



City of Harrisonburg, Virginia

Department of Finance

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TO: Eric D. Campbell, City Manager
FROM: Larry L. Propst, Director of Finance
DATE: August 19, 2019
RE: Public Hearing - Supplemental Appropriation - Outstanding Fiscal Year 2019 Encumbrances

Summary: Consider the reappropriation of encumbrances requested by department heads and by the School Board that were outstanding at the end of Fiscal Year 2019 in the amount of \$6,893,770.40.

Background: At the end of Fiscal Year 2019 there were outstanding encumbrances for purchase orders which were issued prior to June 30, 2019. These purchase orders were carried forward to the new Fiscal Year 2020 budget; however, the budgeted funds lapsed as of June 30, 2019. The purchase orders were for goods and/or services which were contracted for but not received prior to June 30, 2019. The purpose of this supplemental appropriation is to request that the funds for these outstanding purchase orders be reappropriated to the current fiscal year's budget.

Key Issues: This supplemental appropriation represents an increase of over 1% of the total city budget. Code of Virginia Section 15.2-2507 requires a public hearing for budget amendments that exceed 1% of the budget.

Environmental Impact: None

Fiscal Impact: The total city budget will increase by \$6,893,770.40 using fund balance and in some instances federal/state revenue to fund the appropriations.

Prior Actions: None

Alternatives: Do not approve supplemental appropriation.

Community Engagement: A public hearing notice was advertised in the Daily News-Record on August 20, 2019.

Recommendation: Staff recommends approval of the supplemental appropriation.

Attachments: Supplemental Appropriation and Public Hearing Notice.

Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

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