



## AGENDA MEMORANDUM

First Reading item for the City Council Meeting of October 11, 2016  
Second Reading item for the City Council Meeting of October 18, 2016

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**DATE:** September 28, 2016

**TO:** Margie C. Rose, City Manager

**FROM:** Mark Van Vleck, Assistant City Manager  
markvv@cctexas.com  
(361) 826-3082

Amending Fiscal Year 2016 – 2017  
Capital Budget and Capital Improvement Planning Guide

### **CAPTION:**

Ordinance amending the Fiscal Year 2017 Capital Budget and Capital Improvement Planning Guide Adopted by Ordinance No. 030936 to add Project No. E16330 Oso South Area Water Line and Project E16330 Oso South Area Wastewater Line; increasing revenues and expenditure in the amount of \$8,000,000 for Year 1 and \$6,000,000 for Year Two; transferring any remaining funds to be used for comparable utility line projects.

### **PURPOSE:**

The purpose of this Agenda Item is to amend the newly approved Fiscal Year 2017 Capital Budget and Capital Improvement Planning Guide (CIP) to include two utility projects that had been previously removed.

### **BACKGROUND AND FINDINGS:**

The Fiscal Year 2017 CIP was presented in a Public Hearing to the Planning Commission on Wednesday, June 29, 2016. At that meeting the Planning Commission recommended approval of the document based on changes as discussed that evening. On August 3, 2016, the revised and detailed FY 2017 CIP was presented to the Planning Commission as an informational presentation and no additional changes were recommended.

On August 16, 2016, the CIP for Fiscal Year 2017 was presented to the City Council in a Public Hearing. There was discussion on two utility projects to serve the newly annexed Chapman Ranch area and the Ordinance to approve the CIP as presented passed in a 5 to 4 vote.

On August 23, 2016, the FY 2017 CIP was presented for second reading and a motion to amend the ordinance to remove the two items related to water (Oso South Area Water Line) and wastewater (Oso South Area Wastewater Line) projects for the annexed area near Chapman Ranch was approved. The revised CIP ordinance was then unanimously approved.

During the City Council meeting of September 27, 2016, there was a motion of direction from the Council to submit a proposed ordinance to the FY 2017 CIP to include the two utility projects related to the newly annexed area. Upon approval of the Ordinance, Staff will be reviewing two routes, one via FM 2444 and one along SH 286 to provide utility service to the newly annexed area.

As instructed through the Council directive, any funds remaining from these two projects will be used for comparable utility line extension projects.

### **ALTERNATIVES:**

1. Approve the Ordinance as presented.
2. Not approve the Ordinance as presented.

### **OTHER CONSIDERATIONS:**

All future contracts with an aggregate total over \$50,000 will be presented to City Council for approval before work begins.

### **CONFORMITY TO CITY POLICY:**

This item conforms to City Policy and statutes regarding amending the Fiscal Year 2016 – 2017 Capital Budget and Capital Improvement Planning Guide.

### **EMERGENCY / NON-EMERGENCY:**

Not applicable

### **DEPARTMENTAL CLEARANCES:**

Office of Management and Budget

### **FINANCIAL IMPACT:**

| <input type="checkbox"/> Operating | <input type="checkbox"/> Revenue                | <input checked="" type="checkbox"/> Capital | <input type="checkbox"/> Not applicable |               |
|------------------------------------|---|---|---|---------------|
| Fiscal Year<br>2016-2017           | Project to Date<br>Expenditures<br>and Revenues | Current Year                                | Future Years                            | TOTALS        |
| Line Item Budget                   |   | \$206,979,600                               | 221,676,300                             | 428,655,900   |
| Encumbered / Expended<br>Amount    |   |   |   |               |
| This item                          |   | 8,000,000                                   | 6,000,000                               | 14,000,000    |
| BALANCE                            |   | \$214,979,600                               | \$227,676,300                           | \$442,655,900 |

Fund(s): Utility Revenue Funds

**COMMENTS:** Approval of Ordinance will allow staff to begin working on the project and appropriate the funds required.

### **RECOMMENDATION:**

Staff recommends approval of the Ordinance.

### **LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
CIP Project Pages (2)