



# Town of Johnstown

## TOWN COUNCIL AGENDA COMMUNICATIONS

---

<b>AGENDA DATE:</b>	November 21, 2022
<b>SUBJECT:</b>	Second Public Hearing: Proposed 2023 Budget
<b>ACTION PROPOSED:</b>	No Action – Public Hearing Only
<b>ATTACHMENTS:</b>	1. Exhibit A – FY 2023 Amended Proposed Budget 2. Exhibit B – Capital Improvement Program 2023 to 2032
<b>PRESENTED BY:</b>	Devon McCarty, Interim Finance Director

---

The Town of Johnstown Home Rule Charter, Section 12.5, and Colorado Revised Statutes 29-1-108(1) require that a public hearing be held at a regular meeting of the Town Council to give interested citizens an opportunity to file or register objections or suggestions thereto at any time prior to the adoption of the 2023 Budget.

Included is the proposed 2023 Budget and the Capital Improvement Program (CIP) 2023-2032. The proposed 2023 budget was presented to the Town Council on September 12, 2022 and September 26, 2022. The CIP was presented to Council on November 14. The first public hearing to receive comments was held on November 7, 2022. Since the first hearing, there has been an adjustment to the budget. The \$30 million loan from the General Fund to the Water Fund has been removed and replaced with a proposed bond issuance of \$56 million. The cost of issuance associated with the bonds was also added.

While service delivery is either maintained at a consistent level or improved, we expect expenditures to increase when measured across all funds. Managing this increase is only possible when revenues and existing fund balance exceed the project expenditures. Should revenues not come in as expected, it is possible that these expenditures could change and be decreased. As always, we will monitor these on a continuous basis for any abnormalities.

The budget parallels the methods of accounting used for the Town's funds. Modified accrual basis is used for all governmental fund operations. Proprietary and fiduciary funds use full accrual basis. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both

*The Community That Cares*

[www.TownofJohnstown.com](http://www.TownofJohnstown.com)

P: 970.587.4664 | 450 S. Parish Ave, Johnstown CO | F: 970.587.0141

measurable and available and expenditures are recorded when a liability is incurred except for debt service and compensated absences. Under the full accrual basis of accounting, revenues are recorded when earned and that expenditures are recorded when a liability is incurred without consideration of the timing of related cash flows. The basis of accounting used in the budget is the same basis of accounting used in the financial statements. The figures presented in the budget represent the estimated cash balances for the budget year 2023.

**LEGAL ADVICE:**

A public hearing is required per state and local law.

**FINANCIAL ADVICE:**

This public hearing will maintain our compliance with both state and local regulations.

**RECOMMENDED ACTION:** No action is necessary; this is a public hearing.

---

*Reviewed and Approved for Presentation,*



---

Town Manager