City of Las Cruces®

PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 8 **Ordinance/Resolution#** 14-033

For Meeting of _____ (Ordinance First Reading Date)

For Meeting of August 19, 2013 (Adoption Date)

Please check box that applies to this item:

☐ QUASI JUDICIAL ☐ LEGISLATIVE ☒ ADMINISTRATIVE

TITLE: **A RESOLUTION APPROVING THE ADJUSTMENT OF THE FY14 BUDGET TO ADD BUDGET FOR LAS CRUCES MUNICIPAL PEER TO PEER FOUNDATION (LCMPPF), PREVIOUSLY KNOWN AS THE EMPLOYEE BENEFIT COMMITTEE.**

PURPOSE(S) OF ACTION:

Approve budget adjustment.

COUNCIL DISTRICT N/A		
Drafter/Staff Contact: Vanessa Flores	**Department/Section:** Risk Management	**Phone:** 575-528-3665
City Manager Signature:		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

In 2011, the Employee Benefit Committee (EBC) and the Employee's Helping Employees Committee merged to form the LCMPPF. The foundation has an IRS issued Employee Identification Number (EIN), and has received approval from the State of New Mexico Public Regulation Commission for business set up as a non-profit corporation. The City of Las Cruces has a revenue account for the EBC with a balance of $24,924.00. If approved by Council these funds will be released to the LCMPPF after the non-profit status has been issued.

The application to the IRS for non-profit status is currently being processed. It was anticipated that the non-profit status would be issued by June 2013. However, due to a back log at the IRS the application was only just assigned for processing in June. It will be another 3 - 6 months before non-profit status is issued to LCMPPF.

With the delay in obtaining non-profit status and without access to the EBC funding, the LCMPPF does not have sufficient resources to continue its mission for supporting the morale of the City of Las Cruces employees such as sending flowers, retirement gifts, and employee events.

Creating a FY14 budget using the existing fund balance in the Employee Benefit Pooled Cash and Investments account, will allow the LCMPPF to continue its services to City employees until

(Continue on additional sheets as required)

non-profit status is issued. The LCMPPF will also be able to begin planning for the December Winter Ball which was a well-attended, successful employee event in 2012.

SUPPORT INFORMATION:

1. Resolution.
2. Exhibit "A", Budget Adjustment.

SOURCE OF FUNDING:

Is this action already budgeted?			
	Yes	☐	See fund summary below
	No	☒	If No, then check one below:
	Budget Adjustment Attached	☐	Expense reallocated from: _____
		☐	Proposed funding is from a new revenue source (i.e. grant; see details below)
		☒	Proposed funding is from fund balance in the (7490- Employee Benefits) Fund.
Does this action create any revenue?			
	Yes	☐	Funds will be deposited into this fund: _____ in the amount of $_____ for FY__
	No	☒	There is no new revenue generated by this action.

BUDGET NARRATIVE

N/A

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
Employee Benefits	74000040-722190	$24,924.00	$24,924.00*	$0	N/A

*pending adjustment

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will allow the LCMPPF to continue its mission for supporting the morale of the City of Las Cruces employees.
2. Vote "No"; LCMPPF will be forced to suspend services to City employees until the IRS non-profit status is issued.
3. Vote to "Amend"; this could restrict the ability of LCMPPF's use of funds.
4. Vote to "Table"; LCMPPF will be forced to suspend services to City employees until the IRS non-profit status is issued.

(Continue on additional sheets as required)

REFERENCE INFORMATION:

N/A

(Continue on additional sheets as required)

RESOLUTION NO. 14-033

A RESOLUTION APPROVING THE ADJUSTMENT OF THE FY14 BUDGET TO ADD BUDGET FOR LAS CRUCES MUNICPAL PEER TO PEER FOUNDATION (LCMPPF), PREVIOUSLY KNOWN AS THE EMPLOYEE BENEFIT COMMITTEE.

The City Council of the City of Las Cruces is informed that:

WHEREAS, in 2011, the Employee Benefits Committee (EBC) and the Employee's Helping Employee's committee merged to form the LCMPPF; and

WHEREAS, the primary funding source for the activities of the EBC has and will be the net proceeds from various vending machines in City facilities and those proceeds have been kept in a City managed fund; and

WHEREAS, it was anticipated that LCMPPF would be granted its non-profit status by June, 2013 and the balance of the EBC City held funds would be transferred to LCMPPF and therefore a budget was not adopted for the funds in the Employee Benefit Pooled Cash and Investments account; and

WHEREAS, due to back log at the IRS, it will be another 3-6 months before non-profit status is issued to the foundation; and

WHEREAS, with the delay in obtaining non-profit status and without access to the EBC funding, the LCMPPF does not have sufficient resources to continue its mission for supporting the morale of the City of Las Cruces employees; and

WHEREAS, the LCMPPF will need access to the City held funds to continue its operations; and

WHEREAS, creating a FY14 budget using existing fund balance in the Employee Benefit Pooled Cash and Investments account, will allow the LCMPPF to continue its services to City employees until non-profit status is issued.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the budget adjustment attached hereto as Exhibit "A", is hereby approved.

(II)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this _____ day of _____, 20_____.

APPROVED:

_____
Mayor

ATTEST:

_____
City Clerk

(SEAL)

VOTE:
Mayor Miyagishima: _____
Councillor Silva: _____
Councillor Smith: _____
Councillor Pedroza: _____
Councillor Small: _____
Councillor Sorg: _____
Councillor Thomas: _____

Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:

_____
City Attorney

EXHIBIT "A"

CITY OF LAS CRUCES
2013-14 Fiscal Year Budget

FUND	DIVISION	FUND TYPE
Employee Benefit Committee Fund 7490	Administration	Fiduciary Funds

	2012-13 Prelim Actual	2013-14 Adopted	2013-14 Adjustment	2013-14 Adjusted
RESOURCES				
Beginning Balance	$ 24,117	24,924		24,924
Revenues				
Charges For Services	6,038	0		0
Miscellaneous Revenues	403	0		0
Operating Transfers In	0	0		0
Total Revenues	6,441	0	0	0
TOTAL RESOURCES	$ 30,558	24,924	0	24,924
Expenditures				
Administration	5,634	0	24,924	24,924
Operating Transfers Out	0	0		0
Total Expenditures	$ 5,634	0	24,924	24,924
Accrual Adjustments	0	0		0
ENDING BALANCE	$ 24,924	24,924	(24,924)	0