



City Council

Review of the 2016 Year-End Fund Balance

Agenda Date: 3/28/2017
Agenda Item Number: 6.B
File Number: 17-0285

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Title

Review of the 2016 Year-End Fund Balance

Recommended Action

Committee Recommendation:

The Finance Committee recommends allocations of year-end funds to Council for further discussion.

City Manager Recommendation:

Review year-end fund balance and recommendations for allocations, and move to approve the Finance Committee's recommendations for allocation of year-end funds. Direct staff to prepare an ordinance to appropriate specific items to be funded from year-end funds.

Report

Issue:

Whether to approve the recommendations for 2016 year-end fund allocations.

Staff Contact:

Mary Verner, Administrative Services Director, 360-753-8499

Presenter(s):

Mary Verner, Administrative Services Director

Dean Walz, Fiscal Services Director, Administrative Services

Background and Analysis:

The City of Olympia ended 2016 with \$327,071 available for appropriation above the 10 percent reserve:

Revenues (Under Budget)	(54,904)
Expenses Under Budget	805,741
Net Resource Gain	750,837
Growth in 10% Reserve	(310,766)
Resources Used for 2017 Budget	(113,000)

Resources Available	327,071
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The Finance Committee recommends that Council direct staff to prepare an ordinance appropriating amounts found in the attached table entitled Finance Committee 2016 Year-End Fund Balance Recommendations.

Committee members discussed a lengthy list of unmet needs, and reviewed potential allocation of year-end funds while keeping in mind the financial principle of using one-time money for one-time expenses. Committee Member Jeannine Roe expressed support for more funding for code enforcement and abatement. The City Manager agreed to follow through with a more defined concept for Art/Cultural Program Enhancement. The Committee deferred to a broader Council discussion about policy research and development work that could be funded with the investment of \$100,000 in year-end funds, and agreed that a scope of work should be developed.

Neighborhood/Community Interests (if known):

Each of the proposed allocations has support from outside groups.

Options:

1. Approve the Finance Committee's recommendations for allocation of year-end funds.
2. Approve the Finance Committee's recommendations for allocation of year-end funds as amended by Council.
3. Do not approve the Finance Committee's recommendations for allocation of year-end funds.

It is not necessary to allocate any or all of the funds. Any funds not appropriated will remain in fund balance. Based on Council's decision, an ordinance to amend the budget to appropriate year-end funds will be placed on a future Council agenda.

Financial Impact:

The financial impact depends on funding allocations agreed upon by Council. Fund balance will remain at a minimum of 10% of operating reserves.

Attachments:

Finance Committee 2016 Year-End Fund Balance Recommendations
Draft Minutes of March 8, 2017 Finance Committee Meeting