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**TO:** FRUITA CITY COUNCIL AND MAYOR

**FROM:** SHANNON VASSEN, ASSISTANT TO THE CITY MANAGER

**DATE:** DECEMBER 6, 2022

**AGENDA TEXT:** RESOLUTION 2022-39 - A Resolution Amending the 2022 Budget and Transferring Funds from the Fruita Community Center, Sewer Fund, and General Fund Contingency Accounts for Utility Expenses, Fuel Costs, and IT Service Contracts and Equipment

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### BACKGROUND

This budget amendment transfers \$36,300 from the Fruita Community Center Contingency Account as follows:

- Fruita Community Center Utility Expenses - \$36,330.
  - This budget amendment transfers \$36,330 from the Fruita Community Center Fund Contingency Account to the Building Maintenance Program for unforeseen increases in utility costs. It is anticipated that utility expenses will exceed the budgeted amounts due to peak demand pricing and increased electrical usage at the Fruita Community Center.

This budget amendments transfers \$35,000 from the Sewer Fund Contingency Account as follows:

- Wastewater Reclamation Facility Utility Expenses - \$35,000
  - This budget amendment transfers \$35,000 from the Sewer Fund Contingency Account to the Wastewater Treatment program for unforeseen increases in utility costs. It is anticipated that utility expenses will exceed the budgeted amounts due to peak demand pricing and increased electrical usage at the Wastewater Reclamation Facility.

This budget amendments transfers \$41,350 from the General Fund Contingency Account as follows:

- IT Equipment and Service Contracts - \$24,700
  - This budget amendment transfers \$24,700 from the General Fund Contingency Account to the Information Technology program for unforeseen equipment purchases and additional service contract expenses.
- Police Department Fuel - \$8,650
  - This budget amendment transfers \$8,650 from the General Fund Contingency Account to the Police Department for increased costs of fuel throughout 2022.

- Public Works Fuel and Utilities - \$8,000
  - This budget amendment transfers \$8,000 from the General Fund Contingency Account to the Public Works Department for increased fuel costs through 2022, and unforeseen increases in utility expenses for street lighting.

## **FISCAL IMPACT**

- The Fruita Community Fund contingency account of \$36,330 will be reduced by \$36,330 to \$0.
- The Sewer Fund contingency account of \$55,150 will be reduced by \$35,000 to \$20,150.
- The General Fund contingency account of \$300,000 will be reduced by \$41,350 to \$258,650.

## **APPLICABILITY TO CITY GOALS AND OBJECTIVES**

The contingency transfers assist with funding of core services provided by the city including utility and fuel costs, and equipment and maintenance costs.

## **OPTIONS AVAILABLE TO THE COUNCIL**

- Approve the budget amendment as presented
- Advise staff to amend the budget amendment

## **RECOMMENDATION**

It is the recommendation of staff that the Council by motion:

- **ADOPT RESOLUTION 2022-39 – AMENDING THE 2022 BUDGET AND TRANSFERRING FUNDS FROM THE FRUITA COMMUNITY CENTER, SEWER FUND, AND GENERAL FUND CONTINGENCY ACCOUNTS FOR UTILITY EXPENSES, FUEL COSTS, AND IT SERVICE CONTRACTS AND EQUIPMENT**