

RE: Budget Line Item Transfer

Electric Department staff recently requested City Administrator authorization to transfer funds in the amount of \$60,000 from the Grant Expense line item to the Cement Vault line item in lieu of requesting a budget amendment from council. The request was approved by the City Administrator, due to the size of the transfer staff is providing this memo to outline the justification used when requesting approval. Following is the explanation of the need and the reason unexpended funds are in the Grant Expense line item.

Staff requested authorization to move funds from the Grant Expense line item (01-700-5130050) to the Cement Vault line item (01-700-5106600) in lieu of requesting a budget amendment from council. The Electric budget currently has \$240,000 in the grant expense line item, these funds were intended to cover expenses related to the EV Charger grant received from OTO and a Tree grant that we applied for. The federal funds for the EV Chargers was rescinded earlier this year and we were not successful in being awarded the Tree grant, therefore, there is no avenue available for us to spend money from this expense line item.

We are currently over budget on our cement vault line item in the amount of \$11,032.70. We have seen more development this year than anticipated necessitating purchase of more cement vaults than we thought. Having a PO for the new Wicklow Apartments in the amount of \$6,018.70 and a need to submit an additional PO for Oakhurst Subdivision in the amount of \$14,836.01 there was a need to authorize additional funds for this line item. Staff anticipates needing to place orders for cement vaults at the new Wicklow subdivision on the old school ground, the Walker Woods apartments at Tracker & Main and a new vault for the Vinegar plant; all sometime before the end of the year. All this said we requested City Administrator authorization to move \$60,000 from the Grant Expense line item to the Cement Vault line item to cover expenses related to development.

As a side note we may have additional requests for funds to be moved from the Grant Expense line item to other material based line items in the budget for the same reason. We are seeing more development than anticipated this year and its putting pressure on all our material line items. So far the cement vault is the only line item that is needing immediate relief, but there is the possibility that we will see the same issues in other line items that will necessitate additional fund transfers from the Grant Expense line item.

MEMO PREPARED BY:

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