



## Legislation Text

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**File #:** Ordinance 21-2016, **Version:** 3

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Agenda Date: 11/01/2016

**Subject:**

An ordinance on second reading to be known as the "Annual Appropriation Bill", adopting the annual budget for all municipal purposes of the City of Littleton, Counties of Arapahoe, Douglas, and Jefferson, State of Colorado, for the fiscal year beginning January 1, 2017 and ending December 31, 2017.

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| Presented By: Doug Farnen, Finance Director |
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**POLICY QUESTION:**

Does council approve the 2017 annual appropriation ordinance, adopting the annual budget for the City of Littleton?

**BACKGROUND:**

During the 2017 budget review process, council considered 21 Policy Questions (PQs). The following are changes to the 2017 proposed budget due to council direction or other adjustments.

General Fund Revenues:

The city recently received 2016 (to be collected in 2017) estimated assessed values from Arapahoe, Douglas, and Jefferson Counties. These assessed value estimates decreased 2017 tax collections by \$126,000.

Due to the assessed value changes, fire partner (contract reimbursements) revenues increased by \$4,990.

Due to fire department expenditure changes as outlined below, fire partner (contract reimbursement) revenues decreased by \$64,360.

2017 total revenues decreased by \$185,370.

General Fund Expenditures:

The city council approved a PQ1 addendum of \$95,500 for the fire department related to holiday hour compensation. There were two corrections (reductions) to fire department expenditures related to personal protective equipment (01-222-7447) of \$96,000 and vehicle maintenance (01-222-7551) of \$85,000.

The city council did not approve PQ2 related to Place-Making grants of \$25,000.

The city council did not approve PQ7 related to audio visual engineering contracted services of \$60,000.

The public works department withdrew PQ14 related to increasing personnel hours of \$14,990.

The city council reduced the contribution level of not-for-profit sponsorships by \$3,500 in PQ21.

On first reading of this ordinance, council directed staff to add an appropriation estimate for a possible 2017 sales tax increment payable to LIFT, pending council action on 12/6/16. This is a contingency amount in case one or more of the urban renewal areas are still active. The 2017 estimated liability is \$120,000.

The \$75,000 General Fund transfer to the Geneva Village Fund for emergency gas line repairs will be completed in 2016 and removed from 2017 expenditures.

2016 expenditure year-end estimates will increase by \$189,040 due to the Geneva Village transfer and the \$114,040 for LIFT (sales tax increment) payment. This reduces the 2017 General Fund beginning fund balance by \$189,040.

Total 2017 expenditures decreased by \$143,990.

These changes will result in 2017 lower estimated General Fund ending fund balance of \$230,420 and is 16.4% of the 2017 operating expenditures:

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|---|----------------|
| 2017 proposed ending fund balance:            | \$10,284,980   |
| Beginning fund balance reductions from 2016   | (189,040)      |
| Revenue reduction                             | (185,370)      |
| Expenditure reduction                         | <u>143,990</u> |
| 2017 revised General Fund ending fund balance | \$10,054,560   |

Capital Projects Fund Revenues:

Interfund loan payments increased 2017 beginning fund balance by \$893,000.

The 2017 fire partner contract reimbursements were decreased by \$26,160 due to the deferral of cot replacement (\$37,360).

Interfund interest revenues were increased by \$7,100 in 2016 and \$8,780 in 2017 for interfund loan payments from Impact Fee funds.

Capital Projects Fund Expenditures:

The fire department cot replacement of \$37,360 was deferred.

The city council approved staff's recommendation to fund street rehabilitation by an additional \$400,000 and traffic signals by an additional \$100,000.

The 2017 Capital Projects Fund ending fund balance increased by \$420,080:

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|--|------------------|
| 2017 proposed ending fund balance:                     | \$10,745,650     |
| Beginning fund balance increases from 2016             | 900,100          |
| Revenue reduction                                      | (17,380)         |
| Expenditure increase                                   | <u>(462,640)</u> |
| 2017 Revised Capital Projects Fund ending fund balance | \$11,165,730     |

Geneva Village Fund Expenditures:

The gas line repair project of \$75,000 was completed in 2016 and will be removed from 2017 expenditures. The revised appropriation is \$133,000; this has no effect on fund balance.

#### Open Space Fund

A request is now being made for the South Platte River project for planning, engineering and permitting of in-river improvements at Riverside Downs and Reynolds Landing with the Army Corps of Engineers. It is likely the city's funds will be leveraged with other South Platte Working Group partners' funds to assist in funding the permitting process. The request is \$50,000 and would reduce the 2017 ending fund balance to \$229,120.

#### Impact Fee Funds

Due to the interfund loan payments as described in the Capital Projects Fund, there will be \$8,780 added to 2017 appropriations.

In addition, \$7,100 interfund interest will be paid in 2016 and there was an error of \$1,705,560 shown as "Transfers In" in the "Other Financing Sources" in the 2017 Proposed Budget document.

The overall change to the 2017 estimated Impact Fee Fund ending fund balance is a reduction of \$1,721,440 to \$3,097,010.

#### **STAFF ANALYSIS:**

The city's executive team thoroughly reviewed and developed the 2017 budget.

#### **FISCAL IMPACTS:**

The policy questions and budget were reviewed by council over three nights and information is available at the Bemis Public Library, the City of Littleton website and the City Clerk's Office for public review.

#### **STAFF RECOMMENDATION:**

Staff recommends approving the 2017 annual appropriation ordinance on second reading.

#### **PROPOSED MOTION:**

I move to adopt on second reading the ordinance to be known as the "Annual Appropriation Bill," adopting the annual budget for all municipal purposes of the City of Littleton, Counties of Arapahoe, Douglas, and Jefferson, State of Colorado, for the fiscal year beginning January 1, 2017 and ending December 31, 2017.