



Legislation Text

File #: 16-278, **Version:** 1

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SUBJECT: Supplemental Budget Appropriation Downtown Maintenance District - Fiscal Year 2015/2016 Budget Close Out

REPORT IN BRIEF

Consider authorizing a supplemental budget appropriation to cover Fiscal Year 2015/2016 employee health care benefit costs and utility expenses in the Downtown Maintenance District Fund.

RECOMMENDATION

City Council - Adopt a motion approving a supplemental budget appropriation from the unappropriated reserves of the Downtown Maintenance District in the amount not to exceed \$6,100, to cover employee health care benefit costs and utility expenses in the Downtown Maintenance District Fund.

ALTERNATIVES

1. Approve as recommended by the Director of Public Works; or,
2. Deny; or,
3. Refer back to staff for further study.

AUTHORITY

Article XI, Fiscal Administration of the Merced Municipal Code - At any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by the affirmative votes of a least five members.

DISCUSSION

Additional funding in the amount not to exceed \$6,100, is required to cover employee health care benefit costs and utility expenses in the Downtown Maintenance District Fund (Fund 120) to close out the Fiscal Year 2015/2016 Budget.

The Employee Fringe Benefits Core Allowance budget account line requires approximately \$5,300, in additional funding to balance out Fiscal Year 2015/2016 payroll expenditures.

Health care benefit costs are estimates based on employee plan elections prior to the budget formulation process each fiscal year. Employees often change health care coverage plans during the open enrollment period, which can result in increased expenditures requiring either inter-fund transfers or supplemental budget appropriations. In this particular case, a supplemental budget appropriation is required due to minimal funding within this District.

Utility rates continue to escalate as operating expense budgets are reduced to match available revenue. The Fiscal Year 2015/2016 Downtown Utility Budget was reduced by approximately 8% from the previous fiscal year in order to balance expenses with available revenue.

At this time approximately \$800 is required to close out utility expenditures for Fiscal Year 2015/2016.

IMPACT ON CITY RESOURCES

The City's Finance Department has verified sufficient funding is available for this appropriation.