



Town of Johnstown

TOWN COUNCIL AGENDA COMMUNICATIONS

AGENDA DATE:	December 13, 2021
SUBJECT:	Resolution No. 2021-46 – Adopting and Appropriating the Budget for the Calendar Year 2022
ACTION PROPOSED:	Approve Resolution No. 2021-46
ATTACHMENTS:	1. Exhibit A - 2022 Amended Proposed Budget
PRESENTED BY:	Mitzi McCoy, Finance Director

AGENDA ITEM DESCRIPTION:

The proposed 2022 Budget for the Town of Johnstown, Colorado was presented to Council at meetings held on September 27, 2021, and October 25, 2021. Public hearings regarding the proposed 2022 Budget were held by the Town Council on November 1, 2021 and November 15, 2021, where citizens were invited to file or register objections or suggestions thereto at any time prior to the adoption of the 2022 Budget.

The original proposed 2022 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 have been no changes made to expenditures since the amended document was posted. There have however been updates made to revenues to accurately reflect the changes in the final certification of valuations provided by Larimer and Weld Counties. The net change to the General Fund ending fund balance is a decrease of \$14,998.

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 2022 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 2022 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 2022 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 Solar panel system for the recreation center
 - o Video upgrades to Council chambers
 - o Police department expansion design
 - o Downtown Improvement Plan
- Parks and Open Space Fund
 - o Cemetery irrigation improvements
 - o Construction of pickleball courts
 - o Construction of a dog park
 - o Lake/Dam rehabilitation
- Street and Alley Fund
 - o Street maintenance program
 - o Charlotte Avenue reconstruction/improvements
 - o Alley resurfacing program
- Capital Projects Fund
 - o I-25 and Highway 60 Interchange aesthetic improvements
 - o 2nd Street bridge carryover
 - o Aesthetic improvements at Highway 402 and I-25
- Water Fund
 - o Water Tower project and trunk line construction continued
 - o Design engineering for water plant expansion
 - o Easement acquisition for raw water improvements
 - o Lone Tree generator
 - o Tank cathodic protection
- Storm Water Fund
 - o Charlotte Avenue improvements
 - o MS4 permit plans and standards
- Sewer Fund
 - o Low Point construction
 - o Central Phase I and II construction
 - o Design of Central Waste Water Treatment Plant

Preparing a budget for a full-service town always has its share of unknown variables, but doing so in the midst of global pandemic elevates the task to a new level of uncertainty. It is impossible to anticipate at this point, the depth and duration of the economic shifts that have been caused by the pandemic. Although the financial impacts of the pandemic are continuing to unfold, the Town of Johnstown finds itself in a comparatively strong financial position. This favorable position is primarily due to the prudent fiscal policies of the Mayor and Council. Going forward, maintaining that relentless level of fiscal discipline will be needed to maintain fiscal strength for the duration of the pandemic and to prepare for whatever fiscal event happens next. Consequently, the Town of Johnstown's 2022 budget is conservative but also allows for cautious optimism.

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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 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 2022.

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 2021-46, A Resolution of Johnstown, Colorado, Summarizing Expenditures and Revenues for Each Fund and Adopting and Appropriating the Budget for the Calendar Year 2022.

SUGGESTED MOTIONS:

For Approval: I move to approve Resolution 2021-46, A Resolution of Johnstown, Colorado, Summarizing Expenditures and Revenues for Each Fund and Adopting and Appropriating the Budget for the Calendar Year 2022.

For Denial: I move to deny Resolution 2021-46, A Resolution of Johnstown, Colorado, Summarizing Expenditures and Revenues for Each Fund and Adopting and Appropriating the Budget for the Calendar Year 2022.

Reviewed and Approved for Presentation,



Town Manager

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