From:	Mike Applegarth
To:	Brooke Christensen; Chris McCandless; Kris Nicholl; Linda Saville; Maren Barker; Steve Fairbanks (stevefairbanks@gmail.com); Zach Robinson
Cc:	Dustin Fratto
Subject:	Budget Language Amendment
Date:	Thursday, June 06, 2019 4:40:39 PM
Attachments:	image002.png image003.png image004.png image005.png image006.png

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Council:

Each year the budget includes this language:

BUDGET AMENDMENTS AND MANAGEMENT
Once adopted, the budget can be amended by subsequent City Council action. Reductions in or reallocations of departmental appropriations can be approved by the City Council upon recommendation of the Budget Officer, but appropriations cannot be increased in a governmental fund without a public hearing. Transfers of unexpended appropriations from one expenditure account to another in the same department can be made with the approval of the Budget Officer.

I recommend that the Council clarify what constitutes a "department." In the Chart of Accounts that underpins the budget, a department is represented by a four-digit code. For example:

Mayor = Department 1100
CAO = Department 1200
City Council = Department 1300

A "division" of a department is represented by a two-digit code within the four-digit designation. For example, Emergency Management is a division of the Chief Administrative Office so its code is Department 1220 (The "12" in 1220 shows that it is part of the CAO's office). Council Executive Staff for example is a division of the City Council so our code is 1310 (again the "13" in 1310 shows that we are part of the City Council "department").

You might consider something like the following amendment to the language above about budget amendments:

"Transfers of unexpended appropriations from one expenditure account to another in the same department *as indicated by the two-digit department designation in the Chart of Accounts at time of budget adoption* can be made with the approval of the Budget Officer."

Finance might be able to suggest alternative language. My point is that there has been past disagreement on what constitutes a department. An amendment like this makes clear that management reorganizations do not increase the Budget Officer's authority to transfer unexpended funds.

This may increase the number of times that Administration requests Council action to amend the

budget, but I suggest that is reasonable oversight and control of the budget you adopt.

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