

Council Agenda Report

Date: 1/24/2022
Submitted by: Deborah Cooper, Finance Director
Prepared by: David Deutsch, Acting City Manager

Subject: Budget Amendments

RECOMMENDATION: The city commissioners approve budget amendments for revenue and expenditures that occurred after the adoption of the FY22 Budget.

1. Revenue – Broadband Grant: \$100,000
Expenditure – Packing House broadband: \$100,000
2. Carry-over Reserve - \$10,000
Expenditure – Hazmat Supplies - \$10,000
3. Carry-over Reserve - \$24,000
Expenditure – Recruitment - \$24,000
4. Carry-over Reserve – \$26,750
Expenditure – Engineering Services Salary – \$26,750
5. Carry-over Reserve - \$24,950
Expenditure – Department of City Manager Salary – \$24,950
6. Revenue – BJAG Grant - \$76,762
Expenditure – BJAG - \$76,762
7. Prison Services - \$25,000
MDIA-New Construction (Inspection Fees) - \$25,000
8. Decrease Salary Expenses – \$41,452
Employee Recognition (Bonuses) - \$41,452

DISCUSSION:

1. The City of Cambridge has been awarded a \$100,000 grant for broadband. The grant will be used at the Packing House project.
2. Funds for FY21 purchase of hazmat supplies were expended in FY22. Move unused FY21 funds to FY22 budget.
3. Recruitment costs for new City Manager were not included in the adopted FY22 budget.
4. Salary expense for new position – Engineer. Position was eliminated in FY20 and approved by council for reinstatement in FY22. FY22 costs represents one quarter of annual salary/benefit costs.
5. Salary expense for new position – Assistant Human Resource Director. This is a newly created position based on the needs of the city. FY22 costs represents one quarter of the annual salary/benefit costs for the position.
6. Police department was awarded BJAG Grant in November 2021.
7. FY22 Budget item in the amount of \$50,000 for new construction inspection fees were exhausted by mid-year. As new construction continues, it is necessary to increase the line item to account for the anticipated additional costs. Budget item Prison Services for \$25,000 based on a MOU between the Commissioners of Cambridge and The Maryland Department of Public Safety and Correctional Services remains unused due to the Covid-19 pandemic. The continued threat of the pandemic makes it unlikely the program will become active in FY22. The funds can be used to offset the additional costs incurred for new construction inspection fees.
8. Funding in the FY22 budget for employee bonuses did not cover the total cost of the bonuses given. Employee vacancies not filled in the first half of FY22 resulted in a decrease in salary expenses. The decrease in salary expense can be used to offset the additional cost of employee bonuses.

Fiscal Impact: Carry-over reserve decrease by \$86k. Decrease is the result of recruitment expenses relating to search for a new City Manager and the addition of two new positions – Engineer and Asst HR Director.

Approved by: David Deutsch, Acting City Manager