

COUNCIL ACTION FORM

SUBJECT: AMENDMENT TO FISCAL YEAR 2020/21 ADOPTED BUDGET FOR CARRYOVERS FROM FISCAL YEAR 2019/20

BACKGROUND:

The Code of Iowa requires that city spending by program not exceed Council approved budget amounts at any time during the fiscal year. To maintain this level of compliance, the City's budget is typically amended three times during the fiscal year. The first amendment is submitted in the fall for carryovers of uncompleted projects from the prior fiscal year. A second amendment is approved with the new fiscal year budget in March, and a final amendment is prepared in May.

At this time, the fall amendment has been prepared for City Council approval. Each year the City has capital projects and specific operating projects that either span fiscal years or are delayed due to unforeseen circumstances. A summary is attached describing the carryovers, which total \$89,536,895.

Please note that all the projects and associated budgeted expenditures and funding sources were approved by City Council as part of the fiscal year 2019/20 budget, but were not completed during the year. This amendment provides formal Council authority to carry forward the appropriation for projects and other work that will not be spent until fiscal year 2020/21.

Amending the budget for carryover amounts improves the ability of departments to monitor project spending and for Finance staff to track budget compliance.

ALTERNATIVES:

1. Adopt a resolution amending the fiscal year 2020/21 budget upwards by \$89,536,895 for carryover amounts from fiscal year 2019/20.
2. Refer this item to staff for information or adjustments to the amendments.

CITY MANAGER'S RECOMMENDED ACTION:

Amending the FY 2020/21 budget for carryover amounts from the FY 2019/20 budget early in the fiscal year will provide for improved budget monitoring and tracking. It will also provide assurance that Council-approved projects and work not completed in the prior year will not be delayed for spending authority.

Therefore it is recommended that City Council approve Alternative No. 1, thereby adopting a resolution amending the fiscal year 2020/21 budget upwards by \$89,536,895 for carryover amounts from fiscal year 2019/20.