



Legislation Text

File #: Ordinance 09-2020, **Version:** 2

Agenda Date: 04/07/2020

Subject:

Ordinance 09-2020: An ordinance on second reading amending Ordinance No. 25, series of 2019, known as the Annual Appropriation Bill

Prepared By: Tiffany Hooten, Finance Department

POLICY QUESTION:

Does city council support amending the 2020 annual appropriation for the carryover of 2019 encumbered funds?

PRESENTATIONS:

Staff Presenter(s): Tiffany Hooten, Finance Director

Additional Presenter(s): N/A

SUMMARY:

During the year, departments issue purchase orders for projects, goods, or services to encumber funds for these projects. There are several projects and/or services that may not be completed in the fiscal year in which they were budgeted, or goods may not have been received by December 31 of the budget year leaving an open purchase order amount at the end of the year. Staff believes it to be of sound financial practice to re-appropriate open purchase orders at the end of each year in the following budget year.

This action is to appropriate funds; staff will be managing expenditures related to these projects/services.

PRIOR ACTIONS OR DISCUSSIONS:

The list of encumbrances was reviewed at study session held on February 18, 2020.

Passed on first reading at regular city council meeting on March 3, 2020.

ANALYSIS:

Staff Analysis

There are 97 open purchase orders or encumbered funds for projects, goods, or services from the 2019 budget that need to be carried over to the 2020 budget for the listed funds below. Each purchase order or encumbrance is associated with a specific project, good, or service that was not completed in the 2019 fiscal year. This ordinance will formally appropriate these funds.

A complete list of the open purchase orders for all funds as of December 31, 2019 is attached.

General Fund

A few noted items in the General Fund are city-wide organization development, revitalization incentive grants, funding towards council goals, transportation design standards, upgrade and/or replacement of telephone system, Trackit 9 system upgrade, and continued replacement of street light poles by Xcel energy.

Open Space Fund

The Open Space Fund includes two park improvements related to grants awarded in 2019 which will not be completed until 2020.

Impact Fees Fund

The largest project approved in the 2019 budget to be carried into 2020 is \$1.6 million that was approved from facility impact fees for improvements to the Littleton Center. This project is currently in process.

Capital Projects Fund

The Capital Projects Fund includes projects such as building improvements, police records management system, E-911 radio encryption software, street maintenance/improvements, Rio Grande Bridge improvements, Bowles and Federal intersection (TABOR funds), and the Santa Fe PEL.

Council Goal, Objective, and/or Guiding Principle

An amendment to the 2020 budget is directly related to Goal 1 Envision Littleton and Goal 2 Financial Sustainability by providing the mechanism to fund services provide by the city. It also fully supports all guiding principles.

Fiscal Impacts

A supplemental budget appropriation is requested in the amount of \$6,936,178 for the 2020 annual appropriation. At the end of 2019, funds encumbered for these open purchase orders will be earmarked as part of fund balance.

The following funds will be amended:

General Fund	\$ 1,527,486
Conservation Trust Fund	\$ 95,600
Grants Fund	\$ 114,750
Open Space Fund	\$ 1,098,030
Impact Fees Fund	\$ 1,600,000
<u>Capital Projects Fund</u>	<u>\$ 2,500,312</u>
Total	\$ 6,936,178

Alternatives

Option 1: Approve amending the 2020 annual appropriation bill to align the expenditures with the budget.

Option 2: Do not approve the amendment, which is not in line with sound financial practices.

STAFF RECOMMENDATION:

Staff recommends approval of the amendment to the 2020 annual appropriation bill. This action is to appropriate funds; staff will be managing expenditures related to these projects/services.

PROPOSED MOTION:

I move to approve the ordinance on second reading amending the 2020 annual appropriation bill.