



CITY OF GAHANNA

Finance Department Report for Council March 10, 2014

Action Items-Franklin County Municipal Court Payment

Then & Now Motion Resolution

Funds were not encumbered prior to the 2013 calculation of the Franklin County Municipal Court cost proportionate share. The calculation is performed in accordance with ORC 1901.026 and Gahanna's proportionate share of the court cost was determined to be \$19,702 and will be paid from account 101.131.5289. The Director of Finance has certified that funds were available then at the time of the calculation and now at the time of payment, appropriated, collected or in the process of collection and free from any previous encumbrance. It is hereby requested that Council approve payment of the above then and now purchase under ORC 5705.41(D)(1).

Supplemental Appropriation Ordinance

We are requesting a \$20,000 supplemental appropriation from the unencumbered balance of the General Fund for account 101.131.5289 for the 2014 proportionate share of Franklin County Municipal Court cost. Since the 2013 proportionate share was not encumbered prior to December 31, 2013, the 2013 appropriation was not carried forward, and as a result, the payment for the 2013 proportionate share will leave an appropriated amount insufficient to pay the 2014 proportionate share. Moving forward, the budget will be developed with this timing adjustment accounted for.

Update/Information Items

Explanation For Then and Now Motion Resolutions

This year we have seen a number of requests for Then and Now motion resolutions, including the request above. I wanted to provide a bit of background on why there may appear to be more prevalent over the past few weeks than they had been in the past. The purpose of the "Then and Now" resolution is to satisfy a requirement of Ohio Revised Code (section 5705.41) to certify that funds are available and appropriated to pay for expenses when they are incurred and when they are due to be paid.

Then and Now payments are common this time of year because of the time-lag between when Council adopts the annual appropriations and when departments are able to request purchase orders in our accounting system. Typically, Council approves the appropriations on January 2nd and then the budget gets loaded in our accounting system once we have a signed ordinance. This year that happened on January 6th. After that, it can take departments a few days to enter all of their purchase orders. In most cases, departments have control over their expenses between Jan 1 and the time that they are able to pull POs. In other cases, expenses can be incurred prior to the time when purchase orders can be pulled. A good example of this is the Police Then and Now that is up for Council review this week.

We are always going to see a greater number of these resolutions during the first months of the year as a result of this timing issue. Additionally, the Finance department is scrutinizing purchase orders very closely for compliance with this requirement. In the past few years, we've found that the Auditors have been paying particular attention to compliance with this issue, and are conforming strictly in order to maintain a clean audit record.