



Legislation Details (With Text)

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File created:	3/9/2020	In control:	Citizen's Infrastructure Advisory Board
On agenda:	3/19/2020	Final action:	
Title:	Approve Infrastructure Fund Annual Report		
Attachments:	1. Infrastructure Fund Annual Report Attachment 1, 2. Infrastructure Fund Annual Report Attachment 2, 3. Infrastructure Fund 18-19 PowerPoint Presentation		

Date	Ver.	Action By	Action	Result
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CITIZEN'S INFRASTRUCTURE ADVISORY BOARD REQUEST FOR ACTION

SUBMITTED TO: Chairman and Members of the Board

SUBMITTED BY: Tom Herbel, PE, Director of Public Works

Subject:

Approve Infrastructure Fund Annual Report

Statement of Issue:

The City Charter requires an annual review and performance audit of the Infrastructure Fund, and a report of the findings to the City Council. This provides audited information on Fiscal Year 2018/19.

Funding Source:

Infrastructure Fund No. 314

Recommended Action:

Motion to recommend to City Council approval of the Infrastructure Fund Annual Report.

Alternative Action(s):

Direct staff to modify the Annual Report.

Analysis:

The Infrastructure Fund was established in 2002, by City Charter Section 617. Per Section 617 (a), the originally intended revenue source for the Infrastructure Fund was a planned utility use tax on natural gas purchased to generate electricity. However, this ballot measure failed. So, while the Charter amendment created the fund, it was left with no source of revenue.

Other Charter requirements related to the fund are:

- Revenue placed in the Infrastructure Fund shall not supplant existing infrastructure funding.

- General Fund expenditures for infrastructure improvements and maintenance, subsequent to 2001, shall not be reduced below 15% of general fund revenues based on a five-year rolling average.
- The City Council shall, by ordinance, establish a Citizens Infrastructure Advisory Board to conduct an annual review and performance audit of the Infrastructure Fund and report its findings to the City Council prior to adoption of the following fiscal-year budget.

The single substantial revenue source to the fund is General Fund excess fund balance per the Financial Policy adopted in Fiscal Year 2006/07. The Policy was revised beginning in Fiscal Year 2009/10 to allow for an Economic Uncertainties Reserve commitment. Excerpts addressing the Infrastructure Fund for the previous and current policies are shown in Attachment 1 along with Municipal Charter Section 617.

Revenue - FY 2018/19:

1. There was a General Fund transfer of \$5,258,000 for capital improvements and equipment replacement in FY 2018/19.
2. The fund was reimbursed \$10,116 for traffic signal maintenance at Beachmont Plaza per a development agreement. In addition, \$70 in plans and specs sales was recorded for a total miscellaneous revenue of \$10,186
3. Interest and market adjustments are paid in proportion to the citywide investments and fund balance. For 2017/18 a large market adjustment was made, which resulted in a negative effect on total revenue of -\$28,296. This is essentially a bookkeeping adjustment and the effect was reversed in FY 2018/19 and a total interest and market adjustment of \$294,970 was credited to the fund.

Total Revenue for FY 2018/19 was \$5,563,156.

Revenue Item	Actual
Reimbursements	\$10,186
Interest and Market Adjustments	\$294,970
General Fund Transfer	\$5,258,000
Total Revenue	\$5,563,156

Expenditures - 18/19:

Budgeted expenditures and expenditure adjustments for FY 2018/19 consisted of carry forward projects and carry over encumbrances from 2017/18 and new funds. Where applicable, project sheets from the FY 18/19 Capital Improvement Program (CIP) are included as Attachment 2. Total expenditures for the year were \$4,596,896. Below is a detail of expenditures by business unit.

Project	Spent
31440001 - Infrastructure Projects	\$1,698,535
31440002 - Infrastructure Central Park	\$502,743
31445002 - Worthy Park Phase 1	\$6,667
31445003 - Main Prom P.S. Improvements	\$117,275

31485201 - Infrastructure Engineer Design	\$189,280
31487004 - Police Facility Improvements	\$349,238
31488001 - Heil Pump Station	\$18,307
31490004 - Atlanta Avenue Widening	\$216,674
31490005 - Arterial Rehabilitation 18-19	\$1,498,177
Total	\$4,596,896

Fund Balance

Fund Balance 7/1/18	\$9,146,599
Revenue FY 18/19	\$5,563,156
Expenditures FY 18/19	<u>(\$4,596,896)</u>
Fund Balance 7/1/19	\$10,112,859
Budgeted Revenue FY 19/20	\$4,514,651
Budgeted Expenditures FY 19/20	<u>(\$10,101,568)</u>
Projected Fund Balance 7/1/20	\$4,525,942

Attachment(s):

1. Excerpts from Financial Policies adopted FY 2006/07 and 2009/10
2. Project Sheets
3. Infrastructure Fund 18/19 PowerPoint Presentation