



## TOWN OF ERIE

### MEMORANDUM

**TO:** Board of Trustees  
A.J. Krieger, Town Administrator

**CC:** Town Clerk

**FROM:** Steve Felten, Finance Director

**DATE:** June 9, 2017

**SUBJECT:** 1st Supplemental Appropriation – 2017 Budget

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We are pleased to present the 2017 1<sup>st</sup> Supplemental Appropriation Request to amend the 2017 Budget.

Staff generally presents two supplemental appropriations during the course of a calendar year. The first, typically presented in the May/June timeframe, primarily consists of carryover appropriations that were approved for the prior year budget. The second, usually presented around November, includes various adjustments that could not be anticipated when the original budget was prepared.

Accompanying this memo are three schedules: a summary of the proposed revenue and expenditure changes; a detail list of each proposed change; and a summary of changes in fund balance/working capital by fund, reflecting the proposed revised budget. This memorandum and the attached schedules provide information on all significant changes. Changes are split out by new requests, rollover requests for capital projects, requests previously approved by the Board, transfers of existing appropriations between budget line items or deferrals of all or part of various capital projects to future years with transfers to other projects in the current year.

#### **Summary of Supplemental Appropriation Changes/Requests:**

##### **Revenue Changes:**

Total projected revenues are being increased \$10,412,000, primarily the result of increases in development-related taxes and fees, sales tax and grants, in addition to the \$4.6 million in bond

proceeds related to the Water Fund debt refunding in March. Significant increases other than the debt refunding bond proceeds include \$4.0 million for development-related revenues, primarily the result of increasing the number of budgeted single-family permits from 400 to 465. Grants revenues were increased \$614 thousand, primarily in the Airport Fund, and sales tax was increased \$389 thousand.

### **Expenditure Requests:**

Total requested expenditure changes reflect an increase of \$35,829,600, primarily the result of capital project requests.

Brief descriptions of significant additional expenditure requests follow.

**Personnel Expenditure Changes** – There are three new positions proposed in the supplemental appropriation – an environmental planner (General Fund), an additional patrol officer (General Fund), and a customer service manager to take on a portion of the current duties of the deputy finance director (spread across the General Fund, the Water Fund and the Wastewater Fund). Total cost for these three positions assuming a 7/1/17 start date is \$100 thousand, which also reflects deferral of filling the NSO position beyond 2017.

**Operations Expenditure Changes** – There are a total of \$509,700 in net operations expenditure requests (non-capital, non-debt). The bulk of this increase reflects \$170,000 in additional funds for Pinyon Environmental activities and the \$200,000 rollover of three consulting projects originally budgeted in 2016 but not yet started (studies related to I-25, a bridge from Colliers Hill and wayfinding).

**Capital Outlay Expenditures** – Capital expenditure supplemental appropriation requests total \$30,550,600, of which \$29,604,000 represents rollovers of project budgeted in 2016 but not yet completed as of year-end. Also included in capital requests are \$992,000 in projects already approved by previous Board action (\$690,000 for Flatiron Meadows Park and \$132,700 for Coal Creek and Linear Parks). Project requests in excess of \$500,000 consist of the following:

Purchase of 6 Windy Gap Units (Water Fund) - \$9,000,000  
Solids Handling Building & Equipment (Water Fund) - \$3,390,900  
Biosolids Improvements (Wastewater Fund) - \$3,258,000  
Zone 3 Waterline Extension – Phase 1 (Water Fund) - \$2,245,200  
Colliers Hill Reimbursement for Storm Drainage Infrastructure (Storm Drainage Impact Fund) - \$2,000,000  
Coal Creek Improvements (Storm Drainage Impact Fund) - \$1,800,000  
Non-Potable Water System – Phase 1 (Water Fund) - \$1,487,700  
County Line Road Improvements (Transportation Impact Fund) - \$1,143,800  
Open Space Acquisitions (Trails & Natural Areas Fund) - \$997,000  
Flatiron Meadows Neighborhood Park (Parks Improvement Impact Fund) - \$890,000  
Windy Gap Firing Project (Water Fund) - \$598,100  
Prince Lake #2 Improvements (Storm Drainage Impact Fund) - \$578,000

**Debt Service & Cost of Issuance** – The \$4,616,400 increase in debt service reflects the issuance of bonds as part of the March refunding of Water Fund revenue bonds. This amount is offset in bond proceed revenues.

