



Memorandum

To: City Council
From: Ben Cowan
Date: 3/11/2016
Re: 2015 Carry-Forward Projects/2016 Additional Appropriations

We discussed the attached proposed ordinance during the February 16 work session. Adoption of the ordinance still leaves the General Fund in compliance with the 33% minimum fund balance threshold. The Council had expressed that perhaps some changes should be made to the existing budget. The staff recommendation is to adopt the attached ordinance to authorize moving forward on the included projects. Further changes could be made to the budget at a later date, if desired.

Since the work session in February, the following changes have been included in the proposed ordinance:

- 1) \$500 was authorized to be redirected from challenge grants to support funding the Sage Grouse Summit.
- 2) \$66,000 was allocated for the Safe Streets project and \$7,660 was billed in January. In order to keep the revised scope of work in line with the adopted budget, it is proposed that \$41,760 from the Comprehensive Plan update project be redirected to the Safe Streets design program. The Comprehensive Plan has \$52,337 allocated for this year, which would mean this figure would be reduced to \$10,577. As a result, \$107,760 will be available for conceptual design of both Tomichi Avenue and Main Street and the 30% design of Tomichi Avenue.
- 3) \$25,000 will be transferred to the General Fund from the Other Recreation Improvements Fund to support the purchase of the Legion Park restrooms. The Council indicated support for replacement of the restrooms regardless of whether or not the \$20,000 deposit can be collected from the low bidder. Coupled with the carry-forward of \$130,000 below, \$155,000 will be available for the restrooms. If the deposit is returned, the transfer will be reduced to \$5,000.

The carry forward projects below involve re-appropriation of unused funds that were formerly budgeted and projected to be spent in 2015:

- 1) Fire Truck – The replacement of Unit #83, a 1984 Ford 900 fire truck, was budgeted at \$400,000 in 2015. The chassis and the body are constructed separately. The chassis was completed in 2015 for \$128,564 and the body was not completed in 2015. June 4, 2016 is the scheduled completion date for the \$271,436 remaining for the body and related equipment.
- 2) Fire Hoses - \$7,500 was budgeted to replace worn out fire hoses. An order was placed in 2015, but the manufacturer went out of business and hoses were not available from an alternate supplier until 2016. \$7,009 (\$7,500 less \$491 for adapters and fittings) is requested for roll forward.

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- 3) Restrooms – 2015 included a budget for restroom facilities in Legion Park, the City Mountain Park, and two units for the new trails. Because the restroom design was new, the project required design drawings and calculations that were not approved until so late in the year that installation during the winter was not feasible. \$130,000 for Legion Park (\$150,000 original budget less the \$20,000 deposit required for design work) and \$44,697 (\$45,000 less permitting of \$511) for the City Mountain Park needs to be rolled forward. The units situated on the new trails are included in the overall trail request below. Delivery of the units are planned in April 2016.
- 4) Message Kiosk - \$25,000 was budgeted for the installation of a message board in Legion or Jorgensen Park, with the ability to announce/advertise local events. The unit will be remotely programmable from the Events Manager Office at the rink and/or the Visitor Center.
- 5) Lazy K Planning - \$1,050,000 was authorized by the Council in 2015 for the purchase of the Lazy K parcel, along with some preliminary planning efforts and survey work. In 2015, the following costs were incurred:

Land Purchase	\$999,154.06
Survey	2,260.00
Open House Advertisements/Refreshments	419.39
Phase I Environmental Study	1,700.00
Wetlands Delineation	<u>1,770.00</u>
TOTAL	\$1,005,303.45

The remaining \$44,697 is proposed for carry forward to be used to finale the preliminary planning effort, with cooperation with the CU Center for Community Development and the State of Colorado Department of Local Affairs.

