



“...meeting community needs...enhancing quality of life.”

TO: Finance Committee
FROM: Tony Saucerman, Finance Director
DATE: March 22, 2018
RE: Request Approval of Additional 2017 Budget Adjustments

At the March 12, 2018 Finance Committee meeting, the committee approved a series of 2017 Budget adjustments which were meant to be the final adjustments necessary for 2017. In preparing for the annual audit, it was discovered that there was an error in the amounts of one of the entries that was approved and another entry was omitted. Therefore, I am requesting the approval of two additional 2017 Budget adjustments.

General Fund – Parks & Recreation Department

During 2017 Budget preparations in the fall of 2016, it was difficult to estimate the amount of revenue the new Erb Pool was going to generate when it opened the following year. At that point, it was not certain if an outside vendor was going to operate the concession area or the City was going to take it over. The budget was prepared status quo assuming that an outside vendor would run the concession area. As it turned out, City staff took over the concession area which both increased City revenues and City costs. The requested budget adjustment seeks to recognize some of those additional revenues in order to cover the cost of the additional concession supplies.

General Fund (Health Claim Costs)

At the March 12, 2018 Finance Committee meeting, a budget adjustment was approved to allocate general fund balance to departments that were over budget due to their allocation of excess health care costs in 2017. Unfortunately, there was a miscalculation in the amounts that were applied to certain departments. The calculation of the additional budget adjustment follows:

| <u>Department</u> | <u>Original Amount</u> | <u>Correct Amount</u> | <u>Additional Adjustment</u> |
|-------------------|------------------------|-----------------------|------------------------------|
| H/R Department | \$18,873 | \$21,718 | \$2,845 |
| Police Department | \$172,791 | \$356,470 | \$183,679 |
| Fire Department | \$276,472 | \$342,900 | \$66,428 |

The additional adjustments are within the amount of excess health care costs that were allocated to each department and bring the departments back within budget for 2017.

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