

Legislation Text

File #: BILL NO. 22-91, **Version:** 1

An Ordinance approving Amendment No. 10 to the Budget for the Fiscal Year ending June 30, 2022, as adopted by Ordinance No. 9184 and Ordinance No. 9187, by amending the authorized expenditures for the City of Lee's Summit, Missouri. (F&BC 5/2/22)

Issue/Request:

An Ordinance approving Amendment No. 10 to the Budget for the Fiscal Year ending June 30, 2022, as adopted by Ordinance No. 9184 and Ordinance No. 9187, by amending the authorized expenditures for the City of Lee's Summit, Missouri.

Key Issues:

- The annual budget process includes approval of capital project budgets for that current budget year.
- Many capital projects take place over several years as shown in the capital improvement 5-year planning documents.
- Unspent money from the previous budget years is rolled forward into the current budget year to authorize spending those funds in the current fiscal year.
- This budget amendment is typically referred to as the capital rollover amendment and occurs annually.

Proposed Committee Motion:

I move to recommend to City Council for approval an Ordinance approving Amendment No. 10 to the Budget for the Fiscal Year ending June 30, 2022, as adopted by Ordinance No. 9184 and Ordinance No. 9187, by amending the authorized expenditures for the City of Lee's Summit, Missouri.

Background:

Capital projects are approved in two phases. The first is the planning phase that maps out a 5-year plan to complete capital projects and show estimated funding for those projects. The second phase is a budgeting process that authorizes project funding for the current fiscal year when the City's annual operating budget is adopted. Technically, the only money approved for a project is what has been approved in the current budget year plus preceding budget years.

Many capital projects are completed and funded over several years. This is done to manage the cash flow balance of capital project funds in accordance with City practices and Council guidance to avoid debt financing on projects funded through sales taxes, utility rates, and user fees. Because budgets only approve funding one year at a time, it is necessary to roll forward to the next fiscal year the remaining balance of the unspent, previously approved expenditures to ensure that funds, and the authority to spend those funds, are available to pay for and finish the projects and activities.

The purpose of this budget amendment is to roll forward the balance of unspent money for capital projects and activities. The balances that are being rolled forward for each capital project and activity was previously approved in a prior fiscal year budget. The result of the amendment is to amend the authorized budgets for

certain funds as outlined in Exhibit A.

Brent Boice, Assistant Director of Support Services, Water Utilities

Recommendation: Staff recommends approval of the amendment.

Committee Recommendation: [Enter Committee Recommendation text Here]