



CITY OF HARRISONBURG
**FINANCE
& PURCHASING**

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TO: Ande Banks, City Manager
FROM: Larry L. Propst, Director of Finance
DATE: June 21, 2023
RE: Reallocation of Funds - CSA

Summary: Consider a reallocation of budgeted funds in the amount of \$275,000.

Background: To reallocate funds for the shared services budget line item for Children's Services Act (CSA) expenditures. These funds will be placed in a committed (reserved) fund balance account to fund future CSA expenditures as they arise.

Key Issues: The city funds CSA expenditures as a shared service with Rockingham County. These costs are difficult to budget and can at times exceed budgeted amounts. In both fiscal years 2020 and 2021, as has also occurred in the past, the city's CSA costs exceeded both the budgeted amounts that year and the reserves that Rockingham County carries over from surpluses generated in previous years. Staff budgeted additional funding in the current fiscal budget to get in front of the increasing costs and to replenish the reserves. The city has been fortunate that these funds have yet to be used in the current year and staff is now recommending that these funds be placed in a General Fund reserve account to be used for future CSA needs as they arise.

Environmental Impact: None

Fiscal Impact: Reduce the General Fund budget by \$275,000 and place the funds into a committed (reserved) fund balance account.

Prior Actions: None.

Alternatives: Do not approve the reallocation.

Community Engagement: None.

Recommendation: Staff recommends approval of the reallocation.

Attachments: Reallocation of Budgeted Funds.

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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