



Agenda Item Summary

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Agenda Item Title

An Ordinance Amending the Fiscal Year 2023 Annual Budget

Overview

An ordinance is hereby presented to modify selected appropriations in the FY23 Adopted Budget. On a continual basis, staff evaluates both revenues and expenditures. However, in most cases only expenditure overages to budget require an amendment.

The Q1 budget amendment typically includes several carryover requests for appropriated amounts not spent in the prior year. This is especially true of larger public works projects where the work can often span over multiple years. In addition, some requests are for new funding, usually due to re-evaluating costs.

Recommendation

Adopt the Ordinance

Background

The annual budget provides a ceiling on spending by account, department, and Fund. While every effort is made during the budget process to accurately forecast spending, there are times when a budget amendment is needed such as in the following circumstances:

- 1) Funds were not entirely spent in the preceding year due to the timing of invoicing and it is thus necessary to shift unspent funds into the current year (a “carryforward” budget amendment)
- 2) Unforeseen expenditures which were not budgeted are now needed (a “new money” amendment)
- 3) Funds are merely being moved from one account to another account within the budget (a “reclassification” amendment)

Fiscal Impact

The new funding and carryover amendments as presented for Board consideration are summarized by category as follows:

Carryovers (from FY22)	\$12,207,998
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New funding requests	\$1,929,351
Total	\$14,137,349

In addition, there are three amendments which merely reclass amounts from one appropriation to another which net to zero in aggregate.

The amendments summarized by Fund are:

Capital Improvement Fund	\$5,283,009
Water Fund	\$2,639,787
ARPA Fund	\$1,753,773
Madison TIF Fund	\$1,368,723
Motor Fuel Tax Fund	\$1,157,542
CDBG Fund	\$613,781
Fleet Replacement Fund	\$418,000
General Fund	\$301,952
Self-Insured Retention Fund	\$188,000
Parking Fund	\$123,700
Building Imp. Fund	\$126,825
Equipment Replace Fund	\$103,099
Sustainability Fund	\$40,573
Community Dev Loan Fund	\$18,585
TOTAL	\$14,137,349

With requested carryovers of approximately \$12.2 million, while this is a large amount, this is not unusual. Such carryovers are primarily the result of capital projects that span over more than one year or when contractors do not invoice the village immediately after the work is completed. These carryovers do not adversely affect the reserves or the village's financial condition, as it merely shifts unspent appropriations from the prior year to the current year.

For the new funding requests of about \$1.9 million, approximately \$1.5 million is required for previously Board -approved ARPA distributions that were not budgeted in the current fiscal year, as the amounts and distributions were unknown or undetermined back when the FY23 budget was adopted in December.

The detailed explanations for all requested amendments are attached to this agenda item.

DEI Impact

None

Alternatives

N/A

Previous Board Action

N/A (no previous amendments for the FY23 budget)

Citizen Advisory Commission Action

N/A

Anticipated Future Actions/Commitments

N/A

Intergovernmental Cooperation Opportunities

N/A