

Budget Amendments

Finance recommends the following seven budget amendments for Mayor & Council's approval. The first four budget amendments formally amend the budget to allow for the city-wide employee merit increases effective January of FY2014. The last four budget amendments increase the budget for certain department expenditures to bring accounts into balance that have already surpassed their annual budget due to unforeseen and unbudgeted expenses.

Budget Amendments for Salary Increases

The four budget amendments for salary increases are summarized below:

- General Fund Salary Increase – The total increase to the General Fund related to the recent employee merit increases is \$180,247. This includes the salary increases and the related increase in the City's portion of FICA/Medicare. The budget amendment proposes decreasing the General Fund contingency by the same amount to offset the increase.
- E-911 Fund Salary Increase – The total increase to the E-911 Fund related to the recent employee merit increases is \$8,116. This includes the salary increases and the related increase in the City's portion of FICA/Medicare. The budget amendment proposes decreasing the General Fund contingency by the same amount to offset the increase. This fund's increase is offset by the General Fund because the E-911 is not self-supporting.
- Hotel/Motel Fund Salary Increase – The total increase to the Hotel/Motel Fund related to the recent employee merit increases is \$1,805. This includes the salary increases and the related increase in the City's portion of FICA/Medicare. The budget amendment proposes offsetting the increase to the Hotel/Motel Fund expenses through use of Hotel/Motel fund balance. This fund's increase is not offset by the General Fund because the Hotel/Motel fund is self-supporting and all personnel costs are carried by the fund's revenues.
- Water/Sewer Fund Salary Increase – The total increase to the Water/Sewer Fund related to the recent employee merit increases is \$8,465. This includes the salary increases and the related increase in the City's portion of FICA/Medicare. The budget amendment proposes offsetting the increase to the Water/Sewer Fund expenses through use of Water/Sewer fund balance. This fund's increase is not offset by the General Fund because the Water/Sewer fund is self-supporting and all personnel costs are carried by the fund's revenues.

Budget Amendments for Higher-than-Budgeted Expenditures

The three budget amendments for higher-than-budgeted expenditures are described below:

- Buildings & Grounds *Repairs & Maintenance* and *General Supplies & Materials* – These two accounts within the Buildings & Grounds department are already over budget year-to-date because of unbudgeted expenditures related to maintenance and improvements of City parks & buildings and the downtown/Market Village area. The chart below summarizes these unbudgeted expenditures in the Repairs & Maintenance account:

Purpose	Total Unbudgeted R&M Expenditures
Park Repairs/Improvements	15,000
Downtown Repairs/Improvements	60,000
City Building Repairs/Improvements	15,000
Total	90,000

Staff has estimated that increasing the *Repairs & Maintenance* account budget by \$90,000 and the *General Supplies & Materials* account budget by \$20,000 will allow this department to continue to operate for the remainder of this fiscal year. The amendment proposes to offset this \$110,000 increase in expenditures with an offsetting increase to the General Fund revenue account for Vehicle Ad Valorem Taxes which is trending well over budget year-to-date.

- Buildings & Grounds *Landscaping Services* – This account within the Buildings & Grounds department is already over budget year-to-date because of unbudgeted expenditures related to maintaining and improvements of City parks and land and the purchase order for the recently approved new contract with Ashford Gardeners for city-wide landscaping. Staff has estimated this account budget by \$90,000 will allow this department to continue paying for landscaping services under the new contract for the remainder of this fiscal year. The amendment proposes to offset this \$90,000 increase in expenditures with an offsetting increase to the General Fund revenue account for Vehicle Ad Valorem Taxes which is trending well over budget year-to-date.
- Human Resources *Other Employee Benefits* – This account within the Human Resources department is over budget this year because of higher than budgeted expenditures for gift cards for all City employees at the Holidays. These gift cards were originally budgeted at \$50 for each full-time employee and \$25 for each part-time employee but a decision was made to increase this amount to \$100 for each full-time employee and \$50 for each part-time employee. Increasing the *Other Employee Benefits* account by \$19,000 will bring the account back in budget for this fiscal year. The amendment proposes to offset this \$19,000 increase in expenditures with an offsetting increase to the General Fund revenue account for Vehicle Ad Varloem Taxes which is trending well over budget year-to-date.

- *Professional Services* accounts are trending over budget year-to-date in several departments because of higher than anticipated legal fees. The table below summarizes the proposed amount to be transferred into each departments' *Professional Services* accounts:

Department	Amount
Administration	5,000
Community Development	35,000
Finance	500
Fire Admin	8,000
Governing Body	10,000
Parks & Recreation	1,600
Police Admin	12,000
Total	72,100

The amendment proposes to offset the total increase to expenditures \$72,100 with an offsetting increase to the General Fund revenue account for Vehicle Ad Valorem Taxes which is trending well over budget year-to-date.