

AGENDA ITEM SUMMARY

December 1, 2020

City Council

STAFF

Blaine Dunn, Senior Treasury Analyst
SeonAh Kendall, Economic Health Manager
Eric Potyondy, Legal

SUBJECT

Second Reading of Ordinance No. 143, 2020, Transferring Appropriations in the General Fund from the Coronavirus Relief Fund, CARES Act, Title V, to the Water and Wastewater Funds.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on November 17, 2020, transfers \$27,245 and \$13,562 of the City's Coronavirus Relief Fund (CVRF) money from the General Fund to the Wastewater and Water Funds, respectively. The transfer is necessary to recognize the future depreciation of certain expenses in the Wastewater and Water Funds for lab supplies and to support teleworking capabilities. To account for this depreciation correctly and to recognize the depreciation expense in the correct fund, the original expenditures should occur in the Wastewater and Water Funds.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

ATTACHMENTS

1. First Reading Agenda Item Summary, November 17, 2020 (w/o attachments) (PDF)
2. Ordinance No. 143, 2020 (PDF)

AGENDA ITEM SUMMARY

November 17, 2020

City Council

STAFF

Blaine Dunn, Senior Treasury Analyst
SeonAh Kendall, Economic Health Manager
Eric Potyondy, Legal

SUBJECT

First Reading of Ordinance No. 143, 2020, Transferring Appropriations in the General Fund from the Coronavirus Relief Fund, CARES Act, Title V, to the Water and Wastewater Funds.

EXECUTIVE SUMMARY

The purpose of this item is to transfer \$27,245 and \$13,562 of the City's Coronavirus Relief Fund (CVRF) money from the General Fund to the Wastewater and Water Funds, respectively. The transfer is necessary to recognize the future depreciation of certain expenses in the Wastewater and Water Funds for lab supplies and to support teleworking capabilities. To account for this depreciation correctly and to recognize the depreciation expense in the correct fund, the original expenditures should occur in the Wastewater and Water Funds.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

On May 18, 2020, Governor Polis signed Executive Order D2020-070, Directing the Expenditure of Federal Funds Pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act, to establish the Coronavirus Relief Fund (CVRF). Through the Colorado Department of Local Affairs (DOLA), this fund will reimburse costs to counties, municipalities, and special districts that:

1. Are necessary expenditures incurred due to the COVID-19 emergency;
2. Are not accounted for in the local government's budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act);* and
3. Were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

*The one exception is payroll expense for staff such as public safety, human services, and similar employees whose services were **substantially dedicated** to mitigating or responding to the COVID-19 public health emergency.

On July 28, 2020, Council adopted Emergency Ordinance No. 094, 2020, Appropriating Unanticipated Revenue in the General Fund from the CVRF, CARES Act, Title V. The Emergency Ordinance appropriated all anticipated expenses associated with the CVRF monies to be spent in the General Fund. As projects have come forward for use of the CVRF, two projects were proposed by the Utilities Service Area – Wastewater and Water Utilities. These projects are lab supplies being used by the Wastewater Utility for the epidemiology study and Water Supervisory Control and data acquisition remote access security enhancements to support teleworking capabilities in the Wastewater and Water Utilities.

This Ordinance will move the appropriation of funds for these two projects, and only these two projects, from the General Fund to the Wastewater and Water Funds. There are costs associated with both projects that will be considered a capital asset when the projects are finished and will have future depreciation expenses associated with the expenditure. To account for this depreciation correctly and to recognize the depreciation expense in the correct fund, the original expenditures should occur in the Wastewater and Water Funds.

This Ordinance does not change the purpose for expending the transferred funds.

CITY FINANCIAL IMPACTS

The General Fund will transfer the following amount to the Water and Wastewater Fund for each project:

- Epidemiology Lab Supplies - General Fund will transfer \$13,683 to the Wastewater Fund
- WSCADA Remote Access - General Fund will transfer \$13,562 to the Wastewater Fund; General fund will transfer \$13,562 to the Water Fund

Combined, the General Fund will transfer \$27,245 and \$13,562 to the Wastewater and Water Funds, respectively.

