

**RESOLUTION # 2016-141**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING THE FISCAL YEAR 2017 BUDGET BY REALLOCATING APPROPRIATIONS BETWEEN VARIOUS PROJECTS AND FUNDS FOR THE PURPOSE OF ADJUSTING BUDGET AUTHORITY.**

**WHEREAS**, in preparing the FY2017 budget, there were specific budgeted items in various funds and departments with amounts dependent on FY2016 expenditure estimates;

**WHEREAS**, FY2016 expenditure activity has been largely completed with actual amounts varying from the estimates used when preparing the FY2017 budget;

**WHEREAS**, movement of authority between projects is necessary for tracking purposes;

**WHEREAS**, these amendments will allow the City to have current and updated budgetary amounts and help departments manage their project and line item expenditures;

**WHEREAS**, the FY2017 budget was adopted by Council Resolution #2016-81 on June 21, 2016;

**WHEREAS**, this action will necessitate a budget adjustment; and

**WHEREAS**, City of Surprise Administrative Policy requires the approval of the Mayor and Council for budget adjustments of this nature.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Surprise, Arizona, as follows.

**Section 1.** That the statements and schedules attached as *Exhibit A* and incorporated by reference are adopted, amending the budget of the City of Surprise, Arizona for the fiscal year July 1, 2016 through June 30, 2017.

**SIGNATURES ON THE FOLLOWING PAGE**

**APPROVED AND ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Sharon R. Wolcott, Mayor

Attest:

Approved as to form:

\_\_\_\_\_  
Sherry Aguilar, City Clerk

\_\_\_\_\_  
Robert Wingo, City Attorney

**RESOLUTION # 2016-141**  
**Exhibit A**

The FY2017 Annual Budget is amended by reallocating appropriations among lawfully available appropriations to ensure the continued operations of the City of Surprise in the payment of necessary expenditures. These allocations do not represent an actual transfer of funds, but only a transfer of spending authority. Additionally, these reallocations do not increase or decrease the total budget.

- 1. Carry Forwards** – To adjust budget authority for items previously approved by Council that require adjustment from what was originally estimated during the FY2017 budget process due to expenditure activity in the prior fiscal year.

Fund / Project or Department / Category	Current Appropriation	Increase (Decrease)	Amended Appropriation
Neighborhood Revitalization / Desert Sage #P61290	\$ 66,400	\$ (700)	\$ 65,700
Neighborhood Revitalization / Sunny Lane #P61300	30,100	(700)	29,400
Neighborhood Revitalization / Jerry St #P61310	53,800	(700)	53,100
General Capital Projects Fund / Greenway Rd Imp Litchfd-Bullard #P61010	435,300	132,800	568,100
General Capital Projects Fund / Bell Rd Sidewalks E of Grand #P61020	63,800	2,000	65,800
General Capital Projects Fund / Reems Fiber Opt Waddell Peoria #P61260	111,900	(2,100)	109,800
General Capital Projects Fund / Jerry St and Rimrock Drainage #P61240	228,100	(12,500)	215,600
General Capital Projects Fund / Skate Park #P54040	15,300	(7,300)	8,000
General Capital Projects Fund / Cactus S Side RR Trk Litchfld #P61120	172,400	(200)	172,200
Highway User Revenue Capital / Median and ROW Landscaping #P61150	174,800	(174,800)	0
Public Works Dev Fee / Reems Fiber Opt Waddell Peoria #P61260	110,500	(8,500)	102,000
Sewer Utility Capital / Greenway Rd Imp Litchfd-Bullard #P61010	734,900	(1,200)	733,700
Sewer Utility Capital / Cactus S Side RR Trk Litchfld #P61120	1,246,000	15,700	1,261,700
Sewer Utility Capital / Litchfld E Sd Cactus Desert Cv #P61200	114,900	108,200	223,100
Sewer Utility Capital / SPA1 Conf Training Center #P71200	176,400	1,142,600	1,319,000

