



# CITY COUNCIL ACTION FORM

<b>DEPARTMENT</b> Finance	<b>PRESENTED BY</b> Aimee Tihonovich - Finance Director	<b>DATE</b> May 17, 2022
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## ITEM

Resolution 2022-19, a first amendment to the 2022 budget

## BACKGROUND

A budget is a planning tool and it's important to revisit the plan periodically to evaluate for updates. An amendment to the 2022 budget is deemed to be necessary to accommodate several updates as outlined in the attached resolution and below in the below chart.

The following chart includes color coding in an attempt to provide better clarity. Amounts in **blue** represent transfers between funds or from a budgeted line item to another line item within a fund. These amounts inflate the budget without increasing overall spending. Amounts in **green** are either amounts previously approved in the 2021 budget but were not completed in 2021 or are amounts that are in the long term plan to be pulled into 2022. All other amounts in black are amounts previously approved by Council but not in the 2022 budget.

	General	CIP	Housing
<u>Revenue Change</u>			
Mountain Heritage Park Grant and Donations (See below)	\$ -	\$ 50,000	\$ -
Transfer in from General Fund		1,564,000	1,193,000
Total Revenue Change	\$ -	\$ 1,614,000	\$ 1,193,000
<u>Expense Change</u>			
Transfer out to other funds	\$ 2,757,000		
Line item transfer within general fund from "Contingency for ARPA spending" to "transfer out to other funds" line item for the D street condemnation.	(820,000)		
ADA Transition plan cost higher than anticipated	41,000		
Correction of fire department budget for annually occurring operating expenses inadvertently left out of budget	15,000		
Fire Department HVAC unit failure	11,000		
TerraQuest Clean Commute project funding	11,000		

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Expense Change (Continued)	Fund		
	General	CIP	Housing
Firehouse Design plans (in long term plan, being done ahead of schedule)		\$ 763,000	
2nd half of fire station land purchase (in 2021 budget but completed in 2022)		477,000	
Pool boiler replacement budget overrun		182,000	
Skate park landscaping		75,000	
Mountain Heritage Park (\$60K expense, \$50K revenue-failed to roll over from 2021 budget)		60,000	
Asbestos removal, firehouse property		7,000	
"D Street" property condemnation			820,000
RV Purchases for RV rental housing (\$250,000 less use of \$117,000 budgeted contingency)			133,000
Open Doors long term rental incentive program			240,000
Total Expense Change	\$ 2,015,000	\$ 1,564,000	\$ 1,193,000

## **FISCAL NOTE**

This budget increases spending in the 2022 budget by \$2,015,000; of this amount, \$612,000 (fire station land purchase, Mountain Heritage Park and skate park landscaping) is a roll-over of funds budgeted in 2021 but not expended in that year; \$770,000 is spending not originally anticipated until a future year (fire house preliminary costs); and the rest (\$633,000) is new spending determined after the budget was adopted.

## **STAFF RECOMMENDATION**

Staff recommends adopting the budget amendment resolution.

## **SUGGESTED MOTION**

After a hearing is held on the Budget Amendment, it is recommended that a City Councilperson make a motion to adopt the resolution to amend the 2022 budget.

**CITY OF SALIDA, COLORADO**  
**RESOLUTION NO. 19**  
**(Series 2022)**

**AN AMENDMENT TO RESOLUTION 2021-37 ESTABLISHING BUDGET AND APPROPRIATIONS BY FUND  
FOR THE CITY OF SALIDA OPERATIONS FOR CALENDAR YEAR 2022**

**WHEREAS**, City Council adopted Resolution No. 2021-37, dated October 19, 2021 establishing the Budget and appropriations by fund for the City of Salida operations in calendar year 2022; and

**WHEREAS**, C.R.S. Section 29-1-109 requires that changes to the budget due to any transfer, supplemental appropriation, or revised appropriation be made by ordinance or resolutions; and