The source of these funds is the CVRF and therefore was not previously budgeted in the General Fund. The transfer of these funds will not have an impact on the General Fund. The expense incurred in the Wastewater and Water Funds are new expenses due to COVID-19.

ORDINANCE NO. 143, 2020
OF THE COUNCIL OF THE CITY OF FORT COLLINS
TRANSFERRING APPROPRIATIONS IN THE GENERAL FUND FROM THE
CORONAVIRUS RELIEF FUND, CARES ACT, TITLE V, TO THE
WATER AND WASTEWATER FUNDS

WHEREAS, On May 18, 2020, Governor Polis signed Executive Order D2020 070, Directing the Expenditure of Federal Funds Pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act, to establish the Coronavirus Relief Fund (“CVRF”); and

WHEREAS, On July 28, 2020, City Council passed Emergency Ordinance No. 094, 2020, which appropriated all anticipated expenses associated with the CVRF monies to be spent in the General Fund; and

WHEREAS, the Utilities Service Area, through its Wastewater and Water Utilities, have proposed projects to appropriately use the CVRF monies, being: (1) for lab supplies being used by the Wastewater Utility for the epidemiology study and Water Supervisory Control; and (2) for data acquisition remote access security enhancements to support teleworking capabilities in the Wastewater and Water Utilities; and

WHEREAS, these projects will be considered a capital asset when finished and will have future depreciation expenses associated with the expenditures, such that the original expenditures should be in the Wastewater and Water Funds so that depreciation is properly accounted for; and

WHEREAS, this appropriation benefits public health, safety and welfare of the citizens of Fort Collins and serves various public purposes, including: epidemiological studies associated with the COVID-19 pandemic that will facilitate public health; studies that improve the water and wastewater service provided to Utilities wastewater and water customers; and improved teleworking capabilities of Utilities staff that improves the water and wastewater service provided to Utilities wastewater and water customers and reduces the likelihood of the spread of COVID-19; and

WHEREAS, Article V, Section 10 of the City Charter authorizes the City Council, upon recommendation by the City Manager, to transfer by ordinance any unexpended and unencumbered appropriated amount or portion thereof from one fund or capital project to another fund or capital project, provided that the purpose for which the transferred funds are to be expended remains unchanged, the purpose for which the funds were initially appropriated no longer exists, or the proposed transfer is from a fund or capital project in which the amount appropriated exceeds the amount needed to accomplish the purpose specified in the appropriation ordinance; and

WHEREAS, the City Manager has recommended the transfer of \$27,245 from the General Fund to the Wastewater Fund and determined that the purpose for which the transferred funds are to be expended remains unchanged; and

WHEREAS, the City Manager has recommended the transfer of \$13,562 from the General Fund to the Water Fund and determined that the purpose for which the transferred funds are to be expended remains unchanged.

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

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That the unexpended appropriated amount of TWENTY-SEVEN THOUSAND TWO HUNDRED FORTY-FIVE DOLLARS (\$27,245) is authorized for transfer from the Coronavirus Relief Fund in the General Fund to the Wastewater Fund for expenses occurred due to impacts from COVID-19 appropriated therein.

Section 3. That the unexpended appropriated amount of THIRTEEN THOUSAND FIVE HUNDRED SIXTY-TWO DOLLARS (\$13,562) is authorized for transfer from the Coronavirus Relief Fund in the General Fund to the Water Fund for expenses occurred due to impacts from COVID-19 appropriated therein.

Introduced, considered favorably on first reading, and ordered published this 17th day of November, A.D. 2020, and to be presented for final passage on the 1st day of December, A.D. 2020.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 1st day of December, A.D. 2020.

Mayor

ATTEST:

City Clerk