**Transfers Out** – The transfer to the Housing Authority was increased \$52,900 related to the sale to Brothers Redevelopment. This amount is more than offset with \$105,000 in additional revenues. Not reflected in the supplemental appropriation is repayment of the \$170,000 advance from the General Fund to the housing authority since this repayment is not reported as revenue.

**Summary – Fund Balance Rollforward:**

The final schedule in the packet presents changes in fund balance or working capital for each fund, reflecting the original 2017 budget as revised. This schedule also reflects final 2016 year-end beginning fund balances or working capital for each fund.

Please feel free to contact me with any questions you may have regarding this information.

## 2017 1st Supplemental - Summary of Changes by Fund:

	Revenues & Other Sources	Expenditures & Other Uses				Total Expenditures	Change in Fund Balance
		New Requests	Rollovers	Previously Approved by the Board	Transfers		
General Fund	1,560,500	157,500	385,800	382,600	-	925,900	634,600
Water Fund	6,441,500	30,800	15,866,600	4,618,800	-	20,516,200	(14,074,700)
Wastewater Fund	800,000	21,100	3,949,700	-	-	3,970,800	(3,170,800)
Storm Drainage Operating Fund	-	-	663,600	-	-	663,600	(663,600)
Airport Fund	425,300	-	447,700	-	-	447,700	(22,400)
Transportation Impact Fund	138,100	-	2,161,900	-	-	2,161,900	(2,023,800)
Public Facilities Impact Fund	117,300	1,400	356,100	61,000	-	418,500	(301,200)
Parks Improvement Impact Fund	820,200	-	260,900	690,000	-	950,900	(130,700)
Tree Impact Fund	19,500	-	-	48,400	-	48,400	(28,900)
Storm Drainage Impact Fund	79,600	-	4,487,500	-	-	4,487,500	(4,407,900)
Trails & Natural Areas Fund	10,000	14,000	1,224,200	-	-	1,238,200	(1,228,200)
Conservation Trust Fund	-	-	-	-	-	-	-
Cemetery Fund	-	-	-	-	-	-	-
Forfeiture & Seizure Fund	-	-	-	-	-	-	-
Total - All Funds	10,412,000	224,800	29,804,000	5,800,800	-	35,829,600	(25,417,600)







