



# CITY OF CONCORD

## REPORT TO MAYOR AND THE CITY COUNCIL

**DATE:** October 26, 2018

**TO:** Mayor and City Council

**FROM:** Brian G. LeBrun, Deputy City Manager - Finance

**SUBJECT:** Fiscal Policy Advisory Committee Recommendation Regarding Enterprise Funds

### **Recommendation**

Accept this report approving the October 15, 2019 Fiscal Policy Advisory Committee recommendation on the Golf, Arena and Solid Waste Enterprise Funds

### **Background**

The City has historically reported the Golf, Arena and Solid Waste Funds as Enterprise funds in budgetary documents as well as in the Comprehensive Annual Financial Report. This report and recommendation from the Fiscal Policy Advisory Committee recommends changing the status from enterprise to special revenue for these three funds effective July 1, 2018, for Fiscal Year 2019. The recommendation also includes having the City Manager make requests for support to these funds as part of the budget process for both operating and capital budgets.

### **Discussion**

For many years, the City has reported Golf, Arena and Solid Waste Funds as enterprise funds. Working in consultation with the Fiscal Policy Advisory Committee and the City's external Auditors, a recommendation was developed to change these three funds from the enterprise fund reporting category to special revenue funds. Enterprise funds are typically fully self-supporting whereas special revenue funds are mainly self-supporting through specific revenue streams, in these cases user revenues. From time to time, special revenue funds may need support from another outside source, in these cases mainly the General Fund, to support operations, capital projects or both. The day to day

operations will not notice any procedural or process changes due to the reclassification of the funds. The changes will be realized from budgetary approvals by the City Council and the reporting classifications in budgets and in the Comprehensive Annual Financial Report. As part of this classification change, the Fiscal Policy Advisory Committee also recommends that support for these funds be recommended by the City Manager as part of the budget process for both operating and capital projects.