



## Legislation Text

---

**File #:** 16-540, **Version:** 2

---

Ordinance No. 16-98 amending Ordinance No. 15-86 (2016 Appropriation Ordinance) for a Supplemental Appropriation to the Subdivision Drainage Fund in the amount of \$4,000,000 for the purpose of reimbursements to developers for eligible major drainage improvements, to the Cemetery Enterprise Fund in the amount of \$33,500 for the purchase of capital equipment, to the Cemetery Endowment Fund in the amount of \$33,500 for the purpose of increasing the transfer to the Cemetery Enterprise Fund, and to the Gift Trust Fund in the amount of \$500,000 for the purpose of allowing spending for the remainder of the year

**Presenter:**

Kara Skinner, Chief Financial Officer

**Summary:**

The attached ordinance is a supplemental appropriation for the budgets of the Subdivision Drainage Fund, the Cemetery Enterprise Fund, the Cemetery Endowment Fund, and the Gift Trust Fund.

For the Subdivision Drainage Fund, with an increase in platting and construction activity and the related major subdivision drainage improvements within the City's drainage basins, the attached ordinance increases the 2016 Budget by \$4,000,000 to accommodate reimbursement payments. The attached information (Exhibit A) provides a summary of the amount of reimbursements, credits and deferred fees to date in all drainage basins.

For the Cemetery Enterprise Fund, Evergreen Cemetery needed to replace its backhoe and had an opportunity to purchase one from Colorado Springs Utilities. The attached Ordinance increases the 2016 Budget by \$33,500 to partially fund that purchase.

For the Cemetery Endowment Fund, in accordance with the Cemetery Endowment Fund Investment Policy definition of income as total return and the Cemetery Endowment Fund draw policy, an additional \$33,500 can be transferred to the Cemetery Enterprise for capital needs, such as the backhoe. The additional amount will be transferred to the Cemetery Enterprise Fund to assist with the purchase of the backhoe.

For the Gift Trust Fund, a higher than budgeted amount of expenditures are projected for the year. The attached Ordinance increases the 2016 Budget by \$500,000 to allow spending to continue for the remainder of the year.

**Previous Council Action:**

On December 07, 2015, City Council approved Ordinance No. 15-86 (2016 Appropriation Ordinance).

**Background:**

The Subdivision Drainage Funds are used to reimburse developers that are required to construct major subdivision drainage improvements within the applicable drainage basins. The fees are collected as development occurs within the applicable drainage basin. The payouts occur bi-annually based on a prioritized list of items that have been approved by the Drainage Board for reimbursement, and the credits and deferred fees are handled throughout the year. Credits and deferred fees are applicable in large basins that are primarily developed by a single entity, for example Wolf Ranch in the Cottonwood Basin.

The Cemetery Enterprise Fund oversees the Evergreen and Fairview Cemeteries. Periodic equipment replacement is based on the highest priority needs of the operation. Evergreen Cemetery's backhoe was extremely old, beyond its useful life, and was regularly in for costly maintenance. Colorado Springs Utilities recently had a backhoe in the process of being removed from service that was much newer than the current equipment being used at Evergreen Cemetery. As a critical piece of equipment for the efficient operation of the Enterprise, staff acquired the backhoe at fair market value. There was additional expense needed for new tires and an appropriately sized bucket. The Enterprise's 2016 budget does not have the appropriation authority to cover the cost of the new equipment. The total cost to purchase the used backhoe and outfit it for operation at Evergreen Cemetery is estimated at \$35,800. There is an additional amount of up to \$33,500 that is projected to be transferred from the Endowment to the Cemetery Enterprise Fund. The Cemetery Enterprise Fund will accommodate the remaining amount of the purchase within existing expenditure authority.

The Cemetery Endowment Fund's 2016 Budget includes a transfer from the Cemetery Endowment Fund to the Cemetery Enterprise Fund of \$250,000. In accordance with the Cemetery Endowment Fund Investment Policy definition of income as total return and the Cemetery Endowment Fund draw policy, an additional \$33,500 is available be transferred to the Cemetery Enterprise for capital needs, such as the backhoe. The transfer from the Endowment to the Cemetery Enterprise Fund will be increased by this amount.

The Gift Trust Fund is used to account for gifts received by the City, which are donations from private individuals or business. The expenditures from the fund are required to comply with the designation of the funds by the donor. Many programs are the recipients of Gift Trust funds, such as Police VNI, Pikes Peak America's Mountain Pikes Peak Preservation, Parks Community Centers, and the Pioneers Museum. Expenditures from the Gift Trust Fund is very irregular, as the expenses must align with the specific designation of the donor. For 2016, the expenditures are trending approximately \$500,000 higher than anticipated in the budget.

#### **Financial Implications:**

The supplemental appropriation increases the 2016 Subdivision Drainage Fund revenue and expenditure budgets by \$4,000,000 - the source of funds is the increase in fee revenue to the fund; the Cemetery Endowment Fund revenue and expenditure budgets by \$33,500 - the source of funds is income; the Cemetery Enterprise Fund revenue and expenditure budgets by \$33,500 - the source of funds is an increase in the transfer from the Cemetery Endowment Fund; and, the Gift Trust Fund expenditure budget by \$500,000 - the source of funds is donations received in prior years.

#### **Board/Commission Recommendation:**

N/A

**Stakeholder Process:**

N/A

**Alternatives:**

N/A

**Proposed Motion:**

Move approval of the supplemental appropriation ordinance.

An Ordinance Amending Ordinance No. 15-86 (2016 Appropriation Ordinance) for a Supplemental Appropriation to the Subdivision Drainage Fund in the Amount of \$4,000,000 for the Purpose of Reimbursements to Developers for Eligible Major Drainage Improvements, to the Cemetery Enterprise Fund in the amount of \$33,500 for the purchase of capital equipment, to the Cemetery Endowment Fund in the amount of \$33,500 for the purpose of increasing the transfer to the Cemetery Enterprise Fund, and to the Gift Trust Fund in the amount of \$500,000 for the purpose of allowing spending for the remainder of the year