

RESOLUTION NO. 2015-056

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROHNERT PARK AUTHORIZING AND APPROVING THE CITY MANAGER AND FINANCE DIRECTOR TO IMPLEMENT AN APPROPRIATIONS AMENDMENT PILOT PROJECT INCORPORATED AS EXHIBIT A

WHEREAS, the City of Rohnert Park, annually adopts a budget; and the City Council has the authority to authorize amendment of the budget; and

WHEREAS, the City Council previously adopted Policy Number 415.38 via Resolution 2014-44, which defined the level of budgetary control and delegated authority for certain transfers and revisions to the adopted budget; and

WHEREAS, the City Council adopted the policy with the intent of being more efficient; and

WHEREAS, the City of Rohnert Park audit for FY 2013-14 was issued in December 2014 by the City's auditor, Macias, Gini, and O'Connell; and

WHEREAS, the management letter provided by the auditor noted an issue with regard to the City's budgetary controls over expenditures in the General Fund; and

WHEREAS, the auditor noted that upon initial set up of the City's budget in the general ledger, actual costs can exceed budgeted amount per expense line item category, and this comment was based on their review and application of the City's current policy; and

WHEREAS, the Finance Department has a current staffing shortage of two vacant positions, and it is desirous to be as efficient as possible while addressing the auditor's interpretation of our current policy; and

WHEREAS, staff is proposing a pilot project that would change the overall level of control to the department level and address certain items not previously addressed in the FY 2014-15 Budget that will be included in the FY 2015-16 Budget.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Rohnert Park that it does hereby authorize and approve the City Manager and Finance Director to implement the Appropriations Amendment Pilot Project incorporated as Exhibit A.

DULY AND REGULARLY ADOPTED this 24th day of March, 2015.



CITY OF ROHNERT PARK

Amy O. Ahanotu, Mayor

ATTEST:

JoAnne M. Buerger, City Clerk

CALLINAN AYE MACKENZIE: AYE STAFFORD: AYE BELFORTE AYE AHANOTU: AYE
AYES: (5) NOES: (0) ABSENT: (0) ABSTAIN: (0)



EXHIBIT A

CITY OF ROHNERT PARK APPROPRIATIONS AMENDMENT PILOT PROJECT

PURPOSE:

To define the level of budgetary control and appropriation transfer authorities for all entities under the direction of the Rohnert Park City Council. This project describes the level of authority needed to amend the adopted budget.

APPROPRIATIONS AMENDMENT PILOT PROJECT:

City Council approves except as noted:

- Increases in appropriations from unanticipated revenues or fund balance/retained earnings within a department or fund. (Existing Policy)
- Transfers of appropriations between funds, departments, or program budgets. (Existing Policy)
- Decreases in appropriations, with the exception that the City Manager may direct Department Heads to suspend expenditures as needed to respond to emerging negative fiscal conditions. (Existing Policy)

City Manager or Designee approves as follows:

- Without increasing overall appropriations, the City Manager (or designee) would have authority to allow spending to exceed an individual line item, up to the amount of the overall budget for a similar category such as salaries/benefits or services/supplies.
- Without increasing overall appropriations, the City Manager would have unlimited authority for adjustments between categories or program budgets within a department.
- Without increasing overall appropriations, the City Manager would have authority to move City Manager contingency funds to the appropriate department for expenditure in accordance with GAAP.
- Without increasing overall appropriations, the City Manager would have authority to move appropriations between General Fund departments up to 1% of the Adopted Budget (\$310,300 FY 2014-15)
- City Manager/Finance Director would have the authority to appropriate developer deposits for expenditure. This type of work is already happening, using a non-GAAP process. This would be only for cost reimbursement projects where developers are providing funds for staff services. Contracts over \$50,000 would be approved by City Council in accordance with the City's purchasing policy.

- City Manager/Finance Director would have the authority to estimate and appropriate anticipated developer fees for Specific Plans. This type of work is already happening, using a non-GAAP process. These costs are fully reimbursed to the City based on existing agreements. Contracts over \$50,000 would be approved by City Council in accordance with the City's purchasing policy.
- Without increasing overall appropriations, the City Manager would have the authority to best implement Capital Improvement Projects, by transferring appropriations and revenue sources between projects.
- Finance Director would have the authority to carry forward to FY 2015-16 certain appropriations remaining at the end of the fiscal year. These would include amounts legally encumbered at the end of FY 2014-15, and any unspent appropriations for Capital Projects or Equipment that will be needed in the next fiscal year to fund the project or purchases that were delayed.
- City Manager would have authority to suspend expenditures as needed to respond to emerging negative fiscal conditions. (Existing Policy)