

FY2021 Proposed April Budget Amendments



This document provides detailed information on the proposed FY2021 April budget amendments for the City of Pocatello.

A public hearing on the proposed budget amendments will be held at 6:00 pm on Thursday, April 15, 2021 in the Council Chambers at City Hall, 911 North 7th Avenue, Pocatello, Idaho 83201.

The City Council is scheduled to consider an amendment to the FY2021 Budget Ordinance at the regular meeting of April 15, 2021.

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MEMORANDUM FOR: Mayor Blad, Council Members & Citizen Stakeholders

FROM: James Krueger, Chief Financial Officer/Treasurer

SUBJECT: **Proposed FY21 April Budget Amendments**

DATE: April 1, 2021

1. **FOR INFORMATION.**

2. **Purpose.** To provide information regarding proposed FY21 April Budget Amendments.

3. **Discussion.**

a. **General.** Every year the City finds it necessary to amend the budget to account for unanticipated grants or other situations. Although the City may have been awarded a grant, the government must still authorize the new expenditures in the budget. The budget amendment process is similar to that of the original budget: publish a public notice twice with the details, hold a public hearing and then adopt an amended budget ordinance.

b. **Summary:**

FY 2021 Proposed April 15, 2021 Budget Amendments						
Ref #	Line #	Department Description	Fund	Amount	Source of \$	Notes/Description
1a	01-0100-411.64-01 \$1,000	Mayor's Office	General Fund	\$ 1,000	Blue Cross of Idaho \$1,000	Grant from Blue Cross for participation in walk- a- thon
1b	01-0100-530-96.10 \$2,243	Mayor's Office	General Fund	\$ 2,243	Fund Balance	Account not budgeted properly in the adopted budget
2	001-0700-416.22.00,416.24.03,416.25.00, 416.26.03	Human Resources	General	\$ 82,000	Fund Balance	Benefits not budgeted Correctly
3	001-1100-423.11.06 Overtime	Fire Department	General	\$ 220,142	Reimbursements for Conflagration Deployments	Revenue received from deployment of firefighters to conflagrations
4	001-900-560-xx.xx Transfers Out	Non-Departmental	General	\$ 925,000	Transfer from Hill Vu settlement Fund	Transfer to Fund 078
5	001-1100-500.82-04 Capital Outlay	Fire Services	General	\$ 550,000	Cares Act Funding	Purchase of Fire Equipment
6	001-1301-451.52-99 Capital Outlay	Parks and Recreation	General	\$ 10,000	IFFT Grant	Grant received in Oct 2021
7	003-2001-530.xx-xx transfers	Streets	Street Fund	\$ 800,000	Fund Balance	Payoff Loan from Sanitation Fund for South Valley Project
8	004-1307-530.96-99 Transfers Out	Cemetery	Parks	\$ 85,000	Fund Balance	Transfer for cemetery improvements that were approved by City Council but not included in adopted budget

