



# City of Grand Island

Tuesday, February 23, 2010

Council Session

## Item F2

**#9250 - Consideration of Transferring Special Revenue Fund 290  
Backflow Expenses to the General Fund**

Staff Contact: Craig Lewis

# **Council Agenda Memo**

**From:** Craig A. Lewis, Building Department Director

**Meeting:** February 23, 2010

**Subject:** Transfer Special Revenue Fund 290 Backflow into  
General Fund 22001 Building Inspection

**Item #'s:** F-2

**Presenter(s):** Craig Lewis, Building Department Director

## **Background**

Included in the budget discussion from last fall was the fact that the projected expenditure for the Backflow Protection Program would continue a historical trend of exceeding fee-based revenue by approximately \$20,000, leaving a projected negative balance of \$43,109 at year-end. Administration indicated at that time that a Resolution would be brought forward during the year that would increase the fee to reduce or eliminate the deficit.

With the implementation of a backflow program some years ago, several individuals and two departments were and continue to be involved in the function of providing safe water to the citizens of Grand Island. The Backflow Fund was established to expense the cost for a position with the Building Department that would be charged with the responsibility of surveying, inspecting, and overseeing the continued testing of the devices installed to protect the water distribution system. Basically, the activity of a plumbing inspector position and the operational cost functioned much like a division of the Building Department. A surcharge was implemented on the water bill of the individual water customer to support that position, and expenses from the building department were charged against that Fund. Some associated expenses were also borne by the Water Fund, although special line-items were not created for them.

## **Discussion**

We now recommend that the Backflow Protection Program be changed such that the surcharge monies be receipted directly into the Water Fund with the result that the Backflow Fund is eliminated. The Water Fund will then reimburse the General Fund for operational expenses of the program associated with the continued involvement of the Building Department in program oversight, surveying, and inspection. This will

effectively result in the Water Fund (Department) assuming full financial responsibility for the Backflow Protection program, which will allow greater latitude in decision making with respect to the intended cost recovery of the fee.

### **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Approve the request.
2. Disapprove or /Deny the request.
3. Modify the request to meet the wishes of the Council
4. Table the issue

### **Recommendation**

City Staff recommends that the Council approve the request and authorize the Ordinance to transfer the Special Revenue Fund 290 Backflow to the General Fund 22001 Building Inspection.

### **Sample Motion**

Move to approve Ordinance No. 9250 as proposed for the transfer of Special Revenue Fund 290 to General Fund 22001 Building Inspection.

ORDINANCE NO. 9250

WHEREAS, an ordinance to transfer Special Revenue Fund 290 Backflow expenses into the General Fund 22001 Building Inspection expenses and transfer the FTE from Backflow to the Building Inspection Department and to provide for a departmental billing to be established from the Building Inspection Department to the Water Utility on a monthly basis for the identified cost each fiscal year for the expense incurred for the Building Department participation in the City of Grand Island Backflow program.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA: Special Fund 290 Backflow expenses shall be transferred to General Fund 22001 Building Inspection expenses and the surcharge revenues shall be receipted in the Water Utility enterprise fund 525. A monthly billing from the Building Department to the Water Utility will be established upon passage and the effective date of the ordinance.

Enacted: February 23, 2010.

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Margaret Hornady, Mayor

Attest:

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RaNae Edwards, City Clerk