	2017 1st Supplemental - Change Detail:				-	-	-	-			
				Original	New		Board	Transfers/	Total		
	Fund	Account #	Name/Description	Budget	Revenues/ Requests	Rollovers	Approved	Deferrals	Proposed Changes	Amended Budget	Comments
159											
160	Operations Expenditures:										
161											
162	General - LEG	100-10-110-560100-000000	Consultation Services	77,500	-	-	170,000	-	170,000	247,500	Pinyon Environmental Engineering (3/14/17 - 17-105; 5/9/17 - 17-217)
163	General - LEG	100-10-110-575140-000000	Grants to Other Outside Agencies	66,000	5,000	-	20,000	-	25,000	91,000	\$5k for security at farmers market and street fairs
164	General - LEG										\$20k for Fireworks for July 3rd (4/11/17 - 17-148)
165	General - TA	100-20-110-560100-000000	Consultation Services	37,500	5,000	-	-	-	5,000	42,500	Unmanned Aircraft Systems/Drone operator
166	General - TA	100-20-510-530120-000000	Office Supplies	1,900	-	-	-	600	600	2,500	Transfer
167	General - TA	100-20-510-560000-000000	Legal Services	24,000	-	-	-	(6,500)	(6,500)	17,500	Transfer
168	General - TA	100-20-510-560100-000000	Consultation Services	4,000	-	-	-	2,500	2,500	6,500	Transfer
169	General - TA	100-20-510-560340-000000	Printing & Copy Services	3,400	-	-	-	(600)	(600)	2,800	Transfer
170	General - TA	100-20-510-573120-000000	Advertising & Publishing	11,600	-	-	-	4,000	4,000	15,600	Transfer
171	General - TA	100-20-550-520000-000000	Maintenance Contracts	270,000	2,500	-	-	-	2,500	272,500	"Archive Social" - social media archiving and tracking
172	General - TA	100-20-910-560100-000000	Consultation Services	-	-	200,000	-	-	200,000	200,000	I-25 study - \$100k; Bridge study - \$50k; Wayfinding study - \$50k
173	General - P&R	100-50-810-560100-000000	Consultation Services	400	25,000	-	-	-	25,000	25,400	Park & trail user count project
174	General - P&R	100-50-820-570000-201600	Program Operations - Fitness Operations	21,500	2,000	-	-	-	2,000	23,500	Offsetting revenue
175	General - PW	100-70-420-560140-000000	Engineering Services	31,300	-	-	-	(400)	(400)	30,900	Transfer
176	General - PW	100-70-440-520000-000000	Maintenance Contracts	187,700	-	-	-	500	500	188,200	Transfer
177	General - PW	100-70-440-520100-000000	Bldgs/Grounds Maint Services	33,600	1,100	-	-	-	1,100	34,700	Pool repair
178	General - PW	100-70-440-530000-000000	Bldgs/Grounds Maint Supplies	54,400	-	-	-	9,500	9,500	63,900	Transfer
179	General - PW	100-70-440-530160-000000	Tools & Equipment	6,400	-	-	-	(2,500)	(2,500)	3,900	Transfer
180	General - PW	100-70-440-531200-000000	Vandalism Maint Supplies	500	-	-	-	(500)	(500)	-	Transfer
181	General - PW	100-70-440-560100-000000	Consultation Services	5,000	-	-	-	(5,000)	(5,000)	-	Transfer
182	General - PW	100-70-440-573000-000000	Training & Tuition	2,000	-	-	-	(1,000)	(1,000)	1,000	Transfer
183	General - PW	100-70-440-573020-000000	Travel & Conferences	1,200	-	-	-	(1,000)	(1,000)	200	Transfer
184	General - PW	100-70-450-522000-000000	Vehicle Maint Services	26,000	-	-	-	(3,000)	(3,000)	23,000	Transfer
185	General - PW	100-70-450-522000-307420	Vehicle Maint Services - Engineering	1,300	-	-	-	3,000	3,000	4,300	Transfer
186	General - PW	100-70-450-522100-000000	Equipment Maint Services	39,000	-	-	-	(4,000)	(4,000)	35,000	Transfer
187	General - PW	100-70-450-522100-307730	Equipment Maint Services - Collection	800	-	-	-	4,000	4,000	4,800	Transfer
188											
189					40,600	200,000	190,000	(400)	430,200		
190											
191											
192	Water	500-70-110-530100-000000	Office Equipment	-	3,500	-	-	-	3,500	3,500	Rent for utility bill folding machine omitted from original budget
193	Water	500-70-110-560140-000000	Engineering Services	30,000	-	-	-	62,500	62,500	92,500	Transfer
194	Water	500-70-720-573000-000000	Training & Tuition	3,000	-	-	-	(300)	(300)	2,700	Transfer
195	Water	500-70-720-573060-000000	Books, Publications & Reference Materials	300	-	-	-	100	100	400	Transfer
196	Water	500-70-720-573160-000000	Food & Related Services	-	-	-	-	200	200	200	Transfer
197	Water	500-70-740-560140-000000	Engineering Services	18,000	-	-	-	4,500	4,500	22,500	Transfer
198	Water	500-70-770-536060-000000	Distribution Maint Supplies	5,500	-	-	-	(400)	(400)	5,100	Transfer
199	Water	500-70-770-560340-000000	Printing & Copy Services	400	-	-	-	400	400	800	Transfer
200											
201					3,500	-	-	67,000	70,500		
202											
203											
204	Wastewater	510-70-110-530100-000000	Office Equipment	-	-	-	-	3,500	3,500	3,500	Transfer
205	Wastewater	510-70-110-560100-000000	Consultation Services	27,500	-	-	-	(3,700)	(3,700)	23,800	Transfer
206	Wastewater	510-70-110-572100-000000	Property & Liability Insurance	3,200	-	-	-	200	200	3,400	Transfer
207	Wastewater	510-70-750-510300-000000	Utilities - Water Service	10,000	-	-	-	10,000	10,000	20,000	Transfer
208	Wastewater	510-70-750-522100-000000	Equipment Maint Services	-	-	-	-	10,000	10,000	10,000	Transfer
209	Wastewater	510-70-750-530160-000000	Tools & Equipment	15,000	-	-	-	(5,000)	(5,000)	10,000	Transfer



