
MEMORANDUM

DATE: March 25, 2020
TO: Gabe Reaume, City Manager
FROM: Kim Quin, Finance Director
RE: 2019-2020 Mid-year Budget Adjustments

The attached schedule shows the recommended mid-year budget adjustments. The changes are described below.

General Fund –

- An increase (\$59,000) in Other Income for the Project Dream Play contribution to the playground at Willow Creek Park.
- The overtime expenses for the Train and Grain Festival total \$21,000. These expenses are offset for most departments with salary savings due to vacant positions. The city-wide cost of overtime and compensatory time liability due to the Festival was \$39,500.
- Funding for concrete repair around the Police Station (\$12,285). These necessary repairs were discovered during planning for the parking lot expansion. The work will be done as part of the parking lot project which was approved by the City Council on February 4, 2020.
- Funding carried forward for the traffic signal at Knowles and McLeroy (\$56,210).
- Funding carried forward for the Basswood Developer Agreement (\$154,450).
- Funding carried forward for the Food Truck Park and Farmer's Market (\$169,000).
- Funding carried forward for the playground at Willow Creek Park (\$247,100).
- Increase funding of \$25,085 for the mowing contract. The budget distribution between the parks and public works line items is being redistributed based on the contract approved by the City Council on March 17, 2020.
- The elimination of the Economic Development Director position results in savings used to fund a Management Analyst position added for City Secretary and Public Works functions, an increase in the compensation for the Community Services Director, and the contract for retail recruitment approved by the City Council on March 3, 2020.
- The budget for Building Improvement Grants is increased for the carry forward of two grants from last year and grants approved by the City Council in the current year that exceed the original budget amount. The increased funding is transferred from the economic development incentive line item.

- Funding is increased for telecommunication expenses related to improvements at the Depot building. The contract for these services was approved by the City Council on November 19, 2019.

Additional revenues total \$59,000. The use of General Fund balance is \$606,265. The projects being carried forward from last fiscal year total \$634,570. These projects were budgeted but not completed at fiscal year-end. The unspent balance of the incomplete projects is added back to the fund balance until the budget is modified to fund the remaining expenses. The budget modification will provide funding for the completion of these projects in the current fiscal year.

Enterprise Fund –

- The overtime expenses for the Train and Grain Festival total \$2,500. These expenses are offset with salary savings due to vacant positions.
- Funding carried forward for the design of the Saginaw Blvd 16” waterline phase 2 (\$50,000). This project is funded by water impact fees which will be transferred from the Enterprise Escrow Fund.
- Funding carried forward for the construction of the Fairmont Sewer Phase 1 project (\$1,041,115).
- Funding carried forward for FM 156 utility relocations (\$62,500).
- Funding carried forward for the inflow and infiltration remediation projects that were not completed last fiscal year (\$88,500).
- Funding carried forward for the BNSF utility relocation (25,500).

The use of Enterprise Fund balance is \$1,217,615. These projects were not completed and are being carried forward from last fiscal year. The budget modification will provide funding for these projects in the current fiscal year.

Capital Projects Fund –

- Funding for the remainder of the Bailey Boswell Reconstruction Project Phases 2&3 (\$628,890).
- Funding is also carried forward for the projects funded with tax note proceeds which were authorized by the City Council on July 23, 2019.

The use of Capital Projects Fund balance is \$2,585,890. These projects were not completed and are being carried forward from last fiscal year. The budget modification will provide funding in the current fiscal year.

Drainage Utility Fund –

- Funding carried forward for the Basswood Developer agreement (\$268,000).
- Funding carried forward for East Cement Creek drainage design (\$112,980).
- Funding carried forward for the Knowles Drive conceptual design (\$40,875).

The use of Drainage Utility Fund balance is \$421,855. The projects being carried forward from last year were not completed. The budget modification will provide funding in the current fiscal year.

Street Maintenance Fund –

- Funding carried forward for the Knowles Drive conceptual design (\$33,375).
- Funding for the design and construction documents for McLeroy curb and gutter project (\$14,000) approved by the City Council on January 21, 2020 and (\$30,000) on March 17, 2020.
- Funding carried forward for Anderson Street reconstruction (\$51,000).

The use of Street Maintenance Fund balance is \$128,375.

Donations Fund –

- Parks donation funding for a deposit on fireworks display (\$6,000) approved by the City Council on November 19, 2019.
- Beautification donation funding for decorative wrapping of traffic control boxes (\$5,450) approved by the City Council on October 1, 2019.
- Beautification donation funding for holiday lighting (\$10,250) approved by the City Council on November 5, 2019.

The use of Donations fund balance is \$21,700. The budget modification will provide funding for these projects in the current fiscal year.

General Escrow Fund –

- Hotel/Motel tax funding for the Farmer's Market management agreement (\$30,000) approved by the City Council on March 17, 2020.
- Insurance deductible funding for the Depot roof replacement (\$22,230) approved by the City Council on December 3, 2019.
- Funding carried forward for the Basswood Developer agreement (\$60,310).

The use of General Escrow Fund balance is \$112,540. The budget modifications will provide funding in the current fiscal year.

Enterprise Escrow Fund –

- Water impact fee funding carried forward for the design of the Saginaw Blvd 16" water line phase 2 project (\$50,000). Funding is transferred to the Enterprise Fund.

The use of Enterprise Escrow Fund balance is \$50,000.