

FY2012 Proposed January Budget Amendments



This document provides detailed information on the proposed FY2012 January budget amendments for the City of Pocatello.

A public hearing on the proposed budget amendments will be held at 6:00 pm on Thursday, January 19, 2012 in the Council Chambers at City Hall, 911 North 7th Avenue, Pocatello, Idaho 83201.

The City Council is scheduled to subsequently consider an amendment to the FY2012 Budget Ordinance at the conclusion of the regular meeting of January 19, 2012.

This document is the responsibility of the Chief Financial Officer
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MEMORANDUM FOR: Mayor Blad, Council Members & Citizen Stakeholders

FROM: David Swindell, Chief Financial Officer

SUBJECT: **Proposed FY12 January Budget Amendments**

DATE: December 28, 2011

1. **FOR INFORMATION.**

2. **Purpose.** To provide information regarding proposed FY12 January Budget Amendments.

3. **Discussion.**

a. **General.** Every year the city finds it necessary to amend the budget to account for unanticipated grants or other situations. Although the city may have won a grant, the government must still authorize the new expenditures in the budget. The budget amendment process is similar to that of the original budget: publish a public notice twice with the details, hold a public hearing and then adopt an amended budget ordinance. We normally amend the budget in May; this year we seem to have a number of issues that have developed in the first quarter; we deem it advisable to address them now.

b. **Summary.** Here is a summary of the proposed amendments by issue:

FY12 Proposed January Budget Amendments				
Reference	Fund or Department	Issue	Amount	Revenue Source
1	Mayor/Council	Replace staff vehicle	\$25,000	Saved up \$ in Fund 078
2	Mayor/Council	Pass thru ARNG grant \$	\$2,010	ARNG Assn. grant
3	Police	Internet crimes against children training and equipment	\$7,565	DoJ Grant
4	Police	Wages & Benefits for 2 officers	\$120,000	DoJ COPS grant
5	Animal Control	Veterinary services	\$2,000	Petfinder. Com grant
6	Zoo	Outreach education programs	\$2,000	US Bancorp grant
7	Recreation	OK Ward ballfield improvement	\$58,000	MLB baseball grant
8	Airport	Jet service revenue guarantee	\$500,000	FAA grant
9	Video Services	Replace cameras	\$15,000	Cable One grant
10	Science & Environment	Scajawea storm water flume repairs & modifications	\$22,000	Fund cash balance
11	Science & Environment	Swale demonstration project at Edson Fichter pond parking lot	\$50,000	Fund cash balance
12	Science & Environment	Stormsewer camera and tractor system	\$20,000	Fund cash balance
13	Fed Highway Aid	Lewis Street bridge	\$227,000	LHTAC grant
14	Police Grant	Crime investigation equipment	\$27,134	Byrne DoJ grant
15	Police Grant	E-ticketing system	\$76,000	ITD grant
16	Capital Savings Fund	Transfer to Mayor Council for sedan	\$25,000	Saved up \$ in Fund 078
		Total	\$1,178,709	

d. **Timeline.** The proposed timeline for this “January” set of budget amendments is:

December 28, 2011	Public notice sent to the Idaho State Journal
January 4, 2012	Public notice #1 published
January 11, 2012	Public notice #2 published
January 12, 2012	Council study session to review proposed amendments
January 19, 2012	Public hearing and consider amended ordinance

e. **Further amendments.** There is normally one more opportunity to make adjustments for FY12 near the end of the fiscal year in September, 2012. We may also find it useful to conduct a mid-year process in May; it will depend on the nature of any new issues that might arise.

f. **About amendments in general.** Amendments can be confusing; it appears that “the city cannot stick to a budget.” But the reality is that Council involvement with amendments indicates tight management, not the reverse. The FY12 budget was built during spring, 2011 and adopted in August, 2011. It is never possible to fully anticipate every grant, every real-world situation 12-18 months out, and we have some new grants that were not anticipated even two months out. We could accommodate that within the budget by adopting a large contingency budget, but we choose not to do that. We build a tight FY12 budget that only includes grants and business activity that we know about or have a good history with. We elect to amend in detail if we win an unplanned grant, etc. This makes it necessary to involve the Council and the Community in a variety of fairly mundane issues because that is what tight management requires. Finally, not everyone understands the difference between budget authority and actual expenditure. We need permission (budget authority) to make an actual expenditure out of a fund, but also permission (budget authority) to move money within the city between funds. So if fund A needs to make a \$100 expenditure, but needs to get the \$100 cash from Fund B, we need to have \$200 in amendments. We need to move the \$100 from Fund B to Fund A with a \$100 amendment, and then have another amendment to authorize Fund A to actually spend the \$100 on a good or service.

