



Agenda Item: 8.F
Date of Meeting: April 8, 2024
Department: Finance

STAFF REPORT

To: City Council
From: Ethan Aukee
Subject: **Sewer Fund Expense Reclassification**
Prepared On: March 21, 2024

Background/History:

The FY 23-24 budget for the Sewer Fund includes \$8,265 within 002-051-52018, Special Department Supplies, for the purchase of a chain cutter. During the purchase order approval process, City staff determined that this purchase should be classified as a capital expense rather than an operating expense, as the purchase price is greater than \$2,500 and the useful life of the equipment is greater than one year.

Analysis/Discussion:

City staff is requesting to decrease 002-051-52018, Special Department Supplies, by \$8,265 and increase 002-051-56028, Capital Equipment by \$8,265. This request is budget neutral, and no additional spending approval is being requested. The purpose of the request is to reclassify an expense and ensure that the City's budget allows for the purchase of capital equipment.

Economic Impacts:

No economic impacts.

Budget Impacts:

Increase the budget amount of 002-051-56028, Capital Equipment by \$8,265.00.
Decrease the budget amount of 002-051-52018, Special Department Supplies by \$8,265.00.

Legal Review:

City Attorney Pucci has reviewed this item and finds that the recommended action complies with the law.

Recommended Action:

Council consideration to approve the proposed expense reclassification and budget adjustment as follows:

Increase the budget amount of 002-051-56028, Capital Equipment by \$8,265.00; and
Decrease the budget amount of 002-051-52018, Special Department Supplies by \$8,265.00.

Approved By: Ethan Aukee 3/21/2024
Approved By: Robin Picken 3/21/2024
Approved By: Deston Dishion 4/4/2024
Approved By: