



City of Harrisonburg, Virginia

Department of Finance

409 South Main Street
Harrisonburg, VA 22801
(540) 432-7702 / FAX (540) 432-7779

TO: Kurt Hodgen, City Manager
FROM: Larry Propst, Director of Finance
DATE: July 25, 2017
RE: Supplemental Appropriation – Outstanding Fiscal Year 2017 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 2017 in the amount of \$4,026,881.09.

Background: At the end of Fiscal Year 2017 there were outstanding encumbrances for purchase orders which were issued prior to June 30, 2017. These purchase orders were carried forward to the new Fiscal Year 2018 budget; however, the budgeted funds lapsed as of June 30, 2017. The purchase orders were for goods and/or services which were contracted for but not received prior to June 30, 2017. 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 \$4,026,881.09 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: None

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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