



## FINANCE & ECONOMIC DEVELOPMENT COMMITTEE

MARCH 2, 2016

8:00 AM

COUNCIL CHAMBERS

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1. **2015 BUDGET ENCUMBRANCE CARRYOVERS**  
*TROY WOO, FINANCE DIRECTOR*  
(STAFF REPORT ATTACHED)



**FINANCE & ECONOMIC  
DEVELOPMENT COMMITTEE**  
March 2, 2016

**SUBJECT:** 2015 Budget Encumbrance Carryovers

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**RECOMMENDATION:** Upon review and concurrence, motion to recommend full City Council adoption of ordinance.

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**STAFF CONTACT:** Scott Spence, City Manager *SS*  
Troy Woo, Finance Director *TW*

**ORIGINATED BY:** Troy Woo, Finance Department

**ATTACHMENTS:** 1. Proposed Ordinance  
2. Summary for the Proposed Ordinance

**FISCAL NOTE:** See attached Ordinance Exhibit "A"

**PRIOR REVIEW:** None

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**BACKGROUND:**

Despite all the extensive budget planning and efforts to complete projects and purchases prior to the year-end closing, staff is not always able to complete all of the projects and purchases. The projects and purchases are expected to be completed in the following year, so it becomes necessary to carryover previously approved budget appropriations into the next year. This proposed amendments are limited to carryover encumbrances and capital projects.

This carryover process relieves concerns that authorized budgets will be exceeded when large carryover projects do not have the authorized appropriations until late into the year. It is the City's practice to amend the budget once per year during September. If the City Council approves these appropriations earlier in the year, the risk of exceeding authorized expenditure levels is minimized.

The encumbrance and capital carryover requests are limited to purchase orders that were initiated in the previous year and capital projects that were authorized in the previous year's budget. The outstanding purchase order carryover requests are limited to significant (over \$2,500) unfilled material, equipment, and supply orders. Capital project carryover requests do not have a dollar threshold. The funds requesting the carryovers must have adequate fund balance before the requests can be granted.

Each fund is detailed separately on the proposed carryover amendment list. There are three columns of dollar values. The first column contains the amount currently authorized for that line item in the 2016 budget. The second column is the amount of the proposed adjustment. The last dollar column shows what the new total of that particular line-item account will be if the amendments are adopted. Total lines are included to illustrate the grand total of the fund before and after the amendments. This is important since the budget is adopted by fund total and not by line-item detail. A brief explanation or description is also provided for each line-item of the form.

It is requested that the Finance and Economic Development Committee review the proposed carryover amendment ordinance and recommend full City Council adoption of the proposed ordinance.

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**ADVANTAGES:**

1. The proposed adjustments to the 2016 Budget reflects more accurately the necessary requirements of each fund or adjustments made by City Council action.
2. The proposed adjustments ensure that the proper level of budget appropriations have been authorized to complete prior year projects and purchases.

**DISADVANTAGES:**

1. There are no significant disadvantages since there must be adequate fund balance to match the proposed carryover expenditure.

**ORDINANCE NO. XXXX**

**CITY OF LACEY**

**AN ORDINANCE AMENDING THE 2016 FISCAL YEAR BUDGET AND ORDINANCE 1483 ADOPTING SAID BUDGET TO RE-APPROPRIATE 2015 BUDGETED AMOUNTS FOR PROJECTS NOT COMPLETED IN 2015 AND ADOPTING A SUMMARY FOR PUBLICATION.**

**WHEREAS**, at the end of the 2015 fiscal year, certain funds which had been appropriated had not been spent because the programs, improvements, contracts or orders had not, as yet, been completed, and

**WHEREAS**, in order to complete such programs, projects and orders, and to pay the cost thereof, it is necessary that such funds be re-appropriated in the 2016 budget, NOW, THEREFORE

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, AS FOLLOWS:**

Section 1. The 2016 fiscal year budget and Ordinance No. 1483 adopting said budget are hereby amended in the manner set forth on Exhibit A, which is attached hereto and made a part hereof as though fully set forth at length.

Section 2. The City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 3. The Summary attached hereto is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, on this 24<sup>th</sup> day of March, 2016.

CITY COUNCIL

By: \_\_\_\_\_  
Mayor

Approved as to form:

\_\_\_\_\_

City Attorney

Attest:

\_\_\_\_\_  
City Clerk

DRAFT

**SUMMARY FOR PUBLICATION**

**ORDINANCE NO. XXXX**

**CITY OF LACEY**

The City Council of the City of Lacey, Washington, passed on March 24, 2016, Ordinance No. XXXX entitled **“AN ORDINANCE AMENDING THE 2016 FISCAL YEAR BUDGET AND ORDINANCE 1483 ADOPTING SAID BUDGET TO RE-APPROPRIATE 2015 BUDGETED AMOUNTS FOR PROJECTS NOT COMPLETED IN 2015 AND ADOPTING A SUMMARY FOR PUBLICATION.”**

A section by section summary of this ordinance is as follows:

Section 1 amends the 2016 fiscal year budget and Ordinance No. 1483, adopting said budget by re-appropriating funds from the 2015 fiscal year budget which were not expended because the programs, projects, contracts and orders were not completed in 2015.

Section 2 provides provisions for corrections.

Section 3 approves this summary.

A copy of the full text of this ordinance will be mailed without charge to any person requesting the same from the City of Lacey.

