



AGENDA MEMORANDUM

First Reading for the City Council Meeting of April 23, 2013
Second Reading for the City Council Meeting of April 30, 2013

DATE: April 2, 2013
TO: Ronald L. Olson, City Manager
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Authorize the purchase of capital equipment at Corpus Christi International Airport to be funded from the Airport Fund Balance.

CAPTION:

Ordinance appropriating \$125,000 from the Unreserved Fund Balance in Airport Fund No. 4610 for purchase of airport capital equipment; changing the FY 2012-2013 Operating Budget adopted by Ordinance No. 029577 to increase appropriations by \$125,000.

BACKGROUND AND FINDINGS:

Airport staff has identified capital equipment items that are required for optimal operations. Two key pieces of equipment used at the Airport have become inoperable during the course of the fiscal year. The first item, a 1994 JCB backhoe, is used for dirt work and special lift projects. The backhoe has exceeded its useful life and is out of operation at this time. Estimates indicate that it is not economically feasible to repair the equipment. The second item is a 2000 Grove scissor-lift that is integral to daily operations including electrical work, window cleaning and overall facility maintenance. In addition, the replacement of a bat-wing mower deck and a zero-turn mower is essential for maintenance of 2,400 acres of airport property. Also proposed is the purchase of a sand bagging machine that will significantly enhance the Airport's ability to prepare for major weather events. Additional pieces of equipment will be used for safety and security needs and are included. The capital equipment was scheduled for purchase next fiscal year but is recommended for purchase at this time. The accelerated purchase will minimize disruptions in the maintenance schedule and reduce the burden to the proposed FY 13-14 Budget.

As a result of a rebate of \$338,675 to the Airport Fund from excess contribution to the General Liability and Workers Compensation Fund, Airport Staff is recommending use of some of the funds for the identified purpose. The City Council authorized the rebates on March 19, 2013.

ALTERNATIVES:

The only option is to delay the purchase of the capital equipment until after FY 2013-14 Budget is adopted; however the delay would negatively impact operations as the backhoe and scissor-lift are inoperable at this time.

OTHER CONSIDERATIONS:

Not applicable

CONFORMITY TO CITY POLICY:

Funding action is consistent with the City's Financial Policies

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Legal

Financial Services

Management and Budget

FINANCIAL IMPACT: Operating Expense / Revenue

Fiscal Year: 2012-2013	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$7,708,622		\$7,708,622
Encumbered / Expended Amount		0		0
This item		\$125,000		\$125,000
BALANCE		\$7,833,622		\$7,833,622

Fund(s): Airport Fund - 4610

Comments: None.

RECOMMENDATION:

Staff recommends approval of the ordinance as presented.

LIST OF SUPPORTING DOCUMENTS:

Ordinance