

ITEM #: 37
DATE: 05-23-23
DEPT: Finance

COUNCIL ACTION FORM

SUBJECT: FINAL AMENDMENT TO FISCAL YEAR 2022/23 ADJUSTED BUDGET

BACKGROUND:

The Code of Iowa requires that city spending by program not exceed Council approved budget amounts at any time during the year. To maintain compliance, the City of Ames monitors spending against the approved budget and prepares amendments to the budget several times during the fiscal year. The following is the customary amendment schedule.

Amendment #1 - A first amendment is prepared to carry over unspent project amounts from the prior fiscal year in the fall.

Amendment #2 - The second amendment is completed as part of the adoption process for the next fiscal year's budget. This is typically done in March, but FY 2022/23 was done in April. It should be noted that due to a publication error, Amendment #2 will be shown as part of the final amendment in the publication notice to ensure compliance with state budget guidelines.

Amendment #3 - A final spring amendment is done to adjust for any significant changes that have occurred since the prior amendment. This amendment is typically restricted to the early start of CIP projects approved for the following fiscal year, new grants received and their associated project expenses, and any significant changes in CIP projects, operating expenses, or revenues.

Staff has prepared the final amendment (#3) to the FY 2022/23 City budget. The attached summary outlines the revenue and expenditure changes by fund. The final FY 2022/23 budget includes a final net increase in revenues of \$1,762,942 and a net increase in expenditures of \$1,276,009. It should be noted that most of the increase in both revenues and expenses is related to changes in grant and SRF-funded CIP projects.

Other changes include reallocating project savings for CIP projects, the early start of FY 2023/24 CIP projects, minor operating budget adjustments, and the replacement of fleet and technology equipment for which replacement funds were previously collected.

ALTERNATIVES:

1. Approve a final amendment to the Fiscal Year 2022/23 budget by increasing revenues by \$1,762,942 and expenditures by \$1,276,009.
2. Refer this item back to staff for additional information or other adjustments to the amendments.

CITY MANAGER'S RECOMMENDED ACTION:

The proposed amendment to the FY 2022/23 budget allows the budget to better reflect new grant-funded projects and significant changes in CIP projects and operations. Therefore, it is the recommendation of the City Manager that the City Council approve Alternative No. 1, as described above.