g. **Itemized details.** Each amendment has its own story. Here are the details, organized by reference number from the summary:

1) **General Fund 001, Mayor/Council, replacement sedan, \$25,000.** This amendment authorizes \$25,000 to replace the staff vehicle (a 1996 sedan with 139,677 miles). The funds have been saved up over the past several years in Fund 078. A separate, related amendment (#16) authorizes the movement from Fund 078 to the General Fund 001 of similar amount. The vehicle has become increasingly unreliable; replacement became necessary and the city found good value in a used 2010 Buick during the change of the model year. The old vehicle will be cascaded to another department that has a suitable in-city requirement; failing that it will offered to the public in the May auction.

2) **General Fund 001, Mayor/Council, ARNG grant, \$2,010.** The City received grant funding from the Army National Guard association to conduct post-deployment activities for the returning 116th Brigade. Part of the funds were passed-thru to the City of Preston; the remainder went to fund activities in October during the return celebrations at ISU. This amendment increases budget authority commensurate with the new grant.

3) **General Fund 001, Police, Internet Crimes Against Children (ICAC) grant, \$7,565.** The police department won an unanticipated grant for staff training and computer equipment from the State Office

of the Attorney General to help fight internet crimes against children. This amendment increases budget authority commensurate with the grant amount.

4) **General Fund 001, Police, Wages & Benefits, \$120,000.** The Police Department won an unanticipated “COPS” grant to fund the wages and benefits for two additional officers for the next three years. This amendment authorizes an estimated one year portion that could be executed in FY12.

5) **General Fund 001, Animal Control, Veterinary Services, \$2,000.** The Animal Control department won two grants from PetFinder.com to help fund additional veterinary services for animals available for adoption. The grant was a result of grass-roots efforts from the community to login to a website and vote for the city shelter. The amendment increases budget authority commensurate with the new grant.

6) **General Fund 001, Zoo, \$2,000.** The Zoo received a \$2,000 grant from US Bancorp to help fund additional zoo education outreach programs in area schools. The amendment increases budget authority commensurate with the new grant.

7) **Recreation Fund 004, OK Ward Ballfield Improvements, \$58,000.** This amendment authorizes \$58,000 in additional expenses in the Recreation Fund to finish improvements to the ballfields at OK Ward Park. \$43,000 of the money is part of a grant from Major League Baseball that was won last year, but project execution slipped into October and November of the new FY12 fiscal year. Another \$15,000 comes from School District #25 (their teams will use the improved fields). Since budget authority expires at the end of each fiscal year, this amendment is necessary to re-authorize the remaining amount for the remaining work.

8) **Airport Fund 006, Jet Air Service Revenue Guarantee Grant, \$500,000.** Airport won a multi-year grant to finance a revenue guarantee contract with air carriers to introduce jet air service. The jet-prop planes presently in use are being phased out; if Pocatello cannot convert the market to regional jet service, then we could be left with no service. The grant provides financing to cover revenue shortfalls if they occur. It is unknown how much of the grant could be used in the initial year, but prudence says that if the revenue guarantee is to be exercised, it will be early on in the contract as the market is being established. This amendment provides budget authority commensurate with the grant revenue that could be drawn upon in FY12.

9) **Video Services Fund 012, Cable One Equipment Grant, \$15,000.** As part of the 15 year cable franchise contract, Cable One funded a \$15,000 equipment grant. Video services needs to use the grant to purchase new portable unit cameras. The amendment provides commensurate budget authority.

10) **Science and Environment Fund 017, Sacajewewa Flum Repairs & Modifications, \$22,000.** The stormwater facility at Sacajewewa Park is in need of unplanned repairs and modifications. Among other things, the flume is not recording volume accurately which is an essential compliance feature. There are some fencing repairs necessary to better protect the deep ponds from public access and injury. The fund manager estimates that the total repair and modification bill is \$22,000. Adequate cash balance is available in the fund, a result of prior years coming in under budget. The amendment authorizes the use of the cash for this purpose.

