ORDINANCE NO. 2025-XX
AN ORDINANCE AMENDING THE FY2024-2025 BUDGET.
BUDGET AMENDMENT NUMBER 25-xx

SUBJECT: Budget Amendment to increase General Fund budget by $668,700 to comply with GASB 87 regulations concerning the Police department lease at 132 Commerce Street.

AGENDA INFORMATION

Agenda Location	**Consent**
Department:	**Finance**
Contact:	**Dean Luebbe, Assistant City Manager and Finance Director**

BRIEF SUMMARY: The Governmental Accounting Standards Board (GASB) implemented GASB 87 in June of 2021, in an effort to better reflect financial activity involving leases. Since that time, the City has recognized a lease receivable involving a cell tower at the Fire Department, but has not needed to record a lease payable. In July of 2024, the City finalized a five year lease for the Police Department at 132 Commerce Street. Because GASB 87 requires that a right to use asset and lease liability to be recorded, a budget entry is needed to prevent the Police Department FY25 budget from showing a budget violation. Additionally, the monthly lease payments should have been recorded under "Non-Departmental", alongside other City debt. More information concerning this lease will be available in the FY25 financial statements, Note 8. This budget entry has no effect on fund balance.

MOTION FOR CONSIDERATION: To approve Budget Amendment 26-01, as submitted, increasing (decreasing) the budget in expenditure account:

10-5100-7400 (Capital Outlay)	$668,700
10-6600-9380 (Lease Principal – Police)	$52,500
10-6600-9381 (Lease Interest – Police)	$27,600
10-5100-4200 (Commerce St Lease)	($80,100)
TOTAL	**$668,700**

And increasing the budget in the revenue account:

10-3920-0040 (Debt Proceeds)	$668,700
TOTAL	**$668,700**

ATTACHMENTS: None.

MANAGER'S RECOMMENDATION: Adopt as presented.

Approved and adopted this15th day of December 2025.

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Maureen Copelof
Mayor

ATTEST:

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Denise Hodsdon, CMC
City Clerk

APPROVED AS TO FORM:

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Mack McKeller
City Attorney