

**FINANCE DEPARTMENT MEMORANDUM
#05-2020**

DATE: July 13, 2020
TO: Honorable Mayor Meredith Leighty and City Council Members
THROUGH: Heather Geyer, City Manager *hmg*
FROM: Jason Loveland, Director of Finance *12*
SUBJECT: CB-1948 – Supplemental Appropriation and CIP Carry Over

PURPOSE

To hold a public hearing on CB-1948 and consider the proposed ordinance on second reading to amend the 2020 Operating and Capital Improvement Budget. The amendments are associated with the Community Development Block Grant (CDBG) Capital Improvement Program (CIP) carry over of 2019 appropriations, funding to support water rights acquisitions, and additional revenues and expenditures of federal funding related to COVID-19.

BACKGROUND

Section 5-8-11 of the City’s Municipal Code states:

“After adoption of the budget, the City Council shall enact an ordinance appropriating funds for municipal operations for the ensuing fiscal year. Appropriations shall lapse at fiscal year-end for all funds except for funds appropriated pursuant to the capital projects program created by section 8.5 of the City Charter. Appropriation for projects identified in the capital projects program shall continue, and be carried forward to succeeding years, until the project is completed.”

UPDATE

Budget amendments include:

Fund	Department	Purpose	Revenue	Expense	Change in Fund Balance
General	Legislative	CARES Act Funding	\$ 1,829,600	\$ 829,600	\$ 1,000,000
General	Police	COVID-19 Grant Award	\$ 39,540	\$ 39,540	\$ -
			\$ 1,869,140	\$ 869,140	\$ 1,000,000
CDBG	Planning	CIP Carry Over	\$ 139,053	\$ 139,053	\$ -
Water	Public Works	Water Rights Acquisition	\$ -	\$ 200,000	\$ (200,000)
Wastewater	Public Works	Bunker Hill Lift Station	\$ 2,369,776	\$ 1,433,556	\$ 936,220

In May 2020, the City entered into an Intergovernmental Agreement with Adams County to receive a share of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding in the amount of \$3,086,617. City Council has authorized spending of \$1,829,600, of which \$1,000,000 of expenditures was added to the budget for the small business grant program in a previous supplemental appropriation. The revenues and subsequent approved expenditures are now being added to the budget.

On June 8, City Council approved the acceptance of a Justice Assistance Grant award for \$39,540 for COVID-19 related supply and equipment expenses within the Police Department.

CDBG carry over of \$139,540 is being added to the budget to reflect 2019 project work that was not completed during that year.

The City purchased water rights in May totaling \$1,268,000. Additional funds need to be allocated in order to complete work on water rights related engineering and legal work.

The City and developer agreed to split the cost of the Bunker Hill Lift Station project at the Karl's Farm development. The \$2,369,776 revenue shown is the reimbursement to the City for the developer's 72% portion of the project. The expenditure of \$1,433,556 is additional project budget needed to cover the project Guaranteed Maximum Price contract and owner's contingency amount of \$3,291,356.

STAFF RECOMMENDATION

Staff recommends approval of CB-1948 on second reading, to amend the 2020 Operating and Capital Improvement Budget.

BUDGET/TIME IMPLICATIONS

2020 budgeted expenditures in the General Fund will increase by \$869,140 while being offset by revenue of \$1,000,000. The CDBG Fund revenue and expenditure amounts will each increase by \$139,053. The Water Fund expenditures will increase by \$200,000, while the Wastewater Fund will see and increase to revenue of \$2,369,776 and expenditures of \$1,433,556.

STAFF REFERENCE

If Council members have any comments or questions they may contact Jason Loveland, Director of Finance, at 303.450.8817 or jloveland@northglenn.org.

SPONSORED BY: MAYOR LEIGHTY

COUNCILMAN'S BILL

ORDINANCE NO.

No. CB-1948
Series of 2020

Series of 2020

A BILL FOR A SPECIAL ORDINANCE AMENDING THE 2020 BUDGET RECOGNIZING REVENUES AND APPROPRIATING EXPENDITURES BY SUPPLEMENTAL APPROPRIATION, FOR THE PAYMENT OF THE COSTS AND EXPENSES OF THE MUNICIPAL GOVERNMENT, AGENCIES AND OFFICES OF THE CITY OF NORTHGLENN, COLORADO, FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2020

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT THE 2020 BUDGET SHALL BE AMENDED AS FOLLOWS:

Section 1. Supplemental Appropriation. The 2020 Operating and Capital Improvement Budget is amended to reflect revenues and expenditures and the carry-over of Capital Improvement Projects not completed in 2019 to the respective Funds as follows:

		2020 Adopted Budget	2020 Supplemental Appropriation	2020 Amended Budget
General Fund	Revenues	\$ 29,076,328	\$ 1,869,140	\$ 30,945,468
	Expenditures	32,279,072	869,140	33,148,212
	Net Change	<u>\$ (3,202,744)</u>	<u>\$ 1,000,000</u>	<u>\$ (2,202,744)</u>
Community Development Block Grant Fund	Revenues	\$ -	\$ 139,053	\$ 139,053
	Expenditures	-	139,053	139,053
	Net Change	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Water Fund	Revenues	\$ 12,258,600	\$ -	\$ 12,258,600
	Expenditures	11,212,617	200,000	11,412,617
	Net Change	<u>\$ 1,045,983</u>	<u>\$ (200,000)</u>	<u>\$ 845,983</u>
Wastewater Fund	Revenues	\$ 31,778,000	\$ 2,369,776	\$ 34,147,776
	Expenditures	10,009,822	1,433,556	11,443,378
	Net Change	<u>\$ 21,768,178</u>	<u>\$ 936,220</u>	<u>\$ 22,704,398</u>
Total	Revenues	\$ 73,112,928	\$ 4,377,969	\$ 77,490,897
	Expenditures	53,501,511	2,641,749	56,143,260
	Net Change	<u>\$ 19,611,417</u>	<u>\$ 1,736,220</u>	<u>\$ 21,347,637</u>

Section 2. The City Council of the City of Northglenn, Colorado, hereby finds and declares that in making appropriations provided by this ordinance:

- (a) No appropriation for debt service has been reduced or transferred.
- (b) No appropriation has been reduced below any amount required by law to be appropriated.
- (c) No appropriation has been reduced by more than the unencumbered balance thereof.
- (d) In the case of each transfer of all or part of any unencumbered appropriation, such transfer has been requested and approved by the City Manager.
- (e) In the case of each reduction of an appropriation, the City Manager has rendered their report and recommendations thereon and has requested and approved such reduction.
- (f) In the case of the appropriation amendment, the City Manager has certified that there are funds available for appropriation.

INTRODUCED, READ AND ORDERED POSTED this 22nd day of June, 2020.


MEREDITH LEIGHTY
Mayor

ATTEST:



JOHANNA SMALL, CMC
City Clerk

PASSED ON SECOND AND FINAL READING this _____ day of _____, 2020.

MEREDITH LEIGHTY
Mayor

ATTEST:

APPROVED AS TO FORM:

JOHANNA SMALL, CMC
City Clerk

COREY Y. HOFFMANN
City Attorney