



Agenda Item No. 1.a.

To: Finance-Auditing Committee/Committee of the Whole
Meeting of April 12, 2007

From: Bob Haar, Information Systems Director
Teri W. Mantony, Deputy General Manager, Administration and Development
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE BUDGET ADJUSTMENT(S) AND/OR TRANSFER(S)**
a) **BUDGET TRANSFER FROM FY 06/07 DISTRICT DIVISION
CAPITAL BUDGET TO FY 06/07 DISTRICT DIVISION OPERATING
BUDGET FOR DATA COMMUNICATION SUPPLIES**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors authorize a budget transfer in the amount of \$65,000 from the FY 06/07 District Division Capital Budget to the FY 06/07 District Division Operating Budget for the purpose of purchasing data communication supplies.

Summary

The District FY 06/07 District Division Capital Budget includes funds for the Information Systems Department to replace 15 data communication switches which have reached their maximum life. This action is part of the overall planned phased replacement of key infrastructure. Consideration was also given to leasing this equipment due to its rapid obsolescence, but financial analysis determined that purchase was the cheapest alternative.

Since the unit cost of these switches turns out to be less than \$5,000, District policy requires that the purchase must be made with operating funds, rather than capital funds. In accordance with District policies, Board approval is required since the amount being transferred is greater than \$5,000.

Fiscal Impact

This project is included in the FY 06/07 District Division Capital Budget and is funded with 100 percent District funds. Approval of this item will increase the FY 06/07 District Division Operating Budget by \$65,000 which will be covered by a transfer (reduction) from the District Division Capital Budget.