- 6) City Shop Demolition - \$100,000 was budgeted in 2015 to remove the old, dangerous City Shop.
- 7) Comprehensive Plan – The Comprehensive Plan was estimated to cost \$100,000 over a three-year period. The 2015 budget included \$56,035 and the proposed ordinance rolls over the remaining \$52,337 to continue the work in 2016 (please see the above note to redirect a portion to the Safe Streets design).
- 8) Slip Lining – A contract for \$350,000 was initiated in 2015 to line aging sewer lines, with work to be completed by November. Slip lining is designed to prevent inflow and infiltration while extending the lines' useful life. The contractor briefly blew out the lines and cut off impeding some sewer tap connections in preparation of the slip lining work, but never completed the agreed upon work. The contract was cancelled for breach. The unused funds will be added to \$100,000 budgeted in 2016 for a total project of \$450,000 in the Wastewater enterprise fund.
- 9) Ridges to Rivers – Trail construction was commenced in 2015, but all remaining funds need to be rolled forward to complete construction of the Signal Peak Trail and Tomichi Valley Ditch Trail. The original budget included a commitment to spend \$200,000 of City funds derived from the 1% Parks and Recreation Tax. Other funds will be secured from a Great Outdoors Colorado Grant and other contributions.

The remaining items are related to the Separation Agreement reached with Ken Coleman. Since the agreement was executed the same day as the budget was adopted, the associated costs were not included in the adopted 2016 budget.

- 1) City Manager Separation - Of the total agreed upon costs of \$290,297, \$279,940 are incurred in 2016. The budget for the City Manager department needs to be increased to accommodate the unanticipated costs. Depending upon the negotiated salary with a new Manager, these line items may need to be revisited later in the year.

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- 2) City Manager Recruitment Services – A contract has been executed with SGR with a \$25,000 not-to-exceed maximum price. Depending on the number of finalist candidates and required travel expenditures, \$27,000 will likely cover the costs of recruitment for a new City Manager.

The staff proposes using the threshold between the 40% maximum and the 33% minimum to fund the new expenses. The above additional appropriations will drop the General Fund ending unreserved fund balance to 34%, from the adopted percentage of 40%. The resulting buffer between the amended budget and the 33% minimum reserve is \$52,337.

Please let me know if you have any questions or require additional information.

**ORDINANCE NO. 1
SERIES 2016**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, ADOPTING AN ADDITIONAL APPROPRIATION FOR THE FISCAL YEAR ENDING DECEMBER 31, 2016.

WHEREAS, by Ordinance No. 19, Series 2015, appropriations for the year 2016 were made; and

WHEREAS, additional appropriations may be made by ordinance as authorized under Section 7.11 of the City of Gunnison’s Municipal Home Rule Charter; and

WHEREAS, since adoption of the 2016 Budget, receipt of additional revenues have been recognized and expenditures authorized therefrom; and

WHEREAS, transfers of appropriated funds from one department to another may be made by resolution or ordinance as authorized under Section 7.10 of the City of Gunnison’s Municipal Home Rule Charter.

NOW, THEREFORE, IT IS ORDAINED BY THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, AS FOLLOWS:

Section 1. Appropriations. Section 2 of Ordinance No. 19, Series 2015, is amended to reflect the budgeting and appropriation of aggregate 2016 expenditures to the respective Funds as follows:

	Original 2016 Budget	Additional Appropriation	Interim 2016 Budget
General Fund	7,637,257	1,006,908	8,644,165
Conservation Trust Fund	45,667	0	45,667
Ditch Fund	554,161	0	554,161
Firemen's Pension Fund	198,000	0	198,000
Enterprise Fund	11,035,005	943,067	11,978,072
Fleet Maintenance Fund	429,888	0	429,888
TOTAL	\$19,899,978	\$1,949,975	\$21,849,953

Section 2. Transfers.

- a) Transfer of \$500 for financial support of the Sage Grouse Summit from the Youth Challenge Grants to Contracts for Service.
- b) Transfer of \$41,760 for safe streets project development from the Comprehensive Plan.

Section 3. **Amendment.** This Ordinance shall constitute an amendment to the 2016 Budget adopted by Ordinance No. 19, Series 2015.

INTRODUCED, READ, PASSED AND ORDERED PUBLISHED this 15th day of March, 2016, on first reading, and introduced, read, and adopted on second and final reading this 12th day of April, 2016.

Mayor

SEAL:

ATTEST:

City Clerk

Published by Title in the
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March 24, 2016

**CITY OF GUNNISON
 ADDITIONAL APPROPRIATIONS
 FOR THE YEAR ENDED 12/31/16**

2015 CARRYOVER PROJECTS

		Debit		Credit		
Fund	Purpose	Amount	Account	Funding Source	Amount	Account
01	Firetruck chassis constructed in 2015. The body will be constructed in 2016.	271,436	01 4038 9367	Roll forward from prior year	271,436	Fund Balance
01	Legion restroom building not delivered in 2015.	130,000	01 4038 9542	Roll forward from prior year	130,000	Fund Balance
01	Message kiosk not completed in 2015.	25,000	01 4038 9543	Roll forward from prior year	25,000	Fund Balance
01	Taylor Mountain Park restrooms not delivered in 2015.	44,489	01 4038 9544	Roll forward from prior year	44,489	Fund Balance
01	Lazy K purchase allotment included planning not completed in 2015.	44,697	01 4038 9860	Roll forward from prior year	44,697	Fund Balance
01	Old City Shop demolition was not completed in 2015.	100,000	01 4038 9866	Roll forward from prior year	100,000	Fund Balance
01	Fire hoses budgeted in 2015 were not available until 2016.	7,009	01 4039 9369	Roll forward from prior year	7,009	Fund Balance
01	The Comprehensive Plan was planned to cost \$100,000 over three years.	52,337	01 4039 9570	Roll forward from prior year	52,337	Fund Balance
GENERAL FUND TOTAL		674,968			674,968	
30	I/I reduction (slip lining). Contractor did not complete within allowable time.	350,000	30 4205 9751	Roll forward from prior year	350,000	Fund Balance
WASTEWATER FUND TOTAL		350,000			350,000	
53	Trails construction for Ridges to Rivers grant	568,067	53 4401 9965	State trail grants (GOCO)	407,200	53 3302
53				Local trail grants (Gunnison County \$3,000, Town of Crested Butte \$1,000)	4,000	53 3303
53				Other contributions (\$7,000 Western, Law of the Rockies \$250)	7,250	53 3650
53				Roll forward from prior year (\$200,000 trail commitment less \$52,633 & cont.)	149,617	Fund Balance
TRAILS FUND TOTAL		568,067			568,067	

2015 CARRYOVER PROJECTS

		Debit		Credit		
Fund	Purpose	Amount	Account	Funding Source	Amount	Account
CARRY FORWARD TOTAL		<u>1,593,035</u>			<u>1,593,035</u>	

2016 ADDITIONAL APPROPRIATIONS

		Debit		Credit		
Fund	Purpose	Amount	Account	Funding Source	Amount	Account
01	City Manager Separation Agreement			General Fund Reserve	279,940	Fund Balance
01	Wages	228,738	01 4004 4101			
01	Social Security	7,347	01 4004 4103			
01	Medicare	3,453	01 4004 4104			
01	Health Insurance	17,528	01 4004 4106			
01	Retirement	22,874	01 4004 4108			
01	City Manager Recruitment Services	27,000	01 4004 4330	General Fund Reserve	27,000	Fund Balance
01	Legion Park Restrooms	25,000	01 4038 9542	Transfer from Other Recreation Improvements Fund	25,000	01 3999
GENERAL FUND TOTAL		<u>331,940</u>			<u>331,940</u>	

01	Transfer to General Fund for Legion Park Restrooms	25,000	54 4999 4999	Other Recreation Improvements Fund Reserve	25,000	Fund Balance
OTHER RECREATION IMPROVEMENTS FUND TOTAL		<u>25,000</u>			<u>25,000</u>	

