



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: Eric D. Campbell, City Manager
FROM: Larry L. Propst, Director of Finance
DATE: June 14, 2021
RE: Reallocation of Funds – Water and Sewer Funds

Summary: Consider a reallocation of budgeted revenue funds within the Water and Sewer Funds.

Background: This reallocation will transfer budgeted revenues from actual user fee revenue to amount from fund balance.

Key Issues: Due to the COVID-19 pandemic, user fee revenue in the Water and Sewer Funds will be less than budgeted. It is estimated that revenues will fall short of budget for the current fiscal year in the Water and Sewer Funds by \$750,000 and \$925,000, respectively. The City follows a practice in which actual revenues must exceed actual expenditures during each fiscal year. Due to careful tracking of expenditures by Public Utilities, this reallocation of budgeted revenues in the Water and Sewer Funds will only need to transfer \$300,000 and \$400,000, respectively, in budgeted user fee revenue to the amount from fund balance revenue. All capital funding will remain as budgeted.

Environmental Impact: None

Fiscal Impact: None.

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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