



TO: FRUITA CITY COUNCIL AND MAYOR

FROM: SHANNON VASSEN, ASSISTANT CITY MANAGER

DATE: May 7, 2024

AGENDA TEXT: RESOLUTION 2024- 15 – A Request to Approve a Resolution Amending the 2024 Budget and Transferring Funds from the General Fund Contingency Account For Contracted Financial Management Services and Electrical Upgrades at Civic Center Park.

BACKGROUND

This budget amendment transfers \$47,000 from the General Fund Contingency to the Finance Department and the Parks and Recreation Department to appropriate funds for Financial Management Services and Electrical Upgrades at Civic Center Park. An overview of each expense is provided here:

- **Financial Management Services** – As was discussed during the City Council meeting on April 2, 2024, the City of Fruita is currently accepting applications for a Finance Director position. The current Finance Director is retiring after 41 years with the City, and this is an integral role with the organization. Earlier this year, staff accepted applications for a period two months (through originally posting the position at the beginning of the year, and then extending it for another month), but did not end up with a pool of qualified applicants. Because of this, staff implemented a formal Requests for Proposals (RFP) process to hire a Financial Management firm in case there is a gap between the two Finance Directors. The City of Fruita received several responses to the RFP, and those are currently being evaluated. This budget amendment transfer funds from contingency to help cover any costs associated with work from hiring a firm. In addition to potential interim Finance Director services, the firm can also serve as a resource for the incoming Director and the department as a whole. The budget amendment transfers \$15,000 to cover these costs, and this will only be spent if the services are used.
- **Civic Center Park Electrical Upgrades** - This budget amendment also transfers \$32,000 from the General Fund Contingency Account to the Parks Capital Projects account for an electrical service upgrade to the Civic Center and Civic Center Festival area. The Civic Center electrical rebuild project addressed several safety concerns as well as electrical code compliance issues, by expanding service to the festival area. The project ensures safe use by anyone utilizing the electrical as well as providing a more reliable service without disruption.

FISCAL IMPACT

- The General Fund Contingency Account of \$300,000 will be reduced by \$47,000 to \$253,000. The purpose of these funds is to allow for the City Council to transfer funds for any expenses that are unanticipated or unexpected throughout the year, and these projects meet this definition.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

The contingency transfer includes the necessary costs for interim financial services needed by the City and City Council to effectively conduct business in a consistent and transparent manner. Additionally, it covers an electrical service upgrade to the Civic Center as well as the Civic Center park and festival area that were unexpected but will bring the electrical up to code and ensure safety during musical performances.

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 2024-15 – AMENDING THE 2024 BUDGET AND TRANSFERRING FUNDS FROM THE GENERAL FUND CONTINGENCY ACCOUNT TO FINANCE SERVICES CONTRACTS AND PARKS CAPITAL PROJECTS FOR CONTRACTED FINANCIAL MANAGEMENT SERVICES AND ELECTRICAL UPGRADES AT CIVIC CENTER PARK.