



Agenda Item: 15.D
Date of Meeting: May 11, 2026
Department: Finance

STAFF REPORT

To: City Council
From: Ethan Aukee
Subject: **Budget Adjustment Request - Reallocation of Water Fund Expense Budget**
Prepared On: April 27, 2026

Background/History:

The City budgeted for the cost of pilot program water meters, and at the time of budgeting the unit cost was unknown. The City defaulted to budgeting the item within a capital expense account, with an understanding that reallocation may be needed once quotes are obtained. The unit costs associated with obtaining the pilot program water meters and associated equipment does not exceed the City's capitalization threshold, therefore, approved spending authority will need to be reallocated to allow for proper accounting and expense reporting.

Analysis/Discussion:

The purchase order for the equipment totaled \$24,232.54 and was approved under City Administrator authority. The associated spending was initially appropriated within GL account 004-050-56027 (capital expense) and needs to be reallocated to GL account 004-050-52018 (operating expense) to allow for proper accounting and reporting.

Impacts to Council Goals and Strategic Planning Priorities:

None.

Budget Impacts:

Increase in 004-050-52018 budget in the amount of \$24,233.00. Decrease in 004-050-56027 budget in the amount of \$24,233.00. The suggested action results in a budget reallocation and does not authorize additional overall spending within the Water Fund.

Legal Review:

Legal review is not required for this item.

Recommended Action:

City Council to approve a reallocation from capital expense account 004-050-56027 to operating expense account 004-050-52018 in the amount of \$24,233.00.

Approved By: Ethan Aukee 4/27/2026

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