**WHEREAS**, this Council has determined an amendment to the 2022 budget and appropriations for the General Fund in the amount of \$2,015,000 is necessary to account for the cost of a planned ADA Transition plan being higher than originally anticipated (\$41,000); to account for the cost of adding annually occurring operating costs of the fire department which were inadvertently left out of the original budget (\$15,000); to account for the cost of replacing a failed HVAC unit at the fire department (\$11,000); to account for the cost of funding the "TerraQuest Clean Commute" project not anticipated in the original budget (\$11,000); and to account for the necessary transfer of funds to other fund budgets in order to accomplish additional spending needs as described below (\$1,937,000). This amendment will be funded with unrestricted fund balance reserves; and

**WHEREAS**, this Council has determined an amendment to the 2022 budget and appropriations for the Capital Improvement Projects (CIP) Fund in the amount of \$1,564,000 is necessary in order to account for the design cost of the Firehouse project such cost was originally anticipated in the long term plan (\$763,000); to account for the 2<sup>nd</sup> half of the land purchase of the firehouse project such amount originally budgeted in 2021 but not completed in 2021 (\$477,000); to account for a cost overrun of the pool boiler project (\$182,000 which is net of the cost of replacing the pool floor which was in the budget but will now be postponed); to account for the cost of landscaping at Centennial Park originally planned for 2021 but not completed in 2021 (\$75,000); to account for the cost of constructing Mountain Heritage Park such project originally budgeted in 2021 but not completed in 2021 (\$60,000); and to account for the cost of safely removing asbestos on the firehouse property (\$7,000). This amendment will be funded with a transfer from general fund revenues (\$1,564,000) and with grant and donation revenue (\$50,000); and

**WHEREAS**, this council has determined an amendment to the 2022 budget and appropriations for the Housing Fund in the amount of \$1,193,000 is necessary to account for projects not anticipated at the time of budget adoption which are deemed necessary to help with the affordable housing crisis. Specifically, projects included in this amendment are the D Street Condemnation currently budgeted in the General Fund such expense to now be recorded to this budget (\$820,000); the "Open Doors" Project (\$240,000) and the RV Park Rental Project (\$250,000), such projects to be funded out of the contingency of inclusionary housing funds already built into the Housing Budget (\$117,000) and a transfer from the General Fund (\$1,193,000).

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Salida, Colorado that the budgets and appropriations by fund for Calendar Year 2022 be amended as follows:

<b>Fund</b>	<b>Original Budget Reso No. 2021-37</b>	<b>Amendment</b>	<b>Amended Budget &amp; Appropriation</b>
Estimated Revenues:			
General Fund	\$ 12,167,509		\$ 12,167,509
Water Fund	\$ 6,344,600		\$ 6,344,600
Wastewater Fund	\$ 2,180,000		\$ 2,180,000
Conservation Trust Fund	\$ 74,000		\$ 74,000
Streets Fund	\$ 4,324,605		\$ 4,324,605
Capital Improvement Fund	\$ 1,146,151	\$ 1,614,000	\$ 2,760,151
Economic Development Fund	\$ 191,500		\$ 191,500
Lodging Tax Fund	\$ 516,000		\$ 516,000
Housing Fund	\$ 80,000	\$ 1,193,000	\$ 1,273,000
	<u>\$ 27,024,365</u>	<u>\$ 2,807,000</u>	<u>\$ 29,831,365</u>
Estimated Expenditures:			
General Fund	\$ 13,090,702	\$ 2,015,000	\$ 15,105,702
Water Fund	\$ 6,302,409		\$ 6,302,409
Wastewater Fund	\$ 2,568,745		\$ 2,568,745
Conservation Trust Fund	\$ 290,000		\$ 290,000
Streets Fund	\$ 4,648,896		\$ 4,648,896
Capital Improvement Fund	\$ 1,185,000	\$ 1,564,000	\$ 2,749,000
Economic Development Fund	\$ 324,500		\$ 324,500
Lodging Tax Fund	\$ 516,000		\$ 516,000
Housing Fund	\$ 152,000	\$ 1,193,000	\$ 1,345,000
	<u>\$ 29,078,252</u>	<u>\$ 4,772,000</u>	<u>\$ 33,850,252</u>

APPROVED AND PASSED this 17<sup>th</sup> day of May, 2022 by a vote of \_\_\_\_\_ to \_\_\_\_\_.

CITY OF SALIDA, COLORADO

By: \_\_\_\_\_  
Dan Shore, Mayor

ATTEST:

\_\_\_\_\_  
City Clerk/Deputy City Clerk