



## Legislation Text

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**File #:** Ordinance 36-2017, **Version:** 2

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Agenda Date: 12/19/2017

**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
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**POLICY QUESTION:**

Does city council support an amendment to the 2017 annual appropriation?

**BACKGROUND:**

The following funds are recommended to be increased:

General Fund - \$2,287,904

The General Fund increase is proposed to increase as follows:

- Transfer to Capital Projects Fund - \$1,937,904. The city had a TABOR excess in 2016 of \$1,937,904. A ballot question was approved by voters on November 7, 2017 allowing the city to retain the 2016 excess for specific capital improvements. This transfer moves the excess TABOR funds from the General Fund to the Capital Projects Fund to be spent on the two specific capital projects: 1) Pavement improvement initiative - residential streets and 2) Bowles Avenue and Federal Boulevard intersection safety upgrades.

The 2016 ending fund balance in the General Fund has already been reduced by this amount in 2016 with an audit accrual adjustment. The net effect to the 2018 estimated ending fund balance is \$0.

- Transfer to Property and Liability Fund - \$350,000. Historically, there has not been a dedicated funding source for the Property and Liability Fund. With the increase in claims, additional monies need to be transferred to the fund to cover claim costs and maintain adequate reserves. This transfer was included in the 2017 estimates for the 2018 budget and discussed with council during the 2018 budget sessions in September.

Geneva Village - \$43,425

Repairs were required at Geneva Village to prevent potential future sewer backups and to bring the sewer system up to current standards and code. The project cost was \$43,425. These expenditures were included in the 2017 estimates for the 2018 budget in estimating ending available cash. With these expenditures, the estimated ending cash balance in 2018 will be \$95,495. The recommended reserve is \$98,000.

Employee Insurance - \$200,000

Worker's Compensation is included in the Employee Insurance Fund. Worker's Compensation claims vary from

year to year. The city is self-funded for Worker's Compensation claims with a self-insured retention limit of \$500,000 per occurrence. Expenditures are trending higher as compared to the budget. An additional \$200,000 in appropriation is estimated to be needed for 2017. Staff will continue to monitor claims through the end of the year and in 2018, and adjust funding in future years as needed. With this additional appropriation, the 2018 estimated ending fund balance will be \$995,455.

Property and Liability - \$200,000

Property and liability claims vary from year to year. Expenditures are trending higher as compared to the budget. An additional \$200,000 in appropriation is estimated to be needed for 2017. These additional expenditures are partially offset by increased reimbursements from insurance related to claims. To provide adequate funding and reserves in this fund, a transfer from the General Fund of \$350,000 is requested.. The 2018 estimated ending fund balance will be \$350,397 in this fund.

**STAFF ANALYSIS:**

Amending the annual appropriation bill is a typical process that the city conducts every year.

**FISCAL IMPACTS:**

The 2017 budget appropriation is recommended to increase by \$2,731,329.

**STAFF RECOMMENDATION:**

Staff recommends approval of the ordinance on first reading amending the 2017 budget.

**PROPOSED MOTION:**

I move to approve an ordinance 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.