

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

AUTHORIZATION FOR CONTINUING APPROPRIATIONS AND PRELIMINARY FISCAL YEAR 2010-11 CARRYOVERS

Summary Statement:

Continuing Appropriations - The Town of Apple Valley's Fiscal Year 2011-12 budget is scheduled for consideration and adoption by the Town Council after July 1, 2011. To assure continuity and efficiency in Town operations as well as sufficient budgetary controls from July 1, 2011 until the 2011-12 budget is adopted, staff requests authority to allow spending for a period of sixty (60) days, commencing as of July 1, 2011, in accordance with the practices prevailing at the end of the Town's 2010-2011 fiscal year. The funding authorization contained in the attached resolution, however, specifically excludes authorization for continued funding of the Apple Valley County Club, as a proposed 2011-2012 budget for the Golf Course will be considered as a separate item on the agenda.

(Continued)

Recommended Action:

1. Adopt Resolution 2011-31 to authorize appropriations commencing July 1, 2011, based on prior year spending levels, for a sixty (60) day period, commencing as of July 1, 2011; and,
2. Adopt Resolution 2011-32 authorizing, on an interim basis, the carryover of Fiscal Year 2010-11 year end encumbrances and periodic adjustments to the Fiscal Year 2011-12 budget to reflect encumbered Fiscal Year 2010-11 balances until Fiscal Year 2010-11 is closed out.

Proposed by: **Marc Puckett, Director of Finance** Item Number _____

T. M. Approval _____ Budgeted Item Yes No N/A

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Preliminary Carryovers- Due to the timing of passage of this resolution, the precise amount of encumbrances necessary to carry forward is not known at this time and will not be known until after FY 2010-11 is closed. Therefore, it is necessary for staff to request interim authority to adjust the Fiscal Year 2011-12 budget to reflect the impact of encumbered Fiscal Year 2010-11 appropriations. These encumbrances represent the purchase orders that have been posted against current fiscal year appropriations (FY 2010-11).

As per generally accepted accounting principles, these encumbrances will be carried forward into Fiscal Year 2011-12 for the purposes of paying for goods acquired in the prior fiscal year. Staff proposes to update the Fiscal Year 2011-12 budget on a regular basis, pending receipt of final invoices for work performed and/or goods received in FY 2010-11. As invoices are received and posted, year-end expenditure amounts are increased and encumbrance balances are reduced.

Attachments:

- 1) Draft Resolution 2011-31 (Continuing Appropriations)
- 2) Draft Resolution 2011-32 (Preliminary Carryovers)

RESOLUTION NO. 2011-31

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY PROVIDING FOR AN INTERIM BUDGET APPROPRIATION FOR THE FISCAL YEAR COMMENCING JULY 1, 2011 AND ENDING JUNE 30, 2012

WHEREAS, the budget appropriation resolution for the Town of Apple Valley's fiscal year commencing July 1, 2011 and ending June 30, 2012 is not ready for adoption prior to July 1, 2011.

WHEREAS, the administration of the Town of Apple Valley ("Town") should be authorized to continue normal operations, including payroll and expense disbursements.

WHEREAS, the Town Council of the Town ("Town Council") desires to provide authorization for continued operations of the Town in accordance with the budget appropriation adopted for the Town's 2010-2011 fiscal year, excluding all appropriations and/or line items related to the Apple Valley Golf Course.

NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1: That for the fiscal year commencing July 1, 2011 and ending June 30, 2012, the Town's Director of Finance is hereby authorized and directed, for sixty (60) days, commencing as of July 1, 2011, to continue processing demands for payment and issuing warrants/checks for normal payroll and expense disbursements in accordance with the practices prevailing at the end of the Town's 2010-2011 fiscal year, excluding any demands for payment, warrants/checks for payroll and/or expense disbursements for or related to the Apple Valley County Club, which are hereby expressly excluded from the continuing appropriation authorization hereunder.

SECTION 2: That the Town's Director of Finance is further authorized to revise any payroll, fringe benefits and other expenses paid by the Town to conform to the terms of any labor contracts/memoranda of understanding or other commitments which have been approved by the Town Council.

SECTION 3: That all obligations and expenditures shall be incurred and made in the manner provided by the provisions of State law and Town ordinances and resolutions applicable to purchasing and contracting.

SECTION 4: That subsequent to July 1, 2011, no warrant shall be issued or indebtedness incurred that exceeds the unexpended and unencumbered balance of the Fiscal Year 2011-12 program area or capital improvement project

appropriations, unless such has been amended by a supplemental appropriation duly enacted by resolution of the Town Council.

SECTION 5: That such sums as may be needed for the above purpose, and subject to the limitations contained herein, are hereby appropriated.

PASSED, APPROVED, AND ADOPTED this 28th day of June, 2011, by the following vote:

Ayes:
Nays:
Absent:
Abstain:

MAYOR

ATTEST:

TOWN CLERK

APPROVED AS TO FORM:

Best, Best & Krieger, LLP

TOWN ATTORNEY

CERTIFICATE

STATE OF CALIFORNIA)

COUNTY OF SAN BERNARDINO) ss

TOWN OF APPLE VALLEY)

I, La Vonda M-Pearson, Town Clerk of the Town of Apple Valley, do certify that the foregoing Resolution No. 2011-31 was passed, adopted and approved at a regular meeting of the Town Council of the Town of Apple Valley held on the 28th day of June, 2011.

WITNESS my hand and official seal of the Town of Apple Valley this 28th day of June, 2011.

La Vonda M-Pearson, Town Clerk

RESOLUTION 2011-32

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY, CALIFORNIA, AUTHORIZING, ON AN INTERIM BASIS, THE CARROVER OF FY 2010-11 YEAR END ENCUMBRANCES AND PERIODIC ADJUSTMENTS TO THE FY 2011-12 BUDGET TO REFLECT ENCUMBERED FY 2010-11 BALANCES UNTIL THE CLOSE OF FY 2010-11

WHEREAS, the final Fiscal Year 2010-11 budget carryovers will not be known until the close of FY 2010-11; and,

WHEREAS, payments against encumbered Fiscal Year 2010-11 amounts will likely occur from July 1, 2011 until the final budget is approved by the Town Council; and,

WHEREAS, formal amendments to the Fiscal Year 2011/12 budget to account for carryovers of Fiscal Year 2010-11 appropriations will not occur until after the Town Council approves the budget for Fiscal Year 2011-12.

NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

That authority to spend against Fiscal Year 2010-11 carryovers and to make periodic adjustments to the Fiscal Year 2011-12 budget for Fiscal Year 2010-11 encumbered balances is granted on an interim basis until such time as the budget for Fiscal Year 2011-12 is approved by Town Council.

PASSED, APPROVED AND ADOPTED this 28th day of June, 2011.

MAYOR

I hereby certify that the foregoing Resolution was duly adopted by the Town Council of the Town of Apple Valley at a regularly scheduled meeting thereof, held on the 28th day of June, 2011, by the follow vote of the Council:

AYES:
NOES:
ABSENT:
ATTEST:

TOWN CLERK