



Legislation Details (With Text)

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Title: An ordinance on second reading amending Ordinance No. 21 Series of 2016 known as the Annual Appropriation Bill for all municipal purposes for the fiscal year beginning January 1, 2017 and ending December 31, 2017.

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Attachments: 1. Ordinance No. 18-2017

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|----------|--------|
| 7/18/2017 | 3 | City Council | approved | Pass |
| 6/27/2017 | 2 | City Council | approved | Pass |

Agenda Date: 07/18/2017

Subject:

An ordinance on second reading amending Ordinance No. 21 Series of 2016 known as the Annual Appropriation Bill for all municipal purposes for the fiscal year beginning January 1, 2017 and ending December 31, 2017.

Presented By: Tiffany Hooten, Finance Director

POLICY QUESTION:

Does city council support an amendment to the 2017 annual appropriation for the City of Littleton?

BACKGROUND:

Staff typically prepares a request to increase the annual appropriation at the end of each year. In an effort to provide updated information to city council throughout the year, staff will be preparing and presenting budget increase requests periodically. This will be in addition to the annual appropriation at the end of the year. Staff has identified a need to increase the annual appropriation for the 2017 budget for projects or service needs at this time.

These funds are recommended to be increased.

General Fund - \$346,200

The General Fund increase is comprised of the following.

- Contract city attorney services and personnel recruitment - \$134,200. Stephen Kemp will be joining the city as the Littleton City Attorney in July. It is anticipated to take up to nine months to attain the required credentials to practice in Colorado. Meanwhile, it will be necessary for the city to continue to

contract for attorney services until this process is complete. This is the additional amount needed above the 2017 attorney office personnel budget to continue contracting for attorney services through the end of the year, maintaining a full time assistant city attorney through December 2017, and includes \$4,340 in recruitment costs. Contracted attorney services average \$22,000 per month. The city conservatively estimates that this amount will decrease to \$15,000 per month through the end of the year.

- Roof inspection contract - \$49,000. The Community Development Department issues approximately 3,000 building permits each year. Of the total permits issued, at least 500 permits are issued for roof replacements in an average year, and the city has also issued over 1,000 roof permits in years following severe weather events. For each roof permit issued, there are two required inspections: a pre-roof inspection and a final roof inspection. The pre-roof inspection is to verify the decking is in good condition and underlayment is properly installed prior to finish materials (i.e. shingles) being installed. The final roof inspection is conducted once the finish materials have been installed.

While all construction activity is time-sensitive, the time frame between a roofing contractor removing existing roof coverings and being ready to install finish materials is generally short, typically within a day or two. In order to manage the existing inspection workload for all projects throughout the city and maintain a next day inspection schedule, the Community Development Department recommends contracting roof inspections to a private firm. Currently, the cost of roof permits are assessed based on the project valuation (cost of job), which would cover the cost of the third-party inspection services. Based on historical roof permit data, staff is requesting the contract be established for 500 permits, for a not to exceed contract amount of \$49,000. The actual costs will be based on permits issued and inspections conducted.

- Contract engineering for development review services - \$75,000. As highlighted in the 2017 budget highlights in the public works department, there has been a considerable influx of new development applications and the city contracted for these services in 2017. This need continues to increase and additional services are needed to meet development review demand. Contracting allows staff to manage peak workload without having to hire full-time staff. If this trend continues at its current pace and beyond 2017, the city will consider adding additional FTEs rather than continuing to contract for these services.
- Contract for management and succession planning for public works and community development departments - \$28,000. The public works department and the community development department have been working together, with the aid of a consultant, to manage operations of the departments as well as obtain guidance on succession planning. There are several employees who will be retiring over the next year who have a wealth of knowledge and experience in the engineering department. It is crucial that the city prepare and plan for this transition. A consultant is able to focus on areas of need and provide a strategic plan for the departments.
- Organizational development - \$60,000. The City Manager's office would like to work with the Leadership Team in improving organizational focus and alignment of goals, managing the recent change in city-wide management, communication, and leadership effectiveness with all department directors. The Leadership Team would engage in discussions to establish an operating guide and organizational goals that can be clearly communicated down the organization to front-line staff.

This increase in appropriations will reduce the ending fund balance by \$346,200. While this is an increase in the total budget, the city has historically been under budget in the general fund at the end of the year.

Conservation Trust Fund - \$86,000

Xcel Energy and Partners in Energy recently performed an energy audit at Bemis Library which discovered the need to replace lighting at the library. The city can capitalize on \$45,165 of rebates through Xcel Energy to replace several hundred existing light fixtures at the library with new LED lighting. Not only will this dramatically improve the lighting throughout the library, it will also realize energy savings between 40 and 60 percent, depending on the type of fixture that is being replaced. The total cost of the project is estimated to be \$130,890. After rebates of \$45,165 offered by Xcel Energy, the total cost to the city would be \$86,000.

It is estimated that this project will reduce electricity usage by 145,000 KWH annually. This equates to a savings of approximately \$13,000 per year which provides for a full return on investment in about 6 ½ years.

This project is an eligible expenditure from the Conservation Trust Fund and staff recommends using these funds for the project.

The 2017 budgeted ending fund balance is \$244,090. This increase would reduce the estimated fund balance to \$158,090.

STAFF ANALYSIS:

Amending the annual appropriation bill is a typical process that the city conducts at the end of the year. Staff will review budget needs throughout the year and will prepare and present budget amendments periodically

FISCAL IMPACTS:

The 2017 budget appropriation is recommended to increase by \$432,200.

STAFF RECOMMENDATION:

Staff recommends council consider amending the 2017 budget with first reading on June 27, 2017.

PROPOSED MOTION:

I move to approve Ordinance 18 on second reading amending Ordinance No. 21 Series of 2016 known as the Annual Appropriation Bill for all municipal purposes for the fiscal year beginning January 1, 2017 and ending December 31, 2017.