

City of Fayetteville Staff Review Form

2020-1039

Legistar File ID

12/15/2020

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Paul Becker

11/25/2020

CHIEF FINANCIAL OFFICER (110)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

Administration requests the Council to approve reimbursement to the Recycling and Trash Collection Fund for the historical cost in today's dollars for the property located on Razorback Road and Indian Trails and to approve a budget adjustment. The property was purchased in 1981 for \$71,573.47. The Bureau of Labor Statistics consumer index indicates that the inflation rate between 1981 and now is 2.73% per year. Therefore, the historical cost paid for the property converted to today's dollar would be \$204,700.12.

Budget Impact:

4470.090.8900-5805.00	Sales Tax Capital Improvement
Account Number	Fund
20020	Razorback Land Sale/Purchase U of AR (1421)
Project Number	Project Title
Budgeted Item? No	Current Budget \$ -
	Funds Obligated \$ -
	Current Balance \$ -
Does item have a cost? Yes	Item Cost \$ 204,700.00
Budget Adjustment Attached? Yes	Budget Adjustment \$ 204,700.00
	Remaining Budget \$ -

V20180321

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF DECEMBER 15, 2020

TO: Mayor and City Council

THRU: Mayor: Lioneld Jordon

FROM: Paul Becker, Chief Financial Officer

DATE: November 25, 2020

SUBJECT: To provide for a reimbursement to the Recycling and Trash Collection Fund for the historical cost of the property located on Razorback Road and Indian Trails.

RECOMMENDATION:

The administration requests the Council to approve the reimbursement to the Recycling and Trash Collection Fund for the historical cost in today's dollars for the property purchased in 1981 located on Razorback Road and Indian Trails.

BACKGROUND / DISCUSSION:

The City is currently completing a transaction between the University of Arkansas and the City which exchanges property on the Western Slope of Markham Hill to the City, and transfers ownership of property on Razorback Road and Indian Trails to the University of Arkansas. It is the intent of the City to use the newly acquired property on the western slope of Markham Hill for the preservation of greenspace and tree canopy and the creation of nature and bike trails as described in Resolution 197-20 approved by the City Council.

The property on Razorback Road and Indian Trails was originally purchased for use by the Recycling and Trash Collection Fund but was never used for that purpose. Since the Trash and Recycling Fund is an enterprise fund and the newly acquired property will be used for the purpose aforementioned, which are of a general use purpose, it would be appropriate to reimburse the Recycling and Trash Collection Fund for the historical costs paid as adjusted to today's value in dollars. The property was purchased in 1981 for \$71,573.47. The Bureau of Labor Statistics consumer index indicates that the inflation rate between 1981 and now is 2.73% per year. Therefore, the historical cost paid for the property converted to today's dollars would be \$204,700.12. This request is to reimburse the Recycling and Trash Collection Fund in that amount for the value of the property at the Razorback Road and Indian Trails location and to record the newly acquired property on the Western Slope of Markham Hill to a General Fixed Asset property.

BUDGET/STAFF IMPACT:

This transaction would provide a cash payment of \$204,700.12 from the Sales Tax Capital Fund to the Recycling and Trash Collection Fund and record the Western Slope of Markham Hill property as a General Fixed Asset for the intended uses as described previously.

Attachments:

Staff Review form, Staff Memo, Budget Adjustment