

Amanda Baryenbruch

From: James Brey - D4
Sent: Monday, January 25, 2021 4:43 PM
To: Kim Lynch
Cc: Shawn Alfred; Mackenzie Reed-Kadow; Amanda Baryenbruch
Subject: Re: Budget Amendment item for Finance
Attachments: image003.png; budget amended amount.pdf; 2020 Tax LEVY FINAL to Council AMENDED.pdf; 2021 Budget Amend for City of Manitowoc ERP.pdf

Hello Kim,

Yes, please have this placed on the Feb. 2nd Finance Committee agenda.

Thanks!

Jim Brey
Alderman-Fourth District
City of Manitowoc, WI Common Council
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On Jan 25, 2021, at 4:03 PM, Kim Lynch <klynch@manitowoc.org> wrote:

I was doing the entry to distribute the tax levy to the appropriate funds, when I came across a discrepancy with the levy for Debt Service and the Capital funds. Our budget was passed with the intention that \$135,079 be included in Debt Service to pay for the shortfall from the borrowing for the CDBG close. The borrowing came in a bit higher than anticipated and the payoff of the loans in the end would be short of what was borrowed to pay the State for those accounts. Somehow the wrong levy worksheet was picked and was inadvertently used in the budget adoption documents. The correct one is attached.

Debt Service was \$6,940,380 and should have been \$7,075,459
Capital Funds was \$536,622 and should be \$401,543

Then there is another issue. The Expenditure Restraint Program allows for the reduction of the Debt Service to calculate the allowable increase. With the Debt Service fund increasing its levy, the allowable amount would increase. Therefore, we should amend the budget to include adding \$135,000 to the contingency (and offsetting the Fund Balance Applied). This will not change the levy, however the

expenses and revenues would increase by the \$135,000. This secures our position for next year to be able to increase expenses if the need arises.

Jim, can you approve this to be placed on the next Finance Committee agenda?

Kim Lynch | *Comptroller/Deputy Treasurer*
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