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	<b>2017 1st Supplemental - Change Detail:</b>				-	-	-	-			
				Original	New		Board	Transfers/	Total		
	Fund	Account #	Name/Description	Budget	Revenues/ Requests	Rollovers	Approved	Deferrals	Proposed Changes	Amended Budget	Comments
239											
240	Capital Outlay:										
241											
242	General - P&R	100-50-110-605000-100200	Schofield Farm/Strieby Open Space/Erie Lake Expansion Master Pl	-	-	-	59,900	-	59,900	59,900	Approved 4/25/17 (17-156)
243	General - P&R	100-50-110-605000-100223	Coal Creek Park/Linear Park	-	-	-	132,700	-	132,700	132,700	Approved 4/25/17 (17-157)
244	General - PW	100-70-420-600080-100013	Computer Software - GIS	28,000	-	1,600	-	-	1,600	29,600	Rollover
245	General - PW	100-70-440-605000-100166	Parking Lot Maintenance	-	-	7,000	-	-	7,000	7,000	Rollover
246	General - PW	100-70-440-605000-100171	Security Alarms at LAWSC	8,800	-	200	-	-	200	9,000	Rollover
247	General - PW	100-70-440-605000-100172	Card Access at LAWSC	34,000	-	200	-	-	200	34,200	Rollover
248	General - PW	100-70-710-600190-000000	Other Equipment	-	6,400	-	-	-	6,400	6,400	Handhelds for communications with snow plow crews
249	General - PW	100-70-710-602000-000000	Street Overlay Projects	1,000,000	-	110,600	-	-	110,600	1,110,600	Rollover
250	General - PW	100-70-710-605000-100085	Bridge Maintenance	300,000	-	16,200	-	-	16,200	316,200	Rollover
251	General - PW	100-70-710-605000-100174	Entry Signage	-	-	50,000	-	-	50,000	50,000	Rollover
252	General - CC	100-80-110-600040-000000	Server Equipment	20,000	7,000	-	-	-	7,000	27,000	Emergency server replacement for Police
253	General - CC	100-80-110-600140-000000	Public Safety Equipment	41,000	1,800	-	-	-	1,800	42,800	Rollover
254											
255					15,200	185,800	192,600	-	393,600		
256											
257											
258	Water	500-70-110-600080-100013	Computer Software - GIS	10,000	-	26,100	-	-	26,100	36,100	Rollover from 2016
259	Water	500-70-110-603500-000000	Raw Water Acquisitions	-	-	1,375,000	-	7,625,000	9,000,000	9,000,000	Rollover from 2016; transfer
260	Water	500-70-110-605000-100005	Windy Gap Firing Project	826,100	-	598,100	-	-	598,100	1,424,200	Rollover from 2016
261	Water	500-70-110-605000-100030	SWRF Lagoon Upgrade to Reuse	-	-	110,000	-	-	110,000	110,000	Rollover from 2016
262	Water	500-70-110-605000-100045	Membrane Unit Replacement	-	-	302,200	-	(7,500)	294,700	294,700	Rollover from 2016; transfer
263	Water	500-70-110-605000-100087	Pump Station Upgrades	-	-	149,800	-	-	149,800	149,800	Rollover from 2016
264	Water	500-70-110-605000-100089	Zone 3 Water Tank Site	-	-	248,700	-	(10,800)	237,900	237,900	Rollover from 2016; transfer
265	Water	500-70-110-605000-100090	New Water Supply Reservoir	-	-	1,954,600	-	(1,954,600)	-	-	Rollover - Deferral to future year
266	Water	500-70-110-605000-100091	Austin Avenue Connection	-	-	325,700	-	-	325,700	325,700	Rollover from 2016
267	Water	500-70-110-605000-100135	Zone 3 Waterline Ext. - Phase 1	-	-	4,936,400	-	(2,691,200)	2,245,200	2,245,200	Rollover - Partial deferral to future year
268	Water	500-70-110-605000-100136	Non-Potable Water System Phase 1	-	-	1,487,700	-	-	1,487,700	1,487,700	Rollover from 2016
269	Water	500-70-110-605000-100137	Repair/Upgrade Zone 3/4B 1.5MG Tank	-	-	400	-	-	400	400	Rollover from 2016
270	Water	500-70-110-605000-100138	Zone 2 & 4B Water Tank Site	-	-	337,500	-	-	337,500	337,500	Rollover from 2016
271	Water	500-70-110-605000-100139	SCADA System Master Plan Update	-	-	44,700	-	-	44,700	44,700	Rollover from 2016
272	Water	500-70-110-605000-100140	Xeriscape Landscaping at WTF	-	-	127,800	-	-	127,800	127,800	Rollover from 2016
273	Water	500-70-110-605000-100183	WTF Security Upgrades	-	-	140,000	-	-	140,000	140,000	Rollover from 2016
274	Water	500-70-110-605000-100185	Solids Handling Equipment and Building	62,200	-	3,390,900	-	-	3,390,900	3,453,100	Rollover from 2016
275	Water	500-70-110-605000-100188	Demo Strieby House	-	-	60,000	-	-	60,000	60,000	Rollover from 2016
276	Water	500-70-110-605000-100226	Potable Water Flushing System	100,000	-	-	-	(100,000)	(100,000)	-	Deferral to future year
277	Water	500-70-110-605000-100227	Non-Potable Water System	3,000,000	-	-	-	(1,900,000)	(1,900,000)	1,100,000	Deferral to future year
278	Water	500-70-110-605000-100228	Zone 3 Waterline Ext. - Phase 2	550,000	-	-	-	(550,000)	(550,000)	-	Deferral to future year
279	Water	500-70-110-605000-100230	Zone 4A Water Transmission Pipeline	705,000	-	-	-	(297,900)	(297,900)	407,100	Deferral to future year
280	Water	500-70-110-606000-110500	Reimb. Capital Projects - Compass	-	-	71,000	-	-	71,000	71,000	Rollover from 2016
281	Water	500-70-110-606000-111100	Reimbursable - Morgan Hill	-	-	180,000	-	(180,000)	-	-	Rollover - Deferral to future year
282											
283					-	15,866,600	-	(67,000)	15,799,600		
284											
285											
286	Wastewater	510-70-110-600190-000000	Other Equipment	-	-	40,000	-	-	40,000	40,000	Rollover from 2016
287	Wastewater	510-70-110-600080-100013	Computer Software - GIS	25,000	-	11,100	-	-	11,100	36,100	Rollover from 2016
288	Wastewater	510-70-110-605000-100101	Biosolids Improvements	-	-	3,258,800	-	-	3,258,800	3,258,800	Rollover from 2016
289	Wastewater	510-70-110-605000-100115	Sewer Rehabilitation	70,000	-	329,800	-	-	329,800	399,800	Rollover from 2016



