



## FINANCE DEPARTMENT

**DATE:** December 7, 2016  
**FROM:** Sheila Hillman *SH*  
**ITEM:** Year End 2016 Budget Adjustments

### REQUEST

To approve the 2016 year budget transfers, authorizations and adjustments for the General Fund

Please place this item on the December 13, 2016 City Commission meeting.

### BACKGROUND INFORMATION

**Budget Transfers based on Commission authorization:**

At the April 16, 2016 the Commission approved \$205,000 from the Building Construction Fund for an electrical distribution project for the City County Building.

The 2014 budget included \$490,000 from the Fire Truck Equipment Reserve fund for the Fire Burn Building/Fire Station projects that was reallocated for the purchase of 3 fire trucks in the 2016 budget.

The 2016 budget includes \$825,000 for the Contingency Fund which has not been used this year. The request is to transfer excess budget authority from the Contingency Fund to the Building Construction Fund and the Fire Truck project funds. The transfer is for budget authority only and allows the use of the fund sources designated by the Commission.

**Budget Authorizations:** The 2016 budget includes the following one-time building maintenance expenditures that were authorized but due to timing and coordination of the project, the repairs will not be completed until 2017: \$5,000 for catch basin repair and \$5,000 for roof drainage repair at Fire Station #5 and \$30,000 for the drywall repairs at the Convention Visitors Bureau (CVB). The 2016 budget also includes \$840,940 for the purchase and implementation of the new Work Order Management System (WMS). The contract and project budget for AssetWorks was approved by the

Commission on August 23, 2016. Since this is a multi-year project, the funds will be expended over the next three years.

The request is to authorize the one-time funds for the repair projects and the WMS to be expended in 2017.

### **Other Budget Adjustments:**

The one-time budget for Police includes \$7,000 for towing which is utilized once the Police Department budget for towing is expended. Based on the projected expenditures to date, an additional \$25,000 is needed plus any additional towing that may result from the recent weather conditions.

The one-time budget also includes \$50,000 in pool funds for vehicle maintenance and repairs that exceed the General Fund department budgets for these repairs. Both Fire and Police have exceeded their department budget and have used the total pool of funds. Based on year end projections, an additional \$75,000 is estimated for repairs.

Police have been monitoring their expenses and have made adjustments in their operating budget to address some of the projected costs. They also have excess one-time funds authorized for vehicle purchases.

The one-time pool fund of \$125,000 for fuel has not been used in 2016 so this excess could be used to fund the additional vehicle repairs. The request is to authorize the use of the pool funds for the projected expenditures for towing, vehicle maintenance and repair once the Police and Fire exceed their overall department operating and one-time budgets.

The Police budget is currently funding the costs associated with supporting Morton County in the DAPL protests. Those costs will ultimately be funded by the State mutual aid to Morton County but the reimbursement may not occur until 2017. The associated costs for the non-exempt officers' time for August through October exceed \$200,000. The costs for November currently be compiled will be in addition to that total plus any future expenses for December. The 2016 budget includes \$500,000 for FEMA matching funds for the 2011 event which have not been used. The request is to authorize the transfer of the excess budget authority to Police for associated DAPL costs to be reimbursed to ensure the department does not exceed their 2016 budget.

### **RECOMMENDED CITY COMMISSION ACTION**

To approve the 2016 year budget transfers, authorizations and adjustments for the General Fund

### **STAFF CONTACT INFORMATION**

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