



CITY OF HARRISONBURG
**FINANCE
& PURCHASING**

409 SOUTH MAIN STREET, 3RD FLOOR
HARRISONBURG, VA 22801
FINANCE OFFICE (540) 432-7702 • FAX (540) 432-7779
PURCHASING OFFICE (540) 432-7794 • FAX (540) 432-7779

TO: Ande Banks, City Manager
FROM: Larry L. Propst, Director of Finance
DATE: August 30, 2024
RE: Public Hearing - Supplemental Appropriations - Fiscal Year 2024 Grants and Encumbrances Carryovers

Summary: Consider the carryover and reappropriation of unexpended prior year grants and outstanding prior year encumbrances, requested by department heads and by the School Board, in the amount of \$31.2 million.

Background: At the end of Fiscal Year 2024 there were outstanding encumbrances for purchase orders which were issued prior to June 30, 2024. These purchase orders were carried forward to the new Fiscal Year 2025 budget; however, the budgeted funds lapsed as of June 30, 2024. The purchase orders were for goods and/or services which were contracted for but not received prior to June 30, 2024. In addition, several departments were awarded grant funds in the prior fiscal year that were unexpended as of June 30, 2024. The purpose of this supplemental appropriation is to request that the funds for these prior year grants in the amount of \$6,703,449.43 and outstanding purchase orders in the amount of \$24,538,593.14 be reappropriated to the current fiscal year's budget.

Key Issues: These supplemental appropriations represent 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 \$31,242,042.57 using fund balance and 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 30, 2024.

Recommendation: Staff recommends approval of the supplemental appropriations.

Attachments: Supplemental Appropriations 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.

###