIST OF SUPPORTING DOCUMENTS:

Ordinance