



Legislation Text

File #: 20-359, **Version:** 2

Ordinance No. 20-92 approving the Annual Appropriation Ordinance Adopting the Annual Budget and Appropriating Funds for the Several Purposes Named in Said Budget for the Year Ending December 31, 2021

Presenter:

Charae McDaniel, Chief Financial Officer

Summary:

The attached Ordinance adopts the budgets and appropriates all funds and reflects proposed administrative and City Council changes as line items.

The November 3, 2020 voter-approved ballot item 2A impacts the 2021 budget by allowing the City to retain an estimated \$7.5 million that was anticipated to exceed the 2021 TABOR revenue limit. This amount was set aside in the October 5, 2020 version of the 2021 budget as restricted and unspendable. At the two 2021 Budget Markup Sessions, on November 6, 2020 and again on November 12, 2020, City Council discussed changes to the 2021 budget released on October 5, 2020, as related to the passage of ballot item 2A. It was determined that the City would spend approximately \$3.2 million of the 2021 TABOR retention on administrative and City Council proposed expenditures (Attachment A), leaving approximately \$4.3 million of the retention unspent, which results in a contribution to fund balance in 2021.

As a result of cost savings generated in 2020 by the application of federal CARES Act grant funding to eligible expenditures, there will be \$20,000,000 available to rebudget in the General Fund in 2021. Rebudgeted funds typically result from the under expenditure of budgets or from the receipt of revenue which is greater than the budgeted amount in the prior year.

The approximately \$4.3 million of unspent 2021 TABOR retention will reduce the \$20 million of rebudgeted funds in 2021 to approximately \$15.7 million.

The proposed changes to the 2021 Budget are listed in attachments as follows:

- General Fund - Attachment A
- Lodger's and Auto Rental Tax Fund (LART) - Attachment B
- City funded CIP Fund - Attachment C

Background:

The Mayor transmitted the 2021 Budget to City Council on October 5, 2020, and the 2021 Budget was reviewed and discussed by City Council in one budget work session on October 20, 2020 and two budget markup sessions on November 6, 2020 and November 12, 2020. Public input was received by City Council at a formal public hearing held on October 26, 2020.

Previous Council Action:

After the Budget Work Session on October 20, 2020, City Council discussed the presented administrative changes to the 2021 Budget, proposing to reduce the amount of additional funding proposed by administration for the Arterial Roadway Project from \$500,000 to \$160,000, for total project funding in 2021 of \$310,000. City Council also proposed two additional changes: 1) funding of \$200,000 for tree planting and the initiation of the street tree inventory per the Urban Forest Management Plan and 2) funding of \$140,000 for Neighborhood Plans as outlined in PlanCOS. All changes are presented in Attachments A, B and C.

Financial Implications:

The City's 2021 Budget, inclusive of all funds, totals \$660,035,713 which is a decrease of \$22.0 million or 3.23% from the 2020 Budget.

The 2021 General Fund Budget totals \$344,615,040. This represents an increase of \$13.3 million, or 4.03%, above the original 2020 Budget.

City Council Appointed Board/Commission/Committee Recommendation:

N/A

Stakeholder Process:

The City Council Budget Committee met twice on October 14 and 16 of 2020 to review the 2021 budget. Public input was received by City Council at a formal public hearing held on October 26, 2020. In addition, City Council held a budget work session on October 20, 2020 and two budget markup sessions on November 6, 2020 and November 12, 2020.

Alternatives:

City Council may modify the proposed Ordinance.

Proposed Motion:

Move approval of the annual appropriation ordinance adopting the annual budget and appropriating funds for the several purposes named in said budget for the year ending December 31, 2021.

The Annual Appropriation Ordinance Adopting the Annual Budget and Appropriating Funds for the Several Purposes Named in Said Budget for the Year Ending December 31, 2021.