

Mayor and Council Communication

DATE: 09/24/19

M&C FILE NUMBER: M&C 19-0198

LOG NAME: 60IMPACT 2019

SUBJECT

Authorize the Transfer from the Water Impact Fee Fund to the Water and Sewer Fund in the Amount up to \$11,500,000.00 for the Purpose of Paying Debt Associated with Impact Fee-Eligible Projects and Adopt Appropriation Ordinance (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council adopt the attached Appropriation Ordinance increasing estimated receipts and appropriations in the Water Impact Fee Fund in the amount up to \$11,500,000.00 from impact fees for the purpose of transferring to the Water and Sewer Fund to pay for debt associated with impact fee-eligible projects.

DISCUSSION:

This Mayor and Council Communication is to authorize the transfer of impact fees to the Water and Sewer Fund. During the retail cost of service studies for FY2019, it was determined that the use of impact fee revenues could lower the amount of water and sewer service revenue required to balance Fiscal Year 2019 budgeted revenues and expenditures. While Section 35-70.9 (b) of the City Code, "Use of proceeds of impact fee accounts", prohibits the use of impact fees for operating expenses, those proceeds can be used to pay principal and interest on debt associated with projects eligible to be funded by impact fees. This transfer of the total amount up to \$11,500,000.00 from Water Impact Fee revenue to the Water and Sewer Fund will be used to pay principal and interest on existing revenue bonds used to fund impact fee-eligible projects.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and adoption of the attached appropriation ordinance, funds will be available in the current capital budget, as appropriated, in the Water Impact Fee Fund and funds will be available in the current Fiscal Year 2019 operating budget in the Water and Sewer Fund. Prior to an expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

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