



AGENDA MEMORANDUM

1st Reading Ordinance for the City Council Meeting of January 21, 2020
2nd Reading Ordinance for the City Council Meeting of January 28, 2020

DATE: January 7, 2020

TO: Peter Zaroni, City Manager

THRU: Constance P. Sanchez, Chief Financial Officer
constancep@cctexas.com
(361) 826-3189

FROM: Eddie Houlihan, Director of Management & Budget
eddieho@cctexas.com
(361) 826-3792

Kamil Taras, Capital Improvement Program Manager
kamilt@cctexas.com
(361) 826-3242

<p style="text-align: center;"><u>Appropriate Fund Proceeds</u> Fiscal Year 2019 - 2020</p>
--

CAPTION:

Ordinance to appropriate (a) \$148,509.14 interest earnings from Airport CIP Funds for City's match for future FAA Grant Projects; (b) \$3,119,110.54 interest earnings from Bond Proceeds for Public Health and Safety, Public Facilities, Parks and Recreation, and Street bond projects; (c) \$3,553,010.17 interest earnings from Utility Revenue Bond Funds for Utility projects (d) \$359,757.13 interest earnings from Specialty Bond Funds including Texas Military Preparedness Commission, Public Property Finance Contractual Obligations, Seawall, Type B Streets and Packery Channel for approved specialty projects; and (e) \$955,002.37 in other unappropriated funds including street assessments, street closure fees and Federal Government reimbursements for Streets and Utilities projects; changing the FY 2020 Capital Improvement Budget adopted by Ordinance No. 031870 to increase expenditures accordingly.

SUMMARY:

Appropriating capital proceeds accrued from July 1, 2018 through September 30, 2019, makes these funds available for approved capital projects within their respective department.

BACKGROUND AND FINDINGS:

This agenda item is a routine practice to efficiently manage City finances and provides additional funds which can be used for approved projects within the funds. It also facilitates the closure of older funds to comply with arbitrage regulations and is a responsible fiduciary practice for governmental accounting. These unappropriated capital revenues come from a variety of sources including interest earnings, miscellaneous revenues collected, and reimbursements.

ALTERNATIVES:

The alternative to would be to not approve the appropriation, which would result in additional debt needs. Additionally, based on review of best practices from across the state we will be recommending in the next budget cycle an addition of annual interest appropriation to the financial policies.

FINANCIAL IMPACT:

This item will appropriate \$148,509.14 to Airport CIP Funds, \$3,119,110.54 to Bond Proceeds Funds, \$3,553,010.17 to Utility Revenue Bond Funds, \$359,757.13 to Specialty Bond Funds and \$955,002.37 in other CIP funds from interest earnings and other unappropriated earnings. These funds will be used for the following purposes: City's match for future FAA Grant Projects, Bayfront, Public Facilities, Fire, Police, Public Health and Safety, Sanitary Landfill, Library, Convention Center, Parks, Streets, and Utilities projects and contingencies.

FUNDING DETAIL:

Please reference Attachment 1

RECOMMENDATION:

Staff recommends approval of this item.

LIST OF SUPPORTING DOCUMENTS:

Attachment 1
Ordinance