

RESOLUTION # 2016-106

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SURPRISE, ARIZONA, AMENDING THE FISCAL YEAR 2016 BUDGET BY REALLOCATING APPROPRIATIONS FROM VARIOUS FUNDS TO VARIOUS FUNDS TO CLOSE OUT THE FISCAL YEAR.

WHEREAS, in the course of daily operations various adjustments were identified which are necessary amendments to the FY2016 Adopted Budget;

WHEREAS, in the course of preparing the FY2016 Comprehensive Annual Financial Report (CAFR), various adjustments were identified and are required to ensure compliance with state law for appropriations. These legally required amendments will allow the City to close out the fiscal year's budgetary accounts and proceed with the annual independent audit. These are standard, end-of-year processes that are required to close the books and the bottom line budget amounts do not change;

WHEREAS, the FY2016 budget was adopted by Council Resolution #2015-53 on June 2, 2015;

WHEREAS, this action will necessitate a budget amendment; and

WHEREAS, the City of Surprise Administrative Policies requires the approval of the Mayor and Council for budget amendments of this nature.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and 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, 2015 through June 30, 2016.

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 # 2016-106

Exhibit A

The FY2016 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 budget authority. Additionally, these reallocations do not increase or decrease the total budget.

1. Budget adjustments

- A. General Fund – Various departments within the General Fund incurred additional expenses related to personnel and operations. Per the Budget Amendment Policy, movement of budget authority from or to personnel requires Council approval.

| General Fund Department / Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|---|----------------------------------|--------------------------------|----------------------------------|
| City Manager's Office / Personnel | \$ 2,247,100 | \$ 138,900 | \$ 2,386,000 |
| City Manager's Office / Supplies | 50,500 | 5,800 | 56,300 |
| City Manager's Office / Services | 490,600 | 75,100 | 565,700 |
| Economic Development / Personnel | 754,500 | 14,500 | 769,000 |
| Economic Development / Services | 5,758,300 | (104,500) | 5,653,800 |
| City Council / Personnel | 274,600 | 3,100 | 277,700 |
| City Council / Services | 77,800 | (3,100) | 74,700 |
| City Clerk / Services | 31,800 | 4,900 | 36,700 |
| City Clerk / Personnel | 437,900 | (4,900) | 433,000 |
| Information Technology / Supplies | 179,200 | 17,200 | 196,400 |
| Information Technology / Personnel | 2,281,000 | (17,200) | 2,263,800 |
| Public Works / Personnel | 3,887,700 | 88,000 | 3,975,700 |
| Public Works / Services | 2,174,700 | (53,100) | 2,121,600 |
| Public Works / Supplies | 758,600 | (34,900) | 723,700 |
| Stormwater / Services | 14,800 | 1,100 | 15,900 |
| General Operations / Debt Service | 0 | 72,700 | 72,700 |
| Finance / Services | 982,900 | (203,600) | 779,300 |
| | <u>\$ 20,402,000</u> | <u>\$ 0</u> | <u>\$ 20,402,000</u> |

- B. Arizona Lottery Fund (ALF) – The City received additional revenue from ALF for transportation related costs. Additional budget authority is required in order to expend the revenue.

| Fund / Department / Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|---|----------------------------------|--------------------------------|----------------------------------|
| Expenditures | | | |
| ALF Fund / Public Works / Services | \$ 350,000 | \$ 4,200 | \$ 354,200 |
| Grants Fund / General Operations / Contingency | 7,500,800 | (4,200) | 7,496,600 |
| | <u>\$ 7,850,800</u> | <u>\$ 0</u> | <u>\$ 7,850,800</u> |
| Revenues | | | |
| ALF Fund / Public Works / Intergovernmental Revenues | \$ 350,000 | \$ 4,200 | \$ 354,200 |
| Grants Fund / General Operations / Unforeseen Revenue | 7,537,600 | (4,200) | 7,533,400 |
| | <u>\$ 7,887,600</u> | <u>\$ 0</u> | <u>\$ 7,887,600</u> |

- C. SPD Towing Fund – The fund incurred additional expenses related to personnel. The fund has sufficient budget authority within contingency, the use of which requires Council approval.

| SPD Towing Fund Department / Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|--|----------------------------------|--------------------------------|----------------------------------|
| Police / Personnel | \$ 32,500 | \$ 1,400 | \$ 33,900 |
| Police / Contingency | 119,800 | (1,400) | 118,400 |
| | <u>\$ 152,300</u> | <u>\$ 0</u> | <u>\$ 152,300</u> |

