



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

TO: Finance Committee
FROM: Tony Saucerman, Finance Director *TS*
DATE: March 10, 2016
RE: Request approval of final 2015 Budget adjustments

In closing out 2015, 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.

Grant Funds

The three grant fund budget adjustment requests (CDBG, Emergency Shelters (ESG) and Continuum of Care (CoC)) are the result of actual grants awarded in 2015 being higher than estimated at the time the budget was prepared. The requested budget adjustments account for the increased grant revenues and related expenses.

Room Tax Fund

Of the hotel room tax remitted to the City, 5% is kept to cover administrative expenses and 95% is forwarded to the Fox Cities Convention and Visitor's Bureau. The excess expenditure in 2015 is a result of higher room tax collections than budgeted, thus a higher amount turned over to the Convention and Visitor's Bureau. Additionally, in preparation for the increased room tax beginning 2016, all excess administrative fees that accumulated in fund balance over the past years were transferred to the general fund to provide a "clean slate" in the Room Tax Fund moving into 2016.

New Subdivision Fund

This fund is used to account for the infrastructure costs of new subdivisions. In 2015, two of the subdivisions were "developer-funded" whereby developers paid the cost of the improvements in the subdivisions. Historically, these costs were not included as part of the City budget since the City was not obligated to pay these costs. However, for accounting purposes, the full cost of the improvements must be included in the City's financial records. Thus, a budget adjustment is necessary to coincide with the actual costs of the improvements.

TIF 5 Fund

TIF 5 was closed in 2015 (approved by Council on May 6, 2015) and all accumulated fund balance was distributed to the various taxing jurisdictions (City, AASD, Outagamie County, FVTC). A budget adjustment was approved for the portion of the funds that

were being returned to the City, but no adjustment was done for the payments to the other jurisdictions as well as the fees for the closeout audit. The proposed adjustment will account for these payments.

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