



Town of Johnstown

TOWN COUNCIL AGENDA COMMUNICATIONS

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| AGENDA DATE: | December 12, 2022 |
| SUBJECT: | Resolution No. 2022-50 – Adopting and Appropriating the Budget for the Calendar Year 2023 |
| ACTION PROPOSED: | Approve Resolution No. 2022-50 |
| ATTACHMENTS: | 1. Resolution 2022-50 2. Exhibit A - 2023 Amended Proposed Budget |
| PRESENTED BY: | Devon McCarty, Interim Finance Director |

AGENDA ITEM DESCRIPTION:

The proposed 2023 Budget for the Town of Johnstown, Colorado was presented to Council at meetings held on September 12, 2022, and September 26, 2022. Public hearings regarding the proposed 2023 Budget were held by the Town Council on November 7, 2022, November 21, 2022 and December 5, 2022, where citizens were invited to file or register objections or suggestions thereto at any time prior to the adoption of the 2023 Budget.

The original proposed 2023 Budget presented in September was amended, to reflect Council suggestions. The amended document was made available to the public on the Town's website and at Town Hall prior to the public hearings. There were changes made to the budget between the first public hearing on November 7, 2022 and the second public hearing on November 21, 2022. The changes were presented at the public hearing on November 21, 2022. As part of the changes between the public hearings, the net change to the General Fund ending fund balance is an increase of \$30,000,000. The net change to the Water Fund ending fund balance is an increase of \$25,400,000.

The budget document serves as the Town of Johnstown's roadmap, guiding operational decisions by addressing the Council's priorities and becoming a policy guide to strengthen our organizational values, goals, objectives, and service priorities in addition to providing a long-range plan that provides a sustainable framework for years to come. The 2023 Budget reinforces our commitment to financial stewardship, operational efficiency, strategic investments and effective change management

The overall size of the Town budget has increased over the past few years as the Town adjusts its services to meet the expectation of a growing population, fund civic and infrastructure projects and keep pace with inflation. The 2023 budget focuses on the continuation of high-quality customer service and core services such as public safety, infrastructure maintenance, public facilities, planning and development, transportation networks, parks, water, sewer and stormwater utility services, as well as continuing to build community partnerships to improve the quality of life for Johnstown residents, businesses and visitors alike.

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Capital Projects

As the Town continues to grow, maintaining and improving our facilities and infrastructure is essential to maintaining readiness and the ability to provide essential services. Projects included in the 2023 budget span from extending water and sewer infrastructure, to expanding public facilities and buildings, to developing parks and trails, to improving storm drainage, to I-25 gateway improvements. By collaborating with community and corporate partners the Town continues to progress.

A few of the major capital projects included in this spending plan are highlighted below:

- General Fund
 - o Shared Emergency Management Coordinator
 - o Johnstown Downtown Branding study completion
 - o Loan to the sewer fund
 - o Broadband technology (fiber) solutions
 - o Design for Police Department building expansion
- Parks and Open Space Fund
 - o Construction of the Little Thompson Trail project
 - o Construction of pickleball courts
 - o Construction of a dog park
 - o Master Plan for Letford Elementary School property
- Street and Alley Fund
 - o Street maintenance program
 - o Charlotte Avenue reconstruction/improvements
 - o Signal at Carlson Blvd. and Highway 60
 - o Highway 60 and Colorado Boulevard Intersection Design
- Capital Projects Fund
 - o I-25 and Highway 60 Interchange aesthetic improvements
 - o Permanent Signage based on results from Downtown Branding Study
- Water Fund
 - o Construction of the new Water Treatment Plant Expansion
 - o Raw water trunk line
- Storm Water Fund
 - o Charlotte Avenue improvements
 - o MS4 permit plans and standards
- Sewer Fund
 - o Low Point Waste Water Treatment Plant (WWTP) construction
 - o Central WWTP construction
 - o Central Phase I and II construction
 - o North Interceptor construction

Maintaining or improving service delivery is the primary goal across all funds. The current economic challenges such as supply chain issues certainly make a financial impact on daily Town operations in addition to planning for the future. Monitoring economic conditions and their potential effects on the Town is essential. Protecting the Town's strong financial position is imperative.

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 measurable

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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.

The Town of Johnstown Home Rule Charter, Section 12.7 requires that the Council adopt the budget for the next fiscal year by ordinance or resolution on or before the final day of the current fiscal year. However, state law requires the Town to adopt a budget prior to certifying the tax levy and the deadline for certifying the tax levy to county commissioners is December 15 (C.R.S. 39-5-128(1)).

LEGAL ADVICE:

The Resolution presented has been reviewed and approved by the Town Attorney.

FINANCIAL ADVICE:

The budget document refers to the financial condition of the Town including revenues, expenditures, activities, purposes and goals. The budget document will be the basis by which we operate and strive to achieve greatness for the Community while operating within the parameters set by the budget document.

RECOMMENDED ACTION: Staff recommends approval of Resolution 2022-50, A Resolution of Johnstown, Colorado, Summarizing Expenditures and Revenues for Each Fund and Adopting and Appropriating the Budget for the Calendar Year 2023.

SUGGESTED MOTIONS:

For Approval:

I move to approve Resolution 2022-50, A Resolution of Johnstown, Colorado, Summarizing Expenditures and Revenues for Each Fund and Adopting and Appropriating the Budget for the Calendar Year 2023.

For Denial:

I move to deny Resolution 2022-50, A Resolution of Johnstown, Colorado, Summarizing Expenditures and Revenues for Each Fund and Adopting and Appropriating the Budget for the Calendar Year 2023.

Reviewed and Approved for Presentation,



Town Manager

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