

ITEM #:	<u>13</u>
DATE:	<u>09-10-24</u>
DEPT:	<u>FIN</u>

COUNCIL ACTION FORM

SUBJECT: **FIRST AMENDMENT TO FY 2024/25 ADOPTED BUDGET**

BACKGROUND:

The Code of Iowa requires that city spending by program not exceed Council-approved budget amounts at any time during the year. To maintain compliance, the City monitors spending against the approved budget and prepares amendments to the budget several times during the fiscal year.

The following is the customary budget amendment schedule:

Amendment #1 (THIS ACTION) - In the fall, a first amendment is prepared to carry over unspent project amounts from the prior fiscal year. These amounts are primarily related to delays in completing budgeted capital improvement projects.

Amendment #2 - The second amendment is prepared as part of the adoption process for the next fiscal year's budget. This is typically completed in March or April.

Amendment #3 - A final spring amendment is completed to adjust for any significant changes that have occurred since the prior amendment. This amendment typically is restricted to the early start of CIP projects approved for the following fiscal year, new grants that have been received and their associated project expenses, and any significant changes in CIP projects, operating expenses, or revenues from the March amendment process.

The fall amendments have been prepared for City Council review and approval. This amendment provides formal Council authority to carry forward the appropriation for capital improvements and other significant incomplete projects at the end of FY 2023/24. A report highlighting the carryovers will be presented to the City Council at the September 24, 2024 hearing.

ALTERNATIVES:

1. Adopt a resolution setting September 24, 2024 as the date of public hearing for the first amendment to the FY 2024/25 budget.
2. Refer this item back to staff for additional information or other adjustments to the amendments.

CITY MANAGER'S RECOMMENDED ACTION:

Amending the FY 2024/25 budget for carryover amounts from the FY 2023/24 budget early in the fiscal year will provide for improved budget monitoring and tracking. It will also provide assurance that Council-approved projects and work not completed in the prior year will not be delayed due to spending authority. Therefore, it is the recommendation of the City Manager that the City Council approve Alternative No. 1, as described above.