



## AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting of February 22, 2022  
Second Reading Ordinance for the City Council Meeting of March 8, 2022

**DATE:** February 11, 2022

**TO:** Peter Zanoni, City Manager

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### Annual CIP Close-out and Repurposing of Funds

#### **CAPTION:**

Ordinance abandoning one Bond 2012 project and one Bond 2016 project and repurposing excess Bond 2008, Bond 2012, Bond 2016 funds for use on the Residential Street Program; and amending FY 2022 capital budget.

#### **SUMMARY:**

Section 19 of the Financial Budgetary Policies requires City staff to reconcile all capital funds. As a result of this process, \$4,479,295.16 of funding was identified to be repurposed for like projects. City staff is recommending the funds be used for the residential street program – equally divided amongst each of the five City Council districts equating to approximately \$896,000 per district. City staff will recommend a list of projects by district to the City Council members for their review and will bring an amendment to the 5-Year Infrastructure Management Program (IMP) in the relatively near future.

#### **BACKGROUND AND FINDINGS:**

The Capital Improvement Program (CIP) close-out process began in early fall of 2021 as a joint effort with the Finance Department, the Office of Management and Budget, and Engineering Services. The process included the reconciliation of all CIP funds, review and assessment of all CIP encumbrances, and analysis of funds to determine if funds are eligible to be closed.

The process involved reviewing and analyzing 37 General Obligation Bond funds as well as 63 Utility Revenue Bond Funds. Upon completion of the process, \$4,479,295.16 was identified and designated to be repurposed for like projects.

Funds available to be repurposed are as follows:

- \$ 810,208.92 Bond 2008 - All projects are complete
- \$1,769,086.24 Bond 2012 projects – Recommendation to reschedule Twigg Street to long-range CIP due to delay of the Harbor Bridge Project

- \$1,900,000.00 Bond 2016 – Repurpose funding for developer and TXDOT participation projects of which no projects have been identified

There are three projects on North Beach in Bond 2018 that are on-hold due to the Harbor Bridge Project. A recommendation to repurpose those funds will be forthcoming.

Additionally, \$8,000,000.00 in utility revenue bond funds were identified to be repurposed and will be used to decrease the FY 2022 utility revenue bond issuance. The repurposing of these dollars will result in the City’s outstanding utility debt obligation to not increase by \$8,000,000.00; thus, saving money on cost of issuance and interest costs - ultimately minimizing the impact on utility rates and rate payers.

**FINANCIAL IMPACT:**

The fiscal impact for FY 2021-2022 consists of repurposing \$4,479,295.16 in capital budget expenditures for residential street program and lowering the FY 2022 utility revenue bond issuance by \$8,000,000.00.

**FUNDING DETAIL:**

Fund:	Streets Bond 2018 Fund (3556)
Mission Element:	Street Maintenance (051)
Project:	RSRP FY2022 Close-out (22025)
Account:	Construction (550910)
Activity:	22025-3556-EXP
Amount	\$4,479,295.16

**RECOMMENDATION:**

Staff recommends repurposing \$4,479,295.16 of old bond funds for the Residential Street Program equally divided amongst the five City Council districts and approving an amendment to the FY 2021-2022 capital budget for this purpose. City staff will recommend a list of projects by district to the City Council members for their review and will bring an amendment to the 5-Year Infrastructure Management Program (IMP) in the relatively near future.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
Presentation