



FISCAL YEAR-END 2020-21 BUDGET ADJUSTMENT RELATED TO EMERGENCY RESPONSE EXPENDITURES INCURRED DURING FISCAL YEAR 2020-21

City Council Meeting
October 12, 2021

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CURRENT

- The City charges emergency-related response costs to unique project accounts to isolate non-labor charges.
- This is a best practice allowing for reporting and documentation for future federal and state reimbursement opportunities.

CURRENT (Continued)

- During the fiscal year-end close process, staff identifies project and operational accounts with negative balances.
- When possible, staff moves unspent appropriations to these accounts to offset the negative balances.
- If unspent appropriations are not available, staff must request appropriations from the City Council.

PROPOSED

- The Finance Department opened project accounts for COVID-19 response and for the Glass Fire.
- Both project accounts have unbudgeted expenditures totaling \$3,847,358.90.
- Requesting to appropriate General Fund reserves to offset these negative balances.

FISCAL IMPACT

- There is no ongoing impact to the General Fund.
- One-time appropriation in General Fund reserves:
 - COVID-19 (\$3,598,854.49)
 - Glass Fire (\$248,504.41)
- The City is working with FEMA to secure reimbursement for COVID-19 expenditures, which would backfill the loss of reserves.

RECOMMENDATION

It is recommended by the Finance Department that the Council, by resolution, authorize appropriations of \$3,847,358.90 from the General Fund reserves, as a part of the fiscal year-end close, to offset unbudgeted expenditures in the COVID-19 and Glass Fire General Fund project accounts in response to emergency events during Fiscal Year 2020-21.

QUESTIONS?