



STAFF REPORT

DATE: January 12, 2021
TO: Honorable Mayor and City Council
FROM: Bruce Riddle, Finance Director
SUBJECT: FY 2021 BUDGET AMENDMENT

RECOMMENDED MOTION

The Finance Department recommends adopting Resolution _____ to open and amend the General Fund, CIP Fund, Internal Service Fund, Special Revenue Fund, Water Fund, Sewer Fund, Electric Fund, Storm Water Fund, Solid Waste Fund and Golf Fund budgets for operating and capital expenses applying to the Fiscal Year ending June 30, 2021 as outlined in Exhibit A (attached).

SUMMARY OF ISSUES/FOCUS OF ACTION

The Uniform Fiscal Procedures Act for Utah Cities sets forth the procedures for the governing body to review and increase or decrease the appropriations in operating and capital budgets of the city. The resolution will provide the budget authority for the city to proceed with the projects detailed in the report.

BACKGROUND

Unexpected expenses have emerged since the beginning of the budget year. In order to proceed with addressing the variations from the original budget, The Council will need to act through amending the budget.

DISCUSSION

In response to new developments and after reviewing the various fund budgets the Finance Department recommends the following budget appropriation. Requests for appropriation as well as the funding sources are summarized in Exhibit A (attached). A brief description of the recommended action is as follows:

- *Various Funds - Uniforms*. During the FY 2021 budget preparation cycle, uniform budgets were cut from a base amount of \$85/employee to \$55/employee in an effort to balance budgets that had been reduced based on conservative revenue projects in anticipation of an economic downturn resulting from the COVID pandemic. With half of the budget year now transpired, revenues are far exceeding the reduced budgets and are more in line with historic averages. As such, it is

proposed to restore uniform budgets to their original base amounts, which is an impact of approximately \$56,000 city wide.

- *General Fund*
 - Recreation Program. The Recreation Department received a donation from Warren Orthodontics to fund this year's Santa program.
 - Court Personnel. The Court is requesting additional 400 hours for existing part-time employees through the remainder of the fiscal year. This need is driven primarily by additional tasks required to handle cases with COVID protocols (e.g. scheduling, preparing and often re-scheduling Webex meetings, taking fingerprints previously done by APS Security or Utah County, and additional in-court time). CARES Act funds can cover these additional costs.
 - Transfers. The audit of FY2020 resulted in one state compliance finding, which was that the General Fund balance was higher than is permitted by State Code. In order to remedy this finding, it is proposed that \$1,387,000 be transferred to the General CIP fund to address deferred and unfunded capital projects. This transfer will rectify the state compliance issue for FY 2020; however, an additional transfer will likely be required before the end of FY 2021 to avoid the same problem in FY 2021.

- *Special Revenue Fund - Street Oversizing Project (Impact Fees)*. Landmark Excavation installed approximately 965 linear feet of the 900 S. roadway associated with the Ashton Springs subdivision. Under the City's development code, the developer is required to install a "local" road at its dimensions. However, the City's master plan calls for this section of 900 S. to be designated as a "collector" road. As part of the development agreement, the City agreed to reimburse Landmark Excavation for the cost of upsizing the roadway to a "collector" road size using impact fee reserves. The Council has previously approved the development agreement. This amendment appropriates the funds from impact fee reserves into the budget for expenditure.

- *Water Fund* - The Upper Spring Creek and Lower Spring Creek Tank coating projects were combined as one bid. During the upper spring creek tank coating the contractor found some structural concerns with the tank which needed repairs. As there was a budget amendment going to council at that time, a quick estimate was given, and an additional 75K was added to the budget. Since that time the engineer has had more time to prepare a cost estimate and city staff has had time to look at the project as a whole. Currently the cost to finish the coating portion of the project is projected to cost \$41,722. Internal tank repairs are estimated at \$45,000 plus a \$15,000 contingency. Engineering to complete the project is expected to be \$13,200 bringing a total of \$114,922. The current balance between project budgets is \$86,123.66, which leaves a budgetary shortfall of \$28,728. The Water Division proposes an additional \$30,000 be amended in the budget. The Bartholomew tank project is projected to have around \$100,000 remaining after all invoices are paid, \$30,000 could be used to cover the amendment.



ALTERNATIVES

The Council has the alternative of considering different funding sources than those recommended by staff in Exhibit A. However, taking no action at all on the resolution will leave the staff without the budget authority to proceed with this project.

FISCAL IMPACT

The fiscal impacts of the proposed appropriations are included in Exhibit A.



RESOLUTION #2021-XX

A RESOLUTION OPENING AND AMENDING THE GENERAL FUND, CIP FUND, INTERNAL SERVICE FUND, SPECIAL REVENUE FUND, WATER FUND, SEWER FUND, ELECTRIC FUND, STORM WATER FUND, SOLID WASTE FUND, AND GOLF FUND BUDGETS FOR OPERATING AND CAPITAL EXPENSES APPLYING TO THE FISCAL YEAR ENDING JUNE 30, 2021 AS OUTLINED IN EXHIBIT A.

