



CITY OF HARRISONBURG
**FINANCE
& PURCHASING**

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TO: Ande Banks, Interim City Manager
FROM: Larry L. Propst, Director of Finance
DATE: June 6, 2022
RE: Supplemental Appropriation - Leases

Summary: Consider a supplemental appropriation in the amount of \$1,375,928.10 from lease agreements.

Background: The City and Harrisonburg City Public Schools (HCPS) have entered into several lease agreements during the current fiscal year. The City has added additional connections to the dark fiber network under the City's lease agreement with Shentel. HCPS entered into a lease agreement for a building used as its Welcome Center and into a lease agreement for a mobile café at the existing Harrisonburg High School.

Key Issues: The city is required to implement Government Accounting Standard (GASB) No. 87 in Fiscal Year 2022. Under GASB Standard No. 87, local governments must account for lease agreements that meet certain criteria as financing type transactions. This supplemental appropriation is part of the process of complying with this new standard.

Environmental Impact: None.

Fiscal Impact: The total budget will increase the General Fund budget by \$164,547.43 and the School Fund budget by \$1,211,380.67.

Prior Actions: Not applicable.

Alternatives: Do not approve the supplemental appropriation.

Community Engagement: None.

Recommendation: Staff recommends approval of the supplemental appropriation.

Attachments: Supplemental Appropriation.

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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