



Legislation Text

File #: 19-448, **Version:** 1

Report Prepared by: Deborah Richardson, Accountant II

SUBJECT: Approval of Supplemental Appropriation to Increase the FY 2019-20 Budget in the Amount of \$825 in Fund 344 - University Capital Charge (Debt Service) for Annual Fee Expense

REPORT IN BRIEF

Considers approving \$825 supplemental appropriation to cover annual fees in Debt Service Fund 344-University Capital Charge.

RECOMMENDATION

City Council - Adopt a motion approving a supplemental appropriation in the amount of \$825 from the unappropriated, unreserved fund balance of Debt Service Fund 344 - University Capital Charge to cover annual fees.

ALTERNATIVES

1. Approve as recommended by staff; or,
2. Return to staff with specific direction; or,
3. Deny.

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 at least five members.

CITY COUNCIL PRIORITIES

As provided in the Fiscal Year 2019-20 budget.

DISCUSSION

In 2003, the City entered into an agreement with California Infrastructure and Economic Development Bank (CIEDB). These improvements were funded by CIEDB which consisted of water line and sewer line extended northerly from the present terminus of the City water lines, in North G Street near Cormorant Drive. The water/sewer line shall be extended north on G Street to Bellevue Road, and then east along Bellevue Road to a connection point near the boundary of Phase one UCM Campus near the intersection of Bellevue and Lake Roads.

The bond payments are collected from University of California, Merced twice a year. These payments are put into Fund 344-University Capital Charge held by the Finance Officer of the City, transferred to the Fiscal Agent and used to pay principal and interest for the bonds plus annual fees.

For fiscal year 2019-20 the annual fee was budgeted incorrectly. Per the debt service schedule, the annual fee should be \$18,157. The amount budgeted for FY 19-20 was \$17,332. The supplemental appropriation amount of \$825 is to cover the additional amount of the annual fees that was not budgeted.

IMPACT ON CITY RESOURCES

Debt Service Fund 344 - University Capital Charge has unreserved, unappropriated fund balance available for this supplemental appropriation.