

MEMORANDUM

TO: Mayor and City Council

FROM: Roberta Likens, Finance Director

SUBJECT: PUBLIC HEARING FOR PROPOSED SUPPLEMENTAL BUDGET

DATE: April 3, 2024

Background

There is a need to budget for an unplanned purchase of police vehicles, not anticipated at the time the original budget was adopted. Vehicle availability is what necessitates the need to order the vehicles this fiscal year. Vehicles are in short supply and this opportunity to order now expires April 12th.

The proposed supplemental budget is to fund the purchase of two new police vehicles (Dodge Durango's) in the amount of \$125,000, fully equipped. Debt Service will be approximately \$29,500 per year for 5 years, based on an interest rate of 6.5%. In the General Fund, Loan Proceeds will be increased by \$125,000 and in the Police Department budget, \$125,000 will be added to Capital Outlay - Motor Vehicle line item, in order to make the purchase. Debt Service will be budgeted in FY 24-25 as it is not anticipated the debt repayment will start before September 2024.

A public hearing is required before the City Council. The proposed amount of the appropriation is less than 10% of the General Fund total appropriations. No new line items are being created with the appropriation.

Recommendation

Hold the public hearing, which was noticed with the regular meeting of the City Council, five days prior to the hearing. Consider all comments offered during the public hearing.

Cost

If the supplemental budget is approved, the total expenditure over the 5-year period is estimated to be approximately \$147,500, at 6.5% interest, or \$29,500 per year.



Faye Stewart, Acting City Manager



Roberta Likens, Finance Director