

ITEM #: 32
DATE: 09-24-24
DEPT: FIN

COUNCIL ACTION FORM

SUBJECT: AMENDMENT TO FISCAL YEAR 2024/25 ADOPTED BUDGET FOR CARRYOVERS FROM FISCAL YEAR 2023/24 AND OTHER BUDGET CHANGES

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 following is the customary amendment schedule:

Amendment #1 - A first amendment is prepared to carry over unspent project amounts from the prior fiscal year in the fall.

Amendment #2 - The second amendment is completed as part of the adoption process for the next fiscal year's budget. This is typically done in March or April.

Amendment #3 - A final spring amendment is done to adjust for any significant changes that have occurred since the prior amendment.

(This amendment is typically restricted to the early start of CIP projects approved for the following fiscal year, new grants received and their associated project expenses, and any significant changes in CIP projects, operating expenses, or revenues)

Staff has prepared the first amendment (#1) to the FY 2024/25 City budget. As noted above, this amendment includes capital projects and specific operating projects that either span fiscal years or are delayed due to unforeseen circumstances. Also included in the amendment are other modifications to the budget that were unexpected when the original budget was adopted on April 23, 2024. A summary is attached describing the carryovers and other budget changes, which total \$114,995,065.

Please note that the projects and associated budgeted expenditures and funding sources for carryovers were approved by City Council as part of the fiscal year 2023/24 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 is expected to be spent in fiscal year 2024/25.

Amending the budget for carryover amounts and other budget changes 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 2024/25 budget to increase expenditures by \$114,995,065 for carryover amounts from fiscal year 2023/24 and other significant changes to the fiscal year 2024/25 budget.

2. Refer this item back to staff for additional information or other adjustments to the amendments.

CITY MANAGER'S RECOMMENDED ACTION:

Amending the FY 20234/25 budget for carryover amounts from the FY 2023/24 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 the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

ATTACHMENT(S):

[2024-25 Fall Budget Amendment Report.pdf](#)