



## **AGENDA MEMORANDUM**

First Reading for the City Council Meeting of July 26, 2016  
Second Reading for the City Council Meeting of August 9, 2016

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**DATE:** July 13, 2016

**TO:** Margie C. Rose, City Manager

**FROM:** Constance P. Sanchez, Director of Financial Services  
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(361) 826-3227

Appropriation of Increased Revenue at the City's Warehouse
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### **CAPTION:**

Ordinance appropriating estimated increased revenues of \$700,000 in the No. 5010 Stores Fund to cover projected increased expenses in the City's Warehouse related to the cost of Warehouse merchandise sold and amending the FY 2015-2016 operating budget adopted by Ordinance No. 030620 by increasing revenues and expenditures by \$700,000 each.

### **PURPOSE:**

The City's Warehouse has shown increased sales this fiscal year. In order to be able to purchase increased merchandise to sell through the remainder of the fiscal year, the projected increase in revenue is being appropriated to cover the projected increase in expenses.

### **BACKGROUND AND FINDINGS:**

The Warehouse Division of the Stores Fund in Financial Services has shown increased sales in Fiscal Year (FY) 2015-2016. It is projected that both revenues and expenses will exceed the amounts budgeted for FY 2015-2016. Even though these increases do not adversely affect the fund balance in the Stores Fund, this amendment is needed to stay in compliance with accounting standards.

### **ALTERNATIVES:**

n/a

### **OTHER CONSIDERATIONS:**

n/a

**CONFORMITY TO CITY POLICY:**

This item conforms to City policy.

**EMERGENCY / NON-EMERGENCY:**

n/a

**DEPARTMENTAL CLEARANCES:**

- Financial Services Department
- City Attorney's Office

**FINANCIAL IMPACT:**

☐ Not Applicable   ☐ Operating Expense   ☒ Revenue   ☐ CIP

<b>FISCAL YEAR: 2015 - 2016</b>	<b>Project to Date Exp. (CIP Only)</b>	<b>Current Year FY 2015-16</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	-	\$ 2,410,800	-	\$ 2,410,800
Encumbered/Expended amount of (date)	-	-	-	-
This item	-	\$ 700,000	-	\$ 700,000
BALANCE	-	\$ 3,110,800	-	\$ 3,110,800
FUND(S): No. 5010 Stores Fund				

**COMMENTS:**

n/a

**RECOMMENDATION:**

Staff recommends approval of the ordinance as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance