



"...meeting community needs...enhancing quality of life."

TO: Finance Committee
FROM: Tony Sauceran, Finance Director ^{T3}
DATE: March 7, 2017
RE: Request approval of final 2016 Budget adjustments

In closing out 2016, the following funds showed expenditures in excess of budget. I am requesting budget adjustments to bring them back into compliance. All adjustments are fully fundable by revenues or fund balance within the respective funds.

HOME Rental Rehabilitation/HOME Homeowner Grant Fund

The State of Wisconsin discontinued funding the HOME Rental Rehabilitation program several years ago. However, the City continued funding the program using program income (amounts paid back by participating property owners). Beginning in 2014, the City discontinued funding the program and a small balance has accumulated in the fund as loan repayments have been received over the past three years. As allowed by grant guidelines, these funds are eligible to be used to fund property improvements in the HOME Homeowner program. Therefore, the budget adjustment requests transferring the accumulated funds in the HOME Rental Rehabilitation Grant fund to the HOME Homeowner Rehabilitation Grant fund and merge the two funds.

Police Grants Fund

The Police Department was awarded more in seatbelt enforcement grant funds in 2016 than was initially anticipated at the time the budget was prepared. The additional grant amount funded an additional \$30,730 of enforcement expenditures. The requested budget adjustment records the additional grant proceeds and related expenditures.

Room Tax Fund

The 2106 Room Tax budget was based on a 6% room tax which was in place at the time. Subsequent to the adoption of the budget, the room tax was raised to 10%. Due to the increased room tax revenues received, the amount remitted to the Fox Cities Convention and Visitors Bureau increased proportionally. The requested budget adjustment records the increased room taxes received as well as the increased remittances to the Convention and Visitors Bureau.

Debt Service Fund

The City has received significant premiums (amounts received above the par value of the bonds issued) on bond issuances in 2015 and 2016. The requested budget adjustment records a portion of those premiums as well as related interest and debt issuance costs.

Universal Playground Fund

The Universal Playground Trust Fund was set to close at the end of 2015 upon the exhaustion of the remaining money in the fund. However, not all of the funds were expended and a small balance was carried forward to 2016. That remaining balance was expended in 2016 and this budget adjustment seeks to record that expenditure.

Community & Econ Development/Exhibition Center Capital Project Funds

The 2016 Budget included a CIP for costs related to the construction of the Fox Cities Exhibition Center (p. 568). At the time, these costs were included in the Community & Economic Development Capital Projects fund. Subsequently in 2016, a separate budget was established for the Exhibition Center construction under the Facilities Management Department, but the budgeted funds were never transferred to the new fund. This budget adjustment transfers the budget amounts for construction costs that were incurred in 2016 from the Community & Economic Development Capital Projects fund to the Exhibition Center Capital Projects fund.

General Fund Wage Reserve

The wage reserve was established to fund costs related to non-represented compensation plan increases, reclassification of pay grades, increases in health care costs and other unanticipated labor expenses. As in past years, base pay adjustments, sometimes referred to as cost of living adjustments (COLA) for non-represented staff were budgeted in the wage reserve in 2016 rather than added to the individual department budgets. If any of the individual department's actual expenses exceeded their budgeted expenses at the end of the year due to the reasons noted above, the wage reserve could be utilized to supplement the department budget. This budget adjustment seeks to transfer wage reserve funds to the individual departments for this purpose.

Thank you for your consideration of these budget adjustments. As always, feel free to contact me if you have questions.