

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

ITEM NUMBER: 7

DATE: July 7, 2009

STAFF: Chuck Seest

SUBJECT

Second Reading of Ordinance No. 063, 2009, Appropriating Prior Year Reserves.

RECOMMENDATION

Staff recommends adoption of this Ordinance on Second Reading.

EXECUTIVE SUMMARY

Ordinance No. 063, 2009, was unanimously adopted on First Reading on June 2, 2009. The Ordinance appropriates prior year's reserves for expenditures authorized in 2008 by Council but which could not be completed by the end of 2008.

ATTACHMENTS

1. Copy of First Reading Agenda Item Summary - June 2, 2009.
(w/o original attachments)

AGENDA ITEM SUMMARY FORT COLLINS CITY COUNCIL

ITEM NUMBER: 16

DATE: June 2, 2009

STAFF: Chuck Seest

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SUBJECT

First Reading of Ordinance No. 063, 2009, Appropriating Prior Year Reserves.

RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

FINANCIAL IMPACT

This Ordinance increases 2009 appropriations by \$1,092,134. A total of \$496,696 is requested for reappropriation in the General Fund and \$595,438 is requested from various other City funds. Reappropriation requests represent amounts budgeted in 2008 that could not be encumbered at year-end. The appropriations are from 2008 prior year reserves.

EXECUTIVE SUMMARY

City Council authorized expenditures in 2008 for various purposes. The authorized expenditures were not spent or could not be encumbered in 2008 because:

- There was not sufficient time to complete bidding in 2008 and therefore, there was no known vendor or binding contract as required to expend or encumber the monies.
- The project for which the dollars were originally appropriated by Council could not be completed during 2008 and reappropriation of those dollars is necessary for completion of the project in 2009.
- To carry on programs, services, and facility improvements in 2009 with unspent dollars previously appropriated in 2008.

In the above circumstances, the unexpended and/or unencumbered monies lapsed into individual fund balances at the end of 2008 and reflect no change in Council policies.

Monies reappropriated for each City fund by this Ordinance are as follows:

General Fund	\$ 496,696
Cultural Services and Facilities Fund	\$ 157,396
Light and Power Fund	\$ 203,042
Data and Communications Fund	\$ 235,000

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BACKGROUND

GENERAL FUND

Downtown Newsstands - \$24,281. In December 2008, the Parks Department received \$25,000 to install and maintain newsstands in downtown. Due to the timing of the newsstand delivery and installation, most of the bills for the installation were not paid until 2009. The Parks Department needs to reappropriate the remaining balance of \$24,281 to cover the various costs incurred in 2009 for this purpose.

Larimer Emergency Telephone Authority - \$15,418. The Larimer Emergency Telephone Authority (LETA) collects a monthly fee from all county telephone users. This fee is used to purchase and maintain equipment and train users to process Emergency 911 (E911) phone calls and dispatch appropriate emergency services providers. LETA uses a formula to determine the annual budget for each emergency services dispatch center based on its number of dispatchers and the number of E911 phone calls received in the center. The formula takes into consideration any unspent balance from the prior year allotment. Any funds remaining from the 2008 allocation must be used for LETA specified purchases during 2009.

Solid Waste Reduction and Recycling - \$15,039. During the 2007 Budgeting for Outcomes process, Council requested staff to work on options that would increase the community's waste diversion/recycling and reduce the impacts to streets from heavy trash trucks. A total of \$75,000 was approved for the project, which was placed in Natural Resources' Solid Waste Reduction and Recycling program budget.

To complete the work, a consulting firm (R3 Consulting), was hired, at a cost of \$59,961, to prepare a report, which was drafted in June 2008. A remaining balance of \$15,039 was intended to be used for implementing any further actions that Council directed staff to work on, pending its review of the report.

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The Council's decision-making on this subject was not completed during 2008; a Council hearing on May 5, 2009 provided staff with new assignments that are anticipated to come out of the Trash Services Study. This request reallocates the \$15,039 that remained in the 2008 project budget to be spent for the intended purpose of implementing those new actions.

Northern Integrated Supply Project (NISP) - Remaining Expenses - \$14,723. On May 20, 2008, Council adopted Ordinance 047, 2008, appropriating prior year reserves in the amount of \$225,000 for review and analysis of the draft environmental impact statement for NISP. At the

end of 2008, there was a balance of \$23,546, of which \$8,823 was encumbered by an outstanding Purchase Order. This request reappropriates the balance of \$14,723 for the purpose of paying for ongoing expenses in association with this matter.

Mayor's Sustainability Scholarship - \$1,000. The Mayor agreed to support the Council Finance Committee (CFC) annually with a \$1,000 donation. This request will transfer \$1000 from the 2008 budget to the 2009 budget to cover this expense not originally budgeted for in the 2009 budget.

CityWorks Internal Addition \$1,500. On November 25, 2008, \$1,500 was moved from the Human Resources budget to the Communications & Public Involvement Office (CPIO) budget to be used for the 2009 City Works Internal Edition class. Although this was "held" in a mini order, the funds were swept from the CPIO budget. CPIO would like to have these funds reappropriated into the CPIO budget to be used toward the 2009 City Works Budget.

Site Work for Haiston Oil Purchase - \$22,500. Due to the mid-December 2008 purchase of the Haiston Oil site, located on the northwest side of Block 32, work was not able to be completed as needed. The remaining item carried over into 2009 will be used to fill the hole that resulted from the hazardous material clean-up.

Land Bank Property Maintenance - \$32,835. Funds were appropriated in 2008 for property maintenance of land bank properties owned and leased by the department. These funds are needed in 2009 in anticipation of any maintenance required for these properties. Funds could not be spent or encumbered in 2008 because there is unanticipated property maintenance that occurs frequently each year and the vendor would not be known until the maintenance issue develops.

UniverCity Connections - \$20,000. Funds were appropriated in 2008 for contractual services. City funds were intended to match funds from the Community Foundation for consultant and meeting support, coordinating committee and task group support, feasibility studies and reports, and marketing and outreach materials. Because the Community Foundation was able to provide additional funding for the UniverCity Connections effort, the City's match was not immediately needed. Instead, the funds will be used to implement several UniverCity Connections action items that were underway in 2008 but not completed, including the Downtown Wayfinding Sign System Refill/Development-Ready Sites project and future UniverCity stakeholder meetings.

Affordable Housing Items - \$199,400. For the Home-Buyer-Down Payment Assistance Program administered by the Advance Planning Department, \$50,000 was not encumbered in 2008 and needs to be added to the 2009 budget. In addition to this, there are funds of \$149,400 that were not encumbered in 2008. Of this, \$100,000 is for the Larimer Home Improvement Program, \$33,600 is for the Neighbor-to-Neighbor Program, and \$16,340 is for the City's Home Buyer Assistance Program for Rental Properties.

Facilities Major Repair and Maintenance Tasks - \$150,000. When the final 2008 – 2009 Budget was approved, Major Maintenance (Offer 173 for \$2,300,000) was not "directly" funded. Funding was to come from "end of year" remaining dollars via the reappropriation process. For 2008, \$1,162,000 was reappropriated. For 2009, the amount would have been \$741,200. In

anticipation of needing 2008 year-end dollars for 2009, Operation Services purposely maintained a high year-end fund balance.

In reviewing the 2009 projects, the amount requested has been reduced to cover the high priority items. Additionally, maintaining the City's facilities is one of the primary tenets of Cost of Government funding. Within these concepts, are appropriation requests from Operations Services' 2008 year-end remaining funds for work listed as follows:

1. \$40,000 - install required pool drain retro-fits at City's pools
2. \$25,000 - replace access control units at various City bldgs to accommodate additional users
3. \$20,000 - re-roof the 110-114 North Howes building
4. \$35,000 - update and standardize fire/security alarm dialer systems at various City buildings
5. \$30,000 - replace air conditioning unit for City Hall PBX room

CULTURAL SERVICES AND FACILITIES FUND

Art in Public Places - \$157,396. City Council approved legislation in 1995 creating an Art-in-Public Places ("APP") Program. The purpose of the program is to encourage and enhance artistic expression and appreciation adding value to the community through acquiring, exhibiting and maintaining public art. The program is funded by setting aside 1% of all eligible City construction projects, including Utility projects, over \$250,000, as defined in the APP guidelines. Funds totaling \$456,555 were appropriated in the Cultural Services and Facilities Fund for the APP program and included in the 2008 revised budget. As of December 31, 2008, \$92,268 had been spent or encumbered, leaving a balance of \$364,286. This balance represents funding for projects that were either postponed, delayed or are anticipated multi-year projects. This item reappropriates \$157,396 in the Cultural Services and Facilities Fund to be used for the APP projects that are scheduled or continuing in 2009, including the Harmony Road Project, the Museum/Discovery Science Center and other miscellaneous projects.

LIGHT AND POWER FUND

Hybrid Truck Purchase - \$203,042. In 2008, funds were budgeted by Light and Power for the replacement of a bucket used by the Utilities for street light maintenance. As part of the 21st Century Utility initiative, staff is pursuing the option of hybrid technology when replacing conventionally fueled vehicles at the end of their useful lives. Hybrid technology for this type of power operated equipment is relatively new to the industry and has not been used by the Utilities in the past. The purchase was delayed in 2008 while staff investigated and researched available equipment options. In early 2009, staff determined that the hybrid technology was ideal for this use in that it will significantly reduce CO2 emissions while the truck is employed for street lighting maintenance. A reappropriation of the \$203,042 funds originally budgeted in 2008 for the purchase of this bucket truck is requested. The hybrid truck is \$119,993 and the boom and bucket assembly is \$83,049.

