



Legislation Text

File #: 18-0598, **Version:** 2

Ordinance No. 19-10 amending Ordinance No. 18-118 (2019 Appropriation Ordinance) for a supplemental appropriation to the General Fund in the amount of \$41,555 for a transfer to the Capital Improvement Program Fund; and to the Capital Improvement Program Fund in the amount of \$41,555 for street paving in The Estates at Rockrimmon (formerly Crown Hill at Rockrimmon)

Presenter:

Charae McDaniel, Chief Financial Officer
Travis Easton, P.E., Public Works Director
Corey Farkas, Manager of Operations and Maintenance, Public Works

Summary:

The attached Ordinance is a supplemental appropriation to the General Fund to recognize as revenue financial assurance funding of \$41,555 currently held in escrow, and transfer this amount to the Capital Improvement Program (CIP) Fund. The attached Ordinance is also a supplemental appropriation to the CIP Fund for street and pavement improvements within The Estates at Rockrimmon (formerly Crown Hill at Rockrimmon).

The source of funds for the General Fund is the financial assurance currently held in escrow. The source of funds for the CIP Fund is the transfer from the General Fund.

Previous Council Action:

On November 27, 2018, City Council approved the original 2019 budget per Ordinance No. 18-118 (2019 Appropriation Ordinance).

Background:

Due to severely crumbling and cracked streets in The Estates at Rockrimmon, residents within that neighborhood began contacting the Public Works Department in 2015 about the conditions of their roadways. The construction of the roadways occurred from 2006 to 2010. As of 2015, the roadways within that subdivision had not been accepted into the City's inventory because they were poorly constructed. Therefore, at that time, the Public Works Department refused to repave them, and instead, looked to put the responsibility back onto the original developer.

However, after the roads were constructed, the developer filed for bankruptcy, and the development was purchased by Pueblo Bank and Trust. While Pueblo Bank and Trust owned the development, they successfully negotiated to decrease the amount of the financial assurance to \$41,555.

Between 2015 to 2018, it became clear that the City did not have any leverage to address the issue, and the roadways continued to get worse. This was affecting both public safety and property values. After discussions with the City Attorney's office, it was determined that, although the roadways were

not accepted into the City's inventory, the roadways were indeed City property by plat dedication.

The Public Works Department decided that the best course of action was to repave the roadways in 2018. The streets within the subdivision will now be part of the City's inventory and will be the responsibility of the City of Colorado Springs going forward.

While the assurance funds in escrow will not cover the entire project cost of \$368,000, the \$41,555 will be used to offset the total cost of the paving project that was completed in the Summer of 2018.

Financial Implications:

The supplemental appropriation increases the 2019 General Fund and CIP Fund revenue and expenditure budgets by \$41,555. The funds will be recognized as revenue into the General Fund, then will be transferred to the CIP Fund. The source of funds for the General fund is the Crown Hill at Rockrimmon (now called The Estates at Rockrimmon) financial assurance which is currently held in escrow. The source of funds for the CIP Fund is the transfer from the General Fund. The net effect to the General Fund and CIP Fund fund balances will be zero.

Board/Commission Recommendation:

N/A

Stakeholder Process:

The City Council Budget Committee has reviewed and recommended this supplemental appropriation request at the meeting on December 11, 2018.

Alternatives:

N/A

Proposed Motion:

Move approval of the supplemental appropriation to the General Fund and the CIP Fund in the amount of \$41,555 for a transfer of financial assurance out of escrow held for The Estates at Rockrimmon (formerly Crown Hill at Rockrimmon), into the General Fund, which will then be transferred to the CIP Fund for street paving within The Estates at Rockrimmon.

An ordinance amending Ordinance No. 18-118 (2019 Appropriation Ordinance) for a supplemental appropriation to the General Fund in the amount of \$41,555 for a transfer to the Capital Improvement Program Fund; and to the Capital Improvement Program Fund in the amount of \$41,555 for street paving in The Estates at Rockrimmon (formerly Crown Hill at Rockrimmon)