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<b>Fund / Project or Department / Category</b>	<b>Current Appropriation</b>	<b>Increase (Decrease)</b>	<b>Amended Appropriation</b>
Sewer Utility Capital / SPA1 WRF N Entr Gate Wall #P71100	29,600	(100)	29,500
Stadium Gov Construction 2015 / Clubhouse Improvements #P54060	48,600	65,600	114,200
Water Utility Capital / Cactus S Side RR Trk Litchfld #P61120	341,200	3,300	344,500
Water Utility Capital / SPA1 Conf Training Center #P71200	1,784,400	(1,165,600)	618,800
Wtr Res SPA 1 Dev Fee / SPA1 Effluent Strg Reser Covers #P71070	334,400	(18,400)	316,000
Wtr Res SPA 1 Dev Fee / Greenway Rd Imp Litchfld-Bullard #P61010	698,900	1,100	700,000
Sewer SPA 1 Dev Fee 2014 Law / Dewatering Centrifuge No 1 #P71090	1,315,300	(26,700)	1,288,600
Park/Rec Dev Fee Grandfathered, General Ops, Residential Dev Agreements	106,800	(65,500)	41,300
Fire / EMS Dev Fee Grandfathered, General Ops, Residential Dev Agreements	57,800	(8,700)	49,100
General Capital Projects Fund / Enterprise Resource Planning System #P17010 / Finance / Personnel	117,600	(117,600)	0
General Capital Projects Fund / Enterprise Resource Planning System #P17010 / Finance / Services	0	14,500	14,500
General Capital Projects Fund / Enterprise Resource Planning System #P17010 / IT / Personnel	197,600	(197,600)	0
General Capital Projects Fund / Enterprise Resource Planning System #P17010 / IT / Services	1,139,500	(55,800)	1,083,700
General Capital Projects Fund / Enterprise Resource Planning System #P17010 / HR / Personnel	17,400	47,600	65,000
General Capital Projects Fund / Enterprise Resource Planning System #P17010 / HR / Services	0	1,300	1,300
Sewer Operations / WRM / Services	3,665,000	(40,000)	3,625,000
Sewer Operations / Finance / Services	1,029,900	40,000	1,069,900
Water Operations / WRM / Supplies	450,200	(31,400)	418,800
Water Operations / Finance / Supplies	202,900	21,000	223,900
General Capital Projects Fund / Legal / Services	448,600	(1,400)	447,200

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<b>Fund / Project or Department / Category</b>	<b>Current Appropriation</b>	<b>Increase (Decrease)</b>	<b>Amended Appropriation</b>
Solid Waste Operations / Public Works / Supplies	1,260,900	(2,800)	1,258,100
General Fund / General Operations / Services	4,325,600	500,000	4,825,600
Grants Fund / Contingency	22,701,100	(155,400)	22,545,700
	<u>\$ 44,007,900</u>	<u>\$ 0</u>	<u>\$ 44,007,900</u>

## 2. Other Adjustments

- A. CAP Project Funding – The FY2017 adopted budget included funding for project #P71220 Central Arizona Project (CAP) Allocation M&I Subcontract within the Water System SPA 1 Development Impact Fee Fund. The 2014 Impact Fee Study includes capital costs, such as the CAP capital, under the Water Resource SPA1 Development Fee. An amendment to the project’s funding for FY2017 is necessary to reflect the correct project funding per the 2014 Impact Fee Study.

<b>Fund / Project</b>	<b>Current Appropriation</b>	<b>Increase (Decrease)</b>	<b>Amended Appropriation</b>
Water System SPA 1 Dev Fee / CAP Allocation (M&I Subcontract) #P71220	\$ 317,800	\$ (317,800)	\$ 0
Water System SPA 1 Dev Fee / Contingency	418,200	317,800	736,000
Water Resource SPA 1 Dev Fee 2014 Law / CAP Allocation (M&I Subcontract) #P71220	0	317,800	317,800
Water Resource SPA 1 Dev Fee 2014 Law / Contingency	193,700	(193,700)	0
Water Operations / Contingency	261,800	(124,100)	137,700
	<u>\$ 1,191,500</u>	<u>\$ 0</u>	<u>\$ 1,191,500</u>

B. Utility Billing – The FY2017 adopted budget included funding for utility billing customer service under the Water Resource Management (WRM) Department. To align utility billing services within one department, appropriation was reallocated to the Finance Department Utility Billing Division. Resolution #2016-122 did not reflect previous Council action taken with Resolution #2016-120. The following table reflects the correct amounts that should have been included in Resolution #2016-122 and will be reflected in the FY2017 budget.

<b>Fund Name, Department Name, Category</b>	<b>Current Appropriation</b>	<b>Increase (Decrease)</b>	<b>Amended Appropriation</b>
Water Operations Fund, WRM, Personnel	\$302,400	(\$302,400)	0
	\$1,077,000	\$0	1,077,000

3. **Transfers** – With the implementation of a new financial system, new HURF, Water, Sewer, and Solid Waste funds were created for capital projects. The FY2017 adopted budget includes transfers from the HURF, Water, Sewer, and Solid Waste operating funds to the newly created capital funds in order to fund capital projects. The carry forward adjustments presented in this exhibit affect the total amount of actual funds needed in the capital funds. Therefore, a reallocation of actual funds is necessary to support the reallocation of appropriations.

<b>Fund / Category</b>	<b>Current Appropriation</b>	<b>Increase (Decrease)</b>	<b>Amended Appropriation</b>
Highway User Revenue Fund / Transfer Out	\$ 2,046,100	\$ (174,800)	\$ 1,871,300
Highway User Revenue Capital Fund / Transfer In	(2,046,100)	174,800	(1,871,300)
Water Operations / Transfer Out	7,537,500	(1,038,200)	6,499,300
Water Utility Capital / Transfer In	(5,137,400)	1,162,300	(3,975,100)
Wtr Res SPA 1 Dev Fee 2014 Law / Transfer In	0	(124,100)	(124,100)
Sewer Operations / Transfer Out	14,118,800	1,265,200	15,384,000
Sewer Utility Capital / Transfer In	(7,487,400)	(1,265,200)	(8,752,600)
	\$ 9,031,500	\$ 0	\$ 9,031,500