DATA AND COMMUNICATIONS FUND

VoIP Migration Project - \$200,000. The VoIP migration project, led by the Infrastructure Services Division in MIS, requests ~~reappropriation funds in the amount of \$200,000 from 2008.~~ In the 2008 Budgeting for Outcomes (BFO) offer number 27.5, \$200,000 was budgeted with the Voice Services Business Unit to cover VoIP communication equipment. Due to resource constraints for shared project pipeline capacity, this migration was pushed out to 2009. MIS requests these funds to move forward on the VoIP migration, given that the existing Nortel system is over 27 years old and subject to lengthy downtime should it fail.

Application Services - Police Services Projects - \$35,000. City Police Services provided the Application Services Division, in MIS, with \$45,000 to expedite specific Police Services projects through the shared project pipeline. These expedited funds were aligned with external support. \$10,000 of the \$45,000 was used to expedite the Police Services conference call project in 2008. The remaining \$35,000 will be required to expedite additional 2008 Police Services projects for completion in 2009.

The following lists a detailed breakout of expenditures for the Police Services Projects provided by Application Services:

- \$ 10,000 City-wide (VoIP) Meeting Place Express project implementation
- \$ 8,000 Telestaff Application Upgrade (5 versions behind)
- \$ 2,000 Laptop Battery reimbursement
- \$ 3,740 Additional Firewall necessary to protect the Drug Task Force fiber connection
- \$ 4,100 Cisco equipment for City perimeter network ring for Library and Gold Elite equipment
- \$17,160 Remaining funds will be to finalize the interface of the Identix Booking System
- ~~(\$10,000)~~ Used to expedite the Police Services conference call project in 2008
- \$ 35,000

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ORDINANCE NO. 063, 2009
OF THE COUNCIL OF THE CITY OF FORT COLLINS
APPROPRIATING PRIOR YEAR RESERVES

WHEREAS, Article V, Section 11 of the City Charter requires that all appropriations unexpended or unencumbered at the end of the fiscal year lapse to the applicable general or special fund, except that appropriations for capital projects and federal or state grants do not lapse until the completion of the capital project or until the expiration of the federal or state grant; and

WHEREAS, Article V, Section 9, of the City Charter permits the City Council to appropriate by ordinance at any time during the fiscal year such funds for expenditure as may be available from reserves accumulated in prior years, notwithstanding that such reserves were not previously appropriated.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That there is hereby appropriated for expenditure from prior year reserves in the General Fund the sum of FOUR HUNDRED NINETY SIX THOUSAND SIX HUNDRED NINETY SIX DOLLARS (\$496,696) for the following purposes:

Downtown Newsstands	\$ 24,281
Larimer Emergency Telephone Authority	15,418
Solid Waste Reduction & Recycling	15,039
NISP Project	14,723
Sustainability Scholarship	1,000
CityWorks	1,500
Site Work for Haiston Oil Purchase	22,500
Land Bank Property Maintenance	32,835
UniverCity Connections	20,000
Affordable Housing	199,400
Pool Drain Retro-fits at City Pools	40,000
Replace Access Control Units	25,000
Re-roof 110-114 N. Howes	20,000
Fire / Security Alarm Systems - Various Buildings	35,000
AC Unit for City Hall PBX Room	<u>30,000</u>
Total General Fund	\$496,696

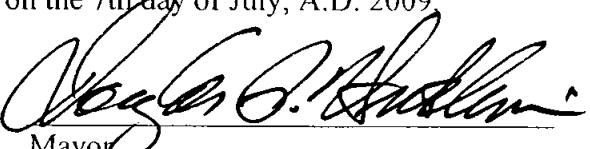
Section 2. That there is hereby appropriated for expenditure from prior year reserves in the Cultural Services & Facilities Fund the sum of ONE HUNDRED FIFTY SEVEN THOUSAND THREE HUNDRED NINETY SIX DOLLARS (\$157,396) to be used for the purpose specified in the City's Art in Public Places program.

Section 3. That there is hereby appropriated for expenditure from prior year reserves in the Light & Power Fund the sum of TWO HUNDRED THREE THOUSAND FORTY TWO DOLLARS (\$203,042) to be used for the purchase of a hybrid truck.

Section 4. That there is hereby appropriated for expenditure from prior year reserves in the Data & Communications Fund the sum of TWO HUNDRED THIRTY FIVE THOUSAND DOLLARS (\$235,000) to be used for the following purposes:

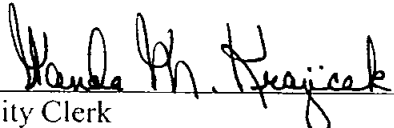
VoIP Migration Project	\$200,000
Application Services-Police Services Projects	<u>35,000</u>
	\$235,000

Introduced, considered favorably on first reading, and ordered published this 2nd day of June, A.D. 2009, and to be presented for final passage on the 7th day of July, A.D. 2009



Mayor

ATTEST:



City Clerk

Passed and adopted on final reading on the 7th day of July, A.D. 2009.

Mayor

ATTEST:

City Clerk