WHEREAS, the City Council has received a recommendation from the Administration that the Springville City General Fund, CIP Fund, Internal Service Fund, Special Revenue Fund, Water Fund, Sewer Fund, Electric Fund, Storm Water Fund, Solid Waste Fund and Golf Fund budgets be opened and amended for operating and capital expenses; and,

WHEREAS, on January 19, 2021 the City Council held a duly noticed public hearing to ascertain the facts regarding this matter, which facts and comments are found in the meeting record; and,

WHEREAS, after considering the Administration's recommendation, facts and comments presented to the City Council, the Council finds the proposed appropriations reasonably further the health, safety, and general welfare of the citizens of Springville City.

NOW, THEREFORE, be it resolved by the City Council of Springville, Utah as follows:

PART I:

The Budget Officer is hereby authorized and directed to amend the budgets in the General Fund, CIP Fund, Internal Service Fund, Special Revenue Fund, Water Fund, Sewer Fund, Electric Fund, Storm Water Fund, Solid Waste Fund and Golf Fund for operating and capital expenses as outlined in Exhibit A.

PART II:

This resolution shall take effect immediately.

PASSED AND APPROVED this 19th day of January, 2021.

Richard J. Child, Mayor

ATTEST:

Kim Crane, City Recorder

**Exhibit A
City of Springville
Budget Amendment Form**

Fiscal Year Ending June 30, 2021

<i>Item</i>	<i>Fund</i>	<i>Dept.</i>	<i>Acct.</i>	<i>Description</i>	<i>Beginning Budget</i>	<i>Increase</i>	<i>Decrease</i>	<i>Amended Budget</i>	<i>Purpose and Funding Source</i>
Revenues									
	10	3600	838	Misc. Donations	\$1,521	\$1,500		\$3,021	Santa event; Warren Orthodontics
	45	3600	650	Transfer from General Fund	\$1,146,976	\$1,387,000		\$2,533,976	Transfer surplus from General Fund to CIP Fund
	Utilize Reserves					\$1,557,129			
	Total Revenue Amendments					\$1,558,629			
Expenditures									
	10	4250	120	PT Employee Salaries	\$26,476	\$6,643		\$33,119	Additional Court PT wages; CARES Act
	10	4250	130	Employee Benefits	\$106,936	\$515		\$107,451	Additional Court PT wages; CARES Act
	10	4560	540	Small Recreation Programs	\$3,350	\$1,500		\$4,850	Santa event; Warren Orthodontics
	10	9000	874	Transfer to CIP Fund	\$1,146,976	\$1,387,000		\$2,533,976	Transfer surplus from General Fund to CIP Fund
	46	7000	001	Street Oversizing Projects	\$0	\$77,000		\$77,000	900 S. Street upsizing; impact fee reserves
	51	6190	129	Upper Spring Creek Tank Coating	\$82,796	\$30,000		\$112,796	Project budget overage; reserves resulting from Bartholomew Tank project budget savings
				Uniforms - detail next pg.		\$55,971			
	Total Expenditure Amendments					\$1,558,629			

Uniform Budgets

Dept. / Division	G/L #	Beginning Budget	Increase	Amended Budget
Legislative	10-4120-550	330	180	510
Administrative	10-4130-550	550	300	850
IS	10-4132-550	220	120	340
Legal	10-4135-550	385	210	595
Finance	10-4140-550	275	150	425
Treasury	10-4145-550	330	180	510
Building Inspections	10-4160-550	506	276	782
P&Z	10-4165-550	220	120	340
PW	10-4180-550	110	60	170
Engineer	10-4185-550	965	526	1,491
Police	10-4210-550	14,196	7,744	21,939
Police - Non-sworn	10-4210-550	660	360	1,020
Dispatch	10-4211-550	605	330	935
Fire	10-4220-550	36,395	19,851	56,246
Court	10-4250-550	275	150	425
Streets	10-4410-550	3,520	1,920	5,440
Parks	10-4510-550	2,750	1,500	4,250
Canyon Parks	10-4520-550	1,595	870	2,465
Museum	10-4530-550	1,375	750	2,125
Recreation	10-4560-550	2,534	1,382	3,916
Pool	10-4550-550	6,050	3,300	9,350
Cemetery	10-4561-550	1,760	960	2,720
Library	10-4580-550	1,925	1,050	2,975
Senior Citizens	10-4610-550	220	120	340
Central Shop	47-4000-550	1,320	720	2,040
Facilities	47-4182-550	1,155	630	1,785
Water	51-5100-550	5,398	2,945	8,343
PI	51-5150-550	831	454	1,284
Sewer Collections	52-5200-550	1,191	650	1,841
Sewer Treatment	52-5250-550	1,986	1,084	3,069
Electric Distribution	53-5300-550	5,264	2,872	8,135
Electric Generation	53-5350-550	3,575	1,950	5,525
Storm Water	55-5500-550	1,320	720	2,040
Solid Waste	57-5700-550	778	425	1,203
Recycling	57-5750-550	220	120	340
Golf	58-5861-550	1,821	994	2,814
		102,607	55,971	158,578