ADDITIONAL APPROPRIATIONS TOTAL		<u>356,940</u>			<u>356,940</u>	
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GRAND TOTAL		<u>1,949,975</u>			<u>1,949,975</u>	
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**CITY OF GUNNISON
GENERAL FUND
SUMMARY**

Account	Description	2013 Actual	2014 Actual	Original Budget	2015 Revised Budget	Projected Year-end	2016 Budget
REVENUES							
	TAXES	5,560,241	5,792,506	5,793,034	5,793,034	6,280,654	6,293,529
	PERMITS/LICENSES	64,480	105,015	43,500	43,500	85,374	57,408
	INTERGOVERNMENTAL	1,071,660	814,531	510,425	510,878	617,526	295,717
	CHARGES FOR SVCS	255,010	240,886	260,257	265,106	283,393	260,488
	FINES/FORFEITURES	32,125	31,177	27,800	27,800	24,600	24,800
	MISCELLANEOUS	62,389	118,494	186,084	227,022	223,305	44,200
	INTEREST	6,751	22,087	15,500	15,500	18,000	13,500
	TRANSFERS IN	201,529	0	395,000	995,000	986,769	0
	TOTAL REVENUE	7,254,185	7,124,696	7,231,600	7,877,840	8,519,621	6,989,642
EXPENDITURES							
	GENERAL GOVERNMENT	838,345	851,681	1,024,760	1,035,760	997,436	1,378,998
	PUBLIC SAFETY	1,728,144	1,983,678	2,198,960	2,204,633	2,203,102	2,506,714
	PUBLIC WORKS	1,567,887	1,511,007	1,657,363	1,663,395	1,659,537	1,817,775
	CAPITAL OUTLAY	1,776,997	1,204,294	1,984,873	3,057,273	2,291,070	1,341,837
	RECREATION & PARKS	895,001	957,287	1,022,783	1,030,170	1,007,127	1,077,081
	GRANTS/ECON DEV/EVENTS	185,579	343,379	286,477	286,477	272,367	344,350
	TRANSFERS OUT	18,830	73,620	73,620	108,308	108,308	177,409
	TOTAL EXPENDITURES	7,010,783	6,924,946	8,248,836	9,386,016	8,538,947	8,644,165
	Revenues Over (Under) Expenditures	243,402	199,750	(1,017,236)	(1,508,176)	(19,325)	(1,654,523)
	Beginning Fund Balance	4,044,880	4,288,286	4,292,873	4,488,043	4,488,043	4,468,718
	Ending Fund Balance	4,288,286	4,488,043	3,275,637	2,979,867	4,468,718	2,814,195
	Ending Fund Balance % of Total Expenditures	61%	65%	40%	32%	52%	33%
	Ending Fund Balance Analysis						
	Unreserved Fund Balance	4,285,670	4,485,426	3,273,019	2,977,249	4,466,100	2,588,563
	Real Estate Transfer Assessment	2,616	2,617	2,618	2,618	2,618	2,619
	Strategic Plan Implementation	0	0	0	0	0	223,013
	Capital Replacement Reserve	0	0	0	0	0	0
		4,288,286	4,488,043	3,275,637	2,979,867	4,468,718	2,814,195
	Ending Unreserved Fund Balance % of Total Expenditures						34%
Reserve Calculation							
	Total Expenditures				8,644,165		
	Less: Expenditures for One-Time Strategic Plan Implementation						
	Safe Street Multimodal Plan Consulting Services				(41,000)		
	Safe Street Multimodal Plan Engineering Services				(25,000)		
	Property Acquisition for Downtown Parking				(250,000)		
	City Website				(20,000)		
	Less: Carry-forward Projects				(674,968)		
	Expenditures Subject to Reserve Requirement				7,633,197		
	Minimum Unreserved Fund Balance		33% of expenditures	----->	2,518,955		
	Maximum Unreserved Fund Balance		40% of expenditures	----->	3,053,279		
	Remaining Available for Appropriations						52,337
	Available Funds Remaining @ 100% (Projections or budgeted revenue)						69,608