



City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Legislation Text

File #: 2024-1681

2024 Budget Re-appropriation Request

A RESOLUTION TO AMEND THE 2024 ADOPTED BUDGET BY REAPPROPRIATING \$155,665,000.00 IN BONDED OR ONGOING CAPITAL PROJECTS, OUTSTANDING OBLIGATIONS AND GRANT FUNDED ITEMS

WHEREAS, budget appropriations for 2023 expired December 31, 2023; and

WHEREAS, capital projects often are constructed and paid for in more than one calendar year which requires the funds appropriated in the initial year for the project to be reappropriated to the subsequent year to complete the project; and

WHEREAS, certain outstanding obligations and grant funded items must be reappropriated to complete these obligations or grant funded projects.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas, hereby approves an amendment to the 2024 Budget to reflect \$155,665,000.00 in bonded or ongoing capital projects, outstanding obligations and grant funded items as shown on the worksheet attached to this Resolution.



MEETING OF FEBRUARY 6, 2024

TO: Mayor Jordan and City Council
THRU: Paul Becker, Chief Financial Officer
FROM: Kevin Springer, Budget Director
DATE:
SUBJECT: 2024 Budget Re-appropriation Request

RECOMMENDATION:

It is recommended to amend the 2024 Adopted Budget by re-appropriating \$155,665,000 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 2023 year-end which would result in a decrease in the total authorized budget.

BACKGROUND:

Budget appropriations for 2023 expired December 31, 2023. Equipment and supplies or services must have been received by December 31 in order to be charged to the 2023 Budget. Some departments have items or services that were budgeted in 2023 but were not delivered or complete 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 2024 Budget. In the case of capital improvement projects, unspent funds are added to any amounts appropriated in the 2024 Budget.

DISCUSSION:

Because of the need for project continuation, staff recommends approval of the attached re-appropriation budget request. City Council is requested to amend the 2024 Adopted Budget by re-authorizing up to \$155,665,000 for purchase commitments and capital improvements as follows:

FUNDING SOURCE	OBLIGATED	NON-OBLIGATED	TOTAL
Bonded Capital Projects	\$36,700,935	\$38,644,903	\$75,345,838
Grants/Donations/Reimbursements	480,825	10,672,134	11,152,959
Operational Obligations	1,551,526	31,127	1,582,653
Capital Improvement Projects (CIP)	17,232,095	50,351,455	67,583,550
Grand Total	\$55,965,381	\$99,699,619	\$155,665,000

A finalized budget amendment will be submitted to City Council as an agenda item during April 2024.

Mailing address:

113 W. Mountain Street
Fayetteville, AR 72701

www.fayetteville-ar.gov

Please find attached a schedule of capital projects by Improvement Type which were included in the 2023 Budget that were not fully expended during the 2023 fiscal year. The 2023 estimated unreserved fund balance/retained earnings for the respective funds reflected the cost of the requested re-appropriation. These re-budgeted items, therefore, do not impact the estimated fund balance amounts which were forecast in the 2024 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 2024 Budget to be increased to reflect the attached information. Several of the requested re-authorizations include revenue offset in the form of grant revenues.

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 following 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 2023, and the City will not receive the item and/or service until 2024.
- Unobligated: These items did not have any Contracts/Purchase Orders issued on them as of 2023.

BUDGET/STAFF IMPACT:

The estimated fund balance for the 2024 Budget was based on the assumption that these 2023 funds would be either spent in 2023 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.

ATTACHMENTS: SRF (#3), 2023-1681 2023 Rebugets - Summary (#4), 2023-1681 2023 Rebudgets - Detail (#5)