11) **Science and Environment Fund 017, Swale Demonstration Project, Edson Fichter Nature Area, \$50,000.** The city has been approached by Idaho Fish & Game to make some in-kind contributions to the fish pond that was constructed in the Edson Fichter nature area just south of the city. The contributions envisioned involve restrooms and a parking lot, which would jointly service the Indian Hills soccer fields. One component of the project would be a mechanism to handle storm water runoff from the parking lot. The Science & Environment Fund has a EPA permit-mandated requirement to conduct a demonstration project every two years; we need a good project. This parking lot at the fish pond appears to be such a project; the Science and Environment fund could pay for a swale demonstration project, which would be a substantial contribution to the fish pond and count towards our “demonstration project” requirement. The demonstration project estimate is approximately \$50,000. There is adequate cash available in the fund from previous years, including consideration of the other amendment above. This amendment would authorize use of the available cash for the demonstration project.

12) **Science and Environment Fund 017, Storm sewer camera and tractor system, \$20,000.** The existing camera system used to inspect and record the condition of our storm sewers has failed. It is an older system and parts are no longer available. Camera recording of our storm sewers is a condition of our federal storm water permit; we must replace the camera system or contract for the service. Since this is an ongoing requirement, it is financially prudent to replace the system and conduct the filming in-house. The Science and Environmental fund has sufficient cash, including consideration of the other amendments above to finance a replacement. But this amendment is necessary to authorize the expenditure since it was not anticipated in the original budget.

13) **Federal Highway Aid Fund 070, Lewis Street Bridge Rehab Design, \$227,000.** The Lewis Street Bridge was advanced on the state’s list of funded bridge projects. The city’s match on the design phase will be approximately \$18,000 (7.34% of projected total cost of \$245,000) and this was budgeted for in the FY12 budget plan. The original plan called for the city to simply send the match to the state and then the state would fund the total cost. Now we have been told that the city will pay the full cost, and then be reimbursed for the full amount, less our match requirement. The net cost of \$18,000 will be the same, but we need \$227,000 additional budget authority to recognize the additional \$227,000 in grant revenue and project expense that will be recorded on the city’s books as a result of this change. This amendment provides the expense authority commensurate with the additional grant revenue that we project.

14) **Police Grant Fund 088, Bryne Grant for Crime Scene Investigation Equipment, \$27,134.** The city has been notified that we will be a sub-grant recipient thru Bannock County of a new Department of Justice (DoJ) Bryne grant that will fund selected equipment purchases related to crime scene investigations. This amendment provides budget authority commensurate with the grant.

15) **Police Grant Fund 088, ITD E-Ticketing Equipment Grant, \$76,000.** The police department has been notified that we will receive a grant from the Idaho Transportation Department to purchase selected equipment to automate traffic citations (“E-Ticketing”). This amendment provides budget authority commensurate with the grant.

16) **Capital Savings Fund 078, Transfer to General Fund for Sedan Replacement, \$25,000.** This amendment transfers \$25,000 in saved up cash from the Capital Savings Fund to the General Fund to finance the replacement of a sedan. It is related to amendment #1. Amendment #1 authorizes the actual expense; this amendment authorizes the movement of cash within the city to position it in the correct fund to execute.

h. **Summary.** The total amount of all amendments, including those that are internal (moving money within the city between funds) is \$1,178,709. The breakout by fund is:

Fund	Original Gross Expenditure	Proposed Gross Expenditure	Net Increase in Expenditure
General Fund 001	\$30,071,227	\$30,229,802	\$158,575
Recreation Fund 004	\$1,824,857	\$1,882,857	\$58,000
Airport Fund 006	\$1,355,166	\$1,855,166	\$500,000
Video Services Fund 012	\$373,410	\$388,410	\$15,000
Science & Environment Fund 017	\$384,779	\$476,779	\$92,000
Fed Highway Aid Fund 070	\$2,142,891	\$2,369,891	\$227,000
Police Grant Fund 088	\$76,274	\$179,408	\$103,134
Capital Savings Fund 078	\$0	\$25,000	\$25,000
Grand Total	\$36,228,604	\$37,407,313	\$1,178,709

i. **Contacts.**

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 or contact the appropriate department (police, recreation, etc.).