



SHAKER HEIGHTS

Memorandum

To: Members of Finance and Administration Committee

From: Robert H. Baker, Director of Finance

cc: Mayor David E. Weiss
Chief Administrative Officer Jeri E. Chaikin

Date: April 15, 2019

Re: 2019 Budget Amendments - April

As the City implements its yearly budget, certain items may require changes or corrections in order to provide adequate Appropriations for all expected expenditures. Finance is requesting to amend the 2019 budget for one debt service fund, the General Fund and one Special Revenue Fund.

Fund No. 301 – Debt Service Fund

In the 2019 budget, the \$2,627,120 appropriation for Fund No. 301, the Debt Service Fund, was intended to equal the amount to be transferred from the General Fund to the Debt Service Fund for debt service and other debt related costs plus the amount of the proceeds of the 2019 Street Notes that will be used for retirement of the 2018 Street Notes. The amount of money that will be needed to pay off the principal on the 2018 Street Notes from the 2019 Street Notes is \$1,600,000. The amount of money transferred from the General Fund to the Debt Service Fund in the 2019 Budget is \$1,248,061. Subtracting this amount from the appropriation of \$2,627,120 leaves a balance of \$1,379,059 of appropriation authority for the use of the proceeds to retire the 2018 Notes. This requires an increase in the Fund 301 appropriation of \$220,941 in order to use the funds from the 2019 Notes to retire the 2018 Notes.

Fund No. 101 – General Fund

In 2018, a long-term employee of the Finance Department retired. There was a new hire to replace the retired employee, and the 2019 budget included funds in the Personal Service appropriation for the personnel costs of the temporary replacement employee. Unfortunately, the replacement employee left City employment, and the City hired a temporary replacement through an outside agency. The charges by the outside agency are paid through the “Other” budget of the Finance department. In order to keep paying for the work of the temporary employee, it is necessary to transfer Finance Department “Personal Service” appropriation to the “Other” budget line of the Finance Department. This transfer is budget neutral.

Fund No. 223 – The Housing Nuisance Abatement Fund

The County has yet to award moneys to the City for housing demolitions for 2019, but the City holds money in Fund No. 223 from reimbursements for prior demolitions. The 2019 Budget appropriated \$50,000 from this fund for residential nuisance abatement. Several properties were declared public nuisances more than five months ago, but the owners have taken no action to repair or demolish the dwellings. As a result, the deterioration continues unabated prompting neighbor complaints. In order to continue with residential nuisance abatement pending an award for 2019 by the County, it is requested that the appropriation of Fund No. 223 from its current cash balance by \$75,000.

\$26,657 of demolition reimbursements were deposited into Fund No. 103, the Economic Development and Housing Fund, rather than Fund No. 223. In order to increase the money available for residential nuisance abatement it is requested that the \$26,657 be transferred from Fund No. 103 to Fund No. 223 since the reimbursements cannot be used for any other purpose than residential nuisance abatement.

Department	Fund	Amount	Exp. Category	Description
Debt Service	301	\$220,941	Other Expenditures	Appropriation authority so that all of the proceeds of the \$1,600,000 of the 2019 Street Notes may be used to retire the 2018 Street Notes.
Finance	101	(\$50,000)	Personal Service	Transfer of Personal Service to Other
Finance	101	\$50,000	Other Expenditures	Payment of outside employment agency services.
Demolitions	223	\$75,000	Other Expenditures	Additional Appropriation for 2019 demolitions.
Demolitions	103	(\$26,657)	Cash	Transfer Nuisance Abatement reimbursement to Fund 223.
Demolitions	223	\$26,657	Cash	Receive transfer from Fund 103

The Finance and Administration Committee is requested to approve these budget amendments and recommend them to City Council for passage on the first reading as an emergency.