



CITY OF HARRISONBURG
**FINANCE
& PURCHASING**

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TO: Ande Banks, City Manager
FROM: Larry L. Propst, Director of Finance
DATE: September 15, 2023
RE: Public Hearing - Supplemental Appropriations

Summary: Consider a supplemental appropriation for the School Capital Projects Fund, the carryover and reappropriation of outstanding prior year encumbrances and unexpended prior year grants, as requested by department heads and the School Board, in the amount of \$25.9 million.

Background: At the end of Fiscal Year 2023 there were outstanding encumbrances for purchase orders which were issued prior to June 30, 2023. These purchase orders were carried forward to the new Fiscal Year 2024 budget; however, the budgeted funds lapsed as of June 30, 2023. The purchase orders were for goods and/or services which were contracted for but not received prior to June 30, 2023. In addition, several departments were awarded grant funds in the prior fiscal year that were unexpended as of June 30, 2023. In addition, the School Board has requested supplemental funding for the replacement of a boiler at Spotswood Elementary School (SES) for which fund balance from the School Operating Fund will be used to fund the replacement.

The purpose of this supplemental appropriation is to request that the funds for these outstanding encumbrances in the amount of \$13,369,442.15, unexpended prior year grants in the amount of \$11,681,695.11 be reappropriated to the current fiscal year's budget and \$424,985.00 be appropriated for the replacement of the boiler at SES.

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 \$25,901,107.26.

Prior Actions: None

Alternatives: Do not approve supplemental appropriation.

Community Engagement: A public hearing notice was advertised in the Daily News-Record on September 18, 2023.

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.

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