

Mayor and Council Communication

DATE: 08/06/19

M&C FILE NUMBER: M&C 19-0005

LOG NAME: 13GENERAL CAPITAL FUND CLOSE LEGACY FUND CLOSURE

SUBJECT

Take Actions to Facilitate Closure of the Legacy General Capital Projects Close Fund (39100), Including Reallocating \$645.37 in Available Residual to the Public Safety Improvements Closed Project, Authorizing Move of \$421.28 in Remaining Residual Funds to the General Debt Service Fund, and Adopting Appropriation Ordinances (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council:

1. Approve moving \$645.37 in the General Capital Projects Close Fund from Unspecified to the Public Safety Improvements Fund Closed Project; and
 2. Adopt an appropriation ordinance in the amount of \$12,264.96 in the Public Safety Improvements Fund Closed Project of the General Capital Projects Close Fund (39100) for the purpose of balancing this legacy fund for closure; and
 3. Adopt an appropriation ordinance in the amount of \$421.28 in the General Capital Projects Close Fund (39100) for the purpose of moving the final residual to the General Debt Service Fund; and
 4. Approve moving \$421.28 from the General Capital Projects Close Fund (39100) to the General Debt Service Fund (40100), and
 5. Adopt an appropriation ordinance in the General Debt Service Fund in the amount of \$421.28.
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DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to take the final actions necessary to clean up and close the legacy General Capital Projects Close Fund.

The Financial Management Services Department (FMS) has been conducting a comprehensive review of legacy capital project funds and providing recommendations regarding closure. The goal has been to verify and "cleanse" data in all of the old funds, bring old projects into balance on the ledger to facilitate their closure, and close funds that are no longer needed so that the City's financial records are in the best possible condition.

The General Capital Projects Close Fund (39100) is one of the legacy funds created at the time of the conversion from MARS to allow staff to clean up and close old capital projects and funds without impacting the newly created capital project funds created with the implementation of ERP. After the last of the outstanding projects is brought into balance through approval of this M&C, the General Capital Projects Close Fund will be cleaned up and ready to be closed with a final residual balance of \$421.28 to be moved to the General Debt Service Fund (40100).

During Fiscal Year 2015 the Financial Management Services Department (FMS) had been working with the Enterprise Resource Planning (ERP) team to conduct a comprehensive review of Legacy Capital Funds and provide recommendations for closure. During that time an accounting error was made which "unappropriated" funds in the amount of \$12,264.96 in the former Public Safety Improvements Fund (GC07). That Fund was rebalanced using unappropriated but available interest revenues, and in connection with the PeopleSoft conversion, the Fund was converted into a project (the Public Safety Improvements Fund Closed Project) within the legacy General Capital Projects Close Fund.

Following conversion, a correction was made citywide to fix an interest receivable issue, leaving this project in the negative by \$645.37. Moving available funds from Unspecified to this project will make the project whole again, and reinstating an appropriation of \$12,264.96 will balance the Public Safety Improvements Fund Closed Project.

With that project balanced, the entire General Capital Projects Close Fund will be ready for closure with a residual balance of \$421.28, which staff is recommending be moved to and appropriated in the debt service fund.

This M&C does not request approval of a contract with a business entity.

A Form 1295 is not required for this contract because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Financial Management Services Director certifies that upon approval of the above recommendations, funds will be available in the General

Capital Projects Close fund and in the General Debt Service Fund.

Submitted for City Manager's Office by:

Originating Business Unit Head:

Additional Information Contact: