



## CITY COUNCIL MEMORANDUM

**FROM:** The Office of the City Manager **DATE:** January 23, 2023

**SUBJECT:** Conduct a public hearing and approve Ordinance No. 3776, amending the Fiscal Year 2022-2023 Adopted Capital Improvement 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 Capital Improvement Budget. At the conclusion of the public hearing, Council is requested to consider the approval of Ordinance No. 3776, approving the proposed budget amendment not to exceed \$1,150,000.

### **GENERAL DESCRIPTION:**

The Fiscal Year 2022-2023 Capital Improvement 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. City Council is being requested to consider two changes to the CIP budget which authorize the addition of one new project and add needed funds to an existing project.

The city has been notified that a grant application submitted to the Highway Safety Improvement Program (HSIP) for intersection improvements at Rufe Snow/Starnes and Smithfield/Starnes is being approved. The program grants funds to pay the full cost of construction, which is estimated to be \$833,6165. The city is responsible for initiating the design for the project and in order to meet the overall project timeline, it is necessary for the city to allocate \$150,000 in design funds at this time. Funds are available in the Street Capital Improvement Program Fund reserves for this expense. The creation of this project (ST2306) would amend the adopted FY2022-2023 budget by a total of \$150,000 for design costs for the HSIP Project.

City Council approved capital improvement project ST2101 for Iron Horse Blvd East improvements with the FY 2020-21 Adopted Capital Budget. This project is part of the 2020 Bond Program approved by voters in November 2020. The Iron Horse East Reconstruction Project was awarded a grant from the Economic Development Administration (EDA) under the Federal CARES Act on March 11, 2021. The grant is an



80% (Federal) and 20% (Local) share in costs with the maximum federal contribution of \$4,220,000 for engineering and construction. The city is responsible for 100% of any cost overages. Funding for this project was included in the adopted Capital Projects Budget, but project costs have proven higher than originally anticipated due to increases in materials and construction costs. The lowest construction bid received for the project is \$1,260,323 over the adopted construction budget. Staff has identified \$333,692 in savings from the design portion of the project that can be transferred to the construction costs to reduce the overage to \$926,031. Additional funding is available to address the deficit in this project by utilizing \$1,000,000 in funding from the 2020 Bond Program to address the overage and provide \$73,969 as an additional contingency due to the high project cost. The additional funds in this project (ST2101) would amend the adopted FY2022-2023 budget by a total of \$1,000,000 for construction costs for the Iron Horse Blvd East Project.

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

Category	Adopted 2022-23	Amendment 1.23.23	Amended 2022-23
Street & Sidewalk Capital Projects	\$6,945,550	\$1,150,000	\$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		\$861,689
Aquatic Park Capital Projects	\$385,000		\$385,000
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 City Council consider Ordinance No. 3776, amending the Fiscal Year 2022-2023 Budget. A notice of public hearing was posted in the Star Telegram on Wednesday, January 11, 2023 and is included as Attachment D to this item.

**RECOMMENDATION:**

Approve Ordinance No. 3776.