FY 2021 Proposed April 15, 2021 Budget Amendments

Ref #	Line #	Department Description	Fund	Amount	Source of \$	Notes/Description
9a	008-2601-500.82-05 \$240,000 Capital Outlay	Public Transit	Public Transit Rural	\$ 440,000	Urban/Rural Cares Act Grants	\$440,000 for purchase of mobile data terminals, fixed route and demand dispatch software, real time passenger information features, associated implementation costs and license/server fees
9b	008-2401-500.82-05 \$100,000 Capital Outlay	Public Transit	Public Transit Rural			
9c	008-2501-500.82-05 \$100,000 Capital Outlay	Public Transit	Public Transit Rural			
10a	009-2401-500.82-02 \$36,000 Capital Outlay	Public Transit	Public Transit Urban	\$ 36,000	Various Grants and matching funds	\$36,000 for three ADA compliant Bus Shelters
10b	009-2401-500.82-05 \$22,500 Capital Outlay	Public Transit	Public Transit Urban	\$ 45,000	Urban/Rural Cares Act Grants	\$45,000 for one set of vehicle lifts
10c	009-2501-500.82-05 \$22,500 Capital Outlay	Public Transit	Public Transit Urban			
11a	017-1700-402-40.99 \$23,000 Capital Outlay	Science and Environment	Science and Environment Fund	\$ 283,000	Fund Balance	Water Trail Phases I and II
11b	017-1700-402-32.99 \$250,000 Capital Outlay	Science and Environment	Science and Environment Fund			Centennial Park Design
11c	017-1700-402-32.99 \$10,000 Capital Outlay	Science and Environment	Science and Environment Fund			Halliday and Arthur Project
12	032-3011-500.80-99, 032-3012-500.82-05, 032-3011-442.40-02 Capital Outlay	Wastewater Pollution Control	Wastewater Pollution Control	\$ 443,809	Fund Balance	Shop Roofing Contract \$59,500, 2021 Kenworth Vactor Truck \$263,969, Plant Facility Plan Update \$120,340
13	035-3xxx426.10, 11, 13, 21, 22, 24.xx Various amounts	Ambulance Services	Ambulance Fund	\$ 243,910	Bannock County Reimbursements	Additional Revenue from Contract with Bannock County
14	050-5000-416.52-05 Equipment	Information Technology	Information Technology	\$ 55,000	Fund Balance	Budgeted expenditures to match with budgeted revenues
15	070-6001-500.80-01 Capital Outlay	Engineering	Federal Aid Projects	\$ 806,177	Fund Balance, reimbursement from City of Chubbuck and Transfer from Streets Fund	Hawthorne/Quinn, Center Street and Clark Pedestrian Federal match requirements
16	078-6000-500.80-99 Capital Outlay	Capital Outlay	Capital Outlay	\$ 85,000	Transfer from Cemetery Fund	Transfer from Cemetery Fund for Improvements approved by the City Council
17	950-9501-520.xx-xx Transfers Out	Hill Vu settlement	Hill Vu Settlement Fund	\$ 925,000	Fund Balance	Transfer to General Fund
18	957-9706-500.82-02 Capital Outlay	Zoo	Zoo Improvements Fund	\$ 125,000	Fund Balance	Contributions received in FY 2020
Total				\$ 6,163,281		

c. **Timeline.** The proposed timeline for this “September” set of budget amendments is:

March 26, 2021	Notice sent to Idaho State Journal (ISJ)
March 31, 2021	Public notice #1 published
April 7, 2021	Public notice #2 published
April 8, 2021	Council Work Session review
April 15, 2021	Public Hearing and consider amended ordinance

d. **Further amendments.** This is the first amendment to the budget for fiscal year 2021.

e. **About amendments in general.** Amendments can be confusing; it appears that “the City cannot stick to a budget.” But the reality is that Council involvement with amendments indicates tight management, not the reverse. The FY21 budget was built during spring, 2020 and adopted in August, 2020. It is never possible to fully anticipate every grant, every real-world situation 12-18 months out, and we have some new grants that were not anticipated even two months out. We could accommodate that within the budget by adopting a large contingency budget, but we choose not to do that. A tight FY2021 budget was built that only includes grants and business activity that we knew about or had a good history with. We elect to amend in detail if we are awarded an unplanned grant, etc. This makes it necessary to involve the Council and the Community in a variety of fairly mundane issues because that is what tight management requires. Finally, not everyone understands the difference between budget authority and actual expenditure. We need permission (budget authority) to make an actual expenditure out of a fund, but also permission (budget authority) to move money within the city between funds. If Fund A needs to make an expenditure of \$100 and needs to get the \$100 cash from Fund B, there needs to be \$200 in amendments. The need is to move \$100 from Fund B to Fund A with a \$100 amendment, and then have another amendment to authorize Fund A to actually spend the \$100 on a good or service.

f. **Itemized details.** Each amendment has its own story. Here are the details, organized by reference number from the summary:

- 1) **General Fund 001, Mayor’s Office, \$1,000.** The Mayor’s Office received a grant from Blue Cross for participation in a walk-a-thon. The receipt of this gift for \$1,000 was not anticipated in the budget. The amount budgeted in account 64-01 was improperly estimated and requires an adjustment of \$2,243 to the adopted budget amount. Fund Balance is the source of funding for this amendment.
- 2) **General Fund 001, Human Resources Department, \$82,000 for various benefit accounts.** Various accounts were improperly budgeted in the Human Resources Department and the budget for the Human Resources department in improperly stated. Fund Balance is the source of funding for this series of adjustments to this departmental budget.
- 3) **General Fund 001, Fire Department, \$220,142, overtime account.** During the summer of 2020 there were several deployments of firefighters to major fires in Idaho and other neighboring states. The Fire Department was reimbursed for the expenses associated with these fires in the current fiscal year but the cost of deploying the human and equipment resources was not included in the Fiscal Year 2021 budget for the Fire Department. The adjustment to the overtime account will allow for the deployment of firefighters to conflagrations that will likely occur in the upcoming fire season.

- 4) **General Fund 001, Transfer to Fund 078 of \$925,000.** The City of Pocatello reached a settlement with Utility customers that resulted in a transfer of approximately \$4.5 million from the General Fund. This settlement amount was transferred from the General Fund to a separate fund (Hill Vu Settlement Fund) that was used to make payments on the settlement. The final payments to the claimants and for legal fees have been made and the remaining balance in the settlement fund is \$925,000. Staff recommends that the balance of the Hill Vu Settlement Fund be transferred to Fund 078(Capital/Contingency) to be used for future capital replacements. The availability of the balance in this settlement fund was not anticipated in the Fiscal Year 2021 Budget.
- 5) **General Fund 001, Fire Equipment purchases of \$525,000.** The City of Pocatello received Cares Act funding for replacement of first responder equipment for the Fire Department. The purchase of this equipment and the receipt of this grant were not anticipated or budgeted in the Fiscal Year 2021 budget that was adopted by the City Council.
- 6) **General Fund 001, Parks Department, \$10,000, Capital Outlay.** The Parks Department received a \$10,000 grant in October 2021 that was not anticipated or included in the Fiscal Year 2021 Budget that was adopted by the City Council. The remaining fund balance carryover is sufficient to allow for this budget amendment.
- 7) **Streets Fund 003, \$800,000 transfers.** The Streets Fund owes the City of Pocatello Sanitation Fund \$750,000 for an inter fund loan that was made to finance the South Valley Interchange Project that was financed by the City of Pocatello Sanitation Fund. The original interfund loan amount was \$2,067,000. The Streets Fund has sufficient cash reserves to allow for repayment of this interfund loan at this time (this will be three years earlier than the scheduled repayment date). In addition, a transfer of \$50,000 is needed for cash flow purposes in Fund 070 (Federal Aid Projects Fund) to allow for payment of the grant matching requirements for completion of the Hawthorne/Quinn, Clark Pedestrian and Center Street Bridge projects. These transfers were not anticipated in the Fiscal Year 2021 budget that was adopted by the City Council. The remaining fund balance carryover is sufficient to allow for this budget amendment.
- 8) **Parks Fund 004, Cemetery Division, \$85,000, Capital Outlay.** Cemetery Capital expenditures that were approved by the City Council action in late summer of calendar year 2020 were not included in the Fiscal Year 2021 budget. The source of funding for this budget amendment is the beginning Fund Balance for Fund 004. The remaining fund balance carryover is sufficient to allow for this budget amendment.
- 9) **Public Transit Rural Fund 008, \$440,000 Capital Outlay.** \$440,000 in grants (Cares Act) was received for purchase of mobile data terminals, fixed route and demand dispatch software, real time passenger information features, associated implementation costs and license/server fees. The receipt of these grant funds was not anticipated in the Fiscal Year 2021 adopted budget. The remaining fund balance carryover is sufficient to allow for this budget amendment.
- 10) **Public Transit Urban Fund 009, \$81,000 Capital Outlay.** Cares Act grants were received that were not anticipated in the Fiscal Year 2021 adopted budget as follows: a) \$36,000 for three ADA compliant Bus Shelters; and (b-c) \$45,000 for one set of vehicle lifts.
- 11) **Science and Environment Fund 017, \$283,000 Capital Outlay.** Grants were received that were not anticipated in the Fiscal Year 2021 adopted budget as follows: a) \$23,000 for the Water Trail

Phases I and II project; b) \$250,000 for the design of the Centennial Park improvements project; and c) \$10,000 for the Halliday and Arthur project. The remaining fund balance carryover is sufficient to allow for this budget amendment.