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## Summary - Fund Balance Rollforward - 1st Supplemental

<u>Changes in Fund Balances/Working Capital:</u>	<b>Beginning Balance</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Net Increase/ Decrease</b>	<b>Other Changes</b>	<b>Ending Balance</b>
General Fund	\$ 12,496,076	\$ 22,720,900	\$ 21,875,000	\$ 845,900	\$ 4,657,532	\$ 17,999,508
Trails & Natural Areas Fund	2,664,481	1,151,000	2,642,500	(1,491,500)	-	1,172,981
Conservation Trust Fund	573,076	171,000	151,400	19,600	-	592,676
Cemetery Fund	141,528	15,100	-	15,100	-	156,628
Forfeiture & Seizure Fund	6,263	-	-	-	-	6,263
Total special revenue funds	3,385,348	1,337,100	2,793,900	(1,456,800)	-	1,928,548
Transportation Impact Fund	2,277,924	2,724,300	4,306,900	(1,582,600)	-	695,324
Public Facilities Impact Fund	1,394,642	992,700	587,200	405,500	-	1,800,142
Parks Improvement Impact Fund	2,382,810	2,378,800	4,225,900	(1,847,100)	-	535,710
Tree Impact Fund	353,139	139,700	166,400	(26,700)	-	326,439
Storm Drainage Impact Fund	5,239,185	734,800	5,462,500	(4,727,700)	-	511,485
Total impact fee funds	11,647,700	6,970,300	14,748,900	(7,778,600)	-	3,869,100
Water Fund	28,273,936	25,937,400	36,740,600	(10,803,200)	481,000	17,951,736
Wastewater Fund	15,915,452	7,253,800	8,617,600	(1,363,800)	-	14,551,652
Storm Drainage Operating Fund	1,174,074	817,000	1,431,300	(614,300)	-	559,774
Airport Fund	72,310	722,200	756,800	(34,600)	-	37,710
Total enterprise funds	45,435,772	34,730,400	47,546,300	(12,815,900)	481,000	33,100,872
<b>Totals (for memorandum purposes only)</b>	<b>\$ 72,964,896</b>	<b>\$ 65,758,700</b>	<b>\$ 86,964,100</b>	<b>\$ (21,205,400)</b>	<b>\$ 5,138,532</b>	<b>\$ 56,898,028</b>