



MEETING OF JANUARY 31, 2023

TO: Mayor Jordan and City Council
THRU: Paul Becker, Chief Financial Officer
FROM: Kevin Springer, Budget Director
DATE: January 19, 2023
SUBJECT: **2023 Budget Re-appropriation Request**

RECOMMENDATION:

It is recommended to amend the 2023 Adopted Budget by re-appropriating \$191,378,000 in bonded or ongoing capital projects and outstanding obligations and grant funded items. In addition, staff is recommending approval of any changes to this request that may arise due to finalizing the 2022 year-end which would result in a decrease in the total authorized budget. A finalized budget amendment will be submitted to the City Council as an agenda item during April of 2023.

BACKGROUND:

Budget appropriations for 2022 expired December 31, 2022. Equipment and supplies or services must have been received by December 31 in order to be charged to the 2022 Budget. Some departments have items or services that were budgeted in 2022 but were not delivered or completed by year-end. In these cases, unspent amounts for those projects and items need to be re-appropriated, since they were not included in the 2023 Budget. In the case of capital improvement projects, unspent funds are added to any amounts appropriated in the 2023 Budget.

DISCUSSION:

Because of the need for project continuation, staff recommends approval of the attached re-appropriation budget request at the February 7, 2023 City Council meeting. City Council is requested to amend the 2023 Adopted Budget by re-authorizing up to \$191,378,000 for purchase commitments and capital improvements as follows:

CATEGORY	OBLIGATED	NON-OBLIGATED	TOTAL
1 - Bonded Capital Projects	\$ 22,252,935	\$ 75,592,700	\$ 97,845,635
2 - Grants / Donations / Reimbursements	4,862,519	7,073,825	11,936,344
3 - Operational Obligations	559,992	39,083	599,075
4 - Capital Improvements Projects (CIP)	22,527,478	58,469,468	80,996,946
Grant Total	\$ 50,202,924	\$ 141,175,076	\$ 191,378,000

Please find attached a schedule of capital projects by Improvement Type which were included in the 2022 Budget that were not fully expended during the 2022 fiscal year. The 2022 estimated unreserved fund balance/retained earnings for the respective funds reflects the cost of the requested re-appropriation. These re-budgeted items, therefore, do not impact the estimated fund balance amounts which were forecasted in the 2023 Budget.

The re-authorization of prior year's appropriated projects and items are normal budget operating procedures and are generally for one-time expenses. Approval of this request will allow the 2023 Budget to be increased to reflect the attached information. Several of the requested re-authorizations include revenue offset in the form of grant revenues.

The total requested re-budgets for all funds are in the attached worksheet. These amounts will require City Council action. For your information, a summary by Funding Source and Improvement Type is included in this memo. The re-appropriation amounts are broken out into two separate categories:

- Obligated: These items have Contracts/Purchase Orders already issued on them during 2022 and the City will not receive the item and/or service until 2023.
- Unobligated: These items did not have any Contracts/Purchase Orders issued on them as of 2022.

BUDGET/STAFF IMPACT:

The estimated fund balance for the 2023 Budget was based on the assumption that these 2022 funds would be either spent in 2022 or be re-appropriated. The funds do not increase the use of operating reserves and this request simply retains project funding for identified and scheduled capital improvements for the current fiscal year.

If you have any questions concerning the attachment or the procedure, please feel free to contact either Paul A. Becker (575-8330) or Kevin Springer (575-8226). Thank you for your attention to this request.

ATTACHMENTS: SRF_2023-326 2022 Rebudgets, 2023 Appropriations (Summary by Fund), 2023 Appropriations (Detail)

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