- D. HALO Fund – The City received more revenue than what was originally estimated for FY2016. Additional budget authority is required in order to expend the additional revenue.

| Fund / Department / Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|---|----------------------------------|--------------------------------|----------------------------------|
| Expenditures | | | |
| HALO Fund / Fire / Personnel | \$ 168,900 | \$ 8,900 | \$ 177,800 |
| Grants Fund / General Operations / Contingency | 7,500,800 | (8,900) | 7,491,900 |
| | <u>\$ 7,669,700</u> | <u>\$ 0</u> | <u>\$ 7,669,700</u> |

Revenues

| | | | | | | |
|---|----|-----------|----|---------|----|-----------|
| HALO Fund / Fire / Intergovernmental Revenues | \$ | 156,000 | \$ | 8,900 | \$ | 164,900 |
| Grants Fund / General Operations / Unforeseen Revenue | | 7,537,600 | | (8,900) | | 7,528,700 |
| | \$ | 7,693,600 | \$ | 0 | \$ | 7,693,600 |

E. Municipal Court JCEF Fund - The fund incurred additional expenses related to personnel. The fund has sufficient budget authority within contingency, the use of which requires Council approval.

| Municipal Court JCEF Fund Department / Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|---|-----------------------|---------------------|-----------------------|
| Court / Personnel | \$ 58,000 | \$ 5,300 | \$ 63,300 |
| Court / Contingency | 25,700 | (5,300) | 20,400 |
| | \$ 83,700 | \$ 0 | \$ 83,700 |

F. Animal Seizure Bond Forfeiture Fund– The fund incurred additional expenses related to the cost of housing, caring, and treatment of seized animals. Additional budget authority is required to cover the expenditures.

| Fund / Department / Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|---|-----------------------|---------------------|-----------------------|
| Animal Seizure Bond Forfeiture Fund / Police / Services | \$ 1,000 | \$ 300 | \$ 1,300 |
| Grants Fund / General Operations / Contingency | 7,500,800 | (300) | 7,500,500 |
| | \$ 7,501,800 | \$ 0 | \$ 7,501,800 |

G. Employee Healthcare Fund – The fund incurred additional expenses related to healthcare claims. The fund has sufficient budget authority within contingency, the use of which requires Council approval.

| Employee Healthcare Fund Department / Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|--|-----------------------|---------------------|-----------------------|
| Human Resources / Personnel | \$ 104,100 | \$ (3,400) | \$ 100,700 |
| Human Resources / Services | 9,553,000 | 373,000 | 9,926,000 |
| Human Resources / Contingency | 1,495,200 | (369,600) | 1,125,600 |
| | \$ 11,152,300 | \$ 0 | \$ 11,152,300 |

- H. Risk Management Fund – The fund incurred additional expenses related to personnel. The fund has sufficient budget authority within contingency, the use of which requires Council approval.

| Risk Management Fund Department / Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|---|----------------------------------|--------------------------------|----------------------------------|
| Finance / Supplies | \$ 0 | \$ 500 | \$ 500 |
| Human Resources / Personnel | 218,600 | 21,400 | 240,000 |
| Human Resources / Services | 1,391,300 | (13,300) | 1,378,000 |
| Human Resources / Contingency | 2,142,800 | (8,600) | 2,134,200 |
| | <u>\$ 3,752,700</u> | <u>\$ 0</u> | <u>\$ 3,752,700</u> |

- I. Ground Ambulance Fund – The fund incurred expenses related to bad debt. Additional budget authority is required to cover the expenditures.

| Fund / Department / Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|---|----------------------------------|--------------------------------|----------------------------------|
| Ground Ambulance Fund / Fire / Personnel | \$ 363,100 | \$ (19,500) | \$ 343,600 |
| Ground Ambulance Fund/ Fire / Services | 42,300 | (11,300) | 31,000 |
| Ground Ambulance Fund / Fire / Capital | 300 | (300) | 0 |
| Ground Ambulance Fund/ Fire / Debt Service | 0 | 155,500 | 155,500 |
| Grants Fund / Contingency | 7,500,800 | (124,400) | 7,376,400 |
| | <u>\$ 7,906,500</u> | <u>\$ 0</u> | <u>\$ 7,906,500</u> |

- J. Sewer Operations Fund - The fund incurred additional expenses related to personnel and vehicles. The fund has sufficient budget authority to cover the expenditures.

