



AGENDA MEMORANDUM

First Reading at the City Council Meeting of January 14, 2014
Second Reading at the City Council Meeting of January 28, 2014

DATE: January 14, 2014

TO: Ronald L. Olson, City Manager

FROM: Constance P. Sanchez, Director of Financial Services
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Change of Fiscal Year

CAPTION:

Ordinance changing the City of Corpus Christi's fiscal year from August 1st through July 31st to October 1st through September 30th.

PURPOSE:

The purpose of this item is to change the City's fiscal year.

BACKGROUND AND FINDINGS:

Ordinance #1027 dated November 23, 1939 set the City of Corpus Christi's current fiscal year of August 1st – July 31st. The City's Charter, Article IV. Administration, Section 2 (a) states that the City's fiscal year shall be set by ordinance but shall not be changed more often than every four years, except by two-thirds vote of the Council. Approval of this agenda item would change the City's fiscal year to October 1st through September 30th.

The issue that City management has faced in the past is that the proposed budget presented to the City Council by May 31st contains property tax revenue based on preliminary assessed valuations. Since the final valuations are not required to be remitted by the Nueces County Appraisal District until July 25th and since the adoption of the final budget by the City Council must be made by July 31st under the current fiscal year, if there are significant variances in assessed valuations from the preliminary to the final assessed valuations, City management is left in an awkward position trying to

account for the variances prior to adoption of the final budget. Additionally, Corpus Christi is one of only three of the top twenty cities in Texas that does not have a September 30th fiscal year-end. This change would align Corpus Christi with most other cities in Texas.

The timing appears right to make this change. The City is currently in the process of changing its software applications, and so the change of fiscal year can be built into the implementation upfront – which saves money.

If this ordinance is approved, then City staff will prepare a two-month budget amendment to be presented in February 2014 to extend the current fiscal year through the end of September 2014.

ALTERNATIVES:

An alternative would be to leave the City’s fiscal year as-is.

OTHER CONSIDERATIONS:

n/a

CONFORMITY TO CITY POLICY:

This item conforms to City policy.

EMERGENCY / NON-EMERGENCY:

n/a

DEPARTMENTAL CLEARANCES:

- Office of Management and Budget
- Legal Department

FINANCIAL IMPACT:

X Not Applicable Operating Expense Revenue CIP

FISCAL YEAR:	Project to Date Exp. (CIP Only)	Current Year	Future Years	TOTALS
Budget	-	\$ -	\$ -	\$ -
Encumbered/Expended amount of (date)	-	-	-	-
This item	-	\$ -	\$ -	\$ -
BALANCE	-	\$ -	\$ -	\$ -
FUND(S):				

COMMENTS:

Approval of the ordinance to change the fiscal year does not have a direct financial impact. When City staff brings forth a budget amendment in February 2014 to add two months to the City's current fiscal year, the financial impact by fund will be identified.

RECOMMENDATION:

Staff recommends approval of the ordinance as presented.

LIST OF SUPPORTING DOCUMENTS:

Ordinance