

COUNCIL COMMUNICATION

From: The City Manager

Subject: SEDC - Budget Adjustment

Manager's Recommendation:

It is recommended that the 2008/09 Saginaw Economic Development Corporation (SEDC) budget be amended to accept carryover funds from prior years that will be spent this fiscal year.

The SEDC Fund's revenue line item (282-0000-680-00-00) will be increased from \$75,430.00 to \$750,000.00 and the Federal Grant/Block Grant Entitlement revenue line item (282-0000-513.58-22) from \$0.00 to \$417,187.00. This will be offset by an increase to the Loan Disbursement expenditure line item (282-8570-761.89-40) from \$200,000.00 to \$1,367,187.00.

Justification:

Carryover funds are not shown as a receivable by the City of Saginaw, therefore budget adjustments are required as these funds are utilized. The Council adopted a budget for this fund on an overall basis, but the revenue and expenditures for the budget only included the federal funding earmarked for the 2007/08 fiscal year.

In addition, due to the increased activity in the Saginaw Economic Development Corporation, the fund balance and entitlement funds not drawn previously are being made available for new small business loans.

Council Action:

Council _____ moved that the recommendation of the City Manager be approved.