



Legislation Text

File #: ID 20-0462, **Version:** 1

Ordinance Amending FY 2020 Network Services Fund Budget in the Amount of \$1,225,000 to Allow Required Accounting Treatment for Certain Capital Leases

Council Priority: Ensure Fiscal Stewardship, Transparency and Accountability

Department: Financial & Administrative Services
Council District: All

Public Hearing: n/a
Advertising Date/By: n/a

Contact 1 and Phone: Richard Lusk, 373-2077
Contact 2 and Phone: Marlene Druga, 373-2094

PURPOSE:

To amend the FY 2020 Network Services Fund (Internal Service Fund 682) budget in order to satisfy capital lease accounting and reporting standards.

BACKGROUND:

The Information Technology Department centrally arranges for most of the City software licenses and related hardware, such as desktop PC's, laptops, iPads and other technology equipment needed by City staff in order to perform City services. Certain of the equipment is leased and each department annually budgets for the lease payments in their individual departmental budgets. In addition, Finance must estimate how many of the leases will be classified as "capital" leases according to a calculation required by the Governmental Accounting Standards Board. This also requires another appropriation and corresponding revenue from lease proceeds in the Network Services Internal Service Fund, as if the item had been purchased.

The attached budget ordinance is needed to allow accounting treatment for more new technology leases that are considered to be capital than was originally estimated, in order to complete the technology lease activity in FY 2020. No additional spending is being authorized, only required lease accounting entries.

BUDGET IMPACT:

Appropriated expenditures in the Network Services Fund will be increased by \$1,225,000, with a corresponding increase in proceeds from capitalized leases revenue.

RECOMMENDATION / ACTION REQUESTED:

The Finance Department requests City Council approval of the attached budget ordinance in the amount of \$1,225,000 amending the FY 2020 Network Services Fund budget.