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**TO:** FRUITA CITY COUNCIL AND MAYOR

**FROM:** MARGARET SELL, FINANCE DIRECTOR/CITY CLERK

**DATE:** SEPTEMBER 7, 2021

**AGENDA TEXT:** RESOLUTION 2021-21 – A request to approve a resolution amending the 2021 Budget and transferring funds from the Sewer Fund and General Fund Contingency accounts for sewer lift station repairs, vehicle repairs and an impact fee study for Parks, Open Space and Trail

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### BACKGROUND

This budget amendment transfers \$14,500 from the Sewer Fund Contingency Account as follows:

- I-70 Lift Station Emergency Repairs - \$14,500. This budget amendment transfers \$14,500 from the Sewer Fund Contingency Account to the Wastewater Collections program for emergency replacement of the Variable Frequency Drive (VFD) at the I-70 Lift Station. On July 28, a storm passed through the area causing damage to the I-70 Lift Station VFD either through a power surge or lighting strike. Currently one of the 100 hp pumps has been taken out of service due to the damaged VFD.

This budget amendment also transfers \$30,000 from the General Fund Contingency Account as follows:

- POST Impact Fee Study - \$10,000. The Fruita City Council adopted the PHROST Master Plan earlier this year. The Master Plan included a recommendation for review and analysis of our development impact fee for Parks, Open Space and Trails to address needs identified in the Master Plan. The City applied for and received a grant from the Department of Local Affairs in the amount of \$10,000 to assist with this study and this contingency transfer will provide the matching funds for the study.
- Compensation Plan Study - \$5,000. The City of Fruita needs to finalize the new market-based compensation plan for city personnel. Outstanding issues regarding implementation of the plan include performance evaluations, how an employee moves through the range, internal equity issues and other nuances of the plan. The City applied for and received an AGNC grant in the amount of \$5,000 to assist with this study and this contingency transfer will provide the matching funds for the study.
- Road Maintenance Vehicle Charges - \$15,000. The engine block and fuel injectors need to be replaced on a skidsteer unit primarily used for Road Maintenance. This damage was recognized last year and a contingency transfer was approved by the City Council in December of 2020. However, due to supply shortages and delivery schedules, the City was not able to obtain the necessary parts and make the repairs in 2020 and is again requesting funds to repair the skidsteer unit in 2021.

## **FISCAL IMPACT**

- The Sewer Fund contingency account of \$65,300 will be reduced by \$14,500 to \$50,800.
- The General Fund contingency account of \$265,000 will be reduced by \$30,000 to \$235,000.

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

This contingency transfer assists with funding of core services provided by the city including personnel, equipment maintenance and development of parks, trails and open spaces.

## **OPTIONS AVAILABLE TO THE COUNCIL**

- Approve the budget amendment as presented or with amendments
- Take no action and postpone repairs and/or studies until the 2022 budget cycle.

## **RECOMMENDATION**

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

**ADOPT RESOLUTION 2021-21 AMENDING THE 2021 BUDGET AND TRANSFERRING FUNDS FROM THE SEWER FUND AND GENERAL FUND CONTINGENCY ACCOUNTS FOR SEWER LIFT STATION REPAIRS, VEHICLE REPAIRS AND AN IMPACT FEE STUDY FOR PARKS, OPEN SPACE AND TRAILS**