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**TO:** FRUITA CITY COUNCIL AND MAYOR

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

**DATE:** MARCH 21, 2023

**AGENDA TEXT:** RESOLUTION 2023-07 - Public Hearing – Amending the 2023 Budget with Supplemental Appropriations for Special Projects, Capital Projects, the Purchase of Real Property, and for Capital Equipment; a Supplemental Appropriation of Funds for Completion of Capital Projects, Special Projects, and Capital Equipment initially included in the 2022 Annual Budget, and a Reduction of Appropriations for Right-of-Way Acquisition and the Purchase of Parks Equipment.

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### BACKGROUND

This is a request to amend the 2023 Annual Budget, and to provide supplemental appropriations in the General Fund, Marketing and Promotion Fund, Economic Development, Capital Projects Fund, and Sewer Fund, for new and prior Special Projects and Capital Projects, the purchase of Real Property, and for the purchase of Capital Equipment. This amendment includes appropriations for projects and equipment that were included the 2022 Budget but not completed and need to be rolled over to the new fiscal year.

This budget amendment also includes a reduction in appropriation due to expenses paid in 2022 (but budgeted in the 2023 budget) for Right-of-Acquisition for Fremont Street and for the purchase of Parks Equipment in the Conservation Trust Fund.

The table below provides an overview of all appropriations or reductions and is broken down in to three categories: (1) new appropriations for 2023; (2) reappropriations from the 2022 Budget; and (3) a reduction in appropriation for the 2023 Budget.

### FISCAL IMPACT

This budget amendment will reduce the General Fund – Fund Balance by \$635,000 for the purchase of property in downtown Fruita. Further, this budget amendment includes a new expense for the Economic Development Fund, a contribution to the Fruita Housing Authority in the amount of \$15,100. That contribution is funded from current year revenues. All other will not have a net fiscal impact as revenues are available to offset the additional appropriations or were already budgeted for use in the prior year.

### APPLICABILITY TO CITY GOALS AND OBJECTIVES

The Budget is a financial plan developed for the purpose of allocating resources necessary to implement specific policies and strategies to achieve short- and long-term goals established by the City throughout the year. This budget amendment provides for completion of special projects and capital projects already identified for construction.

## **OPTIONS AVAILABLE TO THE COUNCIL**

- Approve the budget amendment as presented or with amendments
- Advise staff to revise the budget amendment

## **RECOMMENDATION**

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

**ADOPT RESOLUTION 2023-07 AMENDING THE 2023 BUDGET TO APPROPRIATE FUNDS IN THE GENERAL FUND, ECONOMIC DEVELOPMENT FUND, MARKETING AND PROMOTION FUND, AND CAPITAL PROJECTS FUND FOR SPECIAL PROJECTS, CAPITAL PROJECTS, AND THE PURCHASE OF REAL PROPERTY, AND REAPPROPRIATING FUNDS IN THE GENERAL FUND, CAPITAL PROJECTS FUND, AND SEWER FUND FOR CAPITAL PROJECTS AND CAPITAL EQUIPMENT ORIGINALLY INCLUDED IN THE 2022 ANNUAL BUDGET, AND A REDUCTION IN APPROPRIATION FOR THE PURCHASE OF PARKS EQUIPMENT IN THE CONSERVATION TRUST FUND.**

<b>Description</b>	<b>Summary</b>	<b>2023 New Appropriations</b>
Arts and Culture Board Backpack Program – General Fund	This is a new supplemental appropriation to fund a Backpack Program to provide art supplies for residents to check out at the Mesa County Library. The Arts and Culture Board received a \$1,000 Kiwanis Grant in 2022 to pay for this project.	\$1,000
Community Development – Purchase of Property – General Fund	This is a request to appropriate \$635,000 in the General Fund to purchase property in downtown Fruita. This includes \$15,000 for the Environmental Study of the property. Revenues for this purchase are from General Fund – Fund Balance	\$635,000
Parks Mobile Equipment – General Fund	This is a request to appropriate \$9,150 in funds from the trade in value of a wide-area mower (unit #3104, replaced in 2019) to be used toward the purchase of the Parks Tractor included in the 2023 Budget.	\$9,150
Contribution to the Fruita Housing Authority – Economic Development Fund	This is a request to appropriate \$15,100 in funds to the Fruita Housing Authority. Sources of revenue for this expense is current year revenues for the Economic Development Fund.	\$15,100
Advertising and Promotion – Marketing and Promotion Fund	This is a request to appropriate a \$36,000 grant received from Outdoor Recreation Office for the creation of a Fruita + Palisade Gravel Adventure Guide. The Town of Palisade is contributing \$3,600 in match for this project.	\$39,600
Mulberry Street Plaza Improvements – Capital Projects	This is a request to appropriate \$4,000 in grant funds received from the Colorado Tree Coalition and Xcel Foundation to fund new trees to be planted at the Mulberry Street Plaza.	\$4,000
Highway 340 Trail Connection Design – Capital Projects Fund	This is a request to appropriate a \$160,000 grant that the City of Fruita received from the Multi-Modal and Mitigations Options Fund (MMOF), to be used toward the design of the Highway 340 Trail Connection.	\$160,000
<b>Description</b>	<b>Summary</b>	<b>2023 Reappropriation</b>
Building Inspections Mobile Equipment – General Fund	This is a request to reappropriate unspent funds for the purchase of a truck for the Building Inspections Department. This is a rollover from 2022, as the vehicle was ordered late last year.	\$34,100
16 Road Rail Crossing – Capital Projects Fund	This is a request to reappropriate unspent funds for the Engineering and Design of the 16 Road Rail crossing, off of Highway 6&50.	\$27,150

Pine Street Bridge Replacement – Capital Projects Fund	This is a request to reappropriate unspent funds for the completion of the Pine Street Bridge Replacement to the 2023 Budget. Revenues for the project are from General Fund – Fund Balance and Development Impact Fees.	\$1,286,400
Civic Center Remodel – Capital Projects Fund	This is a request to reappropriate unspent funds for completion of the Civic Center Remodel project to the 2023 Budget. Revenues for the project are from General Fund – Fund Balance.	\$400,000
H2S Mitigation Project – Sewer Fund	This is a request to reappropriate unspent funds for Engineering/Design costs (\$6,950) and Construction costs (\$24,300) for the H2S Mitigation Project (Project #212-602). Revenues for this project is ARPA funds.	\$31,250
<b>Description</b>	<b>Summary</b>	<b>2023 Reduction of Appropriation</b>
Fremont Street Right-Of-Way Acquisition – Capital Projects Fund	This is a reduction in appropriation due to expenses paid in 2022 but initially reappropriated in the 2023 budget. This will reduce the budget for the Pine Street Bridge replacement project by the amount spent in 2022.	(\$12,250)
Prospector Park Improvements – Capital Projects Fund	This is a reduction in appropriation due to the playground equipment being delivered in 2022, although initially reappropriated in the 2023 budget.	(\$41,950)