



FINANCE DEPARTMENT

DATE: March 16, 2021
FROM: Dmitriy Chernyak, Finance Director
ITEM: 2020 Budget Amendments and Rollovers to the 2021 Budget

REQUEST

To approve the 2020 budget transfers, appropriations, amendments, and rollovers into the 2021 budget.

Please place this item on the March 16, 2021 City Commission meeting regular agenda.

BACKGROUND INFORMATION

Budget Amendments:

Items identified below are 2020 budget amendments for the respective fund noted:

General Fund – The 2016 budget included \$840,940 for the purchase and implementation of the new Work Order Management System (WMS). The contract and project budget for AssetWorks for WMS was approved by the Commission on August 23, 2016. Since this is a multi-year project, the funds are to be expended over the next 2-3 years. The funds were carried over for 2017, 2018, 2019, and 2020. The estimated \$455,486 balance of the funds also needs to be carried over to 2021. Depending on current and future IT resources and potential complications with the vendor, this project may take longer than expected.

General Fund – In 2020, the City Commission approved a budget amendment for the repair of the City's emergency sirens from the General Fund in the amount of \$168,521.62. In addition, in 2020, the City Commission approved a budget amendment to increase the base budget by \$8,000 annually.

General Fund – The City upgraded the employee time and attendance management system from Kronos Workforce to Kronos Dimensions for the amount of \$39,245, an annual increase of \$12,340 from the 2020 adopted budget to the City's base budget in the Common Software budget section. Based on the analysis of the current software subscription, the City's IT personnel determined that the City's current time and attendance management system is becoming obsolete and will expire in the near future. In August 2020, Kronos Inc. contacted the City's

Finance Department and provided an offer to upgrade the time and attendance management system for an additional annual increase of \$12,340 for five years, which was at least \$6,000 less expensive than the offer provided in February 2020. Upgrading the City's employee time and attendance management system in 2020 and 2021 has saved the City at least \$10,000 annually due to the locked price in the 5-year contract and prevent the sudden need to replace the obsolete system in the near future.

General Fund – Due to the expiration of Windows 7 and Microsoft support in January 2020 and cybersecurity threats, the City purchased the replacement of all computers and laptops with Windows 7, including the police department and fire department vehicle computers. Cybersecurity is becoming a significant concern in today's world. Therefore, the replacement of the laptops and computers to upgrade from Windows 7 to Windows 10 operating systems was extremely important to the cybersecurity of the City's sensitive information used by first responders. The City evaluated the potential of installing Windows 10 on the obsolete computers, and determined the opportunity and replacement costs would be more expensive than the replacement option. The replacement of fire department and police department vehicle computers in the General Fund requires a budget amendment in the amount of \$30,961 and \$171,106.48, respectively.

Grants Fund – In 2020, the COVID-19 pandemic has forced the City to incur additional expenditures related to safety, public health, telecommuting, and many other purposes along with the rest of the U.S. The City received various COVID-19 federal and state grants in order to reimburse these unexpected expenditures. As a result, the City is requesting a budget amendment to account for the additional expenditures and revenues in the amount of \$1,200,000 for 2020.

Grants Fund – Requests an amendment to the 2020 budget for the Volkswagen Settlement Grant. In 2020, the City was unexpectedly awarded the Volkswagen Settlement Grant for partial reimbursement of the replacement wood chipper truck and electrical vehicle charging stations. However, the City did not budget for the expenditures or the reimbursement by the grant award in the Grants Fund in the amount of \$163,939, including \$55,861 for vehicle replacement and \$108,078 for the electrical vehicle charging stations.

Grants Fund – Requests a budget amendment for the City's pension expense related to the employees funded by the Metropolitan Planning Organization grant and other police-related grants in the amount of \$95,873. The City needs an additional appropriation of \$95,873 to cover the 10.4% required contribution to the pension plan for the employees that are fully or partially funded by the MPO and the police grant awards.

Street Lights and Signals Fund – Requests a budget amendment for the transfer of an additional \$39,680 to the Street Lights capital projects fund to cover additional costs related to street lights replacement projects completed in 2020.

Special Assessment Bonds Fund – In 2020, the City refunded certain special assessment bonds to achieve a lower interest rate on the City's current debt in the Street Improvements Bonds Fund. As a result, the City needs additional budget appropriation (amendment) to record the accounting transactions in the amount of \$705,000. No additional spending / cost was incurred outside of the bond refunding transactions.

2020 Budget Rollover to the 2021 Budget:

Items noted below are 2020 budgeted items that need to be rolled over into 2021 for various reasons noted below:

1. General Fund – Administration requests that the 2019 / 2020 unspent \$50,000 General Fund budgetary appropriation for the operational study is rolled over to the 2021 budget for the economic impact study of the City's Event Center.
2. General Fund – Administration requests to rollover \$53,715 to 2021 due to the Street Utility study by AE2S crossing over two fiscal years. Costs were incurred in 2020 and 2021.
3. General Fund – Fire Department requests a rollover of \$4,532 for the replacement of the vehicle exhaust system due to the project crossing over two fiscal years.
4. General Fund – Fire Department requests to rollover the 2019 unspent building maintenance budget appropriation in the General Fund in the amount of \$15,000 to complete the landscaping, drainage, parking lot, and concrete work on fire stations #1 in 2020.
5. General Fund – Fire Department requests the rollover of Motorola radio purchases as part of the State's radio replacement program in the amount of \$503,000, including the revenue transfer of \$503,000 from the NPCC Fund. This occurred due to the delay in the implementation of the program at the State.
6. General Fund – Community Development Department is requesting a rollover of \$780 for the City's share of the MPO Pavement Management Study due to the project crossing over two fiscal years.
7. General Fund – Community Development Department is requesting a rollover of \$28,816 for the Historic Preservation Fund projects.
8. General Fund – Emergency Management is requesting a rollover of \$13,996 to complete the replacement and repairs of the City's emergency siren system due to the project crossing over two fiscal years.
9. General Fund – Engineering Department is requesting a rollover of \$16,321 for the engineering consultant services that crossed over two fiscal years.
10. General Fund – Finance Department is requesting a rollover of \$6,000 from the base budget for Assessing Division to purchase a much needed upgrade module for the CAMA / Vanguard software to progress property assessments. This project was delayed due to COVID-19 in 2020.
11. General Fund – CenCom requests a rollover of \$36,110 to complete the equipment purchased using the City's equipment reserve in the General Fund. The project crossed over two fiscal years.
12. Grants Fund – Requests a rollover of \$30,800 for the electrical portion of the installation

and purchase of the electric vehicle charger stations. This occurred because the project crossed over two fiscal years.

13. The Bismarck Veterans' Memorial Library Fund – Requests a rollover of \$14,500 for the Mitel phone replacement project to comply with the new system. This rollover is due to the project crossing two fiscal years.
14. The Liquor, Lodging, and Restaurant Tax Fund – Requests a rollover of \$556,300 for the completion of the Event Center lighting project. This rollover occurred due to a change order in the work performed.
15. Liquor, Lodging, and Restaurant Tax Fund – Requests a rollover of \$10,100 for the repair of the parking deck area drain at the Event Center. This rollover occurred to the timing of the project.

RECOMMENDED CITY COMMISSION ACTION

To approve the 2020 budget transfers, appropriations, amendments and rollovers into 2021 budget.

STAFF CONTACT INFORMATION

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