- 12) **Wastewater Pollution Control Fund 032, \$443,809.** Construction of Capital Outlay projects that were approved and for which construction was commenced in Fiscal Year 2020 were not included for consideration in the Fiscal Year 2021 budget that was adopted by the City Council. The following items comprise the proposed amendments for Fund 032: a) construction of Shop Roofing \$59,500; b) purchase of a 2021 Kenworth Vactor Truck \$263,969; and c) payment for Plant Facility Plan Update \$120,340. The remaining fund balance carryover is sufficient to allow for this budget amendment.
- 13) **Ambulance Services Fund 035, \$243,910.** An increase of \$243,910 in the agreement with Bannock County for the provision of ambulance services to the City of Pocatello and surrounding areas was amended to provide for an increase in ambulance services personnel for Fiscal Year 2021. This increase of \$243,910 in revenues from Bannock County was not correspondingly matched with an increase in the budgeted appropriations for this fund. This adjustment will allow for the hiring of additional ambulance services personnel.
- 14) **Information Technology Fund 050, \$55,000.** The expenditures budget in the Information Technology Fund were inadvertently under budgeted by \$55,000. The remaining fund balance carryover is sufficient to allow for this budget amendment.
- 15) **Federal Aid Projects Fund 070, \$806,117.** Grants administered through the State of Idaho have become available in Fiscal Year 2021 that were not anticipated at the time the budget was adopted. Three important projects (Hawthorne/Quinn Intersection, Clark Pedestrian Improvement and Center Street Railroad Bridge) require matching funds from the City in order to move ahead with these projects. The Fund Balance in conjunction with a transfer of \$50,000 from the Streets Fund will provide sufficient resources to allow for the matching requirements for the grants to be received on these projects.
- 16) **Capital Projects Fund 078, \$85,000.** Cemetery improvements that were approved by the City Council in the previous fiscal year were not included in the Fiscal Year 2021 budget as adopted by the City Council. A transfer from the Parks Fund (004) is the source of funding for this budget amendment.
- 17) **Hill Vu Settlement Fund 950, \$925,000.** The remaining balance from claims paid for the Hill Vu settlement are available to be transferred back to the General Fund, which was the source of funding for the payment of the claims. The remaining fund balance is sufficient to allow for this budget amendment. This transfer was not anticipated in the budget that was adopted by the City Councils.
- 18) **Zoo Improvements Fund 957, \$125,000.** Contributions of \$125,000 were received in the previous fiscal year that were not anticipated and were not included in the Fiscal Year 2021 budget. The fund balance is sufficient to allow for the amendment of this budget to provide for the capital improvements associated with the contributions received in the previous fiscal year.

g. **Summary.** The total amount of all amendments is \$6,163,281 breakout by fund is:

Budget Amendments	
Fund	Amount
General Fund 001	\$ 1,790,385
Street Fund 003	\$ 800,000
Recreation Fund 004	\$ 85,000
Transit Rural Fund 008	\$ 440,000
Transit Urban Fund 009	\$ 81,000
Science & Environment Fund 017	\$ 283,000
Water Pollution Control 032	\$ 443,809
Ambulance Fund 035	\$ 243,910
Information Technology Fund 050	\$ 55,000
Street Federal Aid Fund 070	\$ 806,177
Capital Improvements Fund 078	\$ 85,000
Hill Vue Settlement Fund 950	\$ 925,000
Zoo Improvement Fund 957	\$ 125,000
Total	\$ 6,163,281

h. Contacts.

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