

ITEM #: 13
DATE: 09-12-23
DEPT: Finance

COUNCIL ACTION FORM

SUBJECT: RESOLUTION SETTING SEPTEMBER 26, 2023 AS THE DATE OF PUBLIC HEARING ON THE FIRST AMENDMENT TO THE BUDGET FOR FISCAL YEAR 2023/24

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 - In the fall, a first amendment is prepared to carry over unspent project amounts from the prior fiscal year.

Amendment #2 - The second amendment is prepared as part of the adoption process for the next fiscal year's budget. This is typically done in March or April.

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

At this time, the fall amendment has been prepared for City Council approval. This amendment provides formal Council authority to carry forward the appropriation for capital improvements and other significant incomplete projects at the end of FY 2022/23.

ALTERNATIVES:

1. Adopt a resolution setting September 26, 2023, as the date of public hearing on the first amendment to the FY 2023/24 budget.
2. Refer this item back to staff for additional information or other adjustments to the amendments.

MANAGER'S RECOMMENDED ACTION:

Amending the FY 2023/24 budget for carryover amounts from the FY 2022/23 budget early in the fiscal year will provide for improved budget monitoring and tracking. It will also provide assurance that Council-approved projects and work not completed in the prior year will not be delayed due to spending authority.

Therefore, it is recommended that City Council approve Alternative No. 1, thereby adopting a resolution to set September 26, 2023, as the date of the public hearing on the first amendment to the FY 2023/24 budget.