



City of Hampton

22 Lincoln Street
Hampton, VA 23669
www.hampton.gov

Agenda Item Summary

File Number: 18-0297

Title: Resolution to Amend the Fiscal Year 2019 Council Approved Budget to Appropriate Funds from Fund Balances for Uncompleted Capital Projects and Certain Operational Costs from the General Fund in the Amount of \$11,613,421.66, the Economic Development Fund in the Amount of \$1,613,479.97, and the Stormwater Management Fund in the Amount of \$8,782,507.73

Type: Resolution

Session: City Council Legislative Session

Agenda 09/26/2018

Agenda Number: 13.

Estimated One minute.

Date:

Time:

Presenter: N/A

Attachments: FY18 Capital Projects Carryforward List - FINAL

Requester: Brian DeProfio, Assistant City Manager

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Council Legislative Session	09/26/2018	approved				Pass
	Action Text: A motion was made by Councilmember Linda Curtis and seconded by Councilmember Chris Snead, that this Resolution be approved. The motion carried by the following vote:						
	Notes: The Clerk read the title for this item.						

Ms. Bunting provided the following explanation regarding the item: You are used to us bringing the rollover capital projects each year. Most of the time when we adopt a capital project, it does not get done in one year's time. Between the design of a project, the bid process, the procurement, the actual construction, very rarely does a capital project end in one fiscal year. What happens historically in the budget process has been that the general fund appropriates money to the capital budget and at the end of the year, the capital budget monies have gone back to the general fund and we had to re-appropriate them as the New Year began. However, we have been reviewing best practices with regard to how to do this and found that most cities in our region - once they put money from the general fund into

the capital projects account, leave it in the capital projects account until the project is done. We want to move to that practice because that is the best practice and it is how rating agencies and others are looking at cities and how they are doing those kinds of things. This would help us in a couple of regards: (1) We don't have to appropriate the money each year. (2) It also avoids a gap in the construction of those projects. When we close out the projects and have to wait for re-appropriation, we have to wait until the accrual period for the fiscal year is complete and then come back before Council and have those appropriated. At this point, we are into September and many of our capital projects have not been able to progress with payments in the July, August and September timeframe while we waited for the accrual period to end and us to come to Council. This change in practice will keep things moving along. We wanted to have a public disclosure of our plan to change that practice and ask Council to approve these rollovers one last time. When we adopted the budget, we had not indicated it was our plan to change our capital project accounting. That is why this is before Council tonight and you haven't had it before you in this way in prior years. Staff is asking that you approve the rollovers as you have done in past years, but with the understanding and acknowledgement that we will shift to the best practice just outlined.

PUBLIC HEARING:

Vice Mayor Gray opened the public hearing. There were no speakers. He closed the public hearing and called for the motion.

Text of Legislative File 18-0297

Resolution to Amend the Fiscal Year 2019 Council Approved Budget to Appropriate Funds from Fund Balances for Uncompleted Capital Projects and Certain Operational Costs from the General Fund in the Amount of \$11,613,421.66, the Economic Development Fund in the Amount of \$1,613,479.97, and the Stormwater Management Fund in the Amount of \$8,782,507.73

PURPOSE/BACKGROUND:

At the end of each fiscal year, the remaining funding for all uncompleted capital projects (except projects funded with bond proceeds) are closed into the fund balance of the projects' respective funding source. The practice of City Council has been to annually re-dedicate those funds after the close of the prior fiscal year, when the remaining project needs can be best assessed.

Discussion:

The majority of the funds to be appropriated will be added to the Capital Fund. The

attached document contains a list of projects by funding source and the cumulative amounts requested to be carried forward from FY18 as requested by the respective project coordinator. A small portion of the funds to be appropriated (\$192,953.28) from the General Fund will go to designated operating expenses (for the Kronos time accounting project, Athletic & Cultural Grant Funding, and the EDA's contract with Fun Tours for the HU Shuttle).

Impact:

The requested action will amend the Fiscal Year 2019 Council Approved Budget, based on the attached worksheet, as follows:

Appropriate: \$11,613,421.66 from General Fund Committed Fund Balance

To: Project account codes identified for certain capital projects & operating expenses funded by the General Fund

Appropriate: \$ 1,613,479.97 from the Economic Development Fund Committed Fund Balance

To: Project account codes identified for certain capital projects funded by the Economic Development Fund

Appropriate: \$ 8,782,507.73 from the Stormwater Management Fund Restricted Fund Balance

To: Project account codes identified for certain capital projects funded by the Stormwater Management Fund

There is no additional fiscal impact from this action since these projects and associated funding were all previously approved by City Council.

Recommendation:

Approve.

WHEREAS, the City Council has appropriated funding in Fiscal Year 2018 ("FY18") for certain capital projects outlined on the attached worksheet;

WHEREAS, those projects are in varied stages of production and require continued funding for completion;

WHEREAS, the FY18 remaining balances for those projects were closed into the Fund Balance of the projects' respective funding sources;

WHEREAS, the cumulative balance required to continue and complete those capital projects as follows: \$11,420,468.38 from the General Fund; \$1,613,479.97 from the Economic Development Fund; and \$8,782,507.73 from the Stormwater Management Fund;

WHEREAS, an additional sum of \$192,953.28 is also required from the General Fund to fund certain Non-Departmental and Economic Development Authority operational expenses not previously budgeted, and also included on the attached worksheet;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Hampton, Virginia hereby amends the Fiscal Year 2019 Council Approved Budget and appropriates \$11,420,468.38 from the General Fund Committed Fund Balance to the Capital Projects Fund; \$86,308.78 from the General Fund Committed Fund Balance to Non-Departmental Operating Expenses; \$106,644.50 from the General Fund Committed Fund Balance to the Economic Development Authority; \$1,613,479.97 from the Economic Development Fund Committed Balance to the Economic Development Fund; and \$8,782,507.73 from the Stormwater Management Fund Restricted Fund Balance to the Stormwater Management Fund, all to be allocated as set forth on the itemized schedule attached to this resolution.