



MEMORANDUM

TO: Beverly R. Cameron, City Manager
FROM: Mark Whitley, Assistant City Manager
RE: Fund Balance Appropriation – School Funds
DATE: January 10, 2012

ISSUE

The Fredericksburg City Public Schools is requesting re-appropriation of their fund balance in the School Operating Fund (Fund 205) and the School Grant Fund (Fund 211) for a variety of capital project and other operating needs.

RECOMMENDATION

Staff recommends adoption of the attached resolution on first reading. The resolution will require a public hearing, which would be scheduled for February 14, 2012 along with second reading approval.

BACKGROUND

The Fredericksburg City Public Schools have been working in recent years to set aside funds in their operating budget for textbook adoption. In addition, the schools have been fortunate in that expenditures have not exceeded budgetary amounts, and that revenues have been strong, largely due to increases in enrollments leading to more revenue from the state.

The City Schools closed the prior fiscal year with a strong fund balance in Fund 201 of \$3,416,281¹. This presented an opportunity for the Schools to invest the fund balance for textbook needs and other ongoing capital needs. The attached resolution requests an appropriation of \$1,100,000 for school textbooks, and an appropriation of \$85,000 for SchoolNet computer technology; both of which would be funded in the school operating fund. The resolution also includes funding for replacement vehicles and for the insurance deductible on repairs related to earthquake damage. Total expenditures in the School Operating Fund are \$1,260,000.

¹ This includes pre-paid expenses of \$165,139; these funds are not available to re-appropriate.

In addition, the attached resolution transfers \$1,580,000 to the School Capital Fund, Fund 301, and appropriates it for the following purposes:

- \$175,000 for replacement school buses
- \$550,000 for replacement school computer technology, including
 - \$250,000 for portable network devices and
 - \$300,000 for replacement hardware and software
- \$600,000 for architectural and engineering services on two future capital projects – the renovation of Old Walker-Grant Middle School and the roof replacement for “New” Walker-Grant Middle School. These funds have been broken into two separate accounts - \$500,000 towards the fees for the Old Walker-Grant Renovations, and \$100,000 for the roof replacement at “New” Walker-Grant. The \$500,000 for the Old Walker-Grant Renovations will not suffice to design the project, and the schools will need additional funds in future years to design the project (approximately \$600,000 more, depending upon the year of design and future procurements).
- \$100,000 for the installation of learning cottages to provide space for enrollment growth at Hugh Mercer Elementary School
- \$155,000 for the installation of a fiber optic line to provide additional telephone service for Hugh Mercer Elementary School and Lafayette Upper Elementary School.

In addition to this activity, the Fredericksburg City School Board also requests that the available balance in Fund 211, the School Grants Fund, be re-appropriated to support the ongoing grant programs for Title I supplemental services and Title II NCLB Teacher Quality program. The total appropriation requested for this activity is \$250,000.

FISCAL IMPACT

The attached resolution requests a total appropriation of \$4,670,000 – of which \$1,580,000 represents a transfer from the School Operating Fund to the School Capital Fund. This proposed use of School Operating Fund balance provides an opportunity to replace capital items or pre-fund parts of future major capital improvement projects. The original budget included a Fund Balance appropriation of \$100,000 in Fund 205; the attached resolution represents the use of most of the remaining balance for various school needs.

cc: Dr. David Melton, Superintendent, Fredericksburg City Public Schools
David Baker, Director of Finance, Fredericksburg City Public Schools
Robert Burch, Director of Operations, Fredericksburg City Public Schools



January 24, 2012
Regular Meeting
Resolution No. 12-__

MOTION:

SECOND:

RE: AMENDING THE FY 2012 BUDGET BY APPROPRIATING THE FUND BALANCE OF THE SCHOOL OPERATING FUND AND THE SCHOOL GRANTS FUND FOR SCHOOL PURPOSES

ACTION:

WHEREAS, the Fredericksburg City Public Schools operates the School Operating Fund (Fund 205) and the School Grants Fund (Fund 211); and

WHEREAS, the Fredericksburg City Public Schools also operates the School Capital Fund (Fund 301), which helps to meet the ongoing capital needs of the Fredericksburg City Public Schools; and

WHEREAS, the Fredericksburg City Public Schools is requesting that the City Council re-appropriate the end-of-year fund balances in the School Operating Fund (Fund 205) and the School Grants Fund (Fund 211) for ongoing school capital and project needs;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fredericksburg that the following appropriations amending the FY 2012 budget be recorded in the following funds.

SCHOOL OPERATING FUND

Source

Fund Balance

3-205-061010-0010	Fund Balance (Unassigned)	\$ 2,652,063
3-205-061010-0012	Fund Balance (Committed for Capital)	187,937
Department Total:		<u>\$ 2,840,000</u>

Total Source: \$ 2,840,000

Use

Classroom Instruction

4-205-061100-6020	Cumulative Textbook Adoption	<u>\$ 1,100,000</u>
Department Total:		<u>\$ 1,100,000</u>

Instructional Services - Admin

4-205-061316-3160	Professional Services - Other	\$ 85,000
Department Total:		<u>\$ 85,000</u>

Management and Direction

4-205-064200-8105	Motor Vehicles & Equip. – Replacement	\$ 50,000
Department Total:		<u>\$ 50,000</u>

Building Services

4-205-064100-6007	Repair and Maintenance Supplies	\$ 25,000
Department Total:		<u>\$ 25,000</u>

Interfund Transfers

4-205-093100-9204	Transfer to Capital	\$ 1,580,000
Department Total:		<u>\$ 1,580,000</u>

Total Use:		<u>\$ 2,840,000</u>
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SCHOOL GRANTS FUND

Source

Fund Balance

3-211-061010-0010	Fund Balance (Unassigned)	\$ 250,000
Department Total:		<u>\$ 250,000</u>

Total Source:		<u>\$ 250,000</u>
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Use

Title I

4-211-069104-9000	Title I Contingency	\$ 175,000
Department Total:		<u>\$ 175,000</u>

NCLB Teacher Quality

4-211-069146-9000	NCLB Teacher Quality Contingency	\$ 75,000
Department Total:		<u>\$ 75,000</u>

Total Use:		<u>\$ 250,000</u>
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SCHOOL CAPITAL FUND

Source

Interfund Transfers

3-301-041050-0009	Transfer from School Operating Fund	\$ 1,580,000
Department Total:		\$ 1,580,000

Total Source: \$ 1,580,000

Use

School Buses

4-301-094401-8105	Motor Vehicles & Equipment Replacement	\$ 175,000
Department Total:		\$ 175,000

School Computer Technology

4-301-094409-8107	ADP Equipment – Replacement	\$ 200,000
4-301-094409-8112	ADP Software – Replacement	100,000
4-301-094409-8207	ADP Equipment – Additions	\$ 250,000
Department Total:		\$ 550,000

FCPS Telephone System

4-301-094433-3170	Construction Contracts	\$ 155,000
Department Total:		\$ 155,000

Hugh Mercer Elementary School Improvements

4-301-094516-8202	Furniture and Fixtures – Additions	\$ 100,000
Department Total:		\$ 100,000

Walker-Grant Improvements

4-301-094522-3160	Professional Services – Other	\$ 100,000
Department Total:		\$ 100,000

Old Walker-Grant Improvements

4-301-094524-3160	Professional Services – Other	\$ 500,000
Department Total:		\$ 500,000

Total Use: \$ 1,580,000

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

Clerk's Certificate

I, the undersigned, certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 12-__ duly adopted at a meeting of the City Council meeting held January 24, 2012 at which a quorum was present and voted.

Tonya B. Lacey, CMC
Clerk of Council