



Legislation Text

File #: 1986-2020, **Version:** 1

BACKGROUND: The Finance and Management Department, Office of Construction Management, employs personnel that are engaged in overseeing various construction and building renovation capital projects for the City. The staffing costs for the Office of Construction Management are initially expensed to the General Fund; however, the portion related to managing capital projects is eligible to be capitalized. Doing so is consistent with earlier efforts by the Office of Construction Management to reimburse the General Fund when the General Fund has incurred expenses more appropriate to capital improvement funding. Most recently, Ordinances 2323-2019, and 2744-2019 collectively authorized \$718,000.00 for this purpose. The Office of Construction Management tracks the hours each employee works on individual projects and bills these hours to the associated capital project. This process reimburses the General Fund for the portion of staff time attributable to capital projects.

Emergency action is requested so that reimbursement to the General Fund can occur as quickly as possible. Up-to-date financial posting promotes accurate accounting and financial management.

Fiscal Impact: This ordinance authorizes the City Auditor to encumber \$224,000.00 within the Construction Management Capital Improvement Fund and \$116,000.00 within the Public Safety Capital Fund for the purpose of Office of Construction Management staffing costs. Furthermore, it necessary to certify \$224,000.00 in required funds against the Special Income Tax Fund. This transfer is a temporary funding method. The City will sell notes for bonds to fund this project and will reimburse the Special Income Tax fund accordingly

To amend the 2019 Capital Improvement Budget; to authorize and direct the City Auditor to appropriate and transfer \$224,000.00 from the Special Income Tax Fund to the Construction Management Capital Improvement Fund; to authorize the Finance and Management Director to expend \$224,000.00 from the Construction Management Capital Improvement Fund, to authorize the expenditure of \$116,000.00 from the Public Safety Capital Improvement Fund, to reimburse the General Fund for construction and building renovation expenses incurred by the Office of Construction Management; and to declare an emergency. (\$340,000.00)

WHEREAS, the Office of Construction Management employs personnel engaged in construction and building renovation activities and these costs can be capitalized; and

WHEREAS, it is necessary to authorize this expenditure in order to provide adequate operating resources for the Office of Construction Management; and

WHEREAS, a transfer of funds from the Special Income Tax Fund to the Construction Management Capital Improvement Fund is necessary to fund this project; and

WHEREAS, the City will sell notes or bonds to fund this project and will then reimburse the Special Income Tax fund accordingly; and

WHEREAS, this transfer should be considered a temporary funding method; and

WHEREAS, the City anticipates incurring certain Original Expenditures (as defined in Section 1.150-2(c) of the Treasury Regulations (the "Treasury Regulations") promulgated pursuant to the Internal Revenue Code of 1986, as amended) with respect to the project described in this ordinance (the "Project"); and

WHEREAS, the aggregate principal amount of obligations which the City will issue to finance this purchase is presently expected not to exceed \$224,000.00; and

WHEREAS, it is necessary to amend the 2019 Capital Improvement Budget and to transfer cash between the Special Income Tax Fund 4430 and the Construction Management Capital Improvement Fund 7733 to ensure sufficient funds are available for reimbursement and in the updated project numbers; and

WHEREAS, it is necessary to authorize the expenditure of \$340,000.00, \$224,000 from the Construction Management Capital Improvement fund and \$116,000.00 from the Public Safety Capital Improvement Fund, to reimburse the General Fund for construction and building renovation expenses, and

WHEREAS, an emergency exists in the usual daily operation of the Finance and Management Department, Office of Construction Management, in that it is immediately necessary to authorize the Finance and Management Director to reimburse the General Fund, thereby preserving the public health, peace, property, safety, and welfare; **now, therefore**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the 2019 Capital Improvement Budget be amended as follows:

See Attached File: Ord 1986-2020 Legislation Template.xls

SECTION 2. That the sum of \$224,000.00 be and is hereby appropriated from the unappropriated balance of the Special Income Tax Fund, Fund 4430, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2020 to the City Auditor, Department 2201, Object Class 10 Transfer out Operating.

SECTION 3. That the transfer of \$224,000.00, or so much thereof as may be necessary, is hereby authorized between the Special Income Tax Fund 4430, and the Construction Management Capital Improvement Fund 7733 per the accounting codes in the attachment to this ordinance.

See Attached File: Ord 1986-2020 Legislation Template.xls

SECTION 4. That the sum of \$224,000.00 be and is hereby appropriated from the unappropriated balance of the Construction Management Capital Improvement Fund 7733, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2020 per the account codes in the attachment to this ordinance.

SECTION 5. That the Finance and Management Director is hereby authorized to expend \$224,000.00 from the Construction Management Capital Improvement Fund 7753, or so much thereof as may be necessary, to reimburse the General Fund for construction and building renovation expenses incurred in connection with the capital improvements program.

SECTION 6. That the Finance and Management Director is hereby authorized to expend \$116,000.00 from the Public Safety Capital Improvement Fund 7701, or so much thereof as may be necessary, to reimburse the General Fund for construction and building renovation expenses incurred in connection with the capital improvements program.

SECTION 7. That the expenditure of \$340,000.00, or so much thereof as may be necessary in regard to the action authorized in SECTIONS 5 and 6, be and is hereby authorized and approved as follows:

See Attached File: Ord 1986-2020 Legislation Template.xls

SECTION 8. That upon obtaining other funds for this project for the Department of Finance and Management, the City

Auditor is hereby authorized and directed to repay the Special Income Tax Fund the amount transferred under Section 4 above, and said funds are hereby deemed appropriated for such purpose.

SECTION 9. That the City intends that this ordinance constitute an “official intent” for the purposes of Section 1.150-2 (e) of the Treasury Regulations, and that the City reasonably expects to reimburse itself for certain Original Expenditures incurred with respect to the Project from the proceeds of obligations to be issued by the City in a principal amount currently estimated to be \$224,000.00 (the “Obligations”).

The City intends to make a reimbursement allocation on its books for the Original Expenditures not later than eighteen months following the later to occur of the date of the Original Expenditure to be reimbursed or the date the Project for which such Original Expenditures were made is “placed in service” within the meaning of the Treasury Regulations Section 1.150-2(c). Upon the issuance of the Obligations, the proceeds for such Obligations shall be used to reimburse the fund from which the advance for costs of the Project will be made.

SECTION 10. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 11. That the City Auditor is authorized to make any accounting changes to revise the funding sources for all contracts or contract modifications associated with the ordinance.

SECTION 12. That the City Auditor is hereby authorized to transfer the unencumbered balance in a project account to the unallocated balance account within the same fund upon receipt of certification by the Director of the Department administering said project that the project has been completed and the monies are no longer required for said project.

SECTION 13. That for reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.