



FINANCE MEMORANDUM
#18-06

DATE: June 11, 2018

TO: Honorable Mayor Carol A. Dodge and City Council Members

FROM: James A. Hayes, AICP, City Manager 
Jason Loveland, Director of Finance 

SUBJECT: CB – 1910 Supplemental Appropriation

PURPOSE:

City Council is considering a Special Ordinance to amend the 2018 Operating and Capital Improvement Budget.

BACKGROUND:

On March 27, 2017, the City Council approved Resolution No. 17-35 for the construction of the Justice Center. The total project budget, including all contingencies is \$23,565,895.

Pursuant to Section 5-8-17(b) of the City's Municipal Code:

“The City Council may by ordinance amend any appropriation to conform to the budget as adopted or amended, and shall do so to the extent any such appropriation is affected by any supplemental appropriation, emergency appropriation, reduction of appropriations or transfer of appropriations.”

UPDATE:

CB-1910 recognizes expenditures in the 2018 Budget for the following items:

- \$725,000 added to the 2018 budget for the costs associated with the Justice Center project.

The debt issuance of \$19,325,000, in April of 2017, resulted in a bond premium of \$1,929,736.05. The cash received from the premium was used to pay for cost of issuance expenses (\$254,736.05) and as funding support of a portion, \$1,000,000, of the \$23,565,895 budget.

The remaining premium and the related interest earnings on the bond proceeds are \$725,000 and recommended as the funding source of the appropriation request.

It is forecast that all, or more, of the budget and contingencies for the project will be expended by the end of the project and use of the remaining bond premium proceeds will be needed. Any unspent premium of the \$725,000 will be retained by the Capital Project Fund for future City projects.

BUDGET IMPLICATIONS:

The proposed Ordinance will increase 2018 Budget appropriations by \$725,000. The Capital Projects Fund appropriation increase as follows:

Fund	Adopted Net Change in Fund Balance	Supplemental Appropriation, net	Amended Net Change in Fund Balance
Capital Projects	(\$16,856,452)	(\$725,000)	(\$17,581,452)

RECOMMENDATION:

Staff recommends approval of CB-1910 to amend the 2018 Operating and Capital Improvement Budget to increase the Justice Center project budget by the remaining bond premium of \$725,000.

STAFF REFERENCE:

If Council members have any comments or questions, you may contact Jason Loveland at jloveland@northglenn.org or at 303.450.8817.

SPONSORED BY: MAYOR DODGE

COUNCILMAN'S BILL

ORDINANCE NO.

No. CB-1910
Series of 2018

Series of 2018

A BILL FOR A SPECIAL ORDINANCE AMENDING THE 2018 BUDGET RECOGNIZING REVENUES AND APPROPRIATING EXPENDITURES BY SUPPLEMENTAL APPROPRIATION, FOR THE PAYMENT OF THE COSTS AND EXPENSES OF THE MUNICIPAL GOVERNMENT, AGENCIES AND OFFICES OF THE CITY OF NORTHGLENN, COLORADO, FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2018.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT THE 2018 BUDGET SHALL BE AMENDED AS FOLLOWS:

Section 1. Recognition of revenues and supplemental appropriations.

(a) Capital Projects Fund. Amend the 2018 Capital Projects Fund budget to increase appropriations in the amount of \$725,000 as follows:

(Item 1) \$725,000 added to the 2018 budget for the costs associated with Justice Center project.

Section 2. The City Council of the City of Northglenn, Colorado, hereby finds and declares that in making appropriations provided by this ordinance:

- (a) No appropriation for debt service has been reduced or transferred.
- (b) No appropriation has been reduced below any amount required by law to be appropriated.
- (c) No appropriation has been reduced by more than the unencumbered balance thereof.
- (d) In the case of each transfer of all or part of any unencumbered appropriation, such transfer has been requested and approved by the City Manager.
- (e) In the case of each reduction of an appropriation, the City Manager has rendered his report and recommendations thereon and has requested and approved such reduction.
- (f) In the case of the appropriation amendment, the City Manager has certified that there are funds available for appropriation.

INTRODUCED, READ AND ORDERED POSTED this ____ day of _____,
2018.

CAROL A. DODGE
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

PASSED ON SECOND AND FINAL READING this ____ day of _____,
2018.

CAROL A. DODGE
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney