



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** June 26, 2023
SUBJECT: Conduct a public hearing and approve Ordinance No. 3798,
amending the Fiscal Year 2022-2023 Adopted Operating and
Capital Budget
PRESENTER: Trudy J. Lewis, Director of Budget and Research

SUMMARY:

The City Council is requested to conduct a public hearing and receive public comments on proposed amendments to the Fiscal Year 2022-2023 Adopted Operating and Capital Improvement Budget. At the conclusion of the public hearing, Council is requested to consider the approval of Ordinance No. 3798, approving a budget amendment not to exceed \$6,272,606.

GENERAL DESCRIPTION:

The Fiscal Year 2022-2023 Operating and Capital Budget was adopted by the City Council on September 12, 2022 and became effective at the start of the fiscal year on October 1, 2022. This agenda item requests to amend the Utility Operating Fund Budget by \$872,606 and the Aquatic Park Capital Budget by \$5,400,000.

The adopted Utility Fund operating budget includes the cost of the Phase 2 and 3 Walker Calloway Wastewater Pipeline Project with Trinity River Authority (TRA). TRA has received construction bids for the project and the lowest submitted bid exceeds the total budgeted amount by \$1,099,000. The cost of the project is shared between the cities of North Richland Hills and Hurst with the NRH portion of the project being 79.4%, or \$872,606. TRA requests that both cities confirm by June 2023 how they plan to fund the construction shortfall. Options for payment include TRA issuing debt or cash funding from participating cities.

During this fiscal year, TRA submitted prior year water and sewer settle up payments to the city of North Richland Hills totaling \$1,837,830. This unbudgeted revenue exceeds the amount needed to fund the Walker Calloway Phase 2 and 3 construction overage by \$965,224. Utilizing these funds to cover the unbudgeted project cost allows the city to reduce future debt payments including interest cost. Staff recommends amending the Utility Fund Operating budget by \$872,606 to fund the Phase 2 and 3 Walker Calloway Pipeline Project cost overage from prior year settle up payments.



The impact of the amendment on the Fiscal Year 2022-2023 Utility Fund Operating Budget is summarized below:

Fund	Adopted 2022-23	Amendment 06-26-23	Amended 2022-23
Utility Fund Budget	\$41,429,302	872,606	\$42,301,908

The adopted capital budget includes project WP2303 that funded design of a new attraction at the NRH₂O Family Water Park to replace the Green Extreme ride. During the Council Meeting Work Session on May 7, 2023, City Council was briefed on a project analysis report including cost projections for constructing a new ride. This amendment is requested to authorize the funding of construction for this project at an amount not to exceed \$5,400,000. Construction funding would be from debt issued in FY2023-24 that the Aquatic Park will pay for on a 20-year amortized basis. Approval of this amendment would allow a construction contract to be awarded this summer with a goal of completing work by the opening of the 2024 water park season.

The impact of the amendment on the Fiscal Year 2022-2023 Capital Budget is summarized below.

Category	Adopted 2022-23	Amendment 6.26.23	Amended 2022-23
Street & Sidewalk Capital Projects	\$8,095,550		\$8,095,550
Drainage Capital Projects	\$2,237,000		\$2,237,000
Utility Capital Projects	\$12,465,500		\$12,456,500
Parks & Recreation Capital Projects	\$861,689		\$972,305
Aquatic Park Capital Projects	\$385,000	\$5,400,000	\$5,785,000
Facility Capital Projects	\$1,904,325		\$1,904,325
Major Capital Equipment Projects	\$1,782,250		\$1,782,250
Economic Development Projects	\$290,291		\$290,291
CIP Personnel	\$0		\$0
Other Capital Projects	\$70,970		\$70,970

At the conclusion of the public hearing, staff requests that the City Council consider Ordinance No. 3798, amending the Fiscal Year 2022-2023 Operating and Capital Budget. A notice of public hearing was posted in the Star Telegram on June 6, 2023 and is included as Attachment B to this item.



RECOMMENDATION:

Approve Ordinance No. 3798.