



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: R-1415-30

File ID: R-1415-30

Type: Resolution

Status: Consent Item

Version: 1

Reference: Item No. 22

In Control: City Council

Department: Finance Department

Cost:

File Created: 09/10/2014

File Name: FYE 14 year end appropriations and transfers

Final Action:

Title: RESOLUTION NO. R-1415-30: A RESOLUTION OF COUNCIL OF THE CITY OF NORMAN, OKLAHOMA APPROPRIATING \$320,905 FROM THE PUBLIC SAFETY SALES TAX FUND BALANCE; \$4,337 FROM THE ROOM TAX FUND BALANCE; AND \$631,690 FROM THE DEBT SERVICE FUND BALANCE TO CLOSE OUT YEAR END ACCOUNTING ENTRIES FOR FYE 2014.

Notes: ACTION NEEDED: Motion to adopt or reject Resolution No. R-1415-30.

ACTION TAKEN: _____

Agenda Date: 09/23/2014

Agenda Number: 22

Attachments: Text File R-1415-30.pdf, R-1415-30.pdf

Project Manager: Suzanne Krohmer, Municipal Accountant

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Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File R-1415-30

Body

BACKGROUND: At the end of each fiscal year, the Finance Department posts all year-end accounting entries. In order to help with this process, some division's categories of expenses require a transfer to cover negative balances in line-item accounts. Oklahoma statutes require that each fund be balanced at the object category of expenditures, which include: salaries and benefits; materials and supplies; services and maintenance; and capital equipment. City of Norman policy requires the City Manager's approval for transfers within a City fund, of funds between departments; from salary and benefit category accounts; and transfers from operating accounts to capital equipment accounts. The City Manager has already approved needed year-end transfers under his authority on recommendation from Finance Department staff (see attached memorandum). In some cases, however, some expenses cannot be covered from available allocations within the same fund and require an appropriation of fund balance. Oklahoma Statutes require that all appropriations of fund balance be approved by the City Council (governing body).

DISCUSSION: At fiscal year-end (FYE) 2014 several funds lacked the needed funds within existing appropriations to cover expenses made during the year, for varying reasons. These include the Public Safety Sales Tax Fund, Room Tax Fund and Debt Service Fund.

In the Public Safety Sales Tax (PSST) Fund, an additional \$320,905 needs to be appropriated due to several events. Unbudgeted salary and benefit increases resulting from union contract settlements during FYE 2014 and Police and Fire Department overtime accounts within the PSST Fund were overdrawn. A wireless data communication account in the Patrol Division was overdrawn due to more wireless devices being added than were anticipated in the PSST budget, and a fleet auto repair and parts account was overdrawn due to vehicle accidents and repairs in excess of budget estimates. In the PSST Fund, the largest single account overdraft, of \$254,981, is needed due to under-budgeting in the Fire Suppression Full-Time and other salary and benefit accounts. At the time of budgeting salaries for FYE 14, nine Fire Department staff had not been assigned/hired to this PSST Division for Fire Station # 9. The assumption of entry level recruit salaries was used for budgeting, but by year end newly-hired Firefighter Recruits had received two unbudgeted merit raises, as well as the unbudgeted cost-of-living increase, which contributed to citywide unbudgeted costs. The positions are now established in the Division, which will make future budgeting more accurate.

In the Room Tax Fund, an additional \$1,250 is needed to cover a higher-than-expected payment for debt service on the outstanding loan for improvements to the Westwood Golf Course (the parks capital improvement portion of the Room Tax pays debt service for the 2002 golf course improvements). An additional \$3,087 appropriation is needed to cover room tax administration cost allocation charges, based on the higher-than-budget Room Tax revenues (cost allocation charges to the Room Tax Fund are based on a percentage of actual revenues received). A total appropriation of \$4,337 is requested from the Room Tax Fund.

The over-budget condition in the General Debt Service Fund primarily relates to an unbudgeted General Obligation Bond interest payment (\$481,872 interest payment on the Series 2012D GO Bonds, which was payable in FYE 2014 instead of FYE 2013) and an under-budget amount (\$149,818) for the inter-fund transfer to the Risk Management/Insurance Fund (property tax revenues for the payment of worker's compensation and tort judgments against the City of Norman are received into the Debt Service Fund and transferred to the Risk Management Fund for payment). A total appropriation of \$631,690 is requested in the General Debt Service Fund.

STAFF RECOMMENDATION: Staff recommends the following appropriations from each fund balance and transfers be approved:

\$320,905 from Public Safety Sales Tax Fund Balance (account number 015-0000-253.20-00) with \$28,109 recommended to be allocated to Criminal Investigations Overtime (account number 015-6121-421.21-10); \$10,442 to Patrol Overtime (account number 015-6122-421.21-10); \$2,974 to Patrol Wireless Data Communication (account number 015-6122-421.43-04); \$22,874 to Patrol Fleet Auto Repair (account number 015-6122-421.48-02); \$1,525 to Special Investigations Fleet Parts (account number 015-6130-421.38-02); and \$254,981 to Fire Suppression Full-Time Salaries (account number 015-6543-422.20-01).

\$4,337 from Room Tax Fund Balance (account number 023-0000-253.20-00), with \$1,250 recommended to be allocated to Westwood Inter-fund Transfers (account number 023-3042-451.80-29); and \$3,087 to Management Cost Allocation Charges for Room Tax Administration (account 023-3040-415.49-01).

\$631,690 from General Debt Service Fund Balance (account number 060-0000-253.20-00), with \$149,818 recommended to be allocated to Inter-fund Transfers (account number 060-3050-491.80-43); and \$481,872 to Interest - GO Bonds (account number 060-3050-470.71-01).