

**CITY OF GOODYEAR
COUNCIL ACTION REPORT (CAR)**

SUBJECT: Approve the use of a special revenue fund for the Ballpark and commit the Ballpark revenues	STAFF PRESENTER: Rebecca Chitwood
	CASE NUMBER: None
	OTHER PRESENTER: None

PROPOSED ACTION:

Adopt Ordinance #17-1353 authorizing the commitment of ballpark revenues to be utilized for ballpark operations and authorizing all budget transfers and administrative actions necessary for this authorization.

BACKGROUND AND PREVIOUS ACTIONS:

The ballpark fund, established in 2007 has been defined and presented as an enterprise fund in the annual financial statements. An enterprise fund is intended to account for operations that are financed and operated in a manner similar to a private business where the intent is that all costs, including depreciation, of providing a service to the public are primarily covered through direct user charges. This intent is reinforced in city policy which states that enterprise funds are expected to be self-sufficient, with enough operational revenue to cover capital costs and replacement or debt service as established. The ballpark fund has not been self-sufficient, nor is it anticipated that it will ever be fully self-sufficient.

To ensure compliance with both city policy and Generally Accepted Accounting Principles (GAAP), the ballpark fund will be reclassified as a type of governmental fund, known as a special revenue fund, in fiscal year 2017. It is recommended that the ballpark fund be presented as an individual special revenue fund within the governmental fund financial statements thus providing greater transparency to our citizens. For a fund to be presented as a special revenue fund there must be a specific commitment of revenues to the activity. This commitment must be imposed by formal action of the organization's highest level of decision-making authority, thus necessitating the adoption of an ordinance.

STAFF ANALYSIS:

Reclassifying the ballpark fund as a governmental fund has been determined by finance staff to bring us into greater compliance with GAAP, Governmental Standards Board (GASB) statement(s), and city policies. This change has been reviewed by our auditors who are supportive of the change to a type of governmental fund.

As a special revenue fund all activities of the ballpark will continue to be reported in a separate stand-alone fund. From an operational and management perspective the level direct revenues and expenditures and of the annual general fund subsidy for the activities of the ballpark will be very clear and easily distinguished between operational, capital and debt service subsidies.

FISCAL ANALYSIS:

Although there are no direct fiscal impacts related to this ordinance, the ballpark fund and its related financial activity will appear differently in the City's annual financial reports. Due to the change to a special revenue fund, budget transfers will be required to properly classify the fund. These transfers will not modify the existing or proposed funding levels within the budget.

RECOMMENDATION:

Approve Ordinance #17-1353 authorizing the commitment of ballpark revenues for ballpark operational purposes and authorizing all budget transfers and administrative actions necessary for this commitment and fund reclassification.

ATTACHMENTS:

1. Ordinance No. 17-1353