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City Clerk

Published: March 28, 2016

2016 Budget Amendments - Ordinance No. XXXX Exhibit "A"

Account Numbers	Account Description	2016 Budget	Budget Amendment	2016 Budget as Amended	Comments
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Current Expense Fund					
<b>Revenues</b>					
1-0000-308-0000	Beginning Cash	153,586	6,472	160,058	Beginning Cash
<b>Total Current Expense Fund Revenues</b>		34,236,059	6,472	34,242,531	
<b>Expenditures</b>					
1-0401-525-5822	Emergency Services Program	11,000	3,967	14,967	Emergency Operations Center supplies
1-2106-521-3101	Office & Operating Supply	18,156	2,505	20,661	Uniforms for Lacey Resource Officers
<b>Total Current Expense Fund Expenditures</b>		34,236,059	6,472	34,242,531	

Building Improvement Fund					
<b>Revenues</b>					
301-0000-308-0000	Beginning Cash	-	316,379	316,379	Beginning Cash
<b>Total Building Improvement Fund Revenues</b>		7,000	316,379	323,379	
<b>Expenditures</b>					
301-0101-514-6003	Capital - Improvements	-	45,000	45,000	Remodel Police South Sub-Station
301-0101-514-6004	Capital Outlay - Buildings	-	181,027	181,027	Lacey Museum at the Depot
301-0101-514-6004	Capital Outlay - Buildings	181,027	90,352	271,379	Council Chambers AV Project
<b>Total Building Improvement Fund Expenditures</b>		7,000	316,379	323,379	

Capital Equipment Fund					
<b>Revenues</b>					
302-0000-308-0000	Beginning Cash	755,200	155,979	911,179	Beginning cash
<b>Total Capital Equipment Fund Revenues</b>		1,601,984	155,979	1,757,963	
<b>Expenditures</b>					
302-0102-519-6404	Capital - Community Relations	100,000	50,000	150,000	Data Management Project
302-0102-519-6405	Capital - Finance	-	5,000	5,000	EMV Card Chip Technology terminals
302-0102-519-6406	Capital - Common Facilities	-	15,000	15,000	Council Chambers AV Project
302-0102-519-6411	Capital - Public Works Administration	20,010	10,979	30,989	Cross-Connection/Backflow Software
302-0102-519-6412	Capital Outlay-Parks Maintenance	45,200	75,000	120,200	Security cameras - Long Lake Park, Rainier Vista, RAC
<b>Total Capital Equipment Fund Expenditures</b>		1,601,984	155,979	1,757,963	

Water Utility Fund					
<b>Revenues</b>					
401-0000-308-0000	Beginning Cash	-	38,262	38,262	

Account Numbers	Account Description	2016 Budget	Budget Amendment	2016 Budget as Amended	Comments
<b>Total Water Utility Fund Revenues</b>		10,982,786	38,262	11,021,048	
<b>Expenditures</b>					
401-3402-514-3137	Meters	100,000	38,262	138,262	Meter Transmission Units (MTUs) for automatic meter reading system
<b>Total Water Utility Fund Expenditures</b>		10,982,786	38,262	11,021,048	

<b>Water Construction Fund</b>					
<b>Revenues</b>					
410-0000-308-0000	Beginning Cash - Construction	9,711,464	699,300	10,410,764	Beginning cash
<b>Total Water Construction Fund Revenues</b>		16,014,040	699,300	16,713,340	
<b>Expenditures</b>					
410-3418-534-9001	Preliminary Engineering	1,631,375	389,518	2,020,893	Carry forward preliminary engineering cost various water construction projects
410-3418-534-9005	Construction Engineering	608,250	25,118	633,368	Carry forward construction engineering costs various water construction projects
410-3418-534-9013	Construction/Utilities	7,358,875	284,665	7,643,540	Carry forward utility construction costs various water construction projects
<b>Total Water Construction Fund Expenditures</b>		16,014,040	699,300	16,713,340	

<b>Wastewater Construction Fund</b>					
<b>Revenues</b>					
411-0000-308-0000	Beginning Cash - Construction	-	576,343	576,343	Beginning cash
<b>Total Wastewater Construction Fund Revenues</b>		10,454,392	576,343	11,030,735	
<b>Expenditures</b>					
411-3518-535-9001	Preliminary Engineering	1,112,250	43,226	1,155,476	Carry forward preliminary engineering cost various wastewater construction projects
411-3518-535-9005	Construction Engineering	479,850	43,226	523,076	Carry forward construction engineering costs various wastewater construction projects
411-3518-535-9013	Construction/Utilities	5,626,900	489,892	6,116,792	Carry forward utility construction costs various wastewater construction projects
<b>Total Wastewater Construction Fund Expenditures</b>		10,454,392	576,343	11,030,735	

<b>Stormwater Construction Fund</b>					
<b>Revenues</b>					
412-0000-308-0000	Beginning Cash - Construction	-	296,000	296,000	Beginning cash
<b>Total Stormwater Construction Fund Revenues</b>		1,213,310	296,000	1,509,310	
<b>Expenditures</b>					
412-4218-542-9004	Storm Drainage	786,250	273,800	1,060,050	Carry forward utility construction costs various stormwater construction projects
412-4218-542-9005	Construction Engineering	63,750	22,200	85,950	Carry forward construction engineering costs various stormwater construction projects
<b>Total Stormwater Construction Fund Expenditures</b>		1,213,310	296,000	1,509,310	

<b>Animal Services</b>					
<b>Revenues</b>					
503-0000-308-0000	Beginning Cash	410,984	13,232	424,216	Beginning cash

Account Numbers	Account Description	2016 Budget	Budget Amendment	2016 Budget as Amended	Comments
<b>Total Animal Services Fund Revenues</b>		2,068,833	13,232	2,082,065	
<b>Expenditures</b> 503-3902-539-6003	Capital Outlay-Improvements	87,000	13,232	100,232	Phone system update
<b>Total Animal Services Fund Expenditures</b>		2,068,833	13,232	2,082,065	