| Sewer Operations Fund Department / Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|--|----------------------------------|--------------------------------|----------------------------------|
| WRM / Personnel | \$ 3,489,000 | \$ 8,500 | \$ 3,497,500 |
| Public Works / Capital | 77,000 | 200 | 77,200 |
| WRM / Supplies | 1,865,700 | (8,700) | 1,857,000 |
| | <u>\$ 5,431,700</u> | <u>\$ 0</u> | <u>\$ 5,431,700</u> |

K. Water Operations Fund – The fund incurred additional expenses related to the purchase of vehicles. The fund has sufficient budget authority to cover the expenditures.

| Water Operations Fund Department / Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|--|----------------------------------|--------------------------------|----------------------------------|
| Public Works / Capital | \$ 110,000 | \$ 100 | \$ 110,100 |
| WRM / Supplies | 655,200 | (100) | 655,100 |
| | <u>\$ 765,200</u> | <u>\$ 0</u> | <u>\$ 765,200</u> |

L. Donations Fund – The fund received additional revenue for various police department programs. Additional budget authority is required in order to expend the revenue received.

| Fund / Department / Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|--|----------------------------------|--------------------------------|----------------------------------|
| Expenditures | | | |
| Donations Fund / Police / Supplies | \$ 12,400 | \$ 900 | \$ 13,300 |
| Donations Fund / Police / Services | 0 | 5,600 | 5,600 |
| Grants Fund / General Operations / Contingency | 7,500,800 | (6,500) | 7,494,300 |
| | <u>\$ 7,513,200</u> | <u>\$ 0</u> | <u>\$ 7,513,200</u> |
| Revenues | | | |
| Donations Fund / Police / Donations Operating | \$ 13,400 | \$ 6,500 | \$ 19,900 |
| Grants Fund / General Operations / Unforeseen Revenue | 7,537,600 | (6,500) | 7,531,100 |
| | <u>\$ 7,551,000</u> | <u>\$ 0</u> | <u>\$ 7,551,000</u> |

M. Highway User Revenue Fund (HURF) – The fund incurred additional expenditures related to personnel. Additional budget authority is required to cover the expenditures.

| HURF Department / Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|---------------------------------------|----------------------------------|--------------------------------|----------------------------------|
| Public Works / Personnel | \$ 3,453,200 | \$ 108,400 | \$ 3,561,600 |
| Public Works / Supplies | 968,200 | (82,200) | 886,000 |
| Public Works / Services | 3,285,200 | (26,200) | 3,259,000 |
| | <u>\$ 7,706,600</u> | <u>\$ 0</u> | <u>\$ 7,706,600</u> |

- N. Spring Training Ticket Surcharge Fund – The fund incurred expenditures related to the stadium. Per the Comprehensive Financial Management Policies, this fund will have a minimum fund balance of \$600,000. The remaining fund balance and revenue is used to offset stadium operating and maintenance expenditures. Additional budget authority is required to cover the expenditures.

| Fund / Department / Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|--|----------------------------------|--------------------------------|----------------------------------|
| Spring Training Ticket Surcharge / CRS / Services | \$ 0 | \$ 1,237,700 | \$ 1,237,700 |
| Grants Fund / General Operations / Contingency | 7,500,800 | (1,237,700) | 6,263,100 |
| | <u>\$ 7,500,800</u> | <u>\$ 0</u> | <u>\$ 7,500,800</u> |

- O. Street Light Improvement Districts (SLID) Funds – Twelve of the funds incurred additional expenses related to electricity. Additional budget authority is required to cover the expenditures.

| Fund / Department / Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|--|----------------------------------|--------------------------------|----------------------------------|
| NW Ranch #2 SLID / Public Works / Services | \$ 22,500 | \$ 100 | \$ 22,600 |
| Marley Park PH1, PAR 7& 8 / Public Works / Services | 10,400 | 1,500 | 11,900 |
| Greer Ranch N PH I / Public Works / Services | 24,400 | 8,000 | 32,400 |
| Greer Ranch N PH 2 / Public Works / Services | 6,600 | 4,800 | 11,400 |
| Johnson Townhomes / Public Works / Services | 1,100 | 100 | 1,200 |
| Quick Trip #10 / Public Works / Services | 800 | 100 | 900 |
| Asante Parcel 1.16 / Public Works / Services | 1,100 | 100 | 1,200 |
| Commerce Park East / Public Works / Services | 3,800 | 1,300 | 5,100 |
| Desert Oasis PCL 13A / Public Works / Services | 6,900 | 200 | 7,100 |
| Desert Oasis PCL 14C / Public Works / Services | 7,000 | 1,200 | 8,200 |
| Marley Park PH3 (#134) / Public Works / Services | 0 | 6,000 | 6,000 |
| Desert Oasis PCL 11 / Public Works / Services | 0 | 3,600 | 3,600 |
| Grants Fund / General Operations / Contingency | 7,500,800 | (27,000) | 7,473,800 |
| | <u>\$ 7,585,400</u> | <u>\$ 0</u> | <u>\$ 7,585,400</u> |

P. Development Impact Fee (DIF) Funds – The funds incurred additional expenditures related to development reimbursements and capital. Most of the funds have sufficient budget authority with the exception of one which will need additional budget authority to cover the expenditures. The use of contingency requires council approval.

| Fund / Department / Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|--|----------------------------------|--------------------------------|----------------------------------|
| Park/Rec Dev Fee Grandfathered / Economic Development / Services | \$ 0 | \$ 65,500 | \$ 65,500 |
| Park/Rec Dev Fee Grandfathered / General Operations / Contingency | 1,153,000 | (65,500) | 1,087,500 |
| Fire/EMS Dev Fee Grandfathered / Economic Development / Services | 0 | 8,700 | 8,700 |
| Fire/EMS Dev Fee Grandfathered / General Operations / Contingency | 1,159,700 | (8,700) | 1,151,000 |
| Water Sys SPA 2 Dev Fee 2014 / WRM / Services | 0 | 1,600 | 1,600 |
| Water Sys SPA 2 Dev Fee 2014 / WRM / Contingency | 162,900 | (1,600) | 161,300 |
| Water Res SPA1 Dev Fee 2014 / WRM / Capital | 0 | 230,700 | 230,700 |
| Water Res SPA1 Dev Fee 2014 / WRM / Contingency | 147,800 | (147,800) | 0 |
| Grants Fund / General Operations / Contingency | 7,500,800 | (82,900) | 7,417,900 |
| | <u>\$ 10,124,200</u> | <u>\$ 0</u> | <u>\$ 10,124,200</u> |

Q. Debt Service Funds – To adjust budget authority for debt service payments. These entries are required to give each debt service fund the proper budget authority.

| Fund / Department / Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|---|----------------------------------|--------------------------------|----------------------------------|
| Gov Construction 2015 / General Operations / Services | \$ 0 | \$ 2,000 | \$ 2,000 |
| Gov Construction 2015 / General Operations / Contingency | 4,800 | (2,000) | 2,800 |
| Refunded Gov Debt Service 2015 / General Operations / Debt | 0 | 1,851,100 | 1,851,100 |
| Refunded Gov Debt Service 2015 / Debt Service / Services | 0 | 8,700 | 8,700 |
| Gov Debt Service 2015 / General Operations / Debt | 3,193,700 | (1,609,100) | 1,584,600 |

| Fund / Department / Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|--|----------------------------------|--------------------------------|----------------------------------|
| Gov Debt Service 2015 / Debt Service / Services | 0 | 11,200 | 11,200 |
| Property Debt Service 2015 / Debt Service / Services | 0 | 3,800 | 3,800 |
| Property Debt Service 2015 / General Operations / Debt | 809,100 | (3,800) | 805,300 |
| MPC Debt Service / Debt Service / Debt | 672,500 | 3,000 | 675,500 |
| MPC Debt Service / Debt Service / Contingency | 25,000 | (3,000) | 22,000 |
| Grants Fund / Contingency | 7,500,800 | (261,900) | 7,238,900 |
| | \$ 12,205,900 | \$ 0 | \$ 12,205,900 |

2. Projects – To adjust budget authority for projects. Per the Comprehensive Financial Management Policies, projects within the capital project funds need to have sufficient budget authority to cover expenditures.

| Fund / Project or Dept./Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|---|----------------------------------|--------------------------------|----------------------------------|
| Parks & Rec Dev Fee / Surprise Farms Park #21417 | \$ 1,322,300 | \$ 100 | \$ 1,322,400 |
| General Capital / Skatepark - In-Ground #21507 | 446,800 | 100 | 446,900 |
| General Capital / Asset Repl-Facilities #28029 | 500,000 | 100 | 500,100 |
| General Capital / General Operations / Contingency | 404,300 | (200) | 404,100 |
| Stadium Improvements / Clubhouse Improvements #21514 | 400 | 100 | 500 |
| Ground Ambulance Service / Ambulance #21603 | 0 | 150,000 | 150,000 |
| HURF / Median & ROW Landscaping #21509 | 557,400 | 5,400 | 562,800 |
| HURF / Cement Truck #21615 | 0 | 141,900 | 141,900 |
| HURF / Public Works / Operating Capital (one-time #20001) | 80,000 | (80,000) | 0 |
| HURF / Public Works / Contingency | 347,300 | (67,300) | 280,000 |
| Vehicle Replacement / Pumper 3272 Replacement #28023 | 67,100 | 368,700 | 435,800 |
| Vehicle Replacement / Lt 4026 Replacement #28024 | 0 | 346,900 | 346,900 |

| Fund / Project or Dept./Category | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|---|----------------------------------|--------------------------------|----------------------------------|
| Vehicle Replacement / Bucket Truck 7625 Replacement #28035 | 67,000 | 1,600 | 68,600 |
| Vehicle Replacement / General Operations / Operating Capital (one- time #20001) | 3,675,600 | (717,200) | 2,958,400 |
| Sewer Operations / Asset Replacement-Wastewater #28031 | 408,800 | 69,500 | 478,300 |
| Sewer Operations / WRM / Supplies | 1,865,700 | (69,500) | 1,796,200 |
| Water Operations / Greenway Rd Imp. Litchfd-Bulrd #20815 | 0 | 160,200 | 160,200 |
| Water Operations / WRM / Contingency | 862,800 | (160,200) | 702,600 |
| SPD Rico / Asset Replacement-Police #28032 | 284,100 | 4,600 | 288,700 |
| SPD Rico / Police / Contingency | 120,300 | (4,600) | 115,700 |
| Grants Fund / General Operations / Contingency | 7,500,800 | (150,200) | 7,350,600 |
| | \$ 18,510,700 | \$ 0 | \$ 18,510,700 |

3. Grants Fund – To adjust budget authority for grant expenditures that occurred in FY2016.

| Fund / Project | Current Appropriation | Increase (Decrease) | Amended Appropriation |
|--|----------------------------------|--------------------------------|----------------------------------|
| Expenditures | | | |
| Donations Fund / Walmart POST Grant #27173 | \$ 0 | \$ 2,000 | \$ 2,000 |
| Neighborhood Revitalization / 2011 HOME Funds #27139 | 0 | 4,300 | 4,300 |
| Neighborhood Revitalization / FY2012 CDBG Emergency Repair #27143 | 0 | 4,500 | 4,500 |
| Neighborhood Revitalization / 2013 CDBG Public Service #27153 | 0 | 400 | 400 |
| Neighborhood Revitalization / FY 14- 15 CDBG Sr Ctr Impro #27205 | 94,400 | 10,300 | 104,700 |
| Grants Fund / DOD - AZ Mil Land Use #27207 | 0 | 22,300 | 22,300 |
| Grants Fund / AZDOHS 140810-02 PD CBRNE #27179 | 8,000 | 7,400 | 15,400 |
| Grants Fund/ 2015 GOHS Fire Medical #27163 | 9,300 | 1,900 | 11,200 |
| Grants Fund / Contingency | 7,500,800 | (53,100) | 7,447,700 |
| | \$ 7,612,500 | \$ 0 | \$ 7,612,500 |

Revenue

| | | | | | | |
|---|----|-----------|----|----------|----|-----------|
| Donations Fund / Walmart POST Grant #27173 | \$ | 0 | \$ | 2,000 | \$ | 2,000 |
| Neighborhood Revitalization / 2011 HOME Funds #27139 | | 0 | | 4,300 | | 4,300 |
| Neighborhood Revitalization / FY2012 CDBG Emergency Repair #27143 | | 0 | | 4,500 | | 4,500 |
| Neighborhood Revitalization / 2013 CDBG Public Service #27153 | | 0 | | 400 | | 400 |
| Neighborhood Revitalization / FY 14-15 CDBG Sr Ctr Impro #27205 | | 94,400 | | 10,300 | | 104,700 |
| Grants Fund / DOD - AZ Mil Land Use #27207 | | 0 | | 22,300 | | 22,300 |
| Grants Fund / AZDOHS 140810-02 PD CBRNE #27179 | | 8,000 | | 7,400 | | 15,400 |
| Grants Fund / 2015 GOHS Fire Medical #27163 | | 9,300 | | 1,900 | | 11,200 |
| Grants Fund / Unforeseen Revenue | | 7,537,600 | | (53,100) | | 7,484,500 |
| | \$ | 7,649,300 | \$ | 0 | \$ | 7,649,300 |