



# CITY OF IOWA CITY COUNCIL ACTION REPORT

September 5, 2023

Resolution setting a public hearing on September 19, 2023 on amending the Fiscal Year 2024 Operating Budget.

Prepared By: Nicole Davies, Finance Director  
Reviewed By: Geoff Fruin, City Manager  
Fiscal Impact: FY24 budget revisions are funded through new revenues or available fund balance.  
Staff Recommendation: Approval  
Commission Recommendations: N/A  
Attachments: [Notice of Public Hearing.pdf](#)  
[FY24 Budget Amendment #1](#)  
[Resolution Setting Public Hearing to Amend FY24 Budget.doc](#)

## Executive Summary:

The Finance Department requests the City Council to set a public hearing for consideration of amending the fiscal year 2024 annual budget on September 19, 2023. This is the first budget amendment for fiscal year 2024.

## Background / Analysis:

Budget amendments are submitted to the Finance Department and reviewed for approval by the Finance Director and City Manager. Requests to carry appropriations over from one year to the next are also submitted and approved in the same manner. A formal recommendation for a budget amendment is then prepared for City Council approval.

The State of Iowa allows cities to amend the annual operating budget for supplemental appropriation authority. These changes may include new or revised revenue and expenditure projections, transfers between funds, and capital improvement plan changes.

Increased expenditures must utilize available fund balance or additional revenue sources, as the State does not allow amendments to increase property taxes. According to the City's financial policies, amendments to operating budgets will be made only in the following situations:

emergency situations  
transfer from contingency  
expenditures with offsetting revenues or fund balance  
carry-over of prior year budget authority for expenses that had not been paid as of the end of the fiscal year.

This proposed budget amendment increases overall revenues and transfers-in by

\$12,983,609, as shown on Line 15 of the attached notice (see Revenues & Other Financing Sources, lines 1-15). The majority of the increase of revenues being amended is for intergovernmental revenues, transfers in, and other financing sources. Intergovernmental revenues (line 9) are being increased by \$10,363,293, which primarily represents State and Federal grants on capital projects and HOME/CDBG revenues that are being carried forward from the prior year. Other Financing Sources (line 13) is being amended by \$447,000 for South District home sales. Transfers in (line 14) are being amended by \$2,025,000 for capital improvement projects. Additionally, Miscellaneous Revenues (line 12) are being amended by \$148,316 for expected donations.

The section entitled Expenditures & Other Financial Uses (lines 16-28) provides for an increase in appropriations of \$87,303,336. The majority of the increase in appropriations is related to governmental capital improvement projects that are being carry forward from prior years (line 23) and total \$36,233,268. The next largest increase in appropriations is for the Business Type/Enterprise program (line 25) and totals \$24,553,304. The increase in this program primarily reflects the carry forward of utility fund capital improvement projects from prior years. The last significant increase is for the Community and Economic Development program (line 20) and totals \$22,294,267. This primarily reflects the carry forward of appropriations for the ARPA funding received, as well as, CDBG/HOME programs and the South District home program. In addition to carry forwards for operations and capital improvement projects, the amendment includes the purchase of land in downtown Iowa City.

The net budgeted result to fund balances is a reduction of \$74,319,727 (line 29). This reduction will be covered through excess fund balances and bond funds and will not affect property tax revenues or levies. The Notice of Public Hearing for the first budget amendment of fiscal year 2024 is attached to this memo along with a detailed list of the individual amendments.