



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of March 24, 2015
Second Reading Ordinance for the City Council Meeting of March 31, 2015

DATE: February 18, 2015
TO: Ronald L. Olson, City Manager
FROM: Eddie Houlihan, Assistant Director of Management & Budget
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Residential/Local Street Capital Fund for Residential/Local Street Reconstruction

CAPTION:

Ordinance appropriating \$1,000,000 from the Unreserved Fund Balance in the No. 1020 General Fund; transferring to and appropriating in the No. 1042 Street Fund for the residential and local street program; changing the FY 2014-2015 Operating Budget adopted by ordinance No. 030294 to increase appropriations by \$1,000,000 in the No. 1020 General Fund and \$1,000,000 in the No. 1042 Street Fund and to increase revenue by \$1,000,000 in the No. 1042 Street Fund.

PURPOSE:

To establish a Residential/Local Street Capital Fund No. 1042 and to establish initial funding in accordance with Resolution 030265 Amending Financial Budgetary Policies Adopted by Resolution 029848 and Providing Financial Policy Direction on Preparation of the Annual Budgets, Section 7.

BACKGROUND AND FINDINGS:

Since 2012, the City has been implementing the Street Improvement Plan (SIP) in order to address the condition of city streets. The SIP consists of four areas: Street Preventative Maintenance Program (SPMP), Reconstruction of Arterials and Collectors, Reconstruction of Residential and Local streets, and Policy changes. Of the four sectors, only Reconstruction of Residential and Local streets has not been fully addressed. The primary roadblock to implementation of a Residential/Local Street Reconstruction Program has been a funding source.

During the Fiscal 2014-2015 Budget process, City Council passed Resolution 030265. This Resolution amending the financial budgetary policies, addressed the Residential/Local Street Reconstruction funding problem by establishing a Residential/Local Street Capital Fund and by providing for "seed money" through revenue transfers from the General Fund and from industrial district revenues according to a specific schedule.

The next step in the process outlined in Resolution 030265 is to establish the Residential/Local

Street Capital Fund and to transfer monies from the General Fund in accordance with Section 7 (1) of the Resolution. The attached Ordinance accomplishes that task.

ALTERNATIVES:

None

OTHER CONSIDERATIONS:

Not applicable.

CONFORMITY TO CITY POLICY:

This Ordinance conforms to all City policies.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Street Operations
Legal
Finance

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2014-2015	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item		\$1,000,000	\$2,000,000	\$3,000,000
BALANCE		\$1,000,000		

Fund(s): General Fund 1020, Residential/Local Street Capital Fund 1042

Comments: None

RECOMMENDATION:

Staff recommends approval of the Ordinance.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Resolution 030265