

CITY OF BOX ELDER ORDINANCE # 655
TO AMEND THE 2020 BUDGET

BE IT ORDAINED BY THE Common Council of the City of Box Elder as follows:

SECTION 1 – PURPOSE.

Ordinance # 655 is an ordinance amending the adopted 2020 Budget for the City of Box Elder. The Common Council of the City of Box Elder has deemed this ordinance to be reasonable and necessary to make the following changes within the 2020 budget of the City of Box Elder:

FUND 101:

- Update allocations to the revenue and expense accounts for a net revenue increase of \$312,618.08 and expense reduction of \$1,118,792.67.

FUND 211:

- Move all Business Improvement District revenues and expenses accounts to newly created fund 213.
- Update allocations and accounts that create a net expense fund reduction by \$980, 810.50 and a net revenue fund reduction by \$971,000. Updates will result in a revenue budget of \$196,000 and an expense budget of \$119,396.00.
- Move City Hall Series 2016 debt allocations and accounts to Finance in the General fund (101).

FUND 213:

- Create fund 213, “Business Improvement District”, allocating all previously coded Business Improvement District(s) revenues and expenses from fund 211 to the newly created fund 213. Updates will result in a revenue budget of \$965,000 and an expense budget of \$875,000.

FUND 602:

- Create a new revenue account for the long-term debt issued proceeds from the newly created Water Revenue Bond 2020A (\$2,122,030).
- Create a new expense account for the newly created long-term debt, Water Revenue Bond 2020A and allocate principal and interest expense (\$64,289.28).
- Appropriate an adjustment for the pay-off of Rural Development Water Loan #9, for principal and interest, utilizing loan proceeds obtained through the refinancing of Rural Development Water Loan #9 and the creation of Water Revenue Bond 2020A resulting in a net pay-off amount of \$1,495,800.96.
- Appropriate remaining proceeds into the (602) capital construction/improvements account in the amount of \$626,229.04.
- Transfer out of the Water fund (602) \$25,000 to the General fund (101) to pay down the advance the Water fund received from the General fund in fiscal year 2019.
- Update allocations to the revenue and expense accounts to create a net revenue fund increase of \$2,828,607 and net expense fund increase of \$2,041,977.71.

FUND 604:

- Update allocations to the revenue and expense accounts to create a net expense fund reduction by \$578,253.96.

- Create a new expense account and appropriate for the annual long-term debt reserves required for the Wastewater Treatment Plant loans in the amount of \$12,216 for fiscal year 2020.

FUND 612:

- Appropriate budget amounts for the newly created Solid Waste fund (612) for revenue and expense accounts for revenues in the amount of \$355,908 and expense for \$333,582.

FUND 755:

- Appropriate budget amounts for all TIF accounts, resulting in zero net difference to the aggregate of the fund.

SECTION 2 – REALLOCATION OF FUNDS.

These appropriations and adjustments are necessary to correct changes made to the budget throughout the year via Council approval(s). Notably, the refinancing of Rural Development Water Loan #9, the subsequent pay-off of that loan and the issuance of Water Revenue Bond 2020A; the establishment of a Marketing and Events Director position necessitating that all Business Improvement District funds be removed from fund (211), resulting in the creation and the appropriations within fund (213).

In addition, on June 2nd, 2020, Council approved the reduction of fund expenditures related to personnel (7.5 FTE's), capital projects, major equipment, and de minimis expense accounts. Funds impacted include: General fund (101), Promoting the City fund (211), Business Improvement District fund (213), Water fund (602), Sewer fund (604), and Solid Waste (612).

During the evaluation of fund (211) it was determined that the City Hall Series 2016 debt allocations move back to Finance in the General fund (101) due to the reduced revenue streams generated from BBB income resources.

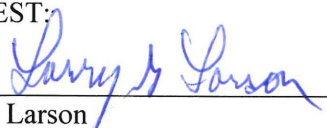
In previous years, unexpected payments have been required to meet the debt obligations of the Wastewater Treatment Plant loans, this requires the creation of an account for long-term debt reserves in the Sewer fund (604) and the appropriations for these unexpected expenses.

Lastly, appropriate expense adjustments to TIF fund (755) expense accounts separating each allocation for interest and principal payments.

NOW THEREFORE BE IT FURTHER ORDAINED by the Common Council of the City of Box Elder that the above budget amendments to the 2020 budget are hereby adopted and the 2020 budget is supplemented as set forth above. This Ordinance shall become effective immediately upon passage in accordance to SDCL § 9-19-13.

Dated this 19th day of August, 2020.

ATTEST:



Larry Larson
Mayor

First Reading: August 18, 2020

CITY OF BOX ELDER

(SEAL)



Nicole Schneider
Chief Financial Officer/City Administrator

Second Reading: N/A

