



OFFICE of the CITY ATTORNEY

To: Council President Spencer and Members of City Council

From: Lysia H. Bowling, City Attorney 

Date: September 11, 2017

Re: Legal Opinion on Fiscal Year 2018 Budget Matters

At the City Council meeting held on August 10, 2017, you asked whether City Council may defer approval of allocating funds to specific capital projects as part of the adoption of the Fiscal Year 2018 budget.

City Council is required by law to adopt an annual budget in which “[t]he amount available from taxation and other sources, including balances brought forward from prior fiscal years must equal the total appropriations for expenditures and reserves.” I have previously advised that City Council is authorized by law to amend the proposed budget “as it sees fit” at either of the two public hearings that are required under state statute for adoption of the budget.

Pursuant to the aforementioned authority, City Council may defer allocating funds to specific capital projects by way of a majority vote to amend the proposed budget by appropriating any portion of the anticipated LOST funds to a “Reserved” account in lieu of appropriating such funds to specific capital projects. In this manner, City Council may fulfill its statutory obligation to adopt a balanced budget and defer decisions on funding for specific LOST projects in the budget.

In my opinion, the treatment of re-allocating funds for specific capital projects to a “Reserved” account in the Fiscal Year 2018 budget assures full compliance with applicable law.