



AGENDA MEMORANDUM

First Reading Item for the City Council Meeting of September 16, 2014
Second Reading Item for the City Council Meeting of September 23, 2014

DATE: September 5, 2014

TO: Ronald L. Olson, City Manager

THRU: Wes Pierson, Assistant City Manager Business Support Services
WesP@cctexas.com
(361) 826-3082

THRU: Gustavo Gonzalez, P.E., Assistant City Manager, Public Works and Utilities
GustavoGo@cctexas.com
(361) 826-3897

FROM: Valerie H. Gray, P.E., Interim Executive Director, Public Works
ValerieG@cctexas.com
(361) 826-3729

Constance Sanchez, Director Financial Services
ConstanceP@cctexas.com
(361)826-3227

<p style="text-align: center;">Ordinance Amending Fiscal Year 2014 Capital Budget Mary Rhodes Pipeline, Phase 2</p>
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CAPTION:

Ordinance amending the FY 2014 Capital Improvement Budget adopted by Ordinance No. 029916 by accelerating funding for the Mary Rhodes Pipeline Phase 2 in the amount of \$14,000,000 from Fiscal Year 2015 to Fiscal Year 2014; and increasing expenditures in the amount of \$14,000,000.

PURPOSE:

The purpose of this agenda item is to amend the Fiscal Year 2014 Water Capital Improvement Program Budget to accelerate funding for the Mary Rhodes Pipeline Phase 2.

BACKGROUND AND FINDINGS:

Due to the extension of the Fiscal Year from July 2014 to September 2014, funding programmed for construction expenditures in FY 2015 must be moved to FY 2014 to compensate for the expedited construction of the Mary Rhodes Pipeline Phase 2. This item needs to be approved so a wire transfer to the contractor may be completed prior to the fiscal year-end financial deadlines in place to facilitate the migration to the new financial system.

When the Fiscal Year 2014 Water Capital Improvement Program Budget was developed, in Spring 2013, the anticipated construction timeline for the Mary Rhodes Pipeline Phase 2 was approximately three years. During the late stage of the design phase, the project was broken into different segments to allow for multiple contractors to work simultaneously and thus shorten the construction time. Currently, Garney Companies, Inc. of Kansas City Missouri, the contractor working on pipeline segments A, B, and C, has expedited construction and is approximately 8 to 10 percent ahead of schedule. Funds originally programmed to be spent in Fiscal Year 2015 must now be transferred to Fiscal Year 2014 to allow for prompt payment to this contractor in accordance with state law. **This agenda item does not increase the total project budget.**

ALTERNATIVES

1. Approve the Ordinance as presented so payment is possible.
2. Do not approve the ordinance. (Not Recommended)

OTHER CONSIDERATIONS:

Not applicable

CONFORMITY TO CITY POLICY:

Conforms to City Fiscal Policy

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Utilities Department
Finance Department

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year 2013-2014	Project to Date Expenditures	Current Year	Future Years	TOTALS
Line Item Budget		\$52,000,000	\$98,000,000	\$150,000,000
This Item		14,000,000	-14,000,000	14,000,000
Revised Budgeted Amount		\$66,000,000	\$84,000,000	\$150,000,000

Fund(s): Water CIP Mary Rhodes Pipeline, Phase 2 Revenue Bonds

Comments: N/A

RECOMMENDATION:

City Staff recommends approval of the Ordinance as proposed so a wire transfer may be completed prior to the approval of the Fiscal Year 2015 Capital Budget and transition timelines for the new financial system.

LIST OF SUPPORTING